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Royaume du Maroc

THE NEW DEVELOPMENT MODEL

*Releasing energies and regaining trust
to accelerate the march of progress and prosperity for all*

GENERAL REPORT



APRIL 2021

اللجنة الخاصة بالنموذج التنموي
ⵏⴳⴷⴰⵏⵜ ⵏ ⵍⴰⴳⴷⴰⵢⵜ
LA COMMISSION SPÉCIALE SUR LE MODÈLE DE DÉVELOPPEMENT



**HIS MAJESTY THE KING MOHAMMED VI
MAY GOD ASSIST HIM**

EXCERPTS FROM SPEECHES DELIVERED BY HIS MAJESTY

« ...Although Morocco has accomplished tangible and globally recognized progress, our National Development Model still fails to satisfy the urgent demands and needs of its citizens, to reduce the gap between social classes and regions and to achieve social justice.

In this regard, We invite the Government, Parliament and all institutions and bodies concerned to reconsider, in their respective fields of expertise, our development model in order to align it with the changes our country is undergoing... »

Excerpt from the Speech delivered by His Majesty the King Mohammed VI at the opening of the first session of the second year of the 10th legislature – 13th October 2017

« ...Last year I called for reassessing the national development model and for preparing a new approach focused on the needs of citizens, and tailored to reduce existing gaps and inequalities, strengthening social and regional justice and in the light of changes in the national and international environment.

Therefore, We decided to task an ad hoc mission to collect, arrange and structure all contributions and to draw conclusions in the framework of a strategic and global integrated vision.

This commission shall submit to Our High Approval the said New Development Model, specifying set objectives, introducing the selected change drivers and the implementation mechanisms... ».

**Excerpt from the address delivered by His Majesty the King Mohammed VI
Opening of the first session of the 3rd year of the 10th legislature – 12th October 2018**

« ... We expect this Commission to fulfil its mandate impartially and objectively by bringing to Our attention a realistic report on the current situation in our country, as painful and harsh as it may be. It shall further be sufficiently forthright and inventive so as to pave the way for tailored solutions.

Rather than opting for a break from the premises of the past, it shall rather set a new milestone in our development process.

It is above all paramount to be audacious, to take initiatives and to abide by a high degree of accountability, for the implementation of the judicious and relevant recommendations that shall be adopted, as hard and painful as they may be... ».

**Excerpt from the speech delivered by His Majesty the King Mohammed VI on Throne Day,
31st July 2019**

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LIST OF ACRONYMS

ACFTA:	African Continental Free Trade Area
ACI :	Aeronautics Crafts Institute
CCE :	Construction and Civil Engineering
CCHR :	The Consultative Council on Human Rights
CDG :	Caisse des Dépôts et de Gestion
CESE :	Economic Social and Environmental Council
CHI :	Compulsory Health Insurance
CMCA :	The Council for The Moroccan Community Abroad
COVID-19:	Coronavirus Disease 2019
CRCE :	Regional Centres for Crafts and Education
CSC:	Crafts and skills cities
CSR :	Corporate Social Responsibility
DDA :	Digital Development Agency
EGTAP :	Enterprises' Action Plan for Growth and Transformation of Enterprises
EMY:	Empowerment of the Moroccan Youth
EPE:	Public Institutions and Enterprises
EU :	European Union
FTA :	Free Trade Agreement
FUITR :	Fund for Urban and Inter-urban Transports Reform
GDP :	Gross Domestic Product
GPHS:	General Population and Housing Census
HCP:	High Commission for Planning
HM:	Health Ministry
HSET :	Higher School for Education and Training
IDLM :	Multi-dimensional Local Development Index
IGA :	Income Generating Activity
LAAP:	Local Authorities Action Plan
LOLF :	Organic Law on Finance Law
MAAIA:	The Moroccan Aeronautics and Aerospace Industry Association
MDM:	Moroccans Of the World
MEDAR :	Medical Assistance Regime
MEFRA :	Ministry of Economy, Finance and the Reform of Public Administration
MHNS:	The Moroccan Highways National Society
NAER :	The National Agency for Energy Regulation
NAPJC :	National Agency for the Promotion of Employment and Skills Development
NASS :	National Applied Sciences School
NATR :	The National Agency for Telecommunications Regulation
NCHR :	The National Council for Human Rights
NDM:	New Development Model

NEET :	Not in Education, Employment, or Training
NHS :	National Higher School
NIHD :	The National Initiative for Human Development
NOHD :	National Observatory for Human Development
NPIAC :	National Probity Institution for prevention of and fight Against Corruption
NRO:	National Railroads Office
NSDS:	National Sustainable Development Strategy
NTIC :	New Information and Communication Technologies
NWMA :	The National Water Management Agency
OCP:	OCP Group
OECD :	Organization for Economic Cooperation and Development
OFL:	Organic Finance Law
OFPPT :	Vocational Training and Employment Promotion Office
ONEE :	National Power and Drinking Water Office
OSI :	Online Services Index
PDIA :	Iterative Adaptation for Problem Solving
PPP :	Public Private Partnership
R&D :	Research and Development
RAD :	The Regional Authority for Development
RATE :	The Regional Academy for Training and Education
RDP :	Regional Development Plans
RHG:	Regional Healthcare Groups
RIC :	Regional Investment Centre
SCDM :	Special Commission on the Development Model
SDGs :	Sustainable Development Goals
SMEs :	Small and Medium Enterprises
SMIs :	Small and Medium Industries
SSR :	Single Social Registry
TMSA :	Special Tangier Mediterranean Agency
UHC :	Universal Healthcare Coverage
UHC :	University Hospital Centre
UM6P :	Mohammed VI Polytechnic University
UN :	United Nations Organization
UNGS:	United Nations E-Government Survey
UNIDO :	United Nations Industrial Development Organization
VAT :	Value Added Tax
VSM :	Very Small Businesses
VTP :	Abortion
WB:	World Bank
WHO:	World Health Organisation

PREAMBLE

The Nation's development is rooted in a bedrock of symbolic references and occurs over time. As a country with a rich history and a place of crossroads, Morocco has always chosen a path of plurality, inclusion and transmission. Committed to this secular tradition, the nation is determined to achieve civilizational growth in which all dimensions of development - social, economic, political and cultural - are harnessed to promote an ambitious, forward-looking vision that is fueled by a sense of belonging to a single national community.

The Kingdom has made significant progress over the last two decades. These breakthroughs give rise to greater demands and justify new aspirations. In keeping with the spirit of the Constitution, and building on a rich heritage, the national community is yearning for new momentum. It strives to bring together all its components and build a prosperous future based on a strong civic spirit and a sense of solidarity, thus ensuring the well-being of all its citizens.

Its forces are all converging today, centered on the same eagerness and the same desire: to release energies by consolidating citizens' capabilities; to anticipate the world's changes in order to better seize opportunities and reduce risks; to disseminate innovative local initiatives in a country driven by its youth; to protect individual and collective freedoms within a framework of trust and responsibility.

Our country has taken the time to take stock of the situation, to evaluate its strengths and weaknesses, to identify the challenges it faces and the promises it can keep, even before a global health crisis indiscriminately struck the weak and the powerful. In fact, it is not merely addressing this as a temporary crisis, but rather as the revelation of necessary systemic transformations, tied to our territories and our areas of economic, food, energy and digital sovereignty. As has been the case throughout the Kingdom's long-standing history, the time has come to renew the National Compact. One that guarantees both equity and freedom, protection and autonomy, innovation and anchoring, diversity and unity in pursuit of a new ambition. This Compact represents a strong moral, political and symbolic commitment made before His Majesty the King and the entire Nation, and will herald a new chapter in the country's history.

There can be no common future ahead without a common foundation to draw from; there can be no growth without a sense of collective belonging that engages and binds generations, and that mobilizes energies beyond their differences. When Islam is understood and practiced with tolerance and openness, it is a source of strength for the continuation of our national project based on self-esteem and respect for others. In an age of global institutional doubts, identity issues, geopolitical tensions and the emergence of new powers, the Kingdom of Morocco is determined to set its own course for development, driven by the aspirations and expectations of its citizens and heading towards a better world to which it wishes to contribute.

This ambition for the forthcoming decades is rooted in the legacy of the past and the determination of the present. From the recent history of the last two decades, marked by the reform movements of the 2000s and by the constitutional breakthroughs and promises of 2011; from the history of the last century, characterized by the testing and rebuilding of the nation, galvanized by the enthusiasm of independence and reunification, and led by the impetus of the

Revolution of the King and the People; and from the millennia-old history of the Nation. Born from the unique melting pot of Arab-Islamic and Amazigh, African and Saharan-Hassani, Hebrew and Andalusian cultures, this historical Moroccan personality blends continuity and plurality. Home to an enlightened and rooted Islam, fueled by spirituality and respect for others, it proudly bears its uniqueness. This sense of pride in belonging to one of the oldest nations in the world is one of the foundations on which our common future stands.

The monarchy as an institution is an emblem of historical continuity and stability and is the cornerstone of this dynamic construct. It lends the nation the strength and audacity to thrive. The King is the guarantor of the balance between a strong and fair State and a strong and dynamic society. He is the symbol of the leadership required to achieve these great historical ambitions, to oversee their implementation and to ensure their continuity.

Moroccan men and women around the world are the bearers of a living heritage and a memory that is open to the future, and are committed to sowing, nurturing, and fulfilling their dreams, both for themselves and for the sake of history. They pledge that their values, their diversity, and their heritage will continue to be nurtured by their roots; that their aspirations will grow into a rich foliage that breathes life into the world and contributes to the future of humanity; and that their nation will uphold its commitment to peace and shared prosperity.

MANDATE AND APPROACH OF THE SPECIAL COMMISSION ON THE NEW DEVELOPMENT MODEL

His Majesty King Mohammed VI, May God Assist Him, established the Special Commission on the Development Model in november 2019, inaugurating a task of diagnostic and projection intended to be « bold and straightforward » and constantly in the « Nation's Interests ».

The Commission's mandate as a consultative body was to review the state of play of the Kingdom's development and to sketch the guidelines of a new model for development, in order to « allow our country to embrace the future with serenity and self-trust ». In line with His Majesty's Guidelines, the Commission's mandate calls for a review that is i) strategic, focusing on identifying and resolving systemic problems, which precisely originated the exhaustion of the development model; ii) global and integrated, apprehending development through its various dimensions (institutional, economic, social, regional and environmental), in coherence with the principles and values proposed by the Constitution of the Kingdom; iii) prospective, taking stock of mid-long-term evolutions of the national and international contexts; and finally, iv), citizen-centered, in coherence with the country's reality, its potential and particularities and available in a concrete manner «by specifying the objectives set, the levers for change proposed and the implementation mechanisms adopted». In short, the model must be «a new approach, centered on meeting the needs of citizens».

Both honoured by the trust displayed by the Sovereign and the size of the task assigned, this Commission embraced its mission with devotion. In an attempt to respond to his Majesty's expectations, it gathered its best individual and collective capacities, enthusiastically and patriotically. It strove to gather all achievements and assets of the country in their complexity and diversity, but also any difficulties encountered on their path towards development, namely through the eyes and aspirations of their citizens. It further attempted to reposition all national evolutions into a deeply changing global context, marked by uncertainty, and offering new opportunities.

The members of the Commission decided to start from scratch to shape this new and a unique development model: by a large scale listening and consulting country wide campaign, deeply rooted in the firm conviction that technical solutions to objective problems are insufficient to knit up a genuine social fabric, and therefore cannot alone pledge for the commitment of all. Moreover, solutions stemming from the field tend to be of unrivalled creativity and relevance, whenever these find a space to materialize.

« *There are those who have it all and those who own nothing* ». This is the poignant testimony expressed by a young student during a Commission's consultation. A fragment, among many others, of a moving and complex reality, of a country stretched between different kinds of life experiences, opposite pathways. A reality the Commission decided to listen to, with due empathy and benevolence, with the ethical commitment of putting oneself in other people's shoes. In everybody's shoes.

Everywhere, members of the Commission have been listening and taking notes: in the most remote countryside areas or in heart of the cities, in the desert and seaside towns, in schools and universities, amongst the underprivileged and the global elite, among Morocco's oldest and most historical communities and among the elite, among the Nation's elected, representatives of political and economic institutions, administration executives, and representatives of the civil society and enterprises, and among citizens, whether famous or anonymous.

The input from citizens and institutions, whether oral, written or digital have has enriched the Commission's work. This approach took place in three phases, depending on the Commission's work progress : a first phase focused on the general diagnosis, the identification of the concerns and expectations of citizens and stakeholders; a second phase dedicated to the co-construction of solutions and the identification of the levers of change; finally, a third phase dedicated to refining the contours of the new model and taking into account the consequences of the Covid-19 health crisis.

This Report includes this feedback and seeks to give it meaning around a common projection and ambition and a pathway to change, which makes this ambition collective, credible and achievable.

During this process, grievances were formulated bluntly, and unanimity prevailed in the intention of seizing such unprecedented opportunity to build a new together, under the leadership of his Majesty the King, an open and strongly plural society, made up of women and men worthy and responsible, who will form a Nation around a strong and fair State.

The long and rich history of the Kingdom is paved with moments of renewal, building on its ancestral existence, institutional robustness and collective intelligence. From this agility that our country keeps the secret, came along this opportunity in the eyes of all, to trigger a new stage of development for Morocco.

PART I

MOROCCO TODAY AND IN THE FUTURE

- I. CONSULTATIONS, STATE OF PLAY AND DIAGNOSTICS**
- II. FORECASTS AND PROJECTIONS IN THE PERIOD UP TO 2035**
- III. CHANGE IS NECESSARY AND URGENT**

I. CONSULTATIONS, STATE OF PLAY AND DIAGNOSTICS

1. Citizen and institutional perceptions that call for change

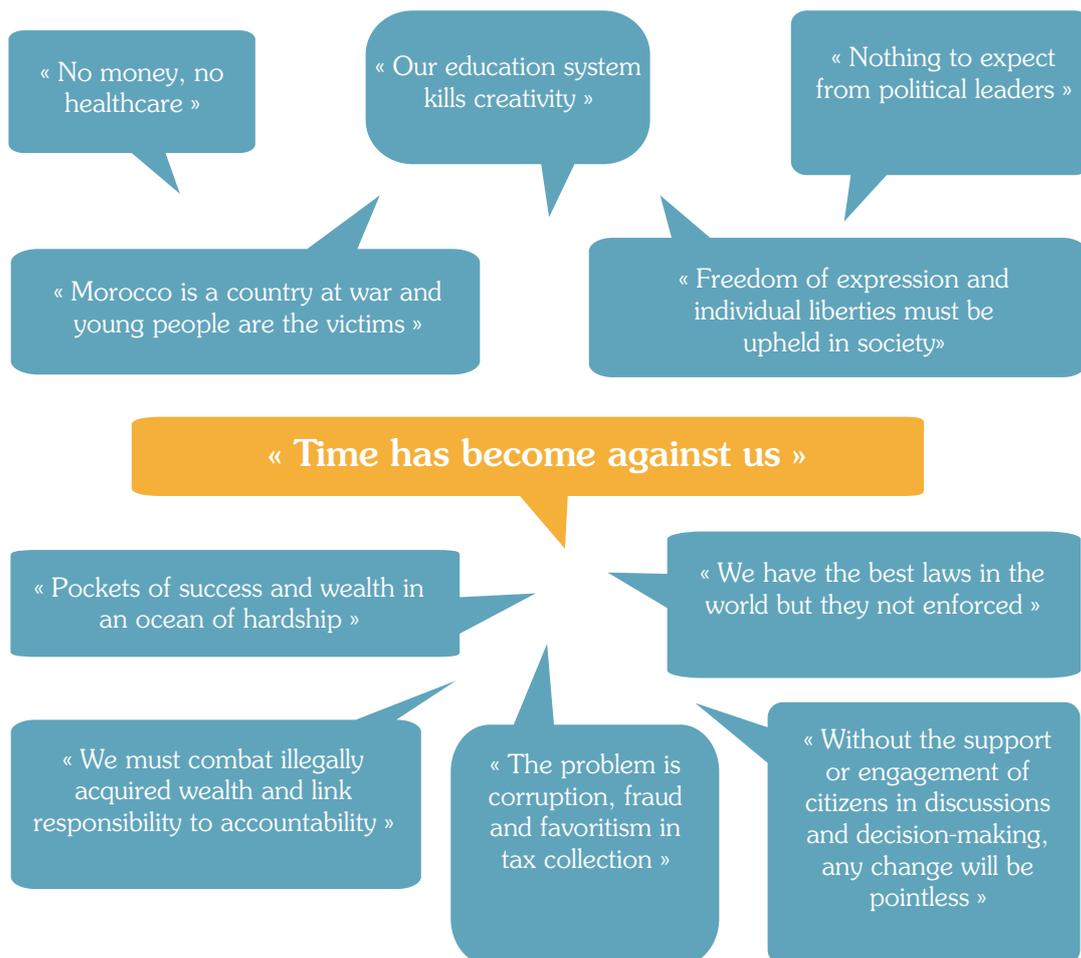
The co-construction approach adopted by the SCDM was implemented from the start of its mission through the opening of consultation spaces to gather the concerns and proposals of citizens and institutional stakeholders. This mechanism spanned all regions of the Kingdom and all sections of society, triggering a national consultation on the issue of development. Citizens, political parties, institutional stakeholders, market players, social partners, representatives of civil society and major organizations were invited to express themselves freely on their evaluation of the constraints hindering development and to share their expectations and recommendations with regard to the New Development Model (NDM).

The participation process proceeded despite the constraints linked to the Covid-19 crisis. The SCDM used its online platform to continue collecting contributions from citizens and held workshops and seminars led by experts on key issues related to the development model. Some of these meetings were broadcasted live on social media. In total, more than 9,700 people interacted directly with the Commission, 1,600 through consultations and hearing sessions and 8,000 through extended consultation mechanisms. In addition, the Commission received more than 6,600 written contributions, 270 of which were forwarded physically, 2,530 on the online platform, and 3,800 from the call for contributions from students, high school students and prison inmates.

This participatory approach enabled the SCDM to inventorize the state of development in the country, as perceived by its citizens and stakeholders, highlighting achievements, expectations, and aspirations. The recognition of the Kingdom's assets and potential was a common theme in the various consultations. At the top of the list of these assets, there was a general consensus around the monarchy as a symbol of the Nation's unity, guarantor of the durability and continuity of the State and supreme arbiter between its institutions. This consensus reinforces the stability and security enjoyed by the Kingdom and its ability to manage its affairs over the long term. Among the assets highlighted by the participants were its broad and diversified intangible capital, its distinctive natural capital, and its infrastructures that meet international standards and its positive and credible image with the international community, as well as the progress made by the Kingdom in terms of democratic transition.

While highlighting different achievements, the consultations also reveal fears about the future, mainly triggered by the perceived breakdown of social cohesion and the loss of trust in the ability of public institutions to protect the general interest. Participants from all sections of the Moroccan society expressed their concerns, which were amplified by a feeling of economic, social and judicial insecurity. Two points stand out: i) the non-inclusive nature of the current model, as evidenced by the deepening inequalities and the risks of a decline in the social status of the middle class; and ii) the loss of trust in public policies against the backdrop of a decrease in the quality of public services and a lack of ethics and probity on the part of those authorities that manage public affairs. This mistrust was also expressed with regard to the political and economic elites and to wealthy social strata that were perceived as beneficiaries of undue privileges and who had little concern for the general interest. The majority of the citizens consulted regretted the lack of effective controls over economic activity and the absence of a system of universal social protection.

Box 1: Some verbatim statements from citizens that reveal a climate of dissatisfaction and loss of trust





The participants in the consultations with citizens agree that the country has made significant progress and has posted major gains over the last two decades, but that these have not prevented the increase of inequalities and the deterioration of public services. The unequal distribution of the development effort over the territory, under the combined effect of the lack of resources and malfunctions in public action fuels the feeling that communities and regions are unfairly treated and deepens the divide between «those who have everything and those who have nothing». The exclusion of regions, the discrimination in rural areas, the impoverishment of the middle class and the widespread perception that social mobility is at a standstill were the grievances systematically expressed during citizen consultations. Demands for equal access to public services were regularly voiced during the consultations. The shared conviction is that the administration, public institutions, and public services, particularly education and training and health services, no longer play their role as integrators, generating deep frustration and fuelling a loss of trust in public action and in the State.

The institutional stakeholders agree on the democratic advances and the many achievements that Morocco can be proud of. However, they underline the discrepancy between the spirit of the Constitution and the promises it holds, and the reality of the exercise of powers, freedoms and prerogatives. This mismatch prevents constitutional institutions and regulators from playing their full role. Moreover, these stakeholders believe that the lack of clarity in decision-making procedures leads to an uncertain political environment and fuels the growing mistrust of citizens towards institutions, as indicated by the rate of participation in legislative or regional elections. The 31 parties consulted diverge on the causes of these phenomena, but they all recognize the need to rethink the development model and to accelerate the pace of reform. Some institutional stakeholders also call for greater protection of public and individual rights and freedoms.

Economic stakeholders and social partners are concerned about the spread of the informal economy, which for the former «harms the competitiveness of enterprises» and for the latter «prevents the protection of workers». In addition, economic stakeholders are concerned about their tense relations with the administration and the lack of transparency of economic rules of the game, citing the system of incentives deemed discriminatory and benefiting some sectors to the detriment of others. The trade union organizations regret the precarious conditions of workers and the little commitment on the part of other stakeholders to engage in a social dialogue.

With regard to the administration, the latter is aware of the deterioration of its image among Moroccans, which is reflected in the lack of trust in it by citizens and operators. The administration officials interviewed regretted the weakness of human resources and the orders to implement public policies, without these being backed by adequate resources. They point out the lack of a spirit of initiative among civil servants and officials, which is related to the current system of managing human resources, which is based more on seniority and compliance than on work performance. They think that taking the initiative could expose them to sanctions in a culture that does not recognize the right to make mistakes.



In the regions, the consultations revealed greater concerns: i) the profound unease of the inhabitants of small towns and those in rural areas, with a growing feeling of social downgrading and exclusion; and; ii) the lack of autonomy and resources that hamper regional action and prevent the emergence, at local level, of a virtuous development dynamic.

Besides the loss of trust, the consultations held reveal deep frustration within the overall yet positive development process in Morocco, which remains below its potential. Given its assets, whether its history, its men and women, its youth, its natural wealth, its rich and diversified cultural heritage and its geostrategic position at the crossroads of continents, all the stakeholders are convinced that Morocco has the potential to be a much more developed nation.

It should be stressed that while dissatisfaction, frustration and concerns maintain some confusion, it does not descend into despair: rather, it expresses the impatience to achieve a higher and more inclusive level of development that everyone feels is fully achievable. Consultations with citizens did not revealed an amorphous society, but rather strong criticism of the slow process of development and the deepening of inequalities. Citizens therefore express a strong desire for change towards greater freedom of action, participation and equal opportunities.

The visits that the SCDM made locally also highlight successful local projects led by public, private or tertiary sector stakeholders or by citizens. These “emerging” projects, which are very diverse in nature, demonstrate the ability of Moroccans to innovate and to find adapted and creative responses to problems as soon as certain conditions that unleash the energies of the stakeholders are met.



Box 2 – Some examples of emerging projects

Numerous innovative and high-impact projects were presented to the SCDM during its consultations and field visits. These projects, led by local stakeholders, in response to local problems, have the potential to be extended, duplicated or deployed in other regions and sectors. In this respect, they are «emerging» project based on a «bottom-up» approach and are supported by the communities. The following are a few examples that underline the ability of local stakeholders and communities to design creative and effective solutions adapted to their needs:

The Mahir Centre: The Mahir Centre is an institute established in 2019 by the Mohammed VI Polytechnic University in Benguerir, and visited by the SCDM in December 2019. This centre aims to facilitate the participation of young people in the Kingdom's human development process and to create a positive impact. To this end, the centre aims to equip young people with the skills needed to carry out their projects and act as leaders in development. The curriculum lasts 10 months and focuses on culture, communication, research and the development of critical thinking skills to initiate and lead change. The course combines theoretical instruction, fieldwork and innovative project management.

The Institute of Aeronautical Trades: During a visit to the Nouaceur Aeronautical Pole, the CSMD noted that the success of the industry is mainly explained by its ability to harness, train and deliver specialized skills. The Institut des Métiers de l'Aéronautique (IMA), created by the companies operating in the sector (GIMAS) with international support, is concrete example of success, which has enabled Morocco to position itself as a competitive aeronautical base at the gateway to Europe, by putting listening, values and tailor-made training at the heart of its model. Today, the institute represents an example of an effective bridge between vocational training and the business world, with the strong involvement of companies (demand) in the development and management of training content that meets their needs and systematically integrates the beneficiaries (supply). The JAI has trained nearly 8,500 young people since 2011.

TIBU: TIBU is a social enterprise whose mission is to train and integrate disadvantaged and socially excluded young people through sport and personal development. Founded in 2011, TIBU has developed a sustainable economic model that meets a social need through self-generated income and the creation of public and private partnerships. TIBU is the main player in the integration and education of young people through sport. Today, TIBU manages 19 centres in Morocco; spread over 14 cities in 8 regions. This social enterprise aims to cover the 12 regions of the Kingdom, to support the national strategy in Africa by diplomacy through sport and thus to become « the engine of sport for development in Africa by 2030 ».



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2. A retrospective of the development process in Morocco

The feedback received from the citizens and institutional stakeholders consulted must be placed in their historical context. Morocco's development trajectory over the last few decades reveals real progress in many areas, but slow implementation of several major reforms, often hampered by operational constraints. These constraints have made it difficult to maintain the momentum of reform and to consolidate the gains necessary for the transition to a new level of development.

From the mid-1990s, the country began a drive for reforms unprecedented in its history. This drive was initiated by political reforms marked by progress on human rights and the preparation of the 1998 alternation of power built on a broad consensus. Upon his accession to the throne in July 1999, His Majesty King Mohammed VI extended and accelerated this momentum of reforms in many areas. The importance given to the regular functioning of political institutions, the credibility of elections, major infrastructure projects, economic modernization and social development programs and the strategic choices made to strengthen Morocco's influence at regional and international level were all positive factors which gave a strong drive to development and generated broad support. This momentum of reforms has given rise to major social transformations, and with them new, more demanding and sophisticated expectations and aspirations on the part of citizens.



Box 3: A momentum of reforms that has helped to drive the development process in the Kingdom during the first decade of the 21st century

Since the early 2000s, Morocco has been engaged in a dynamic of reforms that has opened up broad development prospects for the country. In addition to the national reconciliation process, which has made it possible to repair the collective memory and establish a solid foundation for human rights (CCDH then CNDH), progress has been made in several areas:

At the political level: easing of the political climate, transparency and credibility of the electoral process.

In the economic sphere: Economic modernization (motorways, railways, ports and airport infrastructures, deregulation and privatization, opening up of trade to the outside world, launch of new sectorial strategies: industry, agriculture, tourism, fishing, renewable forms of energy), which has driven growth, the creation of jobs, the emergence of the middle class and the sustainability of macroeconomic fundamentals.

In the social sphere: implementation of ambitious reforms (INDH, AMO, social housing, elimination of slums) and social safety nets (RAMED, Tayssir), which have helped to reduce social deficits: significant reduction of poverty, extension of schooling, electrification and opening up of rural areas, reduction of insalubrious housing.

In the sphere of sustainable development: Launch of several programs on the preservation of biodiversity, water resources and the prevention of pollution as well as climate change.

In the sphere of regional development: The establishment of Regional Investment Centres for the economic revitalization of regions, and the choice of advanced regionalization, enshrined in the 2011 Constitution.

In the societal sphere: Implementation of bold reforms (Moudawana, reform of the Moroccan nationality code, promotion of a specific doctrine of Moroccan Islam, etc.), recognition and institutionalization of cultural plurality (recognition of the Tamazight language and culture).

This drive for reform has lost its momentum, under the effect of several internal and external constraints, economic, political and security. The inability to transform and modernize the economy and to leverage the considerable public investments made, as well as the effects of the international economic and financial crisis of 2008-2009, have contributed to a decline in the socio-economic dynamism shown by Morocco in previous years. Nevertheless, the country has been able to manage the political and social effects of this systemic crisis, which have caused great instability in the southern Mediterranean region,



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thanks to a strong and unprecedented political response, through the drafting of a new avant-garde Constitution that enshrines the advanced democratic principles.

The 2011 reform of the constitution, although it seemed promising, has not been implemented within the expected timeframe and has not been followed up by a comprehensive and integrated response in terms of economic and social development. This is partly explained by the new political context following the implementation of the provisions of the Constitution relating to the formation of a government by the party that wins the elections. While the powers and responsibilities of the government have been greatly extended by the Constitution, successive government coalitions have been marked by recurring tensions and by a political dynamic that is not conducive to the convergence of stakeholders around a vision of economic and social development that places citizens centre stage and that adheres to the spirit of the new Constitution. This situation has contributed to the stalling of the reform process and has led to a profound climate of mistrust against a backdrop of slowing economic growth and deteriorating public services.

In this context of diminishing trust and deepening inequalities, social tensions have emerged, especially in small and medium-sized towns, where community-based intermediation has been eroded. Social networks, which expanded rapidly during this period, have led people to speak up and have provided an additional barometer of the country's economic and social climate. However, this expansion has also provided fertile ground for the dissemination of populist discourse, often fuelled by fake news and carries with it the risk of public opinion being used as a tool if it is not accompanied by an open and quality public debate that prevents misinformation.

The many warnings issued by His Majesty the King in several of his speeches, particularly since 2017, point to the urgent need to act to provide fundamental solutions to the tackle the malfunctions that are undermining the pace of development in our country.

3. A state of play divided between achievements and inadequacies

Despite reforms and public programs in several areas, Morocco has not been able to consolidate its development momentum. Weaknesses are apparent at several levels:

After experiencing fairly vigorous growth rates in the early 2000s, the national economy has seen its ability to create wealth and jobs gradually wane. The rate of growth of the Moroccan economy has thus increased from an annual average of 4.8% over the period 2000-2009 to 3.5% over the period 2010-2019 (2.8% between 2018 and 2019¹ and is characterized by low employment, which makes it impossible to absorb the

1 Data source: High Commission for Planning.



new entrants to the labor market², the majority of whom are young people. The slowdown in economic activity reflects weak productivity gains and the limited diversification of the drivers of growth in different economic sectors and regions. This situation undermines the competitiveness of domestic enterprises, the business climate and has led to distortions generated by the public incentive system, which continues to support traditional or low value-added activities, and to a lesser extent productive and innovative activities and those with a high potential for developing exportable supply with high added value. The result is a slow process of structural transformation of the national economy, as shown by the structure of GDP, which has changed significantly over the last two decades. The positive and promising developments in certain industries, such as in the automotive or aeronautics industries, should be highlighted, but have not yet been sufficiently widespread to bring about a change in the economic structure.

In terms of human capital development, efforts to increase access have made it possible to extend basic schooling and broaden the range of healthcare services. Nevertheless, these efforts have not been accompanied by an improvement in the quality of public education, training and health services: the performances of Moroccan schools remain very low, with two thirds of pupils lacking reading skills at the end of primary school and a very high³ school drop-out rate. University education has also undergone very strong but uncontrolled expansion, marked by a deterioration in supervision and quality, and the maintenance of courses that do not provide training in the skills and needs demanded by the labor market, as shown by the high level of unemployed university graduates compared to courses with regulated access. Higher education lacks scientific research resources and a still limited openness to its socio-professional environment. In the field of health, and despite the expansion of health coverage (AMO, RAMEL), difficulties in accessing the healthcare system persist owing to the low level of budgetary resources allocated to this sector⁴ a rate of medical supervision far below the standards set by the World Health Organization, and the unequal provision of healthcare across the country. Access to healthcare for Moroccans is poor since 38% of the population has no medical coverage and households pay an average of 50% of healthcare expenses.

Despite the positive results achieved by Morocco in the fight against poverty⁵, social inequalities remain at a high level⁶, in a context of low social mobility, lack of inclusion of certain categories of the population, and social protection, which is still in an initial phase. The middle class is facing a decrease in its purchasing power due to the high cost of education and healthcare services contracted from the private sector as an alternative to the low quality of public provision of these services. Large sections of the population, particularly

2 Creation of net jobs decreased from about 144.000 jobs to 69,000 jobs as an annual average between 2000-2009 and 2010-2019 (See MEFRA, based on HCP data).

3 According to data published by the Superior Council of Education, Training and Scientific Research, some 432.000 students dropped out of public school programs in 2018 without obtaining a diploma, of which 78% were in primary and college education programs (See Regional atlas territorial of school drop-out rates, December 2019).

4 About 6% of the total operating budget (average IN THE PERIOD 2014-2019) versus the world standard of 13%.

5 Poverty of income fell sharply from 15.3% to 4.8% respectively between 2001 and 2014. As for multidimensional poverty, it dropped significantly from 24.5% to only 6% between the two periods under consideration.

6 The wealthiest 10% of the population still concentrate 11 times more wealth than the poorest 10% (See HCP).



women⁷ and young people⁸, suffer from low participation and exclusion due to a lack of access to opportunities of empowerment and support. Inequalities are also perpetuated by weak social protection mechanisms and ineffective social safety nets, which do not cover certain vulnerable populations such as people with disabilities.

Socialization and self-fulfillment pathways, particularly through culture and sport, remain difficult to access. Culture and sport have received special attention at the highest level of the State, resulting in the launch of many first-class facilities and strong support for the organization of national and international events. This attention has not been translated into public policy, as can be seen from the shortage of budgetary and human resources dedicated to them. Although the physical infrastructure to host cultural events has been developed, their content and their organization remain limited or they are out of step with the expectations of young people, in particular, making them unattractive. Regarding sport, despite its importance for physical and mental health and its quality as a source of self-fulfillment, sporting activity still remains low in Morocco and has even declined in the school system.

Morocco has undertaken several reforms with a view to laying the foundations for balanced regional development, reflecting the decision to pursue advanced regionalization, through the process of decentralization and devolvement. These reforms have further boosted the dynamics of the regions, but have not succeeded in correcting regional disparities insofar as the national wealth is still owned by a small number of regions. Three regions out of twelve accounted for almost 60% of GDP in 2018⁹ and eight regions out of twelve have a nominal GDP per capita below the national average. Wealth gaps between and within regions largely reflect disparities in terms of allocations of human capital and natural resources. These gaps are compounded by an uneven distribution of economic and social infrastructures and the difficulty of attracting or retaining the skills and talents required. They also reflect the inability to leverage the potential of the regions' potentials due to delays and resistance to the regionalization of economic policies and the transfer to the regions of competences relating to public services. The experience of the southern provinces, which were the first regions to benefit from a specific development model, suggests that it is possible to harness the potential of the regions. The efforts made so far by the public authorities have enabled these provinces to engage in a promising development process, as shown by their dynamic of accelerated convergence towards the SDO targets for 2030, compared to other regions of the Kingdom.

7 The employment rate among women is clearly deteriorating, down from 30% in 1999 to 18.6% in 2019 (See HCP).

8 The number of NEETs (young people neither in employment nor in education or training) reached an alarming level, i.e. 4.3 million young people aged between 15 and 34.

9 See HCP: Regional accounts 2018.



Box 4: Inventory of the implementation of the New Development Model in the southern provinces

In accordance with the instructions of His Majesty the King, the Economic, Social and Environmental Council presented a new development model for the southern provinces in 2013. The implementation of this model was confirmed by the signature, before His Majesty, of program contracts in November 2015 and February 2016.

As many projects are still in progress, it would be premature to assess the implementation of this development plan, especially in terms of its impact on citizens. The meetings and consultations conducted by the SCDM in the three regions of the South demonstrate the broad engagement that this ambitious and innovative program is generating. The regional stakeholders highlight the importance of the planned projects, particularly in the fields of infrastructures, production sectors (agriculture, livestock, fishing, treatment of phosphates, arts and crafts or tourism) or social sectors, particularly education and healthcare, and their positive impact on the achievement of the MDGs.

Moreover, the regional stakeholders mention several pitfalls and blocks that prevent the expected structural transformations from occurring:

- The need to implement effective regionalization (making the regions more accountable by transferring certain responsibilities and mobilizing the region's own resources, contracting, effective devolvement to the Walis, ongoing consultation with regional stakeholders);
- The business environment is not sufficiently attractive (fiscal uncertainty, informal sector) and the private sector is still reluctant come onboard;
- The major interest that should be given to culture, the leveraging of regional potential, the reform of the social safety net system and above all the sustainability of natural resources as major regional challenges.

The field visits organized by the SCDM show the exceptional merit of emerging projects and the positive impact of investment in capacity-building and creation, in living spaces and in the support of young people. Programs, such as those of the Phosboucraa Foundation, reflect this systemic turning point and are a source of local pride and ownership of the new model and could provide valuable inspiration for other regions of the Kingdom and even for other countries.



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The environment, natural resources and biodiversity are under strong pressure as a result of climate change but also due to public policies and sector-based strategies that do not give due regard to the needs of resource sustainability and environmental balance. The little attention given to environmental constraints in projects and public policies has generated strong negative externalities, the cost of which is estimated, according to several national and international assessments, at around 3% of GDP¹⁰. Water security in the country is precarious¹¹. It reflects Morocco's high vulnerability to climate change, but also water usage that does not take into account its water scarcity. Drinking, industrial or irrigation water tariffs do not reflect the real cost of the resource and do not encourage the use of alternative resources. The coastline where most of the country's economic and human activities are concentrated is exposed to extreme climatic risks. Despite the challenges involved, the action taken by Morocco in terms of adaptation remains limited, as testified by the delays in taking environmental impacts into account in public projects and programs, or the embryonic development of the circular economy.

In the light of these trends, it would be difficult to meet our country's commitments under the UN agenda for sustainable development objectives (SDOs) by 2030 without a real change in our country's development trajectory¹². The current pace of implementation of the SDGs makes it difficult to achieve certain objectives. These include, in particular, the reduction of social, regional and gender inequalities¹³, the promotion of economic growth¹⁴ and decent employment, especially for young people and women, the preservation of biodiversity and the fight against the effects of climate change.

4. Recurring blocks and obstacles to development

The weaknesses listed above are well known and have for the most part been the subject of measures, projects or laws aimed at reducing them, without achieving the expected results; particularly in terms of the tangible impact they would have on citizens. Although there are many pockets of success, public action is still marked by low performance. The SCDM believes that the causes behind the under utilization of our country's development potential lie in four systemic blocks. Taken together, and persisting or worsening over the last decade, these blocks have contributed to widening the gap between the promises made by public policy makers and the daily lives of citizens, to furthering the lack of clarity on the course of action needed and the loss of trust in institutions, leading stakeholders to withdraw into personal and individual considerations instead of focusing on collective needs based on clear objectives.

10 World Bank (2017) the cost of damage to the environment in Morocco.

11 Currently 650m³/inhabitant, below the water stress threshold set at 1,000m³/inhabitant (CESE, September 2020).

12 Kingdom of Morocco (2020) : « Voluntary National Review of the Implementation of SDOs ».

13 Inequalities, as measured by the GINI coefficient, would increase slightly from 39.5% in 2019 to 39.6% in 2030, i.e. an increase of 3.6% over the entire period, Ibid.

14 Persistence of weak growth of 3% between 2020 and 2030 (Trend Scenario), Ibid.



Graph 1 : The four main blocks that impeding the momentum for development



Dilution of responsibilities, little consistency, convergence between the action taken by stakeholders and the slow pace of reforms

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The first block relates to the lack of vertical coherence between the development vision and stated public policies, and weak horizontal convergence between those policies. The absence of a comprehensive, long-term strategic vision which is shared and fully endorsed by all public governance stakeholders, and the reforms developed in isolation from others, without any clear benchmarks or references, do not contribute to overall coherence around priorities that are consistent with the actually available resources and the real capacities of the stakeholders concerned.

The little alignment among stakeholders also feeds on the grey areas surrounding the distribution of roles and responsibilities between the strategic and executive levels. Although this division is defined by the Constitution, its practical implementation remains unclear. The lack of clarity in the allocation of roles leads to a certain disempowerment and to a wait-and-see attitude on the part of public decision-makers. The failure to formalize the process of endorsing public policies sometimes gives way to interference or bypassing practices that weaken the credibility of institutions. These practices are most evident when political action is carried out by combinations of factors, that are not based on a shared vision and objectives, generating recurring tensions, sticking points and delays within the governmental majority which are out of step with the urgent needs of citizens and economic operators.

The lack of consistency and convergence is exacerbated by the weakness of mechanisms designed to coordinate public action. In the absence of strong leadership, the effectiveness of inter-ministerial committees varies and in some cases these committees are ineffective and largely function in silos. Coordination is also difficult because of the host of institutions and agencies with similar prerogatives, making the allocation of tasks incomprehensible and diluting responsibilities. This situation is particularly damaging in a context of increasing complexity of development issues, which are more qualitative and crosscutting in nature and require tight coordination.

The second block lies in the slow pace of the structural transformation of the economy, which is hampered by the lack of openness to new, innovative and competitive players. These impediments have to do with non-competitive costs of production factors and an inefficient regulatory system, but also with non-optimized economic incentive mechanisms that reduce risk-taking, feed rent seeking practices in traditional sectors and preserve narrow interests at the expense of public interest.

The stakeholders and experts consulted converge towards the view that the economy is partly gridlocked, favoring vested interests and the continuation of income from investments. The inadequacies in the regulation of certain sectors reinforce oligopolistic positions and anti-competitive practices, making it difficult for new operators to access markets. Entrepreneurs testify that they face indirect barriers such as tight controls or collusion between public and private operators in granting authorizations or in access to land or financial resources. Delays in dealing with situations of abuse of dominant market positions and cartels hamper market transparency and undermine entrepreneurship. The regulatory environment of goods and services markets in Morocco has been under-resourced to offset these practices, in particular with a Competition Council that remained inactive



between 2013 and 2018 and recently encountered internal cohesion difficulties that could test its credibility and its ability to perform its missions.

The public system of incentives contributes to maintaining the preference of economic operators for income-generating and protected activities. It does not yet sufficiently encourage innovative activities that create more value, nor SMEs based in the regions. Public incentives, in the form of direct and indirect budgetary support and tax exemptions still benefit certain traditional sectors with low economic and social¹⁵, performance and generate distortions to the detriment of the diversification and upgrading of the fabric of production in order to create jobs and strengthen export capacities. This situation makes it essential to evaluate these general or sector-based incentives in order to assess their efficiency and effectiveness according to defined objectives.

Another factor that limits value creation is the unfair practices of companies that operate partially or totally in the informal sector in order to avoid their legal, fiscal and social obligations. The organized informal economy is a lawless zone where rules do not apply and leave room for interpersonal arrangements and corrupt practices. It destroys value by generating strong economic distortions through the unfair competition it exerts on the formal sector and the loss of tax revenue it induces for public finances. It deprives employees of social protection and in some cases poses serious public health problems through lack of compliance with health standards.

The third block is the limited ability of the public sector to design and implement public policies and provide accessible and quality public services in areas that are essential to the daily life and well-being of citizens. The design of public policies is marked by several limitations: i) Public policy makers are not always informed upstream through an in-depth analyses to support their choices, to correctly assess the costs, benefits and externalities, and to make judicious trade-offs between different options and according to clear objectives; ii) it does not mobilize the participation of all concerned actors concerned, whether public or private, nor that of the territories, with a transversal and systemic approach; iii) public policies do not systematically undergo experimentation priori to their generalization; iv) they do not incorporate an approach to change management and resistance management when they are designed; and v) they are not systematically evaluated during implementation and afterwards in order to readjust choices, report on results and draw useful lessons for subsequent projects.

Moreover, the persistence in the administration of a culture of compliance rather than a culture of leadership and performance leads to a lack of motivation and discourages initiatives and the spontaneous proposal of ideas and projects. The impoverishment of the administration in terms of skills or their low level of engagement has made it almost systematic to call on outside experts to shape strategies and development programs. While this recourse may be useful and relevant, it sometimes results in teams within the administration that have little ownership of the recommended solutions and can therefore be a hindrance to effective implementation.

¹⁵ By way of illustration, the construction and public works sector, despite the substantial increase in public support granted to it and the increase in job creation capacity, was reduced by more than 60,000 jobs between the two periods (see Ministry of the Economy, Finance and Administrative Reform, 2019, p. 3).



During the implementation phase, the deployment of public strategies and policies seems to take place mainly through the allocation of resources and insufficiently through the monitoring of results, overshadowing the concern for impact and performance at an economic, social and environmental level. This deployment is not systematically linked to rigorous monitoring and evaluation system, nor to an approach based on knowledge of the positions of the stakeholders, the management of change and the management of resistance, particularly through proactive communication aimed at the beneficiary populations and public opinion in general. The regionalization of public policies is far from effective, often resulting in centrally designed solutions that do not take sufficient account of regional and local specificities.

The fourth block relates to a sense of insecurity and unpredictability that restricts initiatives because of a gap between certain laws containing «grey areas» and social facts on the ground, because of a justice system that suffers from a lack of trust, and because of red tape and ineffective remedies» which limits both entrepreneurship and the participation of civil society stakeholders as well as the ability to attract and maintain Moroccan skills internationally.

Bureaucratic constraints, complex administrative procedures and the high number of permits required hamper entrepreneurship and initiative taking, given the high administrative and transaction costs they generate. Private initiative is also penalized by the discrepancy between certain procedures and the economic realities¹⁶ and development needs.

The perception of a justice system that is considered inefficient contributes to curbing energies. In spite of the reforms undertaken to guarantee the independence of the judiciary and strengthen its efficiency and reliability, results are slow to emerge: long delays with unpredictability in the judgments made, lack of skills, lack of transparency and unsound ethics and morality. Abusive practices, even if isolated, as well as the vagueness of certain legal texts and the fact that they are out of step with reality and practices, reinforce the perception among of citizens and operators of the risk of insecurity and of the arbitrariness of the judicial system.

Citizen participation remains limited, in spite of the constitutional guarantees in favor of participatory democracy mechanisms. **Participatory channels often remain inactive or difficult to access, fuelling conflicts of legitimacy between political society and civil society** and not which is not conducive to the development of a culture of cooperation and civil society involvement in development. The lack of public debate in a context of poor access to data and information and the weakening quality of the media does not favor the collective ownership of development issues. The ineffectiveness of participatory and inclusive mechanisms weakens the quality of design and implementation of reforms and public policies and does not contribute to the upstream resolution of resistance to change.

¹⁶ Including the length and high cost of procedures for dealing with struggling companies.



Other important issues further undermine the poor performance of public policies: (1) the slowness of the decentralization and devolvement process, which deprives the region of human, technical and financial resources required for more effective implementation that more closely meets the needs of citizens, **(2) the very long lead times in drafting and enforcement of statutory provisions and laws**¹⁷ as well as the frequent lack of prior evaluation¹⁸ contribute to implementation difficulties, and **(3) the under evaluation of public policies**, which does not allow the necessary adjustments to be made and the effectiveness of these policies to be improved through feedback. Some constitutional institutions, such as the Court of Auditors and the Economic, Social and Environmental Council, carry out rigorous evaluations as part of their missions. However, the parliamentary institution, which is the primary custodian of this mission, only participates to a limited extent, given the nature of its interaction with the government majority and because of shortcomings in terms of action levers and in terms of qualified parliamentary staff.

5. Cultural perceptions and change management

The blocks identified above largely derive from the prevalence of inhibitory perceptions that make it difficult to conduct change and contribute to maintaining the status quo. These perceptions, because of the limitations they impose, prevent the mobilization of collective intelligence and are not conducive to the adoption of innovative modes of action or the seizing of opportunities which are sources of value creation and progress.

For example, the perception of systematic control as a mode of administration and decision-making to guarantee order and stability remains deeply rooted, although it is proving to be out of step with the dynamics of society, marked by open access to information and strong aspirations for freedom and initiative. This perception generates inefficiency and a lack of agility, strong resistance to the process of transfer of powers to the regions and ultimately contributes to the disengagement of stakeholders, depriving society of the benefits of collective intelligence.

Another example is the negative perceptions of stakeholders, marked by suspicion, which prevents collective work. The success of the private entrepreneur is instinctively associated more with privileges or corruption than as a result of effort and the taking of risks and initiatives. Similarly, civil society, especially local NGOs, is generally perceived as opportunistic, using social action as a lever for political manipulation or for securing financial aid.

¹⁷ By way of illustration, it took over two years to publish the different articles of the Organic Law on the Regions (See CESE, 2019).

¹⁸ The obligation to accompany any draft law with an impact study (in accordance with Organic Law No. 065-13) is not systematically met. Where the impact study exists, it is not published. Ibid.





Perceptions also weigh on the social sphere and contribute to maintaining a primacy of norms that limit individual fulfillment and prevent empowerment. Women are seen primarily through their role as mothers or wives, while their ability and right to fulfill their ambitions and participate in the creation of wealth are not fully recognized. Young people are seen as a constraint or source of risk and must therefore be placed under supervision. These constraints are at odds with the current context, which is marked by an appetite for freedom and a strong demand for empowerment and recognition.

Shifting these perceptions is a long-term process and requires a change in mindset. It will require a rethinking of educational programs, cultural action, debate and awareness raising as well as the emergence of proven models to encourage change. The few examples listed above also point to the need to systematically integrate the questioning of perceptions into the design and implementation of public policies in order to detect obstacles upstream, innovate the way things are done and ultimately broaden the scope of possibilities.

II. FORECASTS AND PROJECTIONS IN THE PERIOD UP TO 2035

In order to set the goalposts of the national ambition, the Special Commission on the development model based itself on the expectations of citizens as identified in its consultation and listening process, structural changes at national and global level and the referential framework of the Kingdom's Constitution.

1. Citizen expectations and aspirations

During the consultations and field visits Organized by the SCDM, the majority of citizens expressed expectations in the following areas: the quality of public services, access to economic opportunities and employment, and the anchoring of the principles of good governance.

The consulted citizens want better quality public services, to ensure equal opportunities, to strengthen individual capacities and to nurture a sense of civic-mindedness and the common good. There is a strong desire for empowerment, where citizens are able to take charge of their destiny and achieve their full potential. Four key areas polarize citizens' expectations: education, health, transport and opportunities for openness and fulfillment, particularly through culture and sport. These areas must be understood in terms of the quality of the offer and accessibility under favorable conditions.

- **In the field of education**, which is the area where expectations are the highest, the emphasis is on the rehabilitation of state schools, substantially improving the quality of learning and its adaptation to the needs of the labor market, enhancing teachers' pedagogical skills, encouraging knowledge of foreign languages and the creation of an efficient guidance system to optimize the chances of success at school ;
- **In the field of healthcare**, citizens demand quality healthcare accessible and affordable for everyone. Expectations in this area include a substantial increase in the number of medical staff and the fair distribution of health infrastructures throughout the country, to reduce the alarming disparities in this area. There is a broad consensus that health coverage should be extended. Medical coverage is considered to be a fundamental right. All the respondents stress the quality of the services to which this coverage must give access;



- **In the field of transport and mobility**, citizens denounce the poor availability and difficulties of access to transport services. The inhabitants of rural and mountainous areas deplore their isolation, which hinders their ability to develop viable economic activities. Poor connectivity and the low availability of specialized transport (schools, ambulances) further exacerbate the difficulties of access to public services. In urban areas, the low availability of accessible, dense and safe public transport is presented by women and young people in particular as a barrier to their mobility and inclusion;
- **In the field of art and culture and of leisure activities more broadly**, young people in particular call for the enhancement and multiplication of spaces dedicated to cultural and artistic expression, as well as sports infrastructures and activities. Culture accessible to all is considered not only as a source of self-fulfillment but also as a necessary condition for the construction of a democratic society and a harmonious living together that respects the richness and cultural diversity of Morocco. The cultural entrepreneurs interviewed also insisted on the fact that culture can become an important sector for job and wealth creation.

The conducted consultations also reveal a demand for the widening of channels of participation, especially at the local and regional level. Citizens wish to have more opportunities to participate directly in the development of their direct environment, through consultations mechanisms, digital platforms, and accessible mechanisms of recourse, as they call for more consultation and consideration of their proposals in the development of public policies and projects that affect them.



Box 5: Extracts and verbatim statements from the high school students' essay competition on «Morocco of tomorrow» and student consultations Organized by the SCDM

« The development model must be about us young people, as individuals in our own right. The model must allow us to find our dignity, it must empower us, it must give us the tools and allow us to build our own future and the future of this country » *UM6P student, Benguerir, 27th December 2019*

« Morocco where I hope to live is a country that assumes responsibility, shows tenderness, and creates solidarity among its citizens » *Aya, core student, high school essays, April 2020*

« My vision of the future can be summed up in a developed, autonomous Morocco that can offer me and my compatriots living conditions that encourage us to stay; a Morocco where the poor will have as many rights as the rich, a Morocco where I can fully exploit my capacities and my potential » *Dina, high school student*

« How can we build the future of the country if young people in their 20s and 30s are not engaged? They are the ones most concerned by this future and we must include them by asking their opinion » *Student at ENSA, El Jadida, 18th January 2020*

« Invention, creativity, uniqueness and equity are the watchwords for tomorrow's Morocco. A Morocco that will be wise to situate the Moroccan citizen at the heart of its new economic model » *Rania, high school student from Agadir*

« - The Covid-19 crisis has shown that we have good human skills. Our country should continue to train competent doctors and nurses, ready to do anything for their patients, and above all in sufficient numbers to cover all regions and cities of the country. » *Lina, Chefchaouen high school student*

« The new teaching program should enrich the student's knowledge of the various subjects, but also develop his or her communicative and linguistic skills and forge his or her personality. » *Marouane, high school student.*

For Moroccans, the creation of more added value and quality jobs that benefit all the regions is a priority. It is expected that national production will be upgraded, based on research and innovation through bridges between the industrial sector and the scientific research system, and that skills will be improved, including through continuous training within the company. Citizens and economic stakeholders consider it necessary to rely on the potential of the regions as an appropriate space for the emergence of alternative economic models (community enterprise, cooperatives, social and solidarity economy, etc.).



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Citizens and operators wish Morocco to strengthen its ability to produce essential goods. This emerging trend has been exacerbated since the health crisis of the Covid-19. Concerns about sovereignty are aimed at protecting against disruptions in the international economic context, but particularly at preserving the integrity of the internal market in the face of the dynamic of imports and ultimately securing domestic jobs. Citizens consider that encouraging the consumption of «Made in Morocco» products depends on a favorable quality/price ratio.

The citizens consulted want an efficient and effective system of governance with clearly defined roles and responsibilities. Expectations focus on the moralization of public life, the vigorous fight against corruption, against access to undue privileges and against situations of conflict of interest. The correlation between responsibility and accountability is a must for citizens.

There is unanimous agreement on the need for administrative efficiency by simplifying procedures, through greater responsiveness and proximity to citizens and private operators and by improving transparency and general access to data and information, perceived as a guarantee of equitable access to resources and economic opportunities. The digitalization of the administration is seen as a necessary response to improve the quality of the administration's relationship with citizens and operators and its corollary, the restoration of trust.

Moreover, citizens closely correlate development with the observance of political freedoms and the rule of law. They underline their strong attachment to the country and their full desire to contribute to its development, and ask to be more involved in decision-making, through the activation of participatory democracy mechanisms, greater trust of public authorities in civil society and greater participation of young people in public affairs.

2. National and global changes

The design of the new development model takes into account the national and global changes expected to occur between now and 2035 so that Morocco can transform the issues and challenges they raise into development opportunities. On the whole, the changes to come point to increasingly complex development challenges, with regard to the strengthening of interdependence, a world that is increasingly networked with rapid economic and social contagion effects, and also growing technological sophistication in many areas, which is not fully mastered. The changes that are already underway and those to come also give rise to an uncertain world with unpredictable developments, underscoring the need for agility, far removed from dogmatism, and for risk forecast management.

At the national level, our country will have to face profound transformations at several levels that would condition its development trajectory.



In demographic term, the working population¹⁹ is set to grow with more and more young job seekers, thus exerting additional pressure on the labor market. In addition, the Moroccan population is said to be ageing, thus affecting the absorption ability of the health and social protection systems.

In social terms, the increasing openness to the world through the media and social networks brings new expectations and aspirations, particularly in terms of freedom of expression. Finally, sedentary lifestyles, the adoption of consumption patterns that do not respect balanced diets nor ecological balances as well as pollution would create major challenges in terms of health and well-being.

In the regions, the acceleration of urbanization²⁰ and the increased development of economic and human activities along the coastline would accentuate the challenges in terms of urban governance, mobility and spatial planning to meet a growing demand for public services.

In environmental terms, the accentuation of the effects of climate change would create strong constraints on national biodiversity and pressure on natural resources, particularly water²¹, which Morocco could lack by 2030. Climate change could also accentuate the forced displacement of populations from arid rural areas to urban centres, particularly along the coastline.

On a global scale, sweeping changes should accompany the post-Covid-19 world, heralding the emergence of a new world whose modes of operation and regulation would be at odds with those that have prevailed until now. This new world requires an ability for participation and resilience to protect against risks but also to seize opportunities, and great agility to be able to constantly adapt to new international, economic, financial, technological, sanitary and environmental conditions. The review conducted by the SCDM on the challenges of the world to come has enabled us to identify five major trends to be anticipated by our country for the new development model.

In demographic terms, a sharp increase in the world population is expected, driven by the countries of the South, particularly in Africa, and an accentuation of the ageing of the population in the advanced countries, particularly in Europe. These developments would expose Morocco to two phenomena: the increase in immigration from sub-Saharan Africa, in a context of climate change, low growth and underutilization of employment potential in these countries, and the increase in emigration of Moroccans to developed countries, in response to strong demand for talents and skills to offset the ageing of the working population in these countries. The risks for Morocco are very real in the face of two major challenges: the control of migration flows and the retention of skills and talents.

19 The number of people of working age is expected to reach 35.8 million in 2050 versus 24.6 million in 2015 (ONDH, 2019).

20 70% of the Moroccan population are expected to live in urban areas by 2035 versus nearly 63% in 2019 (See HCP Projections based on RGPH, 2014)

21 The risk of sliding towards a water shortage by 2030 (500 m³/h/year) (See CESE, 2020).

A new geographic landscape of world growth is taking shape, with emerging countries, particularly those in Asia, taking precedence. The world economic order could undergo major changes as a result of growing competition between major powers, against a backdrop of weakening multilateralism and protectionist temptations. At the same time, the Covid-19 crisis has led to a shortening of global value chains and their regional refocusing, with the corollary of a slowdown in global long-distance traffic, and the strengthening of regional and local logistics circuits.

The acceleration of technological transformations, notably as a result of the digital transition, should lead to disruptions in production modes. Robotics, automation, networked production where artificial intelligence technologies should greatly reduce the importance of human intervention and labor in many sectors. These trends require countries such as Morocco to place the training of human capital and R&D and innovation among its development priorities, and to accelerate its upgrading in terms of technological infrastructures, in order to strengthen its competitiveness and pursue its development. **The overall competitiveness of the country will essentially depend on the quality of its human capital.**

The world is increasingly exposed to the consequences of climate change on the global balance of ecosystems. Environmental and ecological standards are becoming central to the production of goods and international trade. They require our country to reduce its carbon footprint so as not to be constrained in its exportable supply. This makes it necessary to invest in order to produce according to these new standards, and to turn them into a new comparative advantage and a competitive differentiation factor.

As the awareness of climate issues increases, the global energy landscape is also undergoing a profound reconfiguration, with the significant growth of green energy and the launch of vast renewable energy programs, particularly in Europe through the European Green²². This trend reinforces Morocco's priorities in this field, and calls for consolidating the bet on renewable energies (*See Box 15. NDM Bets for the future - Morocco: A champion of competitive and green energy*) by investing in projects and technological choices adapted and with a strong impact on competitiveness.

Finally, the increased risks of frequent spreads of regional or global pandemics are a new game changer. This reality calls into question the risk management and anticipatory capacities of the national health system and requires greater effectiveness and efficiency to meet the demand for care in both normal and exceptional times. This strengthening concerns the number of healthcare staff, infrastructures, technical and technological systems for risk management and responses as well as drug production ability, and biomedical research.

²² The European Green Deal was launched by the European Commission on 11 December 2019. This pact aims to achieve a climate-neutral bloc by 2050 through a new growth strategy for the European Union.



Beyond strictly health issues, the repeated risks of pandemics as well as their duration's unpredictability also call for revising many sectors' economic models, and a strengthening of sovereignty over essential sectors. Sectors that are heavily dependent on global trade and the flow of goods and people - such as tourism, transport industries and services, and the production and trade of perishable raw materials, mainly agricultural - are highly exposed to major disruptions in the event of exceptional phenomena. Pandemic risks call for these sectors to move towards more agile economic models, and to diversify their markets, allowing a certain resilience and less dependence on global flows.

3. The reference framework

The design of the new development model draws on the Constitution as its reference point and is based on the premise that development must reflect the aspirations of Moroccans.

The Constitution, endorsed by the vast majority of Moroccans, is the unifying and federating reference framework of the new development model. It enshrines the «irreversible choice to build a democratic state governed by the rule of law» and the «attachment to human rights». The spirit of the Constitution and the principles and values it embodies are fully integrated into the design of the new development model. Thus, solidarity, equal opportunities, social justice, freedoms, sustainability, participation and the correlation between rights and duties are the foundations of the model.

The new development model is in line with the Constitution and draws on it as a normative framework to translate its principles into development levers and its values into methods of action. In particular, the new development model advocates a positive implementation of the Constitution, with a view to providing appropriate responses to the blockages and obstacles to development and the difficulties in applying certain principles.

In line with the preamble of the Constitution, it is considered that attachment to a practice of Islam made up of openness, moderation and dialogue is constitutive of the Nation's historical and cultural personality. The Moroccan path to accessing spirituality, its synthetic definition of the religion as faith and as civilization, its consecration of benevolence and harmony, and its practice of consultation and deliberation for the sake of the general interest, make up the Kingdom's singularity.

The Malikite rite, with its own features which distinguishes it from Eastern Malikism, its ability to freely borrow from other schools of interpretation, as well as its firm anchoring and its evolution capacity conferred by the institution of the Commandery of believers, give the Nation the necessary strength and flexibility for its evolution, as the reform of the Moudawana has shown. This is a source of inspiration and a methodological landmark for the New Development Model.



The notion of development is understood, in the new model, as a global and multidimensional process, which goes beyond the sole objective of accumulating material wealth. Development is understood as a virtuous dynamic of wealth creation and human development, which benefits all citizens and takes into account the need to develop and preserve resources for future generations. Moreover, development is part of national history, is understood as a collective path towards a common future, it accompanies social changes, it is also influenced by international variables, as well as, any global issues they may raise.

This conception of development requires a stable and clear political, institutional and legal functioning, and an open and diverse society, which offers each individual the resources and capacities to assert himself, to release his energy, to forge his destiny and choose his path. A complex process, requiring systemic approaches, development in the new model involves a plurality of stakeholders, varied temporalities, multiple norms and parameters, allowing a balanced treatment between multiple priorities that can sometimes be in tension (growth/sustainability, freedom/protection).

III. CHANGE IS NECESSARY AND URGENT

The observations made after listening to citizens and stakeholders underline the urgent need to act to accelerate the transition to a new development model. As the structural and systemic diagnosis shows, the current development path does not fully meet the aspirations of Moroccans and the challenges ahead, insofar as it contributes to fuelling a spiral of mistrust that blocks the creation of value. If it persists, this spiral of mistrust presents high risks for the economic and social stability of the country.

The aspirations of Moroccans reflect the depth and immensity of the task of transformation required to establish a new development model that brings hope and trust in the future: A transformation that not only leads to greater value creation, but also to equitable sharing between all citizens; a transformation that not only leads to more production, but also to a broadening of the stakeholders concerned by such production and balanced relations between the State and society, recognizing the rights and duties of citizens as central tenants. Citizens in demand for quality public services and work opportunities, but also for empowerment and emancipation. So that everyone, in accordance with his or her potential, aspirations and desires, can take an active role in the development of the Nation.

These requirements, expectations and aspirations are within our reach since the potential of the Nation is so important and remains largely unexploited. Mobilizing it requires first and foremost unlocking the systemic blocks and changing the inhibiting perceptions. The next step is to make our scattered islands of excellence the norm rather than an exception, by making the conditions for their emergence, growth and dissemination sustainable. Finally, it resources anticipating and accompanying current and future transformations on a national and international scale and responding to the challenges and questions risen by the Covid-19 crisis.

The Covid-19 crisis is fuelling concern over the future, given the scale of its negative economic and social impacts, particularly in terms of job losses, and further accentuates the need for change. The high economic and social cost of this crisis for our country underscores the urgency of action to address the accumulated deficits in critical areas such as health, education and social protection. This crisis has also revealed the importance of digital technology as a necessary lever for the continuity of public services in the context of a pandemic and for the continued functioning of the economy. The crisis has also highlighted the need for a strong and protective State, capable of addressing the country's health, economic and social vulnerabilities through local management involving all stakeholders.



The efforts made by the public authorities have certainly contributed to mitigating the impact of this crisis. However, the effectiveness of their action cannot avoid long-term structural reforms and new modes of action to strengthen the Kingdom's resilience in the face of major upheavals. While the post-Covid world is still uncertain, it has the potential to bring new economic opportunities, especially internationally, which can be seized by being forward-looking and responsive and agile.

A more complex and unpredictable world, a mature and demanding plural society, a dynamic citizenship, now require a change in our collective mode of action in order to be able to implement the necessary reforms at a sustained pace, overcome the multiple resistances to change and bring out the full potential of our country.

PART II

THE NEW DEVELOPMENT MODEL: MOROCCO IN THE FUTURE

- I. OUR AMBITION FOR MOROCCO IN THE PERIOD UP TO 2035**
- II. A NEW DEVELOPMENT MODEL: DOCTRINE, PRINCIPLES,
COMMITMENTS ON THE PART OF STAKEHOLDERS AND A REFERENCE
FRAMEWORK OF TRUST AND RESPONSABILITY**
- III. STRATEGIC TRANSFORMATION PRIORITY AREAS**

THE NEW DEVELOPMENT MODEL: MOROCCO IN THE FUTURE

The New Development Model proposed by the SCDM consists of three interdependent and complementary components which together form a coherent and integrated system, capable of accelerating Morocco's period of transition leading to new balance that creates more economic, social and institutional value:

- **An ambition** that defines the course and gives direction and mobilizes all the stakeholders around a collective and federative project with clear and achievable objectives.
- **A development frame of reference, a central and transformational element of the new model**, based on a new organizational doctrine around the role of the State and on a clarification of the interactions, principles of action and responsibilities of the stakeholders. This reference framework also includes a strategic steering and change management system to ensure that the implementation is effective and that the action is consistent with the course and objectives.
- **Strategic choices and orientations** to achieve the proposed national ambition, in coherence with the ambition and the new reference framework, in the fields of economy, human capital, inclusion and regional development. Some of the orientations are accompanied by more detailed proposals, presented in Appendix 2 of to this report, and which are intended to serve as a reference framework for the launch of the new model.

Box 6 : A common home, a common purpose

The New Development Model is rooted in the long-term perspective and the historical trajectory of the Moroccan state, which relies on both the distant and the recent past to better understand the present and to look ahead to the future. This self-awareness as a political entity that claims and embraces its uniqueness has always been fueled by an acute strategic sense in maintaining reform cycles and anticipating major changes both within society and in its near and far environments.

The Kingdom has developed a broad and inclusive approach to consensus building, rooted in the depths of a widely-shared plural and forward-looking age-old culture. It is precisely due to this soundness of the Moroccan being, which is shared by all the components of Moroccan society, that it is possible to open up to other countries, whether Arab-Muslim, African, European, North American or Asian. The preamble of the text of the 2011 Constitution expresses the quintessence of this principle. It states that the national identity is forged by the convergence of its Arab-Islamic, Amazigh and Saharan-Hassani components, fueled and enriched by its African, Andalusian, Hebraic and Mediterranean tributaries.

From a societal standpoint, these historical roots underscore the fact that Morocco has long possessed the necessary assets to allow various schools of thought to coexist, to bring together multiple faiths, to blend endogenous and exogenous ways of doing things, and thereby demonstrate that it contributes to the world's diversity from its own borders. These assets allow us to lay the foundations for a shared sense of belonging and to channel our collective energy into a common purpose.

The nation is now in a position to harness the virtues of its unique political culture as powerful levers within the framework of a clearly defined rule of law. The aim is to transform pluralism into an effective democracy, which is both representative and participatory, to establish the art of managing diversity and *ikhtilaf*, the appetite for debate and contradiction (*mounadhara*) as fertile deliberative skills. The idea is to combine strategic vision, protection and efficiency at the State level, with the capacity for innovation, initiative and civic-mindedness in society.

I. OUR AMBITION FOR MOROCCO IN THE PERIOD UP TO 2035

1. Morocco in the future

This ambition is a value proposition that expresses, defines and identifies the level of development desired by 2035. It plays the role of a compass that gives direction and serves as a general rallying point for all the nation's vital forces. To be credible, the ambition of development must be both strong and reasoned, aspirational without being utopian. Its vocation is to mobilize all Moroccans and to give them hope for the future.

This ambition is in line with the fundamental choices of the nation and its constants as well as with the constitutive values of its national identity. It reflects the Moroccans' main aspirations regarding their individual development and well-being, as well as their attachment and commitment to the Nation. It also reflects their determination to contribute to the country's development in full citizenship. The ambition makes the choice of the Kingdom's openness, by displaying our collective project in the eyes of the international community. Our ambition for Morocco is defined as follows :

«In 2035, Morocco is a democratic country where everyone can fully take control of their future and realize their potential, and live with dignity in an open, diverse, just and equitable society. It is a country that creates value, which develops its potential in a sustainable, shared and responsible manner. Capitalizing on its significant progress at the national level, Morocco has established itself as an exemplary regional power, at the forefront of the major challenges facing the world.»

This ambition encompasses the future vision for Morocco:

- Attachment to the democratic choice and the rule of law;
- The development of human capital and the capacities of citizens as a primary lever for equal opportunities, active inclusion, the exercise of citizenship and access to well-being;

- The attachment to what shapes the Kingdom uniqueness: its historical depth, its national components-rich identity, and its cultural and religious values;
- The attachment to gender equality and the recognition of the place and role of women in the economy and in the society;
- An inclusive mode of value creation, which brings all potentialities to fruition, ensures an equitable sharing of the wealth created;
- A mode of value creation that is concerned with the preservation of the environment and natural resources;
- Finally, a commitment to a Morocco open to the world and a pioneer and actively participating in its citizens well-being and to the global progress.

This ambition places people and citizens centre stage and enhances the mobilization of all to carry this collective project at the service of the Nation's development. It can be summarized in the following short, clear and rallying formula :

المغرب قوة رائدة بفضل قدرات مواطنيه وفي خدمة رفاهيتهم

« Morocco, a pioneer power, driven by the potential of its citizens and aimed at ensuring their well-being »

2. Development objectives

In order to fulfill this ambition, Morocco will have to take up many challenges and catch up, fuelled by significant progress in areas marked by major deficits, which would hinder development if they were not significantly improved, such as, for example, quality education, the participation of women or water conservation. It will also be necessary to boldly seize every opportunity within Morocco's reach to accelerate its development, by banking on the future and by setting objectives of excellence in strategic and transformational areas.

Achieving this ambition requires simultaneously addressing five interdependent and complementary development objectives, namely **prosperity, empowerment, inclusion, sustainability, and regional leadership** in targeted areas, through bold bets for the future. Below is a summary description of these five objectives :

- **Building a prosperous Morocco that creates wealth and quality jobs in keeping with its potential:** The ambition to offer a high standard of living and quality of life to all citizens requires a significant increase in the country's ability to create value and quality jobs for all, and to distribute the fruits of growth equitably. This dynamic of value and job creation would be driven by a dynamic, entrepreneurial, diversified, productive and innovative economy and a dense, competitive and resilient business fabric, building on the country's many comparative advantages and its material and immaterial wealth, in all regions.

- Building a Morocco of skills and talents, where all citizens have the capacities and enjoy the well-being that enables them to take charge of their life project and contribute to the creation of value:** This ambition can only be achieved through the leveraging of human capital with enhanced capacities and skills. Human capital is the driving force behind the dynamics of development, inclusion and reactivation of the social lift. It is also the main determinant of the country's ability to create wealth and accelerate its convergence towards the standards of advanced nations.
- Building an inclusive Morocco, which offers opportunities and protection to all and where social ties are strengthened:** An inclusive model is essential to ensure that all Moroccans belong and adhere to the social project and to consolidate the foundations of a harmonious and cohesive life together. Morocco must be able to offer opportunities to all, first and foremost through the empowerment and capacity building of all Moroccans, women and men, and by strengthening the protection of the most vulnerable. The inclusion of all also requires paying special attention to young people, who represent 25% of the population, the country's demographic boon and tomorrow's adults. In this context, culture is to be understood as a structuring lever for accepting diversity and plurality and for strengthening links between social environments and between generations, in addition to being a lever for wealth creation.
- Building a sustainable Morocco where resources are preserved in all regions.** The sustainability of the country's resources and the protection of its biodiversity are necessary to face off the risks and threats generated by climate change and human activity. The Kingdom is highly exposed to these risks and their impacts, particularly through the pressure on water resources, the alteration of the productive bases of agriculture and biodiversity ecosystems. The challenge of sustainability enshrines the collective responsibility towards natural capital and climate as common goods and towards future generations.
- Building a bold Morocco, which will become a regional trailblazer in targeted areas in the future.** Attached to its openness to the world, and confident in its ability to consolidate its regional influence through excellence, Morocco supports its ambition through its determination to rise to bold bets for the future, which together would make Morocco one of the most dynamic and attractive economic and knowledge centres in the region and on the continent. The five bets for the future are: i) Become a digitized nation, where the transformational potential of digital technologies is fully mobilized; ii) Become a regional hub for higher education, research and innovation; iii) Become the regional champion of low-carbon energy; iv) Acquire the status of a reference Regional Financial Pole; v) Make « Made in Morocco » a marker of quality, competitiveness and sustainability, accelerating integration into global and regional value chains. These ambitious, transformational areas, based on the competitive advantages and potential of the Kingdom converge the interests of the Kingdom and those of its main external partners and can therefore contribute to strengthening cooperation and partnerships and support many challenges across sectors that underlie the new development model.



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Graph 2 : An ambition for Morocco by 2035



The strategic priorities listed in section III of this second part present the main strategic orientations for achieving the ambition, satisfying the development objectives and winning the bets for the future.

The sustainability of the country's development process also requires the continued strengthening of institutions and ensuring their proper functioning, in view of their role as guarantors of the rule of law and the release of energies in trust and security. This aspect is discussed in detail in the section on the reference framework of the new development model and the framework of trust and accountability.

3. Key performance indicators

In order to make these development objectives clear and consistent, the Commission proposes to accompany them with a selection of indicators intended to lay down the primary objectives of the new model in an explicit, quantified and quantifiable way. These indicators, limited in number, aim to measure the final impact in terms of development. They underline the need to deliver results for the stakeholders tasked with implementation, while remaining flexible as to the possible solutions and appropriate measures.



This set of indicators contributes to establishing a culture of results and performance and greater transparency of public action. Below is a proposed results framework consisting of 15 indicators measured by national and international institutions, with target values for 2035 proposed on the basis of international comparisons. These indicators could evolve in line with ongoing research in Morocco and internationally, and with efforts to adapt the national statistical apparatus for data production. More generally, the Kingdom's ambition would be to be in the first half or even the top third of the world rankings, which refer to the priority areas of the NDM.

Table 1 : NDM Indicators

	ECONOMY	2019 or latest data available	Target 2035	Source
1	GDP per capita (in dollars ppp) (Projected annual average growth >6%)	7826	16000	HCP
2	Index on participation in world value chains (2 sub-indicators, upstream and downstream)	43%	60%	OECD
3	Average and high tech industrial added value	28%	50%	ONUDI
HUMAN CAPITAL				
4	Human capital index	0.5	0.75	WB
5	Concentration of healthcare workers per 1,000 inhabitants (ODD)	1.65	4.5	MS
6	Students skilled in basic reading, mathematics and the sciences at the age of 15 years	27%	75%	OECD
INCLUSION				
7	Percentage of employed women	22%	45%	HCP
8	Share of formal jobs in the total number of jobs	41%	80%	HCP
9	Gini index	0.395	0.350	HCP
DURABILITY				
10	Share of desalinated water and treated wastewater in total water consumption (2 sub-indicators, desalinated and treated)	0%	15%	New
11	Multi-dimensional local development index (MLDI)	0,7 (national average 2014)	0.85	ONDH
12	Share of renewable energy in total energy consumption	11%	40%	WB
GOVERNANCE AND ADMINISTRATION				
13	Gouvernement Effectiveness Index	-0.12	1	WB
14	Online Services Index (OSI)	0.52	0.9	UNGS
15	Satisfaction rate among citizens on public services	-	80%	New



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II. A NEW DEVELOPMENT MODEL: DOCTRINE, PRINCIPLES, COMMITMENTS ON THE PART OF STAKEHOLDERS AND A REFERENCE FRAMEWORK OF TRUST AND RESPONSABILITY

The diagnosis established in the first part of this report reveals that the slowdown in the pace of development in Morocco is mainly due to systemic factors. While the Kingdom has had great success in recent years, many strategies have not produced the expected structural transformations, despite the interest and significant resources devoted to them.

The growing complexity of today's world and the challenges facing Morocco make it urgent to provide solutions that do not simply entail a new diagnosis or a new technical strategy, as many reports have already proposed, but a new method of development. The structural projects considered in the NDM are for the most part complex and cross-cutting: for example, the regulation of economic sectors undergoing constant technological change such as energy or digital technology, the move towards industrial upgrading, risk management, the effective quality of public services or the introduction of integrated and universal social protection systems. These projects require continuous and rigorous monitoring over time. Their effective implementation requires new skills and abilities, both in technical and organizational terms, effective steering and support mechanisms, and changes in concepts and perceptions.

The new development reference framework is a response to this problem. It focuses on improving the country's systemic ability to meet new challenges by taking into account the time factor and the appropriate pace to meet urgent expectations. This change of reference framework and «method» is a prerequisite for achieving the ambition proposed by the NDM and will facilitate the transition towards a less polarized, more equitable and more prosperous society. This new development frame of reference, while clarifying common choices, is more focused on modes of action, on managing development and on leveraging the capacities and resources to do things better.

This review of the development reference framework first and foremost concerns the role and missions of the state, its organization and its interaction with other stakeholders. While underlining the importance of a strong State, which was clearly highlighted in the context of the Covid-19 pandemic, the Commission's consultations and an

internal review have shown that the State does not sufficiently engage the other stakeholders in a logic of complementarity and partnership.

While the traditional functioning of the State, based on a central administration and control, was appropriate at a certain stage of the country’s development and in a more predictable national and international context, it is now proving to be less relevant and poorly adapted to recent developments and even less so to the uncertain world of the future. Indeed, the State does not have the resources and capacities to carry alone all the increasingly complex development projects, neither in financial terms, nor in terms of operations and expertise. If they are well supported, stakeholders such as the private sector or regional stakeholders and civil society could contribute more and participate in optimizing the allocation of public resources and strengthening the effectiveness of action. Also, by not fully mobilizing the other stakeholders, the State is depriving itself of the springs of agility and resilience to face the increasing unpredictability of the national and international context, which requires giving more room for the emergence of new ideas, opportunities and activities. Finally, the increased complexity and sophistication of the issues that the country now has to address requires an ecosystem approach that takes account of interdependencies between different spheres and that engages collective intelligence.

1. A new organizational doctrine

The Commission advocates a new organizational doctrine: that of **the complementarity between a strong State and a strong Society**. A State that champions a vision for the country and its citizens and makes sure it is implemented. A State that guarantees the security, dignity and freedoms of Moroccans, and that protects them from vulnerability in crisis situations. A State that offers the suitable framework to the deployment of all energies at the service of the country’s development and in favor of the common good and the general interest. A diversified, mobilized and responsible society that promotes the autonomy of the individuals and groups composing it and helps release their energies. A plural society that maintains and values the richness and strength of its diversity. A society where everyone contributes to the common goods and ensures their preservation. A society that is better able to cope with an increasingly complex world, with the intertwined challenges of development and with the need to preserve balanced ecosystems, especially the scarcity of water resources; in short, a society that responsibly takes its destiny into its own hands with responsibility and civic-mindedness, with the partnership-based support of a central government that is vigilant when it comes to overall direction and respect for rules. The aim is to strike a creative balance between long-term national policies supported by the State and regional and local dynamics, which offer greater scope for action, experimentation and innovation.

This doctrine draws on the concept of «responsibility and development», developed by His Majesty the King in the throne speech he delivered in 2019. It reflects the singularity of the Kingdom’s development model where the monarchical institution is the keystone of the State, the symbol of the unity of the Nation, the guarantor of balance, the bearer of the vision of development and long-term strategic projects and the monitoring of their implementation in the service of citizens.



This doctrine is in line with the principles and values enshrined in the Constitution of the Kingdom and the organization of powers it defines. It emphasizes the need for convergence and synergy between stakeholders within the framework of an open partnership mobilization approach and a State organization that consecrates the region as an actor of progress and mobilization of the potential for national development, in the diversity of its assets and its collective wealth.

Morocco stands out as a political system designed to alleviate tension between time scales and to combine the benefit through the presence of the monarchical institution guaranteeing the course of action defined by the national community, alongside stakeholders in democratic competition to outline the paths to reach this course. This system offers the opportunity to protect our choices and commitments from short-term management.

It should be emphasized that this proposed doctrine does not mean a diminished role for the State but an increased role, a State that focuses on three key functions to release energies:

- **A visionary and strategic State which defines the orientations and objectives of development, which gives meaning to the collective and unifying national project,** widens the field of possibilities, and which mobilizes all forces and calls for the liberation of energies around a project with a clear and legible direction. This State mobilizes the main stakeholders (public, private or tertiary sector²³), reinforces their legitimacy and representativeness, widens their field of intervention and contribution to the creation of value and gives them a sense of responsibility in the implementation of the new model and promotes synergy and complementarity between them. A National Development Pact as a political reference for taking collective action around the new development model is proposed, as well as a mechanism, under the authority of His Majesty the King, to monitor the strategy adopted, its consistency and the impetus of transformational projects.
- **A protective and regulatory State which performs its governmental functions to guarantee the security of citizens and their property, reduces real or perceived insecurity, protects freedoms and plurality, and allows all energies to be expressed according to transparent and accountable rules, strengthening the anchoring to the principles of the rule of law and good governance.** It provides a framework conducive to the release of energies and to the sense of citizenship and civic-mindedness through the development of the ability of stakeholders, through the regionalization of its organization and ensures the respect of rights and duties in an efficient and fair manner. It establishes a framework of trust and responsibility, which strengthens the legal and moral security of stakeholders and citizens through a flawless judicial system, clear laws, transparent rules of the game that can be applied independently, subject to regular evaluation closely linked to accountability and respecting the values of ethics and morality.

23 The «tertiary sector» denotes all stakeholders at the intersection between the public and private sectors.



- **An efficient State, capable of ensuring the implementation of public policies and delivering results for citizens**, consistent with the stated ambition and objectives and in line with the urgency generated in particular by the health crisis of the Covid-19. Strengthening effectiveness requires in particular the adoption of new principles of action conducive to achieving better results, namely steering by results and citizen impact, which gives pride of place to experimentation and innovation, a systemic, cross-cutting and partnership-based approach in the design and implementation of strategies and public policies, ability building for stakeholders at all levels, the transfer of implementation responsibilities to territories and local stakeholders, and monitoring the financial and environmental sustainability of action.

In short, a stronger State that draws its strength from its ability to guide, manage and administer, in line with a clear and legible course of action for all and in ways that reflect the complexity and unpredictability of our times. This change in doctrine will require a significant strengthening of the State's ability to fulfill these main functions and to lead change.

2. Principles of joint action

This new doctrine implies new principles of action for all stakeholders, guaranteeing the effective and systematic implementation of the proposed doctrine and ensuring a collective path towards development objectives. This is the «How» of the New Development Model. The aim is, in fact, to focus efforts on the impact for the citizen, to be part of a systemic and partnership-based approach, to develop stakeholders' capacities and to put forward subsidiarity and ecological and financial sustainability.

- **Principle 1 - Results-driven Approach and Citizen Impact**

Concrete impact on the life of citizens and the obligation to achieve results must become the primary criteria for the relevance of strategies, public policies and development projects for all stakeholders (citizen centrality), and for their accountability. This requires the clear definition of a shared vision and common objectives, the design of solutions supported by rigorous analyses and studies, based on reliable and current data, consolidated through experimentation, and relying upstream on citizen consultation. The commitment of public funds must be conditional upon the obligation to deliver results and backed by an agile and efficient delivery method that guarantees the achievement of objectives. To be effective, this principle requires a certain degree of autonomous action for those in charge, enabling them to focus on results, in an environment that is conducive to initiative and that encourages innovation of all kinds (technical, organizational, institutional, etc.), for the design and experimentation of new solutions to problems directly affecting citizens.



- **Principle 2 - Systemic and partner-based approach**

This principle calls for a systemic and partner-based approach, which embraces the growing complexity and interdependence of issues and decompartmentalizes the barriers to allow all the potential to be unleashed through co-construction. This systemic approach necessarily entails the acceptance of a new mode of governance setting up the conditions for cross-functionality and coordination (information sharing, multi-stakeholder implementation bodies, etc.).

This principle consists in systematically mobilizing and getting all players involved to collaborate both in the design and implementation of strategies or projects. This use of dialogue and co-construction is necessary given that collectively designed solutions are more effective than solutions designed by a single player. In terms of implementation, this principle enshrines partnership and «give and take» (faire-faire), whereby each task is entrusted to the person most capable of carrying it out successfully, in accordance with his or her skills and abilities, under a duly regulated and responsible framework. For instance, the idea will be to involve more civil society players who have the necessary capabilities in the implementation of social development projects on the ground, working as closely as possible with the beneficiaries.

- **Principle 3 - Capacity building**

The third principle, which is a sine qua non for the achievement of all the others, is to work towards the development and strengthening of all players' individual and organizational capacities, including the State: while broadening the space for the involvement of all players, it will be necessary to ensure that these players have the necessary human skills and technical and financial capacities to strengthen their participation. The aim is to provide all players with the necessary capacities to enable them to mobilize their energies to achieve the objectives of the ambition for development. After the development of infrastructures, building human and organizational capacities constitutes an essential driver of the Kingdom's development and a prerequisite for the recommended change in doctrine. The latter requires the State to strengthen certain skills in particular (design, content engineering, regulation, facilitation, monitoring and evaluation). It also requires creating the space and room for the expression and use of these skills by encouraging initiative and experimentation, notably through a change management approach, and by protecting risk-taking.



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Box 7: Presentation of the «Problem Driven Iterative Approach »

Problem Driven Iterative Adaptation (PDIA) is a new approach to reform. This approach is currently being implemented in many countries for change management. It is as much in spirit as in substance in line with the principles of action advocated in the NDM. The PDIA approach is based on four principles :

- **Focus on identifying real problems to be solved**, prioritizing them, and finding local solutions - rather than transposing preset solutions, referred to as «best practice» solutions.
- **Create and protect an environment within organizations** that allows for decision-making that is conducive to positive deviance and experimentation - instead of developing projects and programs by requiring agents to execute them exactly as planned.
- **Promote active learning through experience and experimentation**, with feedback based on evidence and evaluation, integrated into day-to-day management that allows for real-time adaptation, rather than waiting long periods of time to draw lessons from post-evaluation.
- **Involve, in a networked team, agents from all sectors and all organizations involved with the problem to be solved**, to ensure the viability, legitimacy, and relevance of the reforms - instead of involving a small number of external experts who advocate for top-down diffusion of innovation.



Local solutions for local problems



Pushing problem driven positive deviance, in protected environments



Try, learn, iterate, adapt



Scale through diffusion

Source : <https://bsc.cid.harvard.edu/>



- **Principle 4 - Subsidiarity of territories**

The fourth principle is to strengthen subsidiarity, especially in the territories: the reduction of spatial disparities, the relevance of public policies, as well as the concern for sustainability and resilience, require policies that are as close as possible to citizens and the territories. «Solutions adapted to each region, according to its specificities and resources», as His Majesty pointed out, will emerge within the framework of coordination between regional players and through the pooling of local efforts.

To achieve this, it is necessary to maximize leeway for decision-making and action at the most relevant level to enable agile and effective action. The NDM proposes that the design of public policies should be carried as a priority by the territories, in order to encourage the emergence of innovative solutions at the local level, in line with the development vision and the main orientations adopted at the national level. This principle of subsidiarity implies, in addition to the acceleration of deconcentration and decentralization reforms, making territorial players the main players of regional development and broadening their room for action and the development tools to which they have access, such as calling on regional development authorities to carry out large-scale projects or boosting the third sector as a player in local development.

- **Principle 5 - Sustainability and efficiency**

The fifth principle is the systematic integration of resource sustainability and the efficiency of development choices into players' actions. Growing constraints on resources make it necessary to mainstream the requirements of environmental and financial sustainability into action, through a sensible use of these resources as well as their enhancement and preservation for current and future generations. This concerns both natural and financial resources and requires careful and efficient decisions in terms of resource use, based on a systematic analysis of costs and benefits. With regard to the environmental sustainability, the anticipation of the potential adverse effects of any project on the environment must be made systematic, and arbitration must be made in favor of the preservation of resources in the event of strong negative impacts. In addition, the efficiency of public spending must be assessed on a regular basis.



Box 8: Suitability grid for the NDM principles of action

In order to ensure their full endorsement by stakeholders, these principles of action could be accompanied by tools and guides enabling their dissemination and effective use, as part of a change management approach. These tools could include an «NDM suitability grid», a list of simple criteria allowing stakeholders to verify and demonstrate the alignment of their initiatives with the principles of action recommended here.

Criteria	Factors for assessing suitability
Coherence with the national ambition	<ul style="list-style-type: none"> • How does the project/policy/strategy proposal contribute to achieving the Development ambition by 2035? • Estimated contribution of the project to key indicators, when relevant (GDP, Employment, Inclusion, Human Capital, Gender, etc.)
Partnership-based approach	<ul style="list-style-type: none"> • Institutional set-up for project management: Identification of public entities with which coordination should be ensured and sharing of roles and responsibilities. • Citizen and intergovernmental/institutional consultation and consensus-building process
Subsidiarity	<ul style="list-style-type: none"> • Role of territories and all their players in this proposal and its implementation modalities • Means available/granted to the territories for involvement in design and implementation
Citizen Impact, monitoring, evaluation and communication	<ul style="list-style-type: none"> • Proposal of a project-specific monitoring and evaluation framework, with its own objectives and indicators • Data collection and feedback loop mechanism • Communication and data access plan
Innovation, experimentation	<ul style="list-style-type: none"> • How does this proposal stand out from previous policies/projects? Has it been the subject of experimentation? • What are the disruptive or innovative features it proposes, in its technical design, its content, or its collaborative and institutional approach?
Capacity building	<ul style="list-style-type: none"> • Evaluation of the capacity level of the main identified players / holders • Identification of capacity building needs (technical, financial, leadership, digital, etc.) and ways to strengthen them
Sustainability	<ul style="list-style-type: none"> • Identification of the economic, social and environmental impacts of the project • Identification of anticipated externalities, positive or negative • Overall project cost/benefit analysis • Risk analysis and risk management strategy



3. Stakeholder commitments

This new doctrine of balance between a strong State and a dynamic and responsible society has ramifications on the place and role of the main stakeholders: public, private or third sector players. It reinforces their legitimacy and their representativeness. It broadens their scope of intervention and contribution to value creation. It holds them accountable for the implementation of the new model and promotes synergy and complementarity between them.

The following is a brief description focusing on public players, the private sector, and the third sector. These descriptions are not exhaustive, and are, above all, intended to emphasize the distribution and complementarity of roles and the expansion of the space and room for intervention for certain players, which are necessary for the introduction of the new doctrine of balance between a strong State and a dynamic and responsible society.

- **Public players**

Constitutional bodies, the embodiment of democratic choice and efficient public and institutional life, must fully play their role. Parliament, the pillar of democratic choice, must have all the financial means and technical skills necessary to play its legislative role and to oversee and monitor government action. Its primary vocation, the drafting of laws, must be strengthened with a view to improving legislative performance, its efficiency, and the regular revision and modernization of laws. Its second mission, to control and monitor government action, must be fully carried out by increasing the number of public policy evaluations and systematically disseminating them to public opinion in order to spark debate on public policy choices. In addition, all participatory and supervisory institutions that monitor the rule of law and good governance, such as the Court of Auditors, the CESE, the CNDH, the Competition Council and the INPPLC, must be able to fully exercise their prerogatives in accordance with the provisions of the Constitution. To this end, the laws establishing these institutions should be regularly re-evaluated and revised when necessary, and their managerial resources must be strengthened. The public dissemination and reporting of their decisions, opinions and documentation to citizens must be broadened, as they make it possible to enliven the public debate and make everyone, citizens, civil society and the media, the guarantors of the quality and integrity of political action.

The government, elected by a majority vote of the ballot box, is responsible for drawing up its government program, which is subject to a vote of confidence by parliament, and for its operational deployment, in line with the Royal Instructions. The government for instance, is responsible for the alignment and horizontal coordination of its actions among the various ministries and institutions under its control. Such inter-ministerial alignment requires a change in political culture in line with a constructive and responsible interpretation of the notion of government majority, which must be brought about above all by the convergence of political and electoral programs, the coherence of



coalitions, and the unity and credibility of the leadership. It also requires a government with a clear and effective structure, capable of interacting positively with the other constitutional institutions (parliament, judiciary, Court of Auditors, CESE, institutions of governance, etc.) and coordinating its action with the country's other partners and forces in accordance with the strategic vision of the Head of State. Horizontal coherence could be supported by organizing the government into major ministerial clusters, as well as by setting up or strengthening support mechanisms for coordination and monitoring. Drawing on some successful foreign experiences, it is recommended to establish an implementation and performance monitoring support unit for public policies and reforms as an institutional unit under the Head of Government. This unit would make it possible to closely monitor the progress of projects and support their implementation and the resolution of any deadlocks, in close coordination with the departments. The government is called upon to regularly communicate and inform the nation's representatives and public opinion of its actions and results. The rehabilitation of political action and the strengthening of confidence between the State and the citizenry make such an approach essential.

The administration must rediscover its primary vocation of being at the service of citizens. The administration's vision of the citizen must shift from «constituents» to the vision of citizens as «users-taxpayers», to whom a quality service is due. This will notably involve a modern, fully digitalized administration with simplified procedures. Digitalization would also be mobilized to monitor, evaluate and measure the quality of services delivered to citizens, improve communication within the administration, and enhance transparency and access to public data. Opportunities for appeal must be open to the citizen in the event of dispute or dissatisfaction in connection with the services provided by the administration. Improving the quality of service delivered to citizens also requires the administration to focus on the missions that are essential to the smooth running of all economic and social sectors, such as the design of public strategies and policies, their monitoring and regulation, and to gradually entrust public implementation missions to autonomous bodies or delegate them on a contractual basis. The administration's communication should be improved to ensure greater transparency of its actions for the citizen and greater accessibility of this information to the citizen, the media and civil society.

- **The private sector**

The domestic and foreign private sector has a key role to play in value and job creation, and in social and environmental responsibility. While the role of the investor state is extremely important, particularly in times of crisis or sluggishness requiring a counter-cyclical response, a structural intensification of value creation would not be possible without a private sector that is strong, bold, entrepreneurial, open to taking risks, and resolutely harnessing new economic opportunities. The private sector is expected to be more responsible and enterprising, to participate in the effort for inclusion and social protection, and to invest in a win-win approach with the territories, ensuring a fair distribution of the value created. This repositioning would notably involve a constant dialogue of partnership between the private sector, duly represented in all its diversity, from micro-businesses and SMEs to large groups, social players, and the State.



- **The third sector**

The new development frame of reference calls for strong involvement of the «third sector», which brings together all the players at the crossroads between the public and private sectors, made up of territorial communities, representative local players, public utility or non-profit foundations, social economy players, and mission-driven companies, particularly at the local level. These entities must become full-fledged partners of the State and the private sector in the development process, making use of their expertise, their knowledge of the ground and their proximity to the target beneficiaries. They must fulfill high standards of responsibility and strengthen their technical and financial capacities to support various projects, in their advocacy dimension or in a contractual «give and take» (faire-faire) approach. The core of this third sector will have to be built around a new generation civil society, better equipped and more involved in development work.

A new relationship, based on trust and mutual commitment, must be established between the State and the third sector: lowering the administrative, legal or financial barriers hindering the emancipation of this third sector will result in new demands for professionalism, competence, transparency and respect for commitments and missions of general interest.

Representative players and intermediary bodies are also called upon to fully play their role in the Third Sector. At the local level, political parties continue to be key players in guiding citizens in their civic engagement and in their political and social participation. **Trade unions and professional chambers, in keeping with their mission of intermediation, must also be mobilized.** The consolidation of their skills, resources and legitimacy must make them credible partners of the State, both at the national level and within the territories.



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Box 9: Third sector: definition and international benchmarks

The NDM proposes to position the third sector a full-fledged third approach, a driving force for the creation of wealth, jobs, inclusion, social progress and territorial development. The «third sector» refers to all the players at the crossroads of the public and private sectors (associations, cooperatives, mutual societies) who engage in economic activities with a social purpose, organized autonomously and managed in a collegial manner, with a limited lucrative potential and operating on a local scale with a strong commitment from the communities concerned. The third sector is organized in response to needs that neither the State nor the market can effectively meet. Its principles are aligned with ancestral forms of solidarity in Morocco, with strong territorial roots, such as the *touiza*, *agoug*, *ouziaa* or *khattaras*.

The review and analysis of international experiences, in various countries, demonstrates the capacity of the third sector to provide solutions to meet social needs in new and geographically diverse areas, and to partner with the state to address the social challenges accentuated by the current Covid-19 crisis and to accompany Morocco's transition towards inclusive, sustainable and human-centered development.

Since the 1990s, the United Kingdom, with New Labour, has promoted the third sector as a privileged partner in the development and implementation of public policies. The Compact on Relations between Government and the Voluntary and Community Sector in England (1998) provides a legal framework for joint action by the public sector and the third sector, as well as a code of good conduct.

In Spain, the Mondragon Group, the largest cooperative group in the world, boasts one of the most important experiences in industrial cooperation, mobilizing national and international investments in industry and finance. The competitiveness of the group's companies is mainly based on an ecosystem of innovative social transformation and solidarity, anchored in the territories and supported by Mondragon University.

France has recently chosen the path of the responsible economy, which is a third approach between the public and private sectors. A new model of the mission-driven company reconciles profit-making and consideration of social and environmental aspects, beyond the simple CSR dimension. The mission-driven company «aims to reconcile two notions: the common interest of the partners on the one hand and the pursuit of a broader objective of general interest on the other. This new status allows volunteer companies to include social and environmental objectives in their corporate purpose». The PACTE law, adopted in 2019, established an innovative legal framework recognizing the status of mission-based companies. This new hybrid model benefits from the support of several companies, united around a Community of Mission Companies (*Communauté des Entreprises à Mission*).

Ashoka, a non-governmental organization with an international presence, represents one of the world's largest social entrepreneurship ecosystems. Through the virtual platform it has created, Ashoka connects its members in a dynamic of emulation, spin-offs and co-construction, and has supported the creation of a large number of high-impact social enterprises.



4. A framework of trust and responsibility

To foster common good and inclusive development, the release of energies and the launching of initiatives promoted by the NDM must take place in an environment that guarantees the possibility to work with confidence and responsibility, according to clear rules that apply to all, thus enshrining the principles of the rule of law, of good governance and of freedoms. This framework is necessary for the full expression of all those willing to participate to the country's development, a corollary of the Moroccans' attachment to the Nation's future, and for the strengthening of the sense of citizenship and civic duty. This framework of action must ensure the autonomy of the various stakeholders involved and make sure their respective commitments are secure. To that end, there should be a relationship based on trust between the citizens and the institutions, between the political and economic sectors, and between the State and civil society.

Should the new doctrine underpinning the State's role increase the stakeholders' ability to act independently, this framework must make it possible to make sure they assume responsibility. Independent decision-making, reinforcement of freedoms, clear leadership and action traceability must go hand in hand with assumed duties and the accountability of everyone. The grey areas, the hotbeds of corruption and the corporatism which damage public interest, and the ambiguities that undermine the autonomy of individuals and of political and economic stakeholders cannot be resolved without ensuring the effective accountability of decision-makers vis-à-vis their mission, of citizens vis-à-vis the law and institutions, of civil society with regard to its commitments, and of the private sector concerning its social and environmental duties.

A framework is thus proposed, which is based on trust and responsibility. It revolves around five components grounded in values, norms and institutions that largely respond, either directly or in a cross-divisional way, to the systemic nodes identified in the diagnosis.

- **A justice system that protects freedoms and provides security**

Unleashing the energies of citizens and businesses, in the sense of value creation, capacities development, citizenship and civic-mindedness, and the right balance between private and general interest, requires an efficient and fair justice system, clear laws, with no ambiguities or grey areas, as well as an assertion and protection of freedoms. The judicial system, with its three leading institutions, will have to improve its internal coordination for the achievement of greater coherence and transparency. The proficiency of judges and court officers must be enhanced and made consistent with changes in society. In addition, a «justice system at the service of the citizen», as desired by His Majesty the King, requires stronger endorsement of the Constitution by the citizens, through the removal of obstacles to the right of citizens to submit motions in legislative matters, and to refer cases of unconstitutionality to judges.



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The reform of the justice system must be completed in full, in keeping with the resolutions of the judicial reform charter. The aim is to improve the performance of the justice system, reduce tardiness, and fight corruption across the justice system, given that corruption is a source of abuse and insecurity for the citizens. In particular, this would mean speeding up the digitization of internal procedures for traceability purposes, publishing court decisions to ensure their transparency, and setting up an e-justice platform to ensure every citizen will benefit from an efficient, swift and locally accessible judicial system, including via electronic notification. The same requirements of transparency, impartiality and fairness need to be promoted in matters relating to commercial justice, which is a key determinant of the business environment and a risk assessment element for domestic and foreign investors. In addition, addressing the issue of bottlenecks in courts requires the consolidation of arbitration and mediation to support and accompany traditional procedures.

As regard laws, it is necessary to ensure the coherence and consistency of the legal and regulatory framework, undertake regular assessment of the relevance and effectiveness of laws, and speed up the production of legislative texts. In this regard, Parliament has a crucial role to play to increase legislative productivity and to ensure the quality and coherence of laws and their dissemination among the citizens. The General Secretariat of the Government and control and regulatory bodies also have a role regarding the monitoring of legislative production and the effectiveness of laws and ensuring the consistency of the legislative architecture. It is necessary to carry out legislation review and assessment operations at regular interval, every ten years for instance, as is the case in some countries.

The consolidation and protection of individual and public freedoms by the judicial system are sine qua non conditions for the establishment of a climate of confidence and for the release of energies. Social and cultural change in Morocco and the new aspirations of the citizens, as revealed by the listening sessions, underscore the urgency of establishing a new relationship between the State and the citizens, based on confirmation of and respect for individual and public freedoms. To trigger this dynamic based on freedoms and responsibility, it is necessary to significantly reduce the grey areas (imprecisions, ambiguities in the texts, or flagrant discrepancies with actual practice) which continue to exist in several articles of the Criminal Code, and to seek to reduce the potential for arbitrariness in the relations between constituted authorities and the citizens. This requires a positive interpretation of the Constitution, which is based as much on the universal values enshrined in the international conventions to which the country adheres as on the Kingdom's time-honored values.

- **A public life characterized by probity and exemplarity behavior**

Affirming the primacy of the public interest, which is a condition for across-the-board mobilization at the service of the Nation, requires consolidation of probity and ethical values. This goal hinges on rigorous moralization of public life and exemplary behavior on the part of public officials. Conflicts of interest, collusion, unwarranted rent seeking, meddling and interference between autonomous, political, economic and social spheres



erode trust in institutions, fuel indifference vis-à-vis political participation as well as mistrust of decision-makers. Breaking free from this spiral of mistrust requires greater moralization of public life. This will necessitate specific measures, such as the reform of the existing legal arsenal on moralization of public life through expanding the scope of declarations of interest and incompatibility rules. Access to information, transparency, evaluation and monitoring of policies, independent media and civic action by civil society are also safeguards against abuse. They urgently need to be promoted once again in order to enhance citizens' trust.

- **Independent and effective economic governance institutions**

The release of entrepreneurial energies and private initiative, which are essential for increasing the creation of value, requires rules that ensure equal economic opportunities. Since the economic sector is the natural playing field for particular interests, active conniving, understandings and undue rent seeking, it is essential to increase vigilance for proper governance of this sector. **This will require the consolidation of independent regulatory functions,** which are essential to ensure transparent market functioning and fair competition. Regulation should be enhanced in such sectors as finance, telecommunication and energy. It should also cover other sectors, such as water, transport, real estate, even education and any other sector in which openness to private initiative and the multiplication of players are necessary to bring about a competitive environment conducive to the creation of value.

It is essential that regulation enable potential operators to have easier access to these sectors and guarantee quality services to the citizens, wherever they may be, and whatever their social background, or size for companies (for example, access to credit for SMEs must be improved, just like access to digital technology in the various regions etc.). This enhanced regulation requires the acquisition and consolidation of new skills. It also requires that regulatory authorities be independent, and in certain cases, as in those of the ANRT, the Competition Council and the INPPLC, regulation should allow for the exercise of the power to investigate and to sanction.

The improvement of economic governance also requires the removal of unfair barriers and of situations of unwarranted rent-seeking and the reduction of bureaucracy, authorizations, licenses and permits, which often give rise to corruption and public-private collusion. Whenever possible, they should be replaced by simple declarations or specifications. **Finally, improving economic governance will hinge on greater transparency in the granting of tax exemptions, public aid and procurement contracts,** as part of monitoring fair competition and reducing conflicts of interest.



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- **Accountability, systematic evaluation and access to information**

Making sure stakeholders live up to their responsibilities cannot be achieved without real implementation of accountability, based on systematic evaluation of stakeholders' action in light of the specific objectives assigned and of compliance with the law, based on regular, open access to reliable information. The responsibility-accountability nexus is one of the key principles of the 2011 Constitution.

Enhanced evaluation is an essential lever for accountability and is, more broadly, a key instrument for improving the efficiency of all public action. In this regard, the evaluation of strategies and public policies and programs must become systematic, both to ensure that decision-makers live up to their responsibilities and to improve or adjust action in light of the desired results. In addition to the work of the Court of Auditors and Parliament, through audit and oversight functions, it would be beneficial if evaluation were to be fully integrated into the action of the departments in charge of implementation, to serve as a tool for guiding their action and adjusting it in light of results on the ground. This evaluation requirement also applies to the State's partners, both in the private sector and civil society, in particular to support a contracting approach based on results and performance.

This consolidation of evaluation as an accountability tool and as an effective lever for the design and management of public action requires open, reliable and regular access to information, while making sure personal data is respected. The Commission noted, during its mission, that information sharing with the public is lacking, or, at the very least, there is a lack of adequately updated information, with a sufficient level of granularity to allow relevant evaluation analysis. Improved access to information will require the consolidation and upgrading of the national statistical tool, which should be in a position to make all the information at its disposal available to the public, shortly after it is collected and in usable formats. Improving access to information also requires reviewing the law on access to information and the full adoption of the Open Government standards, to which Morocco subscribed in 2018.

- **Enhanced citizen participation, which is a pillar of representative and participatory democracy**

Minimal democratic functioning, which is limited to formal aspects and to elections while tension persists between the political sphere and other partners of civil society, hampers the democratic process.

Given the citizens' commitment to democracy, it is essential that political participation be expanded and strengthened in order to contribute to effective public action and the full mobilization of citizens.



With that in mind, intermediary institutions, in particular political parties, which are pillars of representative democracy, must be energized. Political participation would benefit if political parties were more open to the lifeblood of society and if partisan life was secured. This hinges on consolidating the parties' ability to generate ideas, stimulate political reflection and groom citizens as far as their civic engagement and political and social participation at central and local levels are concerned. The modernization and capacity building of parties, their attractiveness to the citizens and their ability to mobilize skills are major levers in the effort to reinstate intermediary institutions when it comes to their primary mission as representatives of the citizens, as public stakeholders and as stimulators of ideas and civic engagement. Representative actors, who are elected by the Nation, must also show exemplary behavior and probity, which are essential values in the endeavor to rehabilitate politics in the eyes of the citizens.

At the same time, participatory democracy needs to be strengthened by increasing the number of mediation channels - traditional as well as innovative ones - to promote inclusion, pluralism and proximity. The scope of participatory democracy must be broadened to better take into account specific local issues and problems relating to social groups. This can be achieved by using such mechanisms as participatory budgets at the municipal level, or the delegation of public services to local communities. It is also possible to increase participation through the deployment, at regional level, of institutions such as regional economic, social and environmental councils, which ensure broad representation of all sensitivities and interests at the local level.

Finally, autonomous media, an emancipated and responsible civil society, a parliament capable of ensuring its legislative powers in terms of investigation and overseeing the action of the executive, are essential to promote and support productive, dynamic and inclusive public life, loaded with civic-mindedness, and reinforcing the feeling of belonging of all citizens to a common project.



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Box 10: A «re-enchanted» citizenship: shared values, freedoms and civic-mindedness

The New Development Model calls for the release of energies within a framework of trust and responsibility. Building and preserving the common home requires the primacy of the general interest over individual interests and the enshrinement of this principle as a pillar of the public space. Civic-mindedness, responsible citizenship and attachment to the country, starting with local concerns and ending with the national interest, are the cornerstones of this dynamic, supportive and equitable public space promoted by the NDM.

So how can we combine the guarantee of personal and collective freedoms, which are the driving force behind action and initiatives, with responsible and committed civic-mindedness in the promotion and defense of the general interest? By restoring confidence, consolidating the rule of law, the centrality of citizens and the respect of human dignity, the defense of equity; and by mobilizing collective intelligence around a common vision and shared values.

The NDM aims to set in motion a virtuous dynamic whereby the various public policies, linked to quality public services, universal social protection or the promotion of decent employment, backed by a justice system that is independent and competent, and by effective regulatory bodies, contribute to weaving a web of trust and support between citizens and institutions.

The NDM emphasizes the promotion of equality between all citizens, men and women, and respect for otherness, as the main pillars of a process aimed at building an emancipated society, in partnership with a strong State.

Stronger political commitment and participation, as well as the continuous improvement of public services, will set in motion a positive cycle that will be fueled by the exemplary nature of the State and the responsibility of its citizens. It will allow Moroccan men and women to become the protagonists of a civic-mindedness that is renewed by their pride in their sense of belonging and their commitment to a common vision, supported both by the centuries-old tradition of national cohesion and by the vitality of a dynamic, inclusive and committed form of citizenship.

III. STRATEGIC TRANSFORMATION PRIORITY AREAS

To achieve its ambition and its fundamental objectives, the NDM proposes four main transformation priority areas, to be inevitably addressed according to the principles and approaches promoted by the development benchmark and the organizational doctrine presented in the previous section.

First, **the economy must evolve from a low added-value, low productivity economy,** with protected rent seeking niches, to a diversified and competitive economy, driven by a dense fabric of innovative and resilient companies. Economic transformation must generate more growth and quality jobs to increase the creation of value and ensure the integration of the active population, especially women and young people.

It is essential to enhance the human capital in order to enable all citizens to take their future into their own hands, to achieve their potential independently and to participate in the country's development and its integration into the knowledge and intangible economy, driven by skills. This priority area presupposes essential, challenging and urgent reforms of the health, education, higher education and vocational training systems.

The third transformation priority area - that of inclusion - aims to ensure everyone's participation in the national development dynamic. All populations, and all territories, must be included in the collective effort, particularly through participation and equal access to economic opportunities through social protection, openness and acceptance of the diversity of the Moroccan society. Discriminating social standards and the lack of competences and skills - which lead to exclusion - must give way to an inclusion dynamic driven by growth, work, citizen mobilization and the consolidation of social bonds.

Finally, the territories will be home to the fourth major transformation priority area. Rather than remain the end-of-the-line recipient of policies developed at central level, the territories must become the place where public policies are designed, anchored and carried out. This will be the determining factor to guarantee fair access to public services, create a healthy and suitable living environment, preserve resources, respect all components of the national identity and guarantee the dignity of all Moroccans, in all environments, keeping in mind needs and potentials.

Strategic priorities emerge from the four targeted transformation processes. Some are new and constitute a break with what exists currently, such as the central place of culture and universal access to social protection by all vulnerable segments of the population, in



accordance with the instructions given by His Majesty the King in the last State of the Nation address. Others are strongly reaffirmed, given their urgency, such as basic education, regionalization or the strengthening of micro-businesses and SMEs.

All of these transformation processes call for common, crosscutting levers and underscore, once again, the need for a change in the way development is perceived, regardless of the technical specificities of each sector:

- Lay as much emphasis on the quality of services and benefits for the intended beneficiaries as on the availability of infrastructure;
- Rehabilitate public service and enhance its quality by building on win-win approaches between the public and the private sector to provide quality services to the citizens; these approaches are to be regulated in a transparent and efficient manner, in accordance with best practices;
- Build and promote all forms of partnerships between stakeholders by mustering collective talent and all the skills needed within contractual frameworks, with clear responsibilities and commitments;
- Move from a managerial approach based on resources to an autonomous managerial approach based on results and responsibility, laying emphasis on quality and equity indicators, and giving stakeholders management autonomy within the guidelines set;
- Promote the intangible capital and advance research and innovation in all sectors, whether in the economy, in higher education and research, or in culture; in all transformation priority areas, it is understood that strong promotion of the intangible capital as a wealth in its own right is to be pursued;
- Move from inclusion through palliative or corrective remedies to inclusion through policy design and the empowerment of individuals, companies and associations through capacity building;
- Promote the many successful experiences and breakthroughs, whether they are initiated by the public, private or third sector, in order to encourage experimentation, and disseminate them beyond «isolated islands of success»;
- Use digital technology as a crosscutting lever for the achievement of transformation to ensure fair access to basic services, in particular in education, health, access to information, and economic and financial inclusion of rural or disadvantaged populations.

The following sections detail the four strategic priority areas, their link to the ambitious agenda, and the Commission's main proposals to address the underlying challenges.



Table 2 : Overview of the strategic choice proposals broken down by transformation priority areas

Transformation priority area	Priority area 1 Economy	Priority area 2 Human capital	Priority area 3 Inclusion and solidarity	Priority area 4 Territories and sustainability
		Towards a productive and diversified economy that creates value and quality jobs	Towards enhanced human capital that is better prepared for the future	Towards opportunities for inclusion for all and a stronger social bond
Strategic choices	<ol style="list-style-type: none"> 1. Make the entrepreneurial initiative secure 2. Steer economic stakeholders towards productive activities 3. Achieve a competitiveness shock 4. Establish a macroeconomic framework dedicated to growth 5. Emergence of the social economy as an economic sector in its own right 	<ol style="list-style-type: none"> 1. Quality education for all 2. A system of university education, vocational training and research centered on performance and spurred by autonomous governance that promotes responsibility 3. Quality health services and health protection as fundamental rights of the citizens 	<ol style="list-style-type: none"> 1. Empower women and ensure gender equality and participation 2. Promote the inclusion of young people and their fulfilment by multiplying opportunities and means of participation. 3. Build on cultural diversity as a lever for openness, dialogue and cohesion 4. Develop a common base for social protection that enhances resilience and inclusion and gives substance to solidarity among citizens 	<ol style="list-style-type: none"> 1. Bring forth a prosperous, dynamic «Morocco of the Regions». 2. Ensure an innovative re-engineering of the territorial hierarchy 3. Promote integrated territorial organization, improve the housing and the living environment and improve connectivity and mobility 4. Preserve natural resources and enhance the resilience of territories to climate change 5. Safeguard water resources through better use of the resource and more rigorous management of its scarcity



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Priority area 1 : A productive and diversified economy that creates added value and quality jobs

Morocco has considerable assets and great potential for the achievement of successful economic take-off. Over the past two decades, Morocco has laid the foundations for its emergence thanks to structural reforms, greater economic openness and significant investment in infrastructure. Considerable pools of prosperity must be exploited more actively: abundant natural capital that needs to be more aggressively transformed; a rich intangible capital that should be developed; a special geostrategic location that offers opportunities for integration into global value chains, and a domestic market that needs to be reclaimed and revamped. The ambition of the new development model is to create the conditions for Morocco to benefit from all its assets by becoming a nation of opportunity, entrepreneurship and innovation.

By fully exploiting its potential, Morocco will be able to accelerate its economic growth, which is one of the pillars of the new development model. Stronger growth, whose fruits are better distributed, is essential to improve the standard of living of the population, provide employment opportunities for young people, generate resources to invest in human capital and finance social needs. However, the Moroccan economy is currently facing the trap of middle-income²⁴. The ambition of the new development model is to break free from this trap by accelerating growth to reach an average annual rate exceeding 6%. Acceding to that new level will make it possible to double the GDP per capita by 2035.

Improving the quality of growth is also necessary for the achievement of inclusive, sustainable development. Morocco's new growth model should be more efficient and rely largely on productivity gains. It should lead to better allocation of investment towards productive sectors and a stronger contribution from the private sector. It should also be more resilient, with a more diversified productive base, and offer further job opportunities, particularly skilled jobs in the formal sector and for the female workforce. Finally, wealth must be distributed more equitably between citizens and between regions, through proper use of the territories' full economic potential.

To achieve this new level of growth, Morocco must launch an active transformation of its productive fabric. Four fundamental processes must be encouraged to make the national economy more sophisticated and bring it in line with the format existing in the most advanced economies: the current economic fabric must be modernized in order to become more formalized, competitive and productive; diversification should be enhanced through the introduction of new activities and innovative know-how; ensure upscaling to increase local added value; and finally promote internationalization to steer businesses towards export activities. This production transformation will make it possible to rise successfully to the

²⁴The middle-income country trap refers to the situation of countries experiencing a slowdown in the growth of their GDP per capita over a long period of time. Low productivity growth generally represents the structural obstacle to their transition to the high-income category.



challenge of promoting the 'Made in Morocco' brand (See Box 13 *The 'Made in Morocco' brand: Diversification and Upscaling*).

The dynamism of the private sector is at the heart of the new development model. Achieving the goal of productive transformation requires an entrepreneurial and innovative private sector which is capable of taking risks, exploring new opportunities, entering into new sectors and markets and withstanding international competition. However, the Moroccan economy is characterized by a lack of entrepreneurial spirit in productive and innovative activities. This is the result of a managerial culture which is risk-averse; it is also due to an unfavorable business environment. One of the major challenges of the new development model is to bring about an economic environment that encourages more principled behavior, by promoting private initiative and public policies that are favorable to productive entrepreneurship.

The public sector must continue to play an essential role in enhancing national competitiveness and stimulating private initiative. In the philosophy and approach underpinning the new development model, the public sector must support economic dynamism through the production of common goods, facilitation of private initiative, market regulation, macroeconomic policy and encouraging the sectors of the future. In particular, the consolidation of public enterprises through a reform of the State's shareholder policy will be necessary, given these enterprises' key position in strategic sectors for the nation's competitiveness, and their ability to invigorate sectoral and territorial ecosystems. This reform will hinge on making State-owned enterprises and institutions (EEP) financially autonomous, on ensuring result-based management, on clarifying the relationship with the parent ministry and on making a clear distinction between functions relating to strategy, operation and regulation in all sectors. The State must also make public procurement a real instrument for productive development and encourage the emergence of a well-organized, innovative social economy that can provide collective services and create economic value in all territories.



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Box 11: Recommendations regarding the State's shareholder policy

The NDM recommends making State-owned enterprises and institutions an engine of economic development and of improved structural competitiveness, a driving force for the private sector, through the structuring of competitive ecosystems in strategic sectors, and encouraging stakeholders to engage in regional development, while being mindful of their social and environmental impact. State-owned enterprises and institutions are also expected to play a key role in overcoming the Covid-19 crisis and in achieving a new level of competitiveness and growth. To transform State-owned enterprises and institutions along those lines, and in keeping with the guidelines set by His Majesty the King regarding the creation of the State Holdings Agency (APE) and its mission, the following is proposed :

- **Reconfigure the public portfolio** to make a distinction between nonmarket institutions that are under the authority of the administration and market institutions, which are managed by the APE, and also to promote synergies within the public portfolio by moving from a rationale of compartmentalized public offerings to a systemic, cross-cutting approach based on sectoral synergies (finance, transport, energy, etc.);
- **Separate strategy functions from operation and regulation functions and empower market EEPs in terms of management away from the sectoral supervisory departments.** To move away from the dual technical and financial supervision of EEPs, which sometimes leads to divergent guidance policies, it is recommended that the sectoral departments focus on defining public policies, the operational dimension of which should involve contract relations with the EEPs. The EPA would thus be involved in restructuring the EEPs, increasing their asset value and improving their performance. The administrative management of EEPs should evolve along those lines, particularly through smaller boards of directors with an adequate level of expertise. The main sectors should have independent regulators to create a framework conducive to consumer protection and increased private investment.
- **Improve the financial transparency of the activities of market EEPs as a precondition for their restructuring and financial empowerment.** This means EEPs' accounting should become more transparent so as to be able to cancel tacit adjustments between activities or between parts of the same activity, clarify the profitability of each activity, make EEPs accountable for their performance regarding activities of a profitable nature, and create transparent, targeted state subsidy schemes for activities of a social or public service nature that are structurally unprofitable and that require financial support from the State;



- **Change the legal status of non-profit EEPs into that of public limited companies** to give them greater strategic, financial and operational autonomy and make them assume greater responsibility for their work in order to enhance performance;
- **Conduct an organizational re-engineering** operation to separate activities equivalent to natural monopolies from activities that can be open to competition and to investment by the private sector as an operator alongside the State in order to enhance competitiveness and reduce the investment burden for the State;
- **Bring about an environment conducive to transformation and change management within the EEPs**, particularly through training, the provision of skills for change and the promotion of experimentation and innovation;
- **Foster the setting up of EEPs** in the territories and their commitment to regional development through, for example, the creation of EEP branches in the territories and the emergence of dedicated EEPs, whose mission is to contribute to regional development and the promotion of the territories.

Ensuring the successful transformation of the Moroccan economy requires a new generation of long-term, more complex reforms enjoying strong political backing. In order to trigger a systemic economic dynamic that rallies all stakeholders, the new development model proposes a roadmap based on five strategic choices: i) making sure private initiative is secure so as to eliminate regulatory obstacles, administrative barriers and the rent-driven economy; ii) orienting economic stakeholders towards productive, high added value activities through a comprehensive system of incentives and support measures; iii) fostering a competitiveness shock to reduce the costs of production factors and improve their quality; (iv) creating a macroeconomic framework designed to promote development; and v) fostering the emergence of the social economy as a new pillar of development.

The strategic choices proposed by the new development model must be implemented on an urgent basis to build the post-Covid-19 economy. The Covid-19 epidemic has caused an economic crisis of unprecedented proportions that has exposed the weaknesses of the national production fabric and significantly impacted its growth potential. This crisis requires proactive action to preserve businesses. It foreshadows new opportunities with the development of life-related industries and the relocation of supply chains. They will have to be availed in full through the promotion of entrepreneurship and the emergence of a new generation of businesses conducive to productive transformation.



Box 12: Beyond the COVID-19 crisis: A new era for the tourism sector

Tourism plays a major role in the national economy. In 2019, it accounted for 7% of GDP and more than 550,000 direct jobs. However, this sector has been strongly impacted by the Covid-19 crisis due to the restrictions imposed at the national and international level, with massive impacts on employment and economic dynamics in territories with a high level of tourist activity. At the international level, the return to pre-crisis levels of activity will take several years.

Internationally, the tourism sector has already experienced major shifts in demand over the past decade, some of which will be compounded by the Covid-19 crisis. Among these trends, a stronger demand for cultural experiences and for responsible and sustainable tourism, an interest in social immersion, for example through accommodation with locals facilitated by online platforms, as well as the pursuit of an even more personalized customer experience. With the Covid-19 crisis, it is also expected that there will be a strong demand for health and safety measures in travel destinations.

Morocco boasts many valuable assets making it possible to respond to these new trends. With its diverse civilizational, cultural, gastronomic, natural, ecological, and archaeological heritage, the nation has the potential to offer tourists a unique experience and cover a broad spectrum of travel demand. Its proximity to major outbound tourist markets, its strong institutional stability, its international-standard infrastructure that allows for rapid and safe travel, and its robust health system response capacity, as demonstrated by the way the Kingdom handled the pandemic and finally its vaccination strategy, all contribute to the country's appeal.

It is vital to adapt the tourism sector to global trends and the new reality following the pandemic in an effort to revive it over the long term, enabling it to fully seize all the opportunities offered by national and global demand, and to create more value and good quality jobs. To this end, the following recommendations are made in accordance with the objectives and guidelines of the new development model:

- *Supplement the accommodation offer with a diversified and quality offer of entertainment and experiences, as part of an ecosystem-based approach.* After a development phase that made it possible to establish transport infrastructures and strengthen the country's accommodation capacities, it is now necessary to place greater emphasis on the diversity and quality of the offer, in order to capture higher tourist revenues, as well as longer or more repetitive stays. It is important to harness the full potential of cultural, sports and medical tourism. It will be necessary to redirect part of the incentives to support the development of tourism services and activities, while ensuring the inclusion of social economy players. It will also be necessary to boost the development of cultural, musical, historical and natural heritage in all the territories. The ability to develop such an offer, through an ecosystem-based approach, calls for close coordination between all stakeholders in the tourism sector and all the other related sectors.

- *Boost domestic tourism.* In conjunction with the development of a diversified, high-quality offer that attracts domestic and foreign tourists, measures to support domestic demand could be initiated to strengthen Moroccan citizens' access to an offer that meets not only their expectations but also their purchasing power. It is also possible to consider the regionalization of school vacations as a lever to maintain a regular level of demand and strengthen promotional campaigns to encourage domestic tourists to discover new local destinations.
- *Support entrepreneurship in tourism services and strengthen skills.* The development of tourism services and activities has great potential for entrepreneurship, particularly for the development of microbusinesses and SMEs with a local scope. In order to promote the development of this offer, it is crucial to provide technical and financial support to these players, to establish links between them in order to create integrated offers (accommodation, activities, etc.) and to develop a specific training plan for the new professions in the tourism sector and to promote their professionalization.
- *Adhere to new tourism marketing methods by supporting the digital transformation of the sector.* Measures to promote innovation and digitalization will be necessary to support the design of new offers and their integration into marketing channels to tap into the growing share of online demand. This will require raising the profile of Morocco as a destination and strengthening promotion on major platforms, as well as creating platforms for monitoring and disseminating information to industry players to help them align their offers with the latest trends.
- *Strengthen the resilience and sustainability of the sector.* To this end, the priority is to improve the quality of employment in the tourism sector, in particular by extending social protection to all tourism workers, especially seasonal ones. The diversification of tourist destinations and the development of territories will reduce the risks associated with a massive concentration and promote job creation in rural areas, particularly through ecotourism. A label for sustainable and responsible tourism can also be developed and could provide access to attractive public incentives to encourage such projects.
- *A cross-cutting approach and enhanced coordination.* There is great potential for synergy between tourism and other sectors, and its attractiveness depends to a large extent on multiple factors related, for example, to air transport and the smooth flow of border crossings, local safety conditions, clean cities, and tourist behavior. In this regard, increased coordination between the various stakeholders and systemic efforts to address all the factors involved in the development of the sector will be crucial. To effectively steer the sector at the national level, it is recommended to establish a task force at the Executive level with a strong mandate to modernize and develop the tourism sector. At the same time, territorial coordination should be further strengthened to foster the emergence of new ecosystems.



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Strategic choice 1. Making entrepreneurship secure

Making entrepreneurship secure aims to guarantee stable and impartial rules for all economic operators, who must find a trusted partner in public administration. Releasing entrepreneurial energies requires significant improvement of the business environment to reduce the sources of blockage, uncertainty and corruption. In this regard, three actions are proposed in to establish a new relationship based on trust:

Ensuring systemic elimination of administrative and regulatory barriers. To strengthen and accelerate government efforts in this regard, the Commission proposes to implement innovative reform mechanisms that have been successfully tested at international level: i) introducing a procedure for massive simplification of authorizations, approvals and licenses by forcing administrative departments to justify current procedures, eliminate unnecessary steps and favor a posteriori control through an approach based on specifications; ii) measuring the financial cost of procedures weighing on businesses, through the «standard cost model», which makes it possible to define annual relief targets, and; iii) regulatory reviews that consist in assessing the quality of business regulations on a periodic basis. The simplification measures that would result from these mechanisms could be grouped together in modernization laws, the adoption of which would allow the review of several provisions in a single text. These instruments must be brought together to cover crosscutting and sectoral issues. The coordination of this simplification endeavor could be entrusted to the National Business Environment Committee, whose capabilities must be enhanced for it to fulfill this mission.

Ensure healthy competition and strengthen the hand of regulators. Guaranteeing the healthy, competitive functioning of the markets is a precondition for boosting private initiative. Morocco has set up a Competition Council and numerous sectoral regulatory institutions, which are responsible for ensuring the healthy functioning of markets, reducing barriers upstream, and sanctioning conflicts of interest, insider trading and cartel arrangements. These regulatory bodies are yet to perform their duties in full, and certain harmful behaviors, which they must be combating, continue to thrive. Under the new development model, it is essential to: i) reinvigorate existing regulators by guaranteeing their independence, strengthening their legal framework, providing them with the necessary resources and expertise, and favoring the criteria of competence, integrity and independence in the appointment of board members; ii) set up a regulatory authority for other strategic sectors, such as water, and; iii) lay down a clear legal framework and international standards on access to information and conflicts of interest.

Protect businesses through effective redress mechanisms. To protect businesses effectively, it is necessary to guarantee access to a transparent, impartial justice system, which is capable of enforcing judgments. In this regard, implementing the proposals of the new development model concerning the reform of the justice system is crucial to encourage the development of the private sector. The protection of businesses also requires the development of redress mechanisms in the event of unjustified administrative blockage, abuse or corruption, by strengthening the institution of the Ombudsman and the establishment of internal remedial courses. In this respect, the Commission proposes to create the function of



Défenseur de l'entreprise (Business Advocate), under the authority of the head of government. Its mission would be to get involved in direct mediation, in accordance with clear procedures, and to help resolve situations related to delays or administrative abuse causing significant economic damage.

Strategic choice 2. Steer economic stakeholders towards productive activities

Public interventions should encourage private operators to go into new activities conducive to modernization, diversification, upscaling and internationalization. Four actions are proposed to achieve this objective:

Develop a national economic transformation policy to unleash Morocco's growth potential in all sectors. Morocco has adopted proactive sectoral strategies whose implementation has generated encouraging results in some sectors, whereas results in others have remained short of the set objective due, in part, to isolated management with limited synergies and inadequate inter-sectoral coordination. Under the new development model, the Commission proposes to develop a national economic transformation policy to rally stakeholders around a shared ambition and value creation objectives at the national level. As a frame of reference for sectoral strategies and for the incentive framework, this policy aims to set the objectives and levers for Morocco's economic transformation as well as priority sectoral ambitions to make the most of the country's major sources of growth. Given its crosscutting character and its strategic importance, this policy should be steered by the Head of Government and should be endorsed by all stakeholders in the public and private sector. Its implementation may be based on a number of measures and instruments, some of which are detailed in the paragraphs below. It will need to be periodically re-assessed and adjusted to global developments, trends and emerging economic opportunities.



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Box 13 : NDM Bets for the future - The ‘Made in Morocco’ brand: Diversification and Upscaling

As it builds a diversified, sophisticated and productive base, Morocco is betting on becoming the most attractive multi-sectoral hub in its region. It also seeks to make the most of its geographical location and of the significant investment made in infrastructure in recent years for the purpose of strengthening its economic potential and offering the world high-added value products and services that are based on know-how and innovation and are environmentally responsible. The ‘Made in Morocco’ bet for the future makes it possible to identify a large number of high-potential sectors and activities in industry, services and natural resources (see ‘Made in Morocco’ thematic note).

This bet for the future implies making a significant leap in competitiveness, which will enable the country to stand out thanks to its ability to become part of regional and global value chains through access to competitive low-carbon energy, logistics at attractive costs that are consistent with the best international standards, reception infrastructure and quality digital connectivity. This bet also calls for investing heavily in skills and supporting all stakeholders - Moroccan and foreign – as they contribute more actively to the development of Morocco’s sectoral potential and to the upscaling of its productive fabric.

Set up a harmonized steering and implementation mechanism to achieve strategic sectoral ambitions. In order to mobilize all stakeholders to serve the national economic transformation policy, particularly in areas where several sectors overlap, the Commission proposes to set up sectoral task forces mandated at the highest level to achieve targeted sectoral ambitions. These task forces should include representatives of the public and private sector, and their mission would be the removal of constraints hindering the development of high-potential sectors. The proposed approach makes it possible to: i) harmonize and institutionalize best practices for the implementation of sectoral strategies; ii) empower all stakeholders through a high-level mandate which specifies each sector’s objectives and roles and encourages cooperation, and; iii) improve implementation, monitoring and coordination capacities by entrusting these task forces’ secretariat to the implementation support unit attached to the head of government. The unit will disseminate good practices and capitalize on the experience acquired. To start the process in a pilot phase, the Commission proposes to mandate a limited number of task forces in high-potential sectors that are not sufficiently leveraged. This would concern, for example, the blue economy, tourism, high added value offshoring, logistics, energy, digital technology, sustainable mobility, the social economy etc.

Revisit the incentive framework to steer investors towards productive activities and support the development of SMEs more actively. Public incentives are an investment steering tool that needs to be leveraged to serve productive transformation and the new model’s goals in terms of growth, job creation and business development. With that in mind, the Commission proposes to revisit the incentive framework in order to: i) re-define the most appropriate instruments to target value-generating activities; ii) re-define eligibility criteria by prioritizing projects conducive to productive transformation, and by ensuring the eligibility



of medium-sized projects and SMEs, which are major job creators; iii) improve incentive efficiency through payment methods that are more clearly conditioned by the achievement of the objectives set (job creation, investment, downstream integration, transfer of know-how, etc.), thus ensuring stronger commitment on the part of investors concerning the effective implementation of projects as well as better profitability of these incentives for the State. The review of the incentive framework must be based on a comprehensive assessment of the effectiveness of existing public aid intended for businesses, be they crosscutting or sectoral.

Proactive financing of productive diversification and the upscaling of the economy. The Commission proposes to create a financing instrument specifically dedicated to productive diversification. Its mission is to invest in high-potential activities in Morocco, in partnership with private companies that exist or that are being developed. This venture capital intervention would be a lever enabling companies to obtain additional financing from market players. This instrument's mission would be to deploy a large-scale, proactive and systematic approach aimed at enhancing all of Morocco's under-exploited sectoral potentialities, in conjunction with sectoral task forces in particular. This instrument is perfectly in line with the objectives of the recently created Mohammed VI Fund and could be integrated into it, making sure synergies and complementarities with public institutions' financial instruments are fostered. The Mohammed VI Fund could eventually become a Public Investment Bank that brings together all existing instruments to support business development (guarantees, financing, investment, support, promotion, etc.) and ensure that they are operating according to a flexible and efficient institutional framework.

Promote support for businesses to strengthen their managerial, organizational and technological capacities. To give the Moroccan private sector every chance to successfully achieve its productive transformation, the new development model puts support for businesses at the heart of its economic policy to strengthen their human and organizational capacities and support their modernization, jointly and in a complementary way with financing solutions. To this end, the Commission proposes to devise a national business support strategy to develop support measures on a large scale, organize it in a clear way, and ensure its quality. This includes expanding the existing support programs, making them more easily accessible in all regions, and reinforcing them to cover all needs (development, export, innovation, transmission, etc.), using specific approaches depending on the size of the company and its development phase (startups, micro-businesses, SMEs, high-potential companies). The deployment of such programs - to be accessible on a large scale - requires the structuring and professionalization of support stakeholders, and a certification or labeling process according to quality criteria to assess services and performance (impact on supported companies). For maximum impact, these programs should be accessible according to clear eligibility criteria, be selective and be funded partly by the State, and partly by the beneficiary companies. This project could be supported by the Mohammed VI Fund, on top of investment instruments. In the regions, a one-stop shop for technical and financial support for businesses would be set up at the level of the regional investment centers (CRI), around which a regional ecosystem would be organized, bringing together all the stakeholders concerned.



Establish a framework conducive to the promotion innovation within companies and facilitate the emergence of regional and global start-ups. To this end, the Commission proposes to develop a national innovation system that makes it possible to: i) strengthen businesses' access to R&D and innovation through the establishment of financial support instruments for the promotion of innovation, including in particular an ambitious tax-research credit mechanism for the benefit of all businesses, and the creation of a technological innovation program to subsidize technological and scientific research projects with high economic potential as well as breakthrough innovations; ii) develop a regulatory and fiscal framework conducive to the emergence of start-ups which would, in particular, make it possible to create a 'young innovative company' incentive status, adapt foreign exchange regulations to the needs of startups and set up sectoral frameworks conducive to innovation and the growth of startups, especially in sectors such as Fintech, in which Morocco is considerably lagging behind.

Make public procurement a strategic lever for productive development. As well as preserving the principles of competition and cost-effective quality research, public sector purchases must become a means for productive transformation by offering national companies opportunities for diversification and upscaling. In this regard, the Commission proposes to create a framework in order to support buyers and encourage them to comply with national preferences, integrate structural transformation objectives and social and environmental impact into their contract award criteria, and better apportion procurement contracts so as to encourage bids from SMEs. It will also be important to enhance the transparency of public procurement contracts by regularly publishing indicators and data relating to those contracts, and by accelerating the project for the complete paperless processing of purchasing operations. In sectors of a strategic nature (defense, education, health, digital technology, etc.), more flexible purchasing mechanisms should be established to promote innovation through new consultation and purchase modalities, in particular experimentation contracts, progress contracts, ordering prototypes and unsolicited offers.

Ensure the integration of the informal sector through an incentive-based, gradual approach suited to the nature of stakeholders. As regards the organized informal sector, effective implementation of the law should be ensured, allowing, when necessary, for a transition period in light of the specificities of the sectors concerned in order to ensure gradual compliance with regulations, in particular through formalization contracts between the companies concerned and the State. As for the integration of the social informal sector (small traders, artisans), in which several million Moroccans are concerned, it is recommended to set up a system involving a professional card which provides rights, such as access to vocational training, public procurement contracts as well as administrative and fiscal facilities, and access to medical coverage and family allowances.



Box 14 : For food sovereignty driven by modern, high value-added, inclusive and responsible agriculture

The agricultural sector is a major contributor to the national economy in terms of GDP and employment. Over the past two decades, agricultural policy has aimed to protect traditional and solidarity-based agriculture while laying the groundwork for a modern, productive and export-oriented agriculture.

The COVID-19 crisis has sharply emphasized the need to ensure food security for the Moroccan population, both for raw and processed agricultural products, taking into account the underlying trends that structure the shift in global demand for agricultural and agro-industrial products, which is increasingly rooted in the principles of environmental sustainability and social responsibility. Without attempting to evaluate the country's agricultural policies, the Commission proposes the following recommendations to enhance the value of this sector, in line with the NDM's cross-cutting guidelines:

Enhancing the local development of agricultural production: Despite being referred to as a traditional sector, agriculture has great potential for development and upgrading through the local processing of plant and animal production. A strong focus on value-adding is made possible by production growth achievements, which now ensure a high volume and quality supply in several sub-sectors. As such, while consolidating the development of upstream agriculture, it is both urgent and advisable to strengthen agribusiness development objectives and the full integration of agricultural value chains, which are sources of local value added and decent job creation.

This development will involve strengthening complementarity and integration between upstream and downstream operators of all sizes, by building their capacities, in particular through appropriate cooperative and aggregation models, and encouraging investment. It also requires a modernization of agricultural marketing channels (packaging, markets, platforms, cold storage, etc.) in key production areas, through continued efforts to promote and mainstream quality standards and health and food safety, as well as accelerating integration into the formal sector.

Developing a modern, socially and environmentally responsible agriculture, using technology to achieve sustainability: The Commission calls for a greater focus on modern, environmentally and socially responsible agriculture that can meet the goal of food sovereignty while integrating the requirements of resource sustainability and resilience to climate change.

Reconciling productivity and sustainability can be achieved through various levers: 1/ Expanding access to innovative production processes which make it possible to improve yields, through precision agriculture; 2/ Promoting an agricultural use of water which is mindful of its scarcity, by giving priority to the sectors considered essential to food sovereignty, and by mobilizing the most advanced technologies for water saving and resilience. Accordingly, the real cost of water should be transparently and competitively priced to facilitate these trade-offs (*see recommendations on water in Priority Area 4.*) 3/ supporting the development of family farming, rain-fed agriculture and small-scale livestock farming, by ensuring their integration into short value-added cycles (*see recommendations relating to the rural environment, priority area 4*); 4/ strengthening local production and access to adapted agricultural inputs (climate-resilient seeds, intelligent



and well-reasoned fertilization, preservation of adapted local varieties, phytosanitary processes, etc.); 5/ promoting accessible and adapted financing tools for agricultural ecosystems.

Socially, the inclusion of farmers, be they operators or workers, must be strengthened by facilitating access to universal social protection, improved rural infrastructure, better working conditions enabled by the use of technological tools, and by stepping up efforts to build the capacity of small farms and to group and aggregate farmers for fair and equitable value sharing between producers and aggregators

Strengthening human skills and encouraging research and innovation in agriculture and agro-industry: Given the high stakes in the sector, the Commission deems it critical to strengthen research, development and innovation in agriculture and agro-industry in order to consolidate the foundations underpinning the country's food sovereignty. Emphasis should be placed on high-stakes issues for upstream agriculture and food security, such as - by way of example - climate and water resilience, and the preservation and improvement of local varieties. This research must be conducted autonomously by the various specialized institutes, as recommended by the NDM, and by adopting action-based research approaches, which are firmly rooted in the territories and ensure the dissemination of knowledge and technical processes that benefit agricultural players. In accordance with the objectives of enhancing the value of the sector, research and innovation should also target issues related to agri-food processing. Finally, higher education and vocational training in the trades related to agriculture and agribusiness warrant encouragement and territorialization, capitalizing on existing establishments and on the Cités des Métiers et des Compétences (Skills and Trades Centers).

A more systemic and coordinated governance of the sector at the territorial level. The modernization and sophistication of the agri-food sector as a whole, both upstream and downstream, and the management of its multiple, highly interdependent aspects, require the involvement of a large number of departments (agriculture, industry, sustainable development, water, research, training, innovation, etc.). Addressing the complex challenge of food sovereignty will require a systemic and cross-cutting approach as advocated by the NDM and will require more strategic and operational coordination, particularly at the territorial level.



Strategic choice 3. Achieve a competitiveness shock

A competitiveness shock is essential to create the right conditions for productive transformation and to give substance to Morocco's vocation as an attractive regional hub for investment. Although Morocco has many competitive advantages, production factors are relatively expensive, given their quality. This hampers the competitiveness of Moroccan companies and undermines the country's attractiveness vis-à-vis foreign investors. The new development model recommends four actions to enable Morocco to become the most competitive country in the region by investing in the quality of production factors and by conducting the structural reforms needed to optimize their costs:

Bringing down energy costs by reforming the sector and using renewable and low-carbon energy. Reducing energy costs requires a major reform of the electricity sector, notably through the following: i) creating a new institutional architecture around a strong, independent and transparent regulator for the entire sector that also covers natural gas; ii) establishing a distinction between the roles of stakeholders (producers, transporters, distributors) and responsible liberalization of the sector, particularly through the effective opening of green energy production to competition; iii) restructuring of the sector's public enterprises, in particular the ONEE to enable it to fulfill its strategic function of modernizing the electricity transmission network and supporting the sector's reform; iv) encouraging decentralized production to allow access to competitive electricity in the territories and; v) creating a favorable framework for the development of electric mobility. This structuring reform must be accompanied by a short-term effort to improve the competitiveness of the national industry through a reduction of production costs which has already started in energy-intensive industries, and by giving stakeholders access to solutions to obtain natural gas for the production of heat energy at low cost. The implementation of these actions will give Morocco a distinct status as a competitive, carbon neutral and environmentally responsible partner (See Box 15. *NDM Bets for the future - Morocco: A champion of competitive and green energy*).



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Box 15 : NDM Bets for the future Morocco: A champion of competitive and green energy

By rising to this bet for the future, the aim is to make Morocco's energy supply a major determinant of its economic attractiveness, building on competitive energy mainly from renewable sources. Morocco's accelerated transition to a low-carbon, competitive economy that is attractive to industry would make the Kingdom a benchmark in terms of low-carbon, responsible and sustainable production methods. This would make it possible to broaden the accessibility of Morocco's exports to promising markets and attract foreign investors looking for opportunities in green economy sectors. A major reform of the energy sector is necessary to take advantage of the technological revolutions underway in renewable energy and develop a market that is open to domestic and foreign investment.

Reducing logistics costs and improving the quality of services by restructuring the sector. The economic ambition of the new development model is to make the Moroccan economy a multi-sectoral hub fully integrated into international value chains. Achieving this goal depends, for the most part, on the ability to modernize and structure the logistics sector to improve performance and reduce costs. The proposed reform targets the main dysfunctions that hamper competitiveness in logistics: i) establishing a new governance scheme that allows for greater coordination between public stakeholders so as to promote multimodality through the creation of a state hub in the form of a holding company, or an economic interest group, to manage all logistics activity and the consolidation of the Moroccan Logistics Development Agency; ii) structuring logistics flows around logistics zones connected by major corridors that are fully integrated with production centers and international trade; iii) consolidating and structuring stakeholders by encouraging the aggregation of small operators and the emergence of international players, including in end-to-end warehousing, transport and delivery services that are needed for the development of e-commerce, and; iv) expanding rail transport across the territory to make it the backbone of multimodality by continuing to modernize and open up the sector.

Develop quality business areas offering competitive prices accessible to all businesses. To promote the dynamism of the private sector, all businesses should be able to access reception infrastructure at competitive prices and receive suitable services. To this end, the Commission proposes to set up a normative framework for reception infrastructure to ensure the provision of industrial activity zones and services that meet the needs of businesses (in terms of services, management, connectivity, etc.). The development and management of this infrastructure would be based on public-private partnership and a generalized version of the management model used in certain zones (such as Tangier Free Zone, Kenitra Automotive City, etc.). In this regard, the role of the public sector, especially the regions, would consist in identifying needs based on an approach driven by economic demand, not by land-related opportunity, providing quality land, ensuring connectivity and supporting, where necessary, off-site infrastructure and the exit price. Development and management would be carried out by private operators chosen on the basis of an open call for projects procedure and on of



specifications requiring high-quality service within the zones. As in the former free zones, all authorizations would be issued by a one-stop shop supervised by the zone manager.

Make digital technology and technological capabilities a key factor in competitiveness, business modernization and the development of new professions and sectors in step with global transformations. Digital infrastructure and the capacity to adopt digital technologies are major determinants of a country's competitiveness, given the growing part new technology plays in all sectors in today's economy, a fact that requires reliable, quality digital services. Shoring up the competitiveness of the Moroccan economy will require a proactive, accelerated approach to generalize access to broadband internet in all of the Kingdom's regions, and to ultra-high-speed internet in areas of high economic activity. Upgrading the digital infrastructure must go hand in hand with rapid improvement in the capacity to use new technologies, with, in particular, increased training opportunities in digital skills and artificial intelligence, and speeding up the implementation of the national strategy for financial inclusion through digital finance, and the provision of support for introducing digitization in companies and support for startups.

Build skills through private sector involvement in training. In addition to efforts to improve the quality of school and university education, it is imperative for Morocco to enhance the level of human resources professional qualification, in terms of behavioral, linguistic, managerial capacities as well as technical skills to ensure the supervision and expertise needed for the transformation of the economy. The new development model's main proposal is to increase the involvement of the private sector in skills development within the framework of partnerships with the State and the regions. In addition to public-private partnerships for the management of training institutes, as has been successfully done in certain industrial sectors, the private sector's active involvement will be particularly suited for the achievement of three critical functions, which are missing in Morocco in most sectors today: i) human resource planning through the continuous identification of trades and skills sought by businesses at the national, regional and sectoral levels; ii) quality control of professional training through independent assessment of the skills acquired, to be directly obtained from beneficiaries, and systematic assessment of integration rates; iii) optimal management of continuing training, the financing of which must be separated from OFPPT budget and should be entrusted to a dedicated entity that would also be in charge of certifying skills and validating professional experience.

Ensure regular social dialogue that takes into account current and future transformations in the working world. Technological changes are generating new forms of labor relations involving autonomy, network activity and teleworking. These forms of work, which will increase over the next few years, involve new contractual arrangements and statutes, such as that of self-employed, given the growing formalization of individual activities. Moreover, salaried work will be increasingly marked by frequent job changes, generating a need for the portability of individual rights to social benefits and continuing training. In order to prepare for these trends, it is recommended that social stakeholders conduct a dialogue which is based on anticipation, making sure these major shifts are fully taken into account. This dialogue could focus on modalities for combining the flexibility of social labor relations and the development of skills with the security of social benefits and the improvement of workers'



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incomes. It is especially recommended to: i) improve mechanisms for the prevention and peaceful resolution of labor disputes, with increased recourse to mediation; ii) enhance employees' right to training and facilitate actual access to training resources through the setting up of an individual training account that is linked to the employee, and not to the business; iii) enhance the attractiveness of the status of self-employed persons, by including the right to social protection in particular; iv) facilitate inter-business and public-private mobility by facilitating the portability of rights and of social protection benefits.

Strategic choice 4. A macroeconomic framework conducive to the promotion of development

The stability and competitiveness of the macroeconomic framework are of crucial importance for private initiative. Morocco has stable macroeconomic environment and financial system that should be safeguarded. Still, this framework should be improved to better stimulate economic growth, through four actions:

Optimizing budgetary expenditure through new management instruments. To put public finance at the service of national development, the Commission proposes to: i) make optimal use of the organic law relating to the finance law in order to foster results-based management, in particular by voting the budget according to a rationale of performance, and not a means-centered logic anymore; ii) enhance multi-year public finance planning through the adoption of budget programming laws that are consistent with the objectives of the new development model and; iii) set up a mechanism for comprehensive periodic review of public expenditure in order to optimize expenditure by reducing non-priority expenses; this would make it possible to expand the budgetary base to finance the priority programs of the new model of development.

Reducing the tax burden weighing on productive and competitive activities. In order to boost the dynamism of private initiative and enhance the competitiveness of businesses, it is recommended to reduce the corporate tax rate substantially for activities facing international competition, in particular industry, with a view to bringing it in line with the average rate applied by Morocco's competitors. This rate would remain an increased rate for the protected sectors. A tax reduction should also be granted to encourage activities with a social impact as well as research and development. In addition to supporting the competitiveness of productive sectors, the tax system must be made more equitable by significantly broadening the tax base through the fight against fraud and tax evasion, the streamlining of tax expenditures and the integration of the informal sector. Specific proposals for the achievement of these objectives are presented in annex to this report.

Keeping in mind the objective of increasing the number of players and of diversifying mechanisms for the financing of the economy in monetary and banking policies. Morocco has a robust and stable financial system. Although this is an asset for economic development, it does not make it possible to meet all needs in terms of financing the economy in full. To support the productive transformation (diversification of the economy, development of



regional and local SME/SMI ecosystems), the Moroccan financial system should be more dynamic and become more effectively involved in financing the economy, while preserving stability fundamentals. To this end, it is recommended to create favorable conditions to increase the number of stakeholders and to diversify mechanisms for the financing of the economy when developing monetary and banking policies through the following in particular: i) adjust macro-prudential regulations to the national economy's financing needs; (ii) ensure a monetary policy management which reconciles in a more balanced way growth objectives and inflation, within the framework of a dual mandate; iii) encourage greater competition in the banking sector through the entry of new players, in particular, both in traditional financial activities and in more innovative activities, especially in connection with Fintech and; iii) improve data regarding access to finance and the distribution of credit according to smaller categories of enterprises.

Create the right conditions for the development of capital markets. A key objective of the new development model for the future is to position Morocco as a reference financial hub in the region. Fulfilling this ambition requires an acceleration of capital market development. This will require: i) restoring confidence in capital markets through the actual implementation of regulatory functions, making sure crimes are effectively and impartially sanctioned, while facilitating activities that are likely to stimulate a positive dynamic in capital markets; ii) accelerating the legislative process to change the legal and regulatory framework of capital markets in a rapid, continuous manner; iii) broadening the base of issuers and investors through the initial public offering of public companies, the creation of a market dedicated to raw materials, the easing of the regulations applying to certain categories of companies to encourage them to be listed on the Stock Exchange, in addition to ensuring the development of the private debt market and; iv) the introduction of new financial instruments and products to increase market liquidity, particularly through the establishment of futures markets and derivatives markets.



Box 16 : NDM bets for the future Morocco as a regional financial hub

The ambition in this regard is to make Morocco an attractive financial center, where large and small Moroccan and African businesses with high growth potential can raise financing - a center that attracts substantial financial flows in search of profitable investments in promising niches for the future. In addition to meeting internal needs for traditional or alternative financing, Morocco would be able to capture market shares in Africa (beyond the banking sector), particularly with regard to the financing of major projects. The status of regional financial center that is increasingly dematerialized to be at the forefront of technological innovation in the financial sector could also be consolidated by confirming Morocco as a regional platform for commodity trading, in cooperation with certain international reference centers in this field.

Strategic choice 5. Emergence of the social economy as a pillar of development

In addition to the private and public sectors, the new development model aims to contribute more actively to the emergence of the third pillar of development, namely the social economy. This key sector will be spearheaded by a variety of stakeholders who aim to reconcile economic activity and public interest (associations, cooperatives, social enterprises, etc.). This means breaking with a vision of the social economy being dominated by low added-value subsistence activities in order to make it an economic sector in its own right. It is to be led by dynamic, structured and innovative entrepreneurs, and it should provide jobs to complement positions in the commercial and public sectors; it will be a producer of public services, particularly in health and education, and a means for the promotion of territories. Three actions are proposed to kick-start the new social economy dynamic.

Adopt a founding framework for the new social economy. The emergence of new social economy is a major innovation brought by the new development model. To initiate this dynamic, the Commission proposes to institute a founding framework conducive to the development of this new sector. To this end, there should be broad consultations, supervised at inter-ministerial level, which include civil society, the private sector and local communities. This collective development effort could lead to a new framework law setting the guiding principles of the social economy. The consultations leading up to the adoption of this text should make it possible to define several structuring parameters for the sector's development, namely: i) a shared vision of the social economy and its role in the new development model; ii) the sector's governance and management and the partnership modalities between the State, local communities and social economy stakeholders; iii) the structuring of stakeholders and their statutory organization; iv) the sector's financing.



Promote the transfer of public services to stakeholders in the social economy, using an experimental approach. Some priority areas of the new development model can make use of the social economy through the transfer of public services, particularly in the domains of health, social assistance, education, early childhood, culture, the circular economy and professional integration. Resorting to this new mode of provision of public services represents a significant pool for job creation. Its large-scale deployment requires the establishment of a support and funding mechanism to help with the emergence of a network of modern, organized stakeholders. To promote change in this regard, and as a first step, the Commission proposes to identify opportunities for transferring public services to stakeholders in the social economy, and to set up pilot projects based on successful experiences. The objective of this approach is to experiment with different organizational models possible, to observe stakeholder dynamics, to assess the impact and quality of the services provided and to draw lessons for the success of the experiment in the generalization phase. The success of these experiments would lend credibility to this new approach and generate dynamic endorsement. EEPs, of which there are already many in the territories, could be a driving force to facilitate the start of this ecosystem. As they become committed entities, they can ensure the sustainability of this action, beyond their social and environmental responsibility.

Develop innovative social entrepreneurship. To make sure social economy stakeholders are properly structured and facilitate the emergence of a new generation of innovative social entrepreneurs, the Commission proposes to: i) set up support programs dedicated to social entrepreneurship in the territories, notably through specialized incubators; ii) create research and development centers for social innovation, in collaboration with higher education institutions, aimed at developing and disseminating impact-generating innovative practices; iii) create a new legal status adapted to social enterprises.



Table 3 : Summary of the strategic choices under the priority areas and the expected impact for citizens

Strategic choices and proposals	Impact on the citizen
Priority area 1 – Towards a dynamic and diversified economy that creates added value and jobs	
Strategic choice 1. Making entrepreneurship secure	
Proposal 1.1 Systemically eliminate administrative and regulatory barriers	Public administration is no longer a stumbling block or a source of uncertainty for companies; it becomes a source of solutions and facilitation. Entrepreneurial dynamism is on the rise; new and current entrepreneurs invest more, launch new projects and create jobs for the citizens.
Proposal 1.2 Ensure healthy competition and strengthen regulators	
Proposal 1.3 Protect businesses through effective recourse mechanisms	
Strategic choice 2. Steer economic stakeholders towards productive activities	
Proposal 2.1 Create a new harmonized mechanism for the steering and implementation of strategic sectoral policies	Businesses are encouraged to modernize, to break with rent-seeking behavior and invest in new, higher added value activities. Businesses have access to a comprehensive modernization and upscaling support system that meets their needs in terms of financing and support. Businesses are responsible and they benefit from public support, provided they contribute to the creation of value and jobs and comply with social obligations. Opportunities for skilled, quality jobs are created and informal employment is reduced.
Proposal 2.2 Revisit the incentive framework to steer investors towards productive activities and support more effectively the development of SMEs	
Proposal 2.3 Ensure the proactive financing of productive diversification and innovation	
Proposal 2.4 Develop business support ecosystems	
Proposal 2.5 Leverage public procurement to accelerate productive transformation	
Proposal 2.6 Integrate the informal sector using a gradual, incentive-based approach suited to the nature of the stakeholders concerned	
Strategic choice 3. Achieve a competitiveness shock	
Proposal 3.1 Reduce energy costs through the reform of the electricity sector and the use of renewable, low-carbon energy sources	Businesses investing in Morocco benefit from factors of production that are the most competitive in the region in terms of cost and quality, particularly in terms of energy, logistics, land and skills. Citizens acquire skills that are sought after, and their integration into the labor market is more fluid, throughout their lives.
Proposal 3.2 Reduce logistics costs and improve service quality through the sector's restructuring	
Proposal 3.3 Develop competitively priced, quality business areas that are accessible to all companies	
Proposal 3.4 Make digital and technological capabilities a major driver for competitiveness, business modernization and the development of new trades and sectors	
Proposal 3.5 Build skills through private sector involvement in training	
Proposal 3.6 Ensure regular social dialogue that takes into account current and future changes in the working world	



Strategic choice 4. A macroeconomic framework dedicated to growth	
Proposal 4.1 Optimize budget spending through new management tools	Businesses benefit from a stable macroeconomic environment, competitive taxation and diversified access to financing.
Proposal 4.2 Reduce the tax burden weighing on productive and competitive activities	
Proposal 4.3 Attach more importance to the diversification of actors and financing mechanisms in monetary and banking policies	
Proposal 4.4 Bring about the right conditions to develop capital markets	
Strategic choice 5. Emergence of the social economy as an economic sector in its own right	
Proposal 5.1 Adopt a founding framework for the new social economy	The social economy creates tens of thousands of jobs every year in all territories, provides collective services and stimulates innovation.
Proposal 5.2 Promote the transfer of public services to social economy stakeholders on an experimental basis	
Proposal 5.3. Develop innovative social entrepreneurship	

Priority area 2: Enhanced human capital that is better prepared for the future

Enhancing the human resource capital, which is a lever for equal opportunities, a gateway to a society where the rule of law prevails, where citizens are autonomous and able to take their future in their own hands and essential means for the country's competitiveness in the future, will be decisive for the success of the NDM.

Enhancing the human resource capital is also a must in view of the following: (1) the high expectations of the citizens, as revealed by the consultations undertaken by the Special Commission on the Development Model, make access to education and quality health a top priority; (2) the population dynamic which generates sustained increase in demand for public services in the fields of health and education-training, and; (3) the central role of learning and knowledge as key determinants of economic growth, in a context of sweeping technological change that requires new skills and qualifications for their ownership.

The Covid-19 crisis has uncovered and exacerbated serious weaknesses in public policies regarding the development of human capital in our country. The weaknesses of the national health system in terms of absorbing the shocks of the pandemic and the profound disruptions experienced by the education-training system call for structural responses to preserve human capital and strengthen its resilience in the face of various shocks, particularly through the provision of appropriate public services.



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For this reason, the Commission considers that enhancing our country's human capital requires major changes and breaks with past practices in public policies in the fields of health, education and higher education. In this regard, three strategic choices have been identified, relating to the key sectors of education, training and research, as well as health.

Strategic choice 1. Quality education for all

The ambition of the new development model is to initiate real Moroccan educational resurgence. The Moroccan school should make it possible for each student to acquire the fundamental skills needed to ensure his social integration and achieve his academic and professional success. The school must become the melting pot for the training of young people with a keen sense of fulfilment, who will shape Morocco's future; it should give them a sense of autonomy and responsibility, and impart ethics that are grounded in humanist values and deeply rooted in the Moroccan identity, in addition to open-mindedness and a capacity to adapt in a rapidly changing world.

To fulfill this ambition, it is necessary to overcome the three-pronged crisis the Moroccan education system is facing: a crisis in the quality of learning, because of which a majority of students fail to master basic skills in reading, numeracy and languages at the end of their schooling; a crisis of confidence of Moroccans vis-à-vis the education system and the teaching staff; and a crisis involving the school's vocation, as the school no longer plays its role as a means for social mobility and the promotion of equal opportunities. These vulnerability factors have been exacerbated by the Covid-19 crisis. This situation, due to the disturbances induced on the functioning of the school system and the non-preparation of this system for teaching methods other than face-to-face, has contributed to exacerbating educational inequalities and weakening the performance of the educational system as a whole.

Without a major transformation of the education system, none of Morocco's development objectives can be achieved when it comes to the citizens' fulfilment, social cohesion, economic growth and territorial inclusion. For this reason, the new development model is advocating a genuine educational resurgence to significantly improve the quality of teaching and put public schools at the heart of Morocco's societal project. By 2035, more than 90% of students should have acquired basic academic skills at the end of primary school, compared to less than 30% in 2020.

Achieving this ambition requires systemic transformation of the **fundamental determinants of the quality of education**. To launch the resurgence of education in Morocco, the new development model is calling for bold reforms that will reinforce and complement Vision 2030 and the related framework law. The Commission's proposal is to significantly accelerate the dynamic of change through four structuring levers so as to substantially improve the quality of our education-training system:

Invest in the training and motivation of teachers so they may become the guarantors of learning. The quality of an education system cannot exceed the level of the teachers involved. To achieve the resurgence of the education system, it is imperative that Morocco value its teaching staff, raise their skills level, supervise them through rigorous professional



standards, and make the teaching profession and its status more attractive to the best students. To this end, the Commission is of the view that it is necessary to initiate a radical transformation of the teaching profession. Two concrete proposals would make it possible to start this change: i) substantially improve the quality of teacher training, which is currently provided by approximately twenty entities (ESEF, ENS, CRMEF), through the creation of a Centre d'excellence du Professorat (professorship center of excellence). By serving as a quality-assurance mechanism, this Center will seek to be a flexible entity that supervises and supports existing training institutions tasked with the training of teaching professionals, while preserving each institution's autonomy. The new entity will serve as a regulator, a center of expertise, an innovation lab and an enabling agency whose mission is to guarantee the quality of the training of teaching professionals through a set of support mechanisms offered to specialized training establishments. In this regard, it is recommended to apply the 5-year initial training course to all future teachers, knowing that the said course concerns only 10% of new recruits today. At the same time, practicing teachers should benefit from regular, continuous training that enables them to reinforce and certify their professional skills; ii) design a new career path for teachers aimed at enhancing the attractiveness of the profession among deserving students, while encouraging practicing teachers to enhance performance by offering more possibilities for promotion and salary raise, subject to strict result-based conditions. A prerequisite for this measure is the establishment of a new system of teacher evaluation that takes into account their impact on student learning and their professional development. The development of the proposed career management system should be the subject of a dialogue involving all partners.

Reorganize the school career and the evaluation system to ensure the success of every student. In the new development model, which advocates the inclusion of all citizens, the Moroccan school should set high ambitions for each child and abandon none of them, whatever the difficulties they may encounter. Today, many students are faced with an accumulation of gaps that are becoming insurmountable, in addition to learning flaws that can lead to dropping out of school. To remedy this situation, the Commission recommends setting up a comprehensive system for educational success built around five components: i) develop quality preschool, rooted in an effective early childhood policy which seeks to achieve the child's fulfilment and which relies on valued staff who receive certified training; ii) organize the student's school career around several learning stages by defining the knowledge, skills and attitudes that the learner must acquire at each stage of the school career before moving on to the next stage; the aim is to limit the accumulation of gaps through an independent, objective system for evaluating learning outcomes. In this regard, the National Program for Student Learning Assessment (PNEA) currently carried out with a sample of students by the National Assessment Authority (Instance Nationale d'Evaluation) deserves to be applied to all learners ; iii) set up a system to combat school failure; this system should make it possible to intervene at each stage in the child's school life to avoid the accumulation of learning gaps, prevent drop-out risks out and maximize the chances of academic and professional success. To maximize the system's chances of success, it would be advisable to make remediation specialists available at schools (at primary and secondary levels), in particular speech therapists, educational psychologists and teaching assistants; iv) strengthen the school guidance system through the implementation of the student's personal





project as the basis for the guidance and counselling process. Several conditions must be met to guarantee the success of this initiative, in particular by strengthening the staff of the guidance and counselling units and opening up to the professional world to introduce young people to trades and career opportunities; v) promote professional education by showcasing it as an attractive sector offering real opportunities on the labor market. To this end, the Commission proposes to set the ambitious goal of having 20% of middle and high school students choose professional education as a career, against 1% and 5% respectively today.

Renew educational content and methods for the achievement of effective, fulfilling teaching. The Moroccan school should undertake thorough upgrading of its programs and pedagogical approaches to fully enter the 21st century. In this regard, the Commission believes it is necessary to: i) develop research and educational experimentation to renovate teaching methods on a scientific basis; ii) revisit curricula to promote transversal skills, including independent reflection, curiosity, communication and a cooperative spirit. Cultural, artistic and sports activities should hold a more important place in the curricula; iii) improve language proficiency by relying on cognitive science to modernize teaching methods, revisit language introduction sequence and language transitions. The objective is to subject the teaching choices to criteria of efficiency that take into account the functioning of the child's brain, given possible saturation because of workload associated with language teaching; iv) Make the most of digital technology to turn it into a powerful lever for transforming the education system as well as an incubator for new teaching practices, through the development of a Moroccan Edtech ecosystem integrating all companies and startups using new technologies to transform education and training (MOOC educational materials, marketplaces for private teachers, specialized training or educational and recreational applications), and achieve the digital connection of all public schools.

In addition to its fundamental mission of education and skills development, the Moroccan school system must fulfill its role in passing on values that reflect the history and religion as they are experienced in Morocco. It must strive to develop the ability to live together in harmony without any form of exclusivity or exclusion, by promoting respect for differences and cultivating a spirit of calm and peaceful dialogue. Schools must also play an important role in passing on the values of citizenship, based on respect for the common good, the supremacy of the general interest and citizen participation in order to cultivate a sense of belonging and consolidate attachment to the Nation's core values. In addition to the role of schools, raising awareness on the values of citizenship also entails the contribution of families and institutions involved in socio-cultural supervision, as well as the media, which take part in conveying the values of citizenship to the general public and sharing a sense of pride in belonging to the national community.



Box 17 : Citizenship and civic education at the heart of the Moroccan educational project

Beyond passing on fundamental cognitive skills, the role of the school system is to shape responsible citizens, capable of making informed choices, convinced and proud of their belonging to Moroccan society, upholding their values on a daily basis, and fully aware of their rights and duties. The Moroccan educational renaissance project is first and foremost a societal project aimed at instilling in the rising generations values rooted in our national and spiritual identity, as enshrined in the Constitution, such as the sense of the common good and the general interest, or the spirit of solidarity, respect and tolerance. It is at school that young people must learn about community life and it is through the school experience that social ties are forged and future commitments as citizens are shaped. Our education system must become the foundation of a trust-based society which lies at the heart of the new development model. In order to operationalize this essential mission of the school system, a new approach to Islamic and civic education is proposed based on two complementary proposals:

- **Proposal 1: A religious education that conveys civic values based on our open and tolerant spiritual heritage.** The Commission recommends that Islamic education in schools be enriched to further embed it in the fabric of Moroccan society and to encourage students to discuss the values conveyed and to actually put them into practice beyond the theoretical learning process. This teaching must draw on our religious and spiritual frame of reference to promote positive, universal and civic values. In order to strengthen students' buy-in and arouse their interest in Islamic education, incentive-based teaching methods are recommended.
- **Proposal 2: A more proactive approach to citizenship education that teaches the rules governing life in society and cultivates a sense of belonging to the nation.** In order to promote the spirit of the collective good and to strengthen the sense of belonging to the national community and of respect for its symbols, schools must attach greater importance to group activities within all disciplines as well as within the framework of community projects aimed at the general interest (social, cultural, sports, ecological). Furthermore, the evaluation methods used in the educational system should no longer be limited to rewarding individual and academic performance, but should also recognize and encourage behavior consistent with civic values (honesty, tolerance, respect, cooperation, solidarity...). Schools must also increasingly give students a voice and provide opportunities for everyone to express themselves, converse and learn the rules of dialogue and collective debate.



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The implementation of these proposals requires the development of appropriate educational and pedagogical content. The use of digital tools must be encouraged to introduce students to our historical and religious heritage using a modern and engaging approach. The exemplarity of teachers and their ability to exemplify the values they teach on a daily basis is the cornerstone of religious and civic education. A comprehensive training program is essential for the success of this project. In addition, parents must also be fully involved and educated in civic education to sustain the transfer of values within the family setting.

Young people will only be open to civic education if they feel that their school and teaching staff show genuine respect, are committed to their development and provide support in difficult times.

Make educational institutions accountable in order to turn them into engines of change as well as means for the mobilization of stakeholders. The transformation of schools will not become a reality without the support of all education stakeholders. The Commission is proposing an original change management approach to overcome resistance and trigger an evolution dynamic of progress from the field. This action concerns the activation of an incentive mechanism for the quality certification of educational institutions, based on voluntary work by the teaching staff under the leadership of the director. The certification process, to be managed by an independent body, would require compliance with a certain number of good practices in terms of the institution's management, and of pedagogy and school life, in return for certain advantages for educational institutions and teachers. Gradual deployment of this system in certain institutions in some regions would make it possible to assess its effectiveness, before extending to the entire national territory.

Giving substance to these four proposals requires a new implementation system supported by strong political will in order to ensure the conditions for the success of educational resurgence as advocated by the new model. In this regard, the Commission is emphasizing three essential levers for the operational deployment of educational renewal: i) ensure proper balance between ambition and the resources mobilized, by allocating the human and financial resources needed to implement the reforms; ii) ensure more effective governance through the creation of a steering mechanism (made up of representatives of the Ministry of Education, representatives of the office of the Head of Government, external experts and parents associations representatives) and make sure its action continues over time; iii) mobilize and empower field stakeholders (AREF and schools) through capacity building and enhance their autonomy.



The time phasing and articulation of actions are crucial for the success of the reform.

The Commission proposes to initiate the dynamic of change by laying, first, the performance framework of the education system through the establishment of the reform's governance mechanism and the independent student evaluation system. High impact projects may also be launched at short notice to test the proposals of the new development model at the regional level. Initiatives aimed at harnessing the potential of digital solutions, in particular for distance education and language learning, may be launched over a short-term range and at the right time.

Box 18 : Emergence example
The campus of the 'Ecole Vivante' in the Ait Bouguemez valley

The inadequacies of local schools led the campus's founders, who have been living in the heart of the valley since 2005, to express a desire to strengthen educational opportunities at Ait Bouguemez. The national curriculum, which is already poorly adapted to the needs of schoolchildren in urban settings, is even less so for those residing in rural areas, where the living environment is totally different (for example, the Amazigh dialect, the mother tongue, is never used at school, since classes are taught exclusively in classical Arabic; children have no access to writing in their daily lives, and many parents, especially mothers, are illiterate since they have not attended school, or have done so only for a short period of time).

The Founders therefore set up the 'Ecole vivante' of Ait Bouguemez. It operates according to an active and empowering pedagogical system (Montessori), which is applied rigorously, both in teaching and in the design of the outdoor (permaculture gardens and sports areas) and indoor spaces (classrooms, common workrooms, laboratories, ...). The school is highly integrated into its socio-cultural environment (weaving workshop, carpentry workshop, farm and arboriculture ...) and thus provides comprehensive education to children, who experience a complete sense of fulfillment, up until the final year of secondary school.



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Strategic choice 2. A system of university education, professional training and research focused on performance and supported by autonomous, empowering governance

The quality of higher and professional education and the promotion of scientific research are among the prerequisites for accelerating Morocco's development process and making the country a sustainably competitive nation. These are key determinants of the development model since they contribute to training and leveraging the skills needed for the development of socio-economic fields, in the public as well as the private sector. As such, they promote the continuous creation of knowledge and culture, ultimately leading to the emergence of an innovative, prosperous society solidly integrated into the knowledge economy.

To achieve this objective, the Commission recommends a genuine upgrading of public and private higher education institutions, in addition to improving their performance and significantly promoting professional training courses as well as hybrid and work-study learning methods; the main purpose is to offer young Moroccans pathways for acquiring high skills and improving their chances for integration into the labor market.

To this end, the Commission is making four proposals: i) ensure the autonomy of higher education institutions; ii) put the student at the center of reforms and performance measuring mechanisms in higher and professional education; iii) ensure greater promotion of professional training and; iv) boost scientific research through an independent funding and evaluation mechanism.

The intention, first, is to ensure the autonomy of higher education institutions and reconsider their mode of governance in order to improve performance. The new governance method will be based on a transparent, credible and performance-oriented academic management system, through the signing of multi-year contracts between these institutions and the State, specifying the objectives to be achieved: (a) issuance of publications and patents, (b) profile attractiveness and employability of students, (c) impact on the regional and national economy. The board of directors will have to evolve from the current bloated structure towards a streamlined, efficient structure. The main criteria for selecting university presidents and for recruiting and promoting professors must be their ability to develop state-of-the-art research and ensure high-level training. The accountability of presidents and their teams must be closely linked to academic performance. These institutions' governance stands to benefit if the regions are involved in the development of research and specialized training programs, in line with their role in supporting the development of the local economy. These institutions will have to enhance the quality of their training offer and diversify it, while entering into partnership with the private sector. Encouraging state-of-the-art training should be done jointly with the private sector. The latter can have a say in the design and development of training programs and thus help facilitate students' access to the labor market. The funding of institutions offering these specialized training courses will involve other forms of financing than those provided by the State, in particular public-private partnerships, with private, non-profit financing modalities.



Box 19: NDM Bets for the future Morocco: a higher education, research and innovation hub

The objective is for Morocco to become a hub for higher education and research, to be attractive to Moroccan students, to students from the region and the continent, thanks to a number of renowned institutions. This will require the emergence of a new generation of universities that operate in accordance with excellence-based criteria, that have renovated modes of governance and that have adequate means to accomplish their mission. These universities would include public institutions, which would have been thoroughly reformed and empowered, as well as new institutions supported by not-for-profit foundations, following the example of some of the world's leading universities.

Being deeply rooted in their region and open to the world, universities will provide both theoretical academic training and practical professional training. These universities will be autonomous and resolutely student-centered to empower students and ensure their scientific and cultural fulfillment, in order to achieve successful integration into the labor market, in particular.

By placing the university at the heart of the territorial ecosystem, Morocco aims to foster a new approach to higher education – an approach focused on practical research with a close connection to the real world. Research subjects will be determined in light of national and local development issues and in collaboration with the private sector. Rising to this bet for the future should make it possible to achieve a qualitative leap in the field of training, scientific research and innovation, making them key elements in an unremitting, progress-oriented dynamic.

Next, it is essential to enshrine the crucial importance of the student, both in the establishment of a framework for emulation between institutions, and for the design of curricula and programs for student integration into the working world. In this regard, the Commission supports the freedom of students to choose their university, regardless of their place of residence, thus fostering competition between institutions to attract students. The financing of public higher education institutions would come from the state budget, but also partly - for the students who can afford to pay - from tuition fees that would also include a mechanism for social and merit scholarships, in addition to a State-guaranteed student loan scheme. To foster the emergence of prestigious public and private higher education institutions that can attract the best students from the region and the continent, the Commission also advocates the adoption of new educational methods centered on the strengthening of student skills, be they scientific, technical, transversal or behavioral. The digital technology must be the cornerstone of this transformation. The usefulness and effectiveness of digital technology in education and training no longer needs to be proven. The Covid-19 crisis has confirmed this reality and made it more acute. The use of digital technology will profoundly transform the business model of higher education, making it possible to deliver distance degree programs to a large number of students at a lower cost. Moreover, good command



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of the fundamentals of digital technology will have to be integrated into all training courses, starting at the first cycle of higher education, and access to computer equipment and internet connections must be ensured for all students.

The Commission recognizes the central, complementary role to be played by professional training, alongside academic training with respect to skills development to meet the needs of the various sectors of the national economy and provide employment opportunities for young people. To this end, it will be necessary to build upon synergies between academic institutions and OFPPT facilities, in particular through the creation of fluid pathways between the two systems and the promotion of training courses. In the same vein, the Commission calls for speeding up the activation of the roadmap for the trades and skills cities (Cités des métiers et des compétences - CMC), which are scheduled to be set up in Kingdom's twelve regions. In addition to ensuring the private sector's active involvement in the governance of the CMCs, in determining the skills needed at the regional level and in the design of training courses, the Commission strongly recommends to invest as a matter of priority in recruitment, in the training of trainers as well as in training engineering, particularly for soft skills. Furthermore, and in line with the performance-based rationale recommended in the NDM, the sector-based professional training offer of OFPPT and private institutions should be subject to permanent and rigorous qualitative and quantitative management, allowing for continuous adjustment to needs through the systematic measurement and publication of the integration rate of graduates into the labor market, by sector and by institution. To be independent and objective, this steering operation will require the restructuring of the OFPPT to make a distinction between its role as an entity in charge of the sector's strategy and that of operator of 70% of the offer. In addition, it is recommended to strengthen and significantly extend hybrid-training models based on work-study or apprenticeship, which feature high integration rates. This requires, in particular, an expansion of businesses' capacity to accommodate this type of training in the workplace; this can be done through the creation of an incentives framework that encourages companies and masters in the crafts industry to accept apprenticeship and work-study students.

Morocco will achieve significant development only if progress is driven by state-of-the-art university research. This will require the structuring of the scientific research system through the introduction of a rigorous scientific evaluation mechanism to serve as a counter-power, as a generator of ethics and as a label of excellence, thus bringing a sense of equilibrium to the autonomy given to the governing bodies of academic institutions. This evaluation mechanism should be based on an independent scientific council, which could be composed of Moroccan and foreign scientific figures of international renown (including 'les Marocains du Monde' - the Moroccan diaspora). This council should also be at the heart of the research funding system, through annual calls for proposals for themes that fit with our country's strategic priorities. It will act as an enabling agency that mobilizes available funding at the national and international levels and consolidate it in order to avoid the dispersal of resources. To foster and encourage synergies between universities and the corporate world, the Commission supports the creation of an incentives scheme based on a research tax to make universities the main innovation instrument for businesses. Finally, to develop research, it is necessary to increase the number of doctoral students, given the massive number of



faculty members who will retire. It also requires strengthening international outreach (in cooperation with major international universities and, where appropriate, with the support of the Moroccan diaspora). The new generation of doctoral students must include the nation's best students who, in addition to their scientific field, must be trained in the professions and tools of pedagogy and teaching as well as in foreign languages, especially English.

Strategic Choice 3. Ensuring access to quality health care services and protection as fundamental rights of citizens

The Commission supports the idea that health care and well-being are basic rights of citizens and the State has a fundamental duty to provide them. The Covid-19 crisis reminded us of the importance of an efficient and resilient health system, guaranteeing equitable access for all citizens to quality health care and offering lasting and effective protection against all kinds of disease and health risks. This must be reflected in a quality health care framework, accessible to all and distributed fairly throughout the territory. To achieve this, the Commission is putting forward major proposals aimed at: (i) accelerating the generalization of access to basic medical coverage; (ii) substantially strengthening the general provision and quality of health care, in particular through investment in human resources, enhancing the value of healthcare professions, strengthening the public hospital system and optimizing healthcare channels; (iii) improving the quality and enhancing the overall efficiency of the system through effective governance that holds all players accountable.

In addition, the Covid-19 crisis and the risk of future health crises call for a substantial strengthening of the health system's resilience. Indeed, the latter must both reduce the accumulated structural delays, in particular by strengthening the health system's fundamental components (care platforms, health workers, medical coverage); but also to get prepared against the current epidemic's extension (emergence of new variants, efficacy of vaccines, etc.) and the risk of new possible health crises (due to global trends such as international mobility, climate change, intensive livestock farming, deforestation and destruction of natural habitats, etc.). For this purpose, strengthening the prevention system will be important as well as putting in place an effective public health security system but also strengthening the country's health sovereignty to ensuring a continuous supply of essential medical products (drugs, medical devices, equipment and consumables, vaccines, etc.). Finally, this crisis was also an opportunity to highlight the potential of digitalization in the health sector.

The primary objective is to support the demand for health care by operationalizing the generalization of medical coverage, in accordance with Royal Instructions. This would result in all citizens having access to an evolving basket of basic health care services that is more in line with the disease burden and household health expenditures. It also implies accelerating the coverage of self-employed workers by the Compulsory Health Insurance Scheme (AMO) and ensuring effective access to the Medical Assistance Scheme (RAMED) for eligible populations. On the other hand, it will be necessary to gradually converge the current health insurance schemes and RAMED towards a single basic health coverage fund ensuring access to this «basket of care», with baseline pricing that reflects the real costs of providing care. Complementary health insurance schemes will be able to provide an expanded «basket



of care» for those who wish to do so. The proposed convergence of health insurance funds will have to shift towards a transitional phase where RAMED will be converted into an insurance scheme, initially limited to public hospitals, and giving rise to reimbursement of the hospitals on the basis of the billing of procedures. Tax revenues will have to be mobilized and allocated specifically to the public financing of the solidarity component of medical coverage (RAMED equivalent).

The generalization of medical coverage makes it urgent and essential to strengthen the overall supply of health care to better meet citizen demand. Indeed, the generalization of medical coverage will make it possible to cover approximately 12 million Moroccans who currently have neither Compulsory Health Insurance (AMO) nor the Medical Assistance Scheme (RAMED). The overhaul of the territorial organization of the health care system and the optimization of care channels are necessary to reduce the distance and time required to access health care facilities and to bridge the gaps between territories. Strengthening the supply of health care also requires a significant improvement in the density of healthcare professionals throughout the country, and effective management of the supply of health care, particularly at the regional level. The objective is to achieve a density of healthcare professionals of 4.5 per 1,000 inhabitants in 2035, compared with 2 per 1,000 currently. This corresponds, on average, to 3,600 doctors and 7,100 nurses trained annually. The Commission's proposals to achieve these goals are: to increase the training capacities of doctors by strengthening the capacities of the current university hospitals and faculties (public and private) and by ensuring that all regions of the Kingdom have a training offer (university hospitals and faculties); to reduce the duration of general training by allocating certain courses to specialized training. Furthermore, to ensure equitable access to health care throughout the country, and in the context of the territorialized governance of the health care system recommended by the Commission, it is proposed that physicians be recruited from the regions through job openings that take into account local needs. Finally, in order to enhance the value of medical professions, it is proposed to introduce a special status for healthcare professionals whereby the remuneration scheme would be increased and indexed to quality and performance. Ultimately, this system should lead to a homogenization of the remuneration schemes for healthcare professionals in the public and private sectors and reduce the current distortions that fail to motivate healthcare professionals working in public hospitals.

In order to support the overall strengthening of the healthcare supply, the Commission also suggests encouraging and supporting innovation and productive entrepreneurship in the fields of health and well-being, in particular when it comes to prevention and health education, mental health, and personal services (geriatrics, etc.).

Improving the supply of health care, both in terms of access and quality, also requires reorganizing care channels and accelerating the digitalization of the healthcare system. In order to ensure the availability of basic health care services close to citizens and to increase the efficiency of the overall system, the Commission recommends organizing care channels around three tiers: (i) a community tier (including telemedicine and community health providers) for the most remote areas; (ii) a proximity tier providing access to basic health care in local medical and hospital centers available in “cercles” and districts; and (iii)



a regional referral tier, providing access to specialized hospital care. In order to optimize the coordination of public health care supply at the regional level, it is proposed to group together the regional university hospital and all regional hospital facilities within a single autonomous public establishment in charge of hospital care, training and research. To ensure the overall management at the regional level, it is proposed to set up regional health agencies or «regional health groupings» in charge of implementing public health policy at the regional level and to promote cooperation and complementarity with the private sector. Finally, in order to enable efficient and personalized follow-up of patients, it is proposed to set up a digital medical database for all citizens, in addition to a system enabling each household to have access to a primary care physician (general practitioner) in charge of long-term follow-up and, for patients suffering from chronic diseases, a specialized referring physician. The digitization of medical registers will also aim at identifying, through data technologies, trends in the country's health situation and the evolution of morbidity as well as establishing a map of pathologies throughout the territory, which should support the overall management of public health policy and the supply of care. The modernization and digitization of the health system also entails greater use of new technologies for better quality of care and better management of hospitals, thus allowing health personnel to exercise their profession in the best conditions.

Increasing the supply of health care also requires strengthening public hospitals and encouraging public-private cooperation. The management of the Covid-19 epidemic has revealed that public hospitals have a critical role to play in the health care ecosystem. In order to enhance its value, the Commission advocates securing financial and administrative autonomy for public hospitals. In particular, this requires setting up a billing system within the public hospitals to ensure that any service provided gives rise to reimbursement by the single basic coverage fund. As a reminder, today, services provided by the hospital within the framework of Medical Assistance Scheme (RAMED) do not give rise to reimbursement but to a lump-sum budget allocated by the Ministry of Health. The Commission also advocates promoting public-private cooperation when it is useful; for example, for sharing technical platforms.

In order to ensure the proper long-term functioning of the health care system and its positive impact on citizens, an overhaul of health care governance is necessary, particularly at the territorial level. In this regard, the Commission proposes to (i) set up an autonomous and independent scientific authority from the Ministry of Health which would be responsible for ensuring the overall quality of the health care system, establishing standards and procedures, overseeing training and skills, and implementing control and accreditation mechanisms; and (ii) accelerate the digitalization of all health care system management processes to harmonize them with international standards. Finally, strengthening the overall governance of the health care sector also requires: (i) an improved framework for cooperation between the medical sector and private sector operators promoting research and development to create a medical services and equipment industry tailored to meet national needs; and (ii) more transparent and rigorous regulation of procedures related to marketing authorizations (MA) in order to promote fair competition between pharmaceutical industry operators and foster the development of a competitive local industry, particularly for generic drugs.



The Commission advocates for the development and implementation of an integrated policy for prevention. Prevention and health education are essential to reduce morbidity and mortality from certain diseases, reduce the burden on the health care system, and reduce the cost of health care for households, health insurance schemes, and the State. Community health, family medicine, school and occupational medicine have an important role to play in this regard to raise awareness of certain risks for different populations and to encourage healthy lifestyle habits (diet, exercise). The Commission proposes to pursue the development of prevention campaigns dedicated to certain diseases (diabetes, cancer, cardiovascular diseases, etc.) and to strengthen health awareness programs (including mental health and reproductive health). Prevention also requires vigilance with regard to the impact of various economic activities on citizens' health and the promotion of a healthy living environment in the regions (green spaces, infrastructure and sports activities).

Finally, it is essential to strengthen the health care system's resilience against the risk of future health crises. While Morocco was fairly effective in managing the Covid-19 outbreak (lockdown, testing policy, allocation of dedicated hospital beds and infrastructure, production of masks, swabs, and respirators by local industry, vaccination campaign, etc.), it is critical to ensure that Morocco is capable of preventing, detecting, and responding to public health emergencies in the future, and minimizing their magnitude and impact on the public. To this end, the Commission proposes to strengthen the technical and institutional capacities in the area of health security. At the institutional level, this involves setting up a «national public health and health monitoring agency», similar to the American CDCs²⁵, to serve as a scientific focal point for the prevention, detection and reporting of events constituting a public health risk, and adopting a national legal framework for health security that will specifically allow Morocco's commitments to the international health regulations to be implemented. At the technical and organizational level, it is essential to strengthen health monitoring, detection and diagnosis capacities for public health risks, as well as response capacities in case of health emergencies. For detection and diagnosis, the Commission recommends the establishment of a national network of accredited laboratories with the required capacity for toxicological testing, virological surveillance and genetic sequencing. The national public health and health monitoring agency and the national network of accredited laboratories could play a key role in the prevention and monitoring of health risks at the national and regional levels and could, in this regard, be strategic partners of the Africa CDC²⁶ in the context of health diplomacy and inter-African cooperation on a vital issue for the continent.

In terms of response and management, the Commission recommends strengthening health care sovereignty by building a pharmaceutical and medical industry that can manufacture drugs (generics and new molecules), tests, equipment and other critical medical devices and consumables, including vaccines (in the short term, for the bottling and packaging of imported active ingredients) and in the medium term, for the production of active ingredients. The development of certain sectors can be achieved through the productive diversification of

25 Centers for Disease Control and Prevention

26 The specialized technical institution of the African Union in charge of supporting the public health initiatives of member states and strengthening their capacity to detect, prevent, control and respond rapidly and effectively to health threats.



the Moroccan economy advocated by the new development model - in particular through the establishment of a sectoral task force aimed at structuring innovative and productive ecosystems in the health care sector. The main role of this task force will be to facilitate access for players in these industrial sectors to quality Research & Development capacities, qualified local or international Moroccan human resources, innovative and sufficient financing and incentive mechanisms to encourage productive investment in these sectors, within the framework of an effective governance and a partnership approach designed, in particular, to pool investment efforts.

To ensure an effective response in the event of a health crisis, it will also be important to continuously guarantee the availability of sufficient quantities of basic medical supplies and isolation units for highly infectious diseases at the regional university hospitals, as well as the availability of enough specialized medical workers, especially in infectious diseases and intensive care.



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Table 4 : Summary of the priority area’s strategic choices the and the expected impact for citizens

Strategic choices and recommendations	Citizen impact
Priority Area 2 – Strengthened human capital and better prepared to face the future	
Strategic Choice 1 - Quality Education for All	
<p>Proposal 1.1 Invest in the training and motivation of teachers to become guarantors of learning</p> <p>Proposal 1.2 Reorganize school education and the evaluation system to ensure the success of each student</p> <p>Proposal 1.3 Renovate educational curricula and teaching methods for effective and fulfilling education</p> <p>Proposal 1.4 Empower institutions to become the driving force for change and mobilization of stakeholders</p> <p>Proposal 1.5 Strengthen planning and implementation capacity for successful reforms</p>	<p>A Moroccan public school that regains the confidence of Moroccan families from all social backgrounds, conveys fundamental skills to all students and is once again the guarantor of equal opportunities.</p>
Strategic Choice 2 - A performance-driven higher education, vocational education and research system supported by autonomous and empowering governance	
<p>Proposal 2.1 Empower higher education institutions and strengthen their governance</p> <p>Proposal 2.2. Place the student at the heart of higher and vocational education reforms and performance measures</p> <p>Proposal 2.3 Enhance the value of vocational training and develop large-scale apprenticeship and work-study training methods.</p> <p>Proposal 2.4 Develop research excellence within universities through the establishment of an independent funding and evaluation mechanism.</p>	<p>A higher education system that is designed to prepare each young person for successful socio-professional integration, by developing their academic and cross-disciplinary skills and by guiding them through each stage of their career.</p>
Strategic Choice 3 - Ensuring access to quality health care services and health protection as fundamental rights of citizens	
<p>Proposal 3.1 Support the demand for health care through the generalization of access to medical coverage and the development of an evolving basket of care</p> <p>Proposal 3.2 Invest heavily in human resources and their development</p> <p>Proposal 3.3 Reorganize care channels from the community to the regional level and accelerate the digitalization of the health system</p> <p>Proposal 3.4 Strengthen public hospitals and encourage public-private cooperation</p> <p>Proposal 3.5 A substantial overhaul of the governance of the public health system and at all levels, with strong involvement at the territorial level.</p> <p>Proposal 3.6 Establish an integrated and intersectoral policy on prevention and health education</p> <p>Proposal 3.7 Strengthen the resilience of the health system to face the risks of future health crises and develop health sovereignty</p>	<p>All citizens, regardless of their socio-professional status and place of residence, are equal when it comes to health, and are entitled to access to protective health coverage and quality health care.</p>



Priority Area 3: Opportunities for inclusion for all and a stronger social bond

The new development model aims to include all Moroccans through a path of wealth creation that mobilizes the active civil population and creates opportunities for inclusion for all. This orientation is breaking with all approaches or policies that fail to focus on the capacity of citizens to participate in social and economic life and that do not provide fair access to opportunities, thus contributing to the growing inequalities and polarization of society.

As such, the new model aspires to have a society driven by broad and dynamic participation, based on equal rights and opportunities, solidarity, diversity and openness. This dynamic will be achieved, first of all, by strengthening human capital, a structural component of long-term inclusion that enables the development of citizens' capacities and promotes their participation. Priority Area 2 «Strengthened human capital and better prepared to face the future» includes proposals designed to achieve this. In particular, the new model seeks to ensure equal opportunities through quality public services for all Moroccans, including education, health, and transportation. Substantial improvement in the quality of these services is an essential lever for activating social mobility, reducing inequalities, resorbing polarization, and consolidating social ties.

This transformational priority area complements the proposals for strengthening human capital with proposals to enhance the participation of certain segments of the population (especially women and youth) by taking down any barriers they may face and providing them with opportunities for participation. This priority area also includes proposals aimed at strengthening social ties through a cultural ecosystem that fosters openness and dialogue, and an effective and equitable social protection system that materializes solidarity, especially towards the most vulnerable populations.

To achieve this, this priority area of the new development model includes four strategic choices :

Strategic Choice 1. Empower women and ensure gender equality and participation

Gender equality and women's participation in society today are important indicators of development. Strengthening them is one of the major challenges of modern Morocco. Indeed, the reduction of gender inequalities, particularly in terms of access to employment, would generate an annual GDP growth supplement ranging between 0.2% and 1,95%.²⁷ Beyond the economic benefits, gender equality and women's participation are necessary prerequisites for an open, cohesive and supportive society.

²⁷ Direction of Studies and Financial Forecasts and Policy Center for the New South, « Egalité de genre, politiques publiques et croissance économique au Maroc », 2017.



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The new model aims to substantially expand women’s participation in the economic, political and social spheres. This enhanced integration, based on the development of capacities, fair access to opportunities and the promotion of rights, will enable women to be more empowered and better prepared to face life’s uncertainties, and to consolidate their role within their family and society. Three priority levers will help broaden participation and empowerment:

- **Eliminate the social constraints that limit women’s participation**, in particular by: i) strengthening social protection for working women during pregnancy and the first months of maternity (paid leave); ii) developing services and infrastructure to facilitate their economic participation (availability of public daycare and pre-school facilities, childcare facilities for large corporations, organization of working hours, day-long schooling for children, safe public transportation, tax deductibility of expenses related to the employment of domestic helpers, etc.); and (iii) strong actions in favor of equal pay and fair access to employment opportunities (parity targets in the public sector, quotas on company boards of directors and trade union organizations, tax incentives for employers respecting parity).
- **Strengthen the education, training, integration, support and financing mechanisms for women.** The Commission proposes: (i) massive strengthening of efforts to combat illiteracy and girls’ school dropout from middle and secondary education, which implies improving access to education in conditions that allow young girls to continue their schooling (e.g. through boarding schools), particularly in rural areas and small towns, and strengthening training, guidance and integration channels over the course of their lifetime (programs for validating learning achievements, online education platforms, digital literacy, etc.); and (ii) strengthening of the education and training systems for women, particularly in rural areas and small towns, in order to improve their access to education and training. (ii) protection of rights related to capital and land, in particular by pursuing initiatives for the «melkization» of collective land in favor of rural women in application of Law 62-17; (iii) promotion of women’s entrepreneurship through improved access to financing, public aid for businesses and cooperatives led by women, and improved social protection for self-employed women.
- **Promote and develop a deeper understanding of the values of equality and parity and a zero tolerance policy for all forms of violence and discrimination against women.** This will require: i) awareness-raising activities from an early age (school textbooks, media, role models, etc.) to change perceptions of the role of women in society, their ability to participate in social, economic and political life, and the importance of the values of equality and parity; ii) strengthening of the Authority for parity and to combat discrimination (Autorité pour la parité et la lutte contre les discriminations -APALD) in its prerogatives to promote parity and combat discrimination; iii) reform of the Penal Code and amendment of Law 103-13 to cover all forms of violence and harassment, including in the private sphere, and to simplify the procedure for reporting and investigating cases of violence against women; iv) strengthening the support for women who have been victims of violence through more effective coordination of the stakeholders involved; and v) measures to ensure a high level of safety for women in



public spaces and public transportation (for example, online reporting and flagging platforms, with intervention of public forces when necessary).

In addition to broadening women's participation, the new model aims to strengthen their rights in keeping with the principles of the Constitution and on the basis of a contextualized interpretation of religious precepts (Ijtihad). To this end, it is proposed, first of all, to bring the entire legal and judicial corpus more in line with the constitutional principles of equal rights and parity. Civil society has a role to play in this process, through various mechanisms of participatory democracy. It is also suggested to set up spaces for socio-theological debate, to serve as a calm and serene framework for advancing the debate on societal issues such as voluntary termination of pregnancy (abortion), the social status of single mothers, the marriage of minors, and the legal guardianship of children, with the participation of representatives of religious bodies, relevant civil society players and experts. In particular, the Commission proposes to : i) revive the debates initiated in 2015 around abortion in a serene and scientific manner in order to develop legislation that is both flexible and ethical, respectful of religious precepts, the right to life of the future child and the preservation of the physical and psychological health of women; ii) ensure the responsibility of the father in the event of a birth occurring out of wedlock, in particular through technology and DNA testing; iii) clarify and limit the power vested in judges concerning derogations for the marriage of minors; iv) grant legal guardianship of children to both parents. In the framework of this debate, and with regard to inheritance, it may be envisaged for Ta'ssib to no longer be considered as a default option, but rather subject to judicial assessment in its application following a case-by-case approach, and according to criteria referring in particular to the responsibility of the parent claiming the right to the 'issaba for the care and protection of the deceased during his or her lifetime.

Strategic Choice 2. Promote the inclusion and development of youth by increasing participation channels and opportunities

Morocco's development is based on a free, fulfilled, competent, enterprising and civically engaged youth who achieve, realize their full potential and contribute to their country's development. Moroccan youth between 15 and 34 years of age represent 33% of the population, of which more than 4.5 million are inactive: Not in Education, Employment, or Training (NEET).²⁸ Young people are also the population most exposed to the repercussions of the Covid-19 crisis, particularly in terms of difficulty in accessing employment.

One of Morocco's critical and major challenges is to provide these young people with the skills they need, to offer them opportunities that improve their future prospects, and to secure spaces for expression, citizen participation and initiative, thus strengthening their spirit of civic mindedness, their attachment to the fundamentals of the Nation and their active mobilization for their country's development. The proposals in Priority Area 2 concerning the strengthening of human capital are the first lever aimed

²⁸ High-Commission for Planning. « La situation du marché du travail en 2019 ». 2020



at developing the capacities of young people with a view to fostering their empowerment. Priority Area 3 complements these proposals with specific measures concerning professional integration, social inclusion, personal development and civic participation. In addition, citizen consultations have led to the emergence of a significant demand from young Moroccans for paths to fulfillment, allowing them to express themselves, gather together, undertake and lead initiatives. These demands concern culture, the arts, sports, and public spaces for expression and creation, in addition to expectations related to quality public services (especially for education, health and transportation). In order to achieve these objectives and meet these demands, the Commission proposes three main levers :

- **Strengthen the youth professional integration system through new approaches to guidance and support and stronger links with the labor market.** The National Agency for the Promotion of Employment and Skills Development - ANAPEC's academic guidance system within schools and professional integration institutions must be overhauled to better help young people choose from the diversity of training and employment pathways and opportunities and link them with future employers. In particular, it is proposed to strengthen the links between employers, on the one hand, and educational and training institutions, on the other hand, through the implementation of apprenticeship contracts, and the development of internship and work-study offers within companies, backed by the introduction of an adequate legal framework for internships. It will also be important to seize employment and entrepreneurship opportunities for young people in the digital world through an innovative training offer geared to the needs of the private sector (e.g. 1337 school). Finally, the Commission proposes to improve the support offer for young entrepreneurs by setting up support spaces (e.g. incubators) as well as dedicated technical and financial support programs, in coordination with the national policy for supporting businesses and regional economic development initiatives.
- **Set up an integrated national youth program, managed in the territories by professional entities under performance contracts.** This program will cover all of the needs that have been identified among young people: culture and the arts, sports and recreation, socio-economic inclusion, citizen participation, and social assistance. It could be rolled out in socio-cultural and sports spaces designed for young people, available locally, by capitalizing on existing infrastructures and ensuring their accessibility. It will be implemented through an innovative approach based on: i) a body that will serve as a guarantor of the strategy for rolling out the public policy on youth, funding and partnerships; and ii) professional implementation agencies in charge of implementing the programs in partnership with experienced and locally-based private or non-profit service providers.
- **Introduce a national civic service to reinforce the youth citizen participation and the civism spirit and consolidate their skills and employability.** With a view to strengthening the civic participation of young people and consolidating their skills and employability, it is proposed to set up a civic service in the form of symbolically paid volunteering to perform general interest missions, in particular with civil society players (associations and social solidarity programs, communitary development programs,



environmental programs such as reforestation, etc.). Civic service could be integrated into educational programs and open to all young Moroccans above a certain age, and rolled out nationally. The duration may vary, ranging from a few months to two years, depending on the needs of host organizations. By including «soft skills» as a component of the training, civic service is intended to be an experience which would be valued by future employers and serve as a guarantee of accountability and competence. Young NEETs can be one of the target audiences for civic service, which will allow them to develop skills, gain a preliminary experience to enhance their employability, reduce their long-term inactivity and confidently enter the training and labor market channels. Civic service is also an opportunity to strengthen the spirit of civic-mindedness and citizenship among young people, their sense of belonging, and their ability to contribute to the development of the country.

For this, the new model calls for an integrated policy framework dedicated to youth. The Commission's proposals on youth are multisectoral, involve several stakeholders, and cannot succeed without coordination and complementarity of efforts. Past experiences have shown that youth-related strategies have been formulated without being fully implemented, partly due to a lack of coordination between departments. This is why the Commission stresses the need to introduce effective steering mechanisms and ensure a high level of leadership to accompany the youth strategy. The Advisory Council on Youth and Community Life, which has yet to be activated, could be involved in its design and the monitoring of its implementation. The roll-out of the project on the ground in favor of young people should be carried out according to innovative approaches, backed by professional implementing agencies.



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Box 15: Example of emergence Connect Institute: Empowering Moroccan Youth (EMY)

The «Connect Institute» is an example of a cultural third place, focused on learning and delivery of knowledge, based on the principle that reading, exposure to the arts and debate are the foundations of critical thinking and the development of young people.

EMY is a program launched by the Connect Institute whose objective is to strengthen the chances of success of out-of-school youth from the Agadir region by becoming more self-reliant and open-minded. To do so, the program aims to develop the «soft skills» (non-technical skills) and artistic abilities of these young people, and to provide them with a network of knowledge with the aim of making them the Moroccan leaders of tomorrow.

Within this program, the development of soft skills is materialized by the development of critical thinking and general knowledge, through artistic training workshops, English-language discussions, creative writing, exposure to technology and entrepreneurship, personal development, collaborative work, exchanges with experts, etc... This program has been replicated in other cities (Youssoufia, Tata, Rabat ...).

Strategic Choice 3 . Mobilize cultural diversity as a lever for openness, dialogue and cohesion

Culture is set to become a major global breakthrough, one of emergence and sovereignty, stemming from the renewed and universal need for meaning and social cohesion, and from global challenges that favor the emphasis on «soft» assets, content and quality rather than infrastructure and massification.

Morocco thrives on its cultural plurality, its historical depth and on its tangible and intangible heritage. In this context, culture in Morocco is destined to become a multidimensional lever of economic prosperity, inclusive social ties and geopolitical soft power: it is a matter of national unity in connection with the demand for meaning and historical and identity markers; culture also offers a source of growth, investment and employment closest to the territories and local needs; Morocco's historical depth is an asset to be leveraged as a source of regional stability, cultural influence and coexistence.

Culture in the NDM fulfills a dual requirement, of national unity and plurality: The NDM makes the empowerment of citizens, their fulfillment and the releasing of initiatives the basis for emergence. The Constitution proclaims the plurality of the Moroccan Nation, made of converging historical-cultural tributaries, coexisting with the age-old national community, continuity and independence. As such, culture in the NDM fulfills a dual requirement, of unity and plurality which in fact complement each other. The aim is also to promote emergences, innovations and proposals stemming from all stakeholders in the cultural sphere. However,



this cultural sphere must also be structured around a strong core proposal, which (re)establishes culture as an important public service, in the same capacity as health and education. The public media, in particular, are called upon to (re)become the bearers of an essential mission to Moroccan citizens: delivering information, leading public debate, strengthening social ties and promoting national history and culture.

To this end, the Commission proposes the following actions:

- **Strongly integrate culture into the educational ecosystem.** It is proposed to introduce thematic debates and controversies as teaching formats for certain subjects such as history, philosophy, and language learning, in order to instill critical thinking, dialogue, and openness to others. It also aims to introduce more optional arts-related courses in school curricula, and to develop arts programs starting at the secondary school level.
- **Support the role of the media as providers of information and as platforms for public debate, and assist them in their digital transformation.** The media (audiovisual, radio, press, and new information platforms) should be consolidated as they discharge their role in informing, raising awareness, mediating, leading public life, promoting exchange, and supporting local initiatives. This sector, which is key to having an open, pluralistic society, is going through profound changes in terms of content formats, the global digital switchover and competition from international platforms that capture the bulk of advertising revenues traditionally destined for the media. The State must accompany this dynamic of change by reinforcing the media's digital transformation and supporting them as they develop an innovative, sustainable business model. The aim is to help foster a dynamic sector that produces quality content which responds to new uses - especially by young people - and which contributes to the Kingdom's international influence and reinforces the country's sovereignty in the production of information material and digital content. To this end, it is also necessary to update the public communication policy in order to define public media service and revamp its governance and financing modalities. The latter should offer a framework for effective cooperation with the government as well as independent management to encourage innovation and quality, making sure regulatory standards governing the sector and public communication policy guidelines are respected. The regional media offer must be strengthened to ensure each region has at least one channel that devotes part of its programs to local debates, information and issues.
- **Encourage the development of innovative cultural initiatives** (production of cultural and media content, mobilization of spaces, cultural industries, etc.) through the professionalization of cultural sectors, better access to public funding, public commissions and international funds, and more effective support. Public commissioning in the cultural field (for example, television programs or series) must turn towards better quality content and more innovative formats; it must also be open to new protagonists. In particular, it is proposed to develop a label for quality content, allowing new players to emerge, to enforce copyright, and to professionalize certain content production sectors. Cinema and music would be particularly supported in their production and internationalization, as drivers of soft power.



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- **Foster and breathe new life into innovative, high-quality cultural and media production contributing to the debate, awareness and international reach of Morocco.** For this purpose, it is proposed to set up a labeling of actors and cultural and media initiatives and to promote membership to a common charter of values and objectives. This could be achieved through the establishment of a media platform for information, analysis and public debate supported by a non-profit private media grouping, which is complementary to the public media entity, and through the creation of a digital platform for the cultural industries, particularly for the production of innovative and quality audiovisual content, with an Afro-Mediterranean focus, in collaboration with national film and television production companies. In particular, it is important to develop an offer that makes Morocco known and to make the international public aware of Morocco's millennial history, its singularities, and its secular commitment in favor of the dialogue of civilizations, tolerance and moderation.
- **Unfurl and enliven cultural living spaces in the territories.** These spaces must be upgraded and led by local civil society with the objectives of enhancing local cultural heritage, raising awareness and promoting debate, supporting local cultural and artistic players, and initiating or training in artistic practices. In this regard, these spaces can form partnerships with institutional players such as the Ministry of National Education, the Royal Institute of Amazigh Culture (IRCAM) or foreign cultural institutes.
- **Ensure the preservation and promotion of national heritage and collective memory and** strengthen the international reach of Moroccan history and culture. It is necessary to mobilize all stakeholders, public authorities, elected officials, civil society and the private sector for the preservation of heritage. Inventory, collection, documentary research, preservation, promotion and enhancement of tangible heritage must be carried out to ensure that physical assets are maintained and accompanied by knowledge and a narrative that puts them into perspective. The more diffuse nature of intangible heritage also makes its preservation a matter of urgency. Targeted measures could be implemented, at regional and local levels, including: museums dedicated to local intangible heritage; the digitalization of all intangible cultural content; the organization of regular events around cultural artefacts (such as music festivals); strengthened collaboration between craftsmen, artists and researchers; and finally the strengthening of regional, accredited and trained cultural guides.



Strategic Choice 4 . Ensure a social protection floor that strengthens resilience, inclusion and embodies solidarity among citizens

The new model aims to accelerate the construction of an expanded, effective social protection floor, based on a social contract that holds both citizens and the State accountable and enshrines social solidarity. Social protection complements public services as an investment in human capital and as a pillar of inclusion. The social protection floor consists of basic coverage provided to all citizens to ensure their resilience, as well as specific targeted protection for the most vulnerable (poor people, people with disabilities, etc.). This commitment by the protecting state requires a reciprocal commitment from citizens to formalize their professional activities and to participate equitably, through payment of taxes and contributions, in the financing of public services and social protection.

The expanded social protection floor advocated by the Commission is in line with the Royal Instructions contained in the July 2020 Throne Day Speech, calling for the «One of the foremost objectives, in this respect, is the provision of social protection for all Moroccans. In order to achieve this ambition while ensuring the quality of social protection services provided to citizens, the financial sustainability of the system (both social insurance funds and social solidarity mechanisms), as well as the system's equitable financing and targeting, the Commission recommends four major actions :

- **Accelerate efforts to formalize labor and combat social fraud**, with a view to expanding social security coverage. Inclusion through formal employment is a major lever for inclusion and a necessary prerequisite for a sustainable and durable social protection system. The new model aims to ensure that all forms of employment and professional activities are declared and that they entitle workers to contribution-financed social protection. This involves vigorously combating social fraud, which covers undeclared employment by both companies and individuals, and gradually integrating the small-scale informal sector (craftsmen, shopkeepers, farmers) through specific professional statutes and the introduction of a unified professional contribution whereby these workers would pay taxes and be entitled to social protection benefits. This also calls for encouraging the «auto-entrepreneur» status and upgrading the status of domestic helpers, notably through contractualization and declaration with simplified and digitalized procedures. This cannot be achieved without a dynamic and effective social dialogue, capable of developing social and labor laws in line with societal and economic changes, particularly within the framework of collective agreements.
- **Establish a basic social protection floor including universal health coverage, universal family allowances, and a minimum income with dignity.** Universal Health Coverage (UHC) aims to ensure that all citizens have access to a basic health care basket, covering the most prevalent and costly illnesses, on an equal footing for all. In line with Royal Instructions, the Commission proposes the generalization of family allowances, by making them conditional on the children receiving schooling, as a financial support to their families, and by paying the allowances to mothers. Since parents affiliated to social insurance already benefit from family allowances, it is proposed to extend



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this benefit to vulnerable families through solidarity financing. Finally, the Commission proposes to introduce a targeted minimum income with dignity for poor or vulnerable households and persons with special needs (elderly people with no income, persons with disabilities), therefore replacing all cash transfers and the current subsidy and compensation mechanisms.

- **Modernize the system's governance and ensure the effectiveness of its interventions.** The Commission proposes to adopt an integrated vision for social action and to renew its governance. In this context, it is proposed to set up a «Morocco Inclusion» mechanism to guide social action in charge of managing the public portfolio of social programs and social protection institutions. This mechanism should bring together the public agencies currently in charge of these programs or institutions, such as the Social Development Agency and the National Mutual Aid, which should be merged. The Commission also aims to focus social action on quality, results and impact through greater rigor in the design of programs, the generalization of monitoring and impact assessment approaches, and incentives that stimulate innovation and results. This includes professionalizing and promoting social professions and developing partnerships with the private and voluntary sectors for the delivery and implementation of social programs and the management of social protection institutions on the basis of a «give and take» (faire-faire) approach and remuneration structures that encourage results. The Commission also calls for better targeting of beneficiaries of social programs through the establishment of the Single Social Registry (Registre Social Unique - RSU), which will make it possible to put an end to a rationale of general compensation.
- **Secure sustainable financing of social protection, both for the social insurance and solidarity components.** Concerning social insurance, the new model aims to broaden the scope of coverage by integrating liberal professions, self-employed persons, domestic helpers, and the small-scale informal sector (shopkeepers, craftsmen, farmers) into contribution schemes, and by combating social fraud. The model also calls for reforming the governance of social insurance funds towards a unified fund providing basic medical coverage and a unified fund for pensions. This convergence of the funds should be coupled with a harmonization of contribution levels and benefits to ensure equity among the insured and the financial equilibrium of these funds. The single basic health insurance fund and the unified pension fund may be supplemented by privately purchased supplementary schemes. Regarding solidarity-based social safety nets, it is proposed to mobilize tax revenues dedicated to their financing, in particular, the allocation of a portion of VAT revenues, the implementation of a solidarity tax on non-productive assets, the renewal of social contributions on high profits and high incomes, the revaluation of domestic consumption taxes on harmful products (alcoholic beverages, tobacco) and the allocation of their revenues to finance the solidarity component of the Universal Health Coverage scheme.



Table 5 : Summary of the priority area's strategic choices the and the expected impact for citizens

Strategic choices and proposals	Citizen Impact
Priority Area 3 - Opportunities for inclusion for all and a stronger social bond	
Strategic Choice 1. Empower women and ensure gender equality and participation	
Proposal 1.1 Strengthen education, training, integration, support and financing mechanisms for women	Moroccan women are empowered and enjoy the same rights as men, as stated in the constitution. They have the ability to pursue life projects in line with their aspirations and in a secure environment. They no longer face gender-specific constraints on access to economic opportunities, positions of responsibility, and civic participation. Finally, Moroccan society values gender equality and parity and promotes women's participation in economic, political and social spheres.
Proposal 1.2. Eliminate social constraints limiting women's participation	
Proposal 1.3. Promote and develop understanding of the values of equality and parity and a zero tolerance policy for violence against women	
Proposal 1.4. Strengthen women's rights in relation to the principles of the Constitution and a contextualized interpretation of religious precepts	
Strategic Choice 2. Promote the inclusion and development of youth by increasing participation channels and opportunities	
Proposal 2.1. Strengthening the professional integration of young people	Moroccan youth are fulfilled and have the skills to access opportunities. They have access to spaces and services that promote their intellectual, artistic, and physical development and facilitate their participation and integration into society. They engage in missions of general interest, develop a spirit of civic-mindedness and citizenship that benefits the community and its development. They acquire interpersonal and professional skills conducive to their economic integration.
Proposal 2.2. Set up an integrated national youth program managed by professional entities operating under performance contracts	
Proposal 2.3. Establish a national civic service to reinforce the youth citizen participation and the civism spirit and consolidate their skills and employability	
Strategic Choice 3. Mobilize cultural diversity as a lever for openness, dialogue and cohesion	
Proposal 3.1. Greater integration of culture in the educational ecosystem	Citizens, especially young people, are educated about art and culture, and are trained to engage in intellectual debate and to be open to others. More generally, citizens have access to independent and quality information, to cultural and media content that enlivens public life. Moroccan cultural heritage is preserved and the international public is made aware of Morocco's history and its vocation to contribute to the dialogue of civilizations and to promote tolerance.
Proposal 3.2. Giving the media a new lease of life as a public service contributing to the debate, awareness and international reach of Morocco	
Proposal 3.3. Encourage the development of innovative cultural initiatives	
Proposal 3.4. Foster and breathe new life into innovative, high-quality cultural and media production contributing to the debate, awareness and international reach of Morocco	
Proposal 3.5. Unfurl and enliven cultural living spaces	
Proposal 3.6. Ensure the preservation and promotion of national heritage and collective memory and strengthen the international reach of Moroccan history and culture.	



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Strategic Choice 4. Ensure a social protection floor that strengthens resilience, inclusion and embodies solidarity among citizens	
Proposal 4.1. Accelerate efforts to formalize employment and combat social fraud	All Moroccans have access to basic social protection, which includes essential care and family allowances for children. All gainfully employed Moroccans are registered and have access to social insurance (including retirement and unemployment). Poor households and persons with disabilities receive a minimum income with dignity. Persons with special needs are admitted to social protection facilities that offer quality accommodation and care.
Proposal 4.2. Establish a basic social protection floor including the Universal Health Coverage, universal family allowances and a minimum income with dignity	
Proposal 4.3. Modernize the system’s governance and ensure the effectiveness of its interventions	
Proposal 4.4. Ensure sustainable financing of social protection for both the insurance and solidarity components	

Priority Area 4: Resilient territories, anchorage points for development

The NDM is the bearer of a new vision regarding the role of territories, spaces for co-designing public policies with the State and the locus of their successful implementation. As such, this vision acknowledges the **central role of territories as a source of creation of material and immaterial wealth, the emergence of participatory democracy and the anchoring of the principles of sustainability** of resources and their resilience to the effects of climate change.

The COVID-19 crisis strongly revealed territorial inequalities with regard to access to basic public services and wealth creation. It has also revealed the need to address these challenges with overhauled and specific approaches. Based on this observation, the Commission insists on the need to boost the capacity of territories and sustainably to strengthen their resilience. This approach requires a new approach to operating, interacting and decision-making mechanisms at the territorial level, focusing on the effectiveness of action in the service of citizens.

Accordingly, the Commission advocates a renewal of territorial governance, in particular in favor of State-Region complementarity, the development of integrated economic ecosystems, the planning of space and living spaces and the preservation of natural resources. To promote the emergence of prosperous, resilient and sustainable territories, the Commission recommends the following five strategic choices:



Strategic Choice 1 . Create a prosperous and dynamic «Morocco of Regions»

In line with the Constitution, the NDM advocates a «Morocco of Regions» to ensure the convergence and efficiency of public policies at the territorial level. The Commission calls for a territorial reform of the State and to strengthen the capacities of territorial players to take charge of their responsibilities.

In this regard, the Commission calls for accelerating the process of advanced regionalization with effective deconcentration and overcoming the reluctance that is holding it back. Deconcentration must be synonymous with subsidiarity, modularity, inter-ministeriality, proximity, and the mobilization of energies in the territories. **To achieve this, deconcentration master plans must be implemented in a more proactive manner, by carrying out genuine transfers of powers and resources,** and not by merely delegating signing authority. This transfer of power calls for the strengthening of the role of the Walis in the coordination of the State's external services, making them true partners of the elected region, in accordance with the principle enshrined in the new concept of authority defined by His Majesty the King in his speech of 12 October 1999, and the provisions of the Constitution entrusting the Walis with the coordination and proper functioning of deconcentrated services. To this end, the setting up of an ad-hoc administration in charge of regional affairs is recommended to the Walis. Moreover, the State-Region contractual framework should be simplified in order to optimize resources and procedures and thus hold stakeholders accountable. This will involve opening a debate with elected officials and developing a frame of reference specifying the terms and conditions of this contractualization and the obligations of the State and those of the local authorities.

In order to generate a real regionalization momentum, the transfer of tools to the Regions based on their own, shared and transferred responsibilities must be accelerated. For example, in the area of vocational training, which is part of the remit of the Regions, the regional branches of the OFPPT would benefit from being strongly empowered to be able to cater for training needs in line with the needs of economic players at the regional level and in line with the objectives of the various sectoral strategies. As far as education is concerned, it is essential to provide the regional education and training academies with real decision-making powers and real autonomy within the framework of an enhanced deconcentration, enabling them to be more firmly anchored in their territory of intervention and to take into account local specificities in education policies.

The success of advanced regionalization will require a strengthening of the financial resources of local authorities, their diversification and pooling at the intermunicipal level, as well as a strengthening of their human resources. Financial resources can be further strengthened by increasing the financial transfers made by the State in conjunction with the transfer of powers, partially indexed to the tax revenues generated in each region, and by increasing the local authorities' own resources by simplifying and optimizing local taxation. This will also involve more systematic use of intermunicipal cooperation to pool resources and ensure quality services with the support of the State's technical departments. In this context, the **mobilization of qualified human resources** is key to enable local authorities to



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carry out their missions. This mobilization can take place through streamlined mechanisms for reallocating human resources from the central level or through contractualization and direct recruitment by local authorities of the profiles and skills they need. The regionalization of infrastructure services (see *Box 21: Regionalization of infrastructure services*) could be considered, but also the use of public-private partnerships to support the implementation of regional development projects that are suitable for this type of financing. The region can also rely on the Municipal Infrastructure Fund (Fond d'Équipement Communal -FEC), whose capacities must be strengthened to provide better support for the financing of major projects as well as for their design and technical design.

Box 21: Regionalization of infrastructure services

Services that could be regionalized in the short term include the following: construction and maintenance work on the provincial and municipal road network; the regional mobility and transport scheme to optimize regional logistics; regional water and electricity utilities; the linking of the region's public hospitals to university hospitals to increase the training capacity of healthcare professionals and optimize the supply of care; the transfer of infrastructure to Regional Academies for Training and Education (Académie Régionale d'Éducation et de Formation - AREF) (cultural and sports facilities, school transport, boarding schools) to improve the school's interaction with its environment; economic activity zones; regional wholesale markets and slaughterhouses; fish markets.

The Commission also calls for the establishment of integrated ecosystems to provide economic stimulus at the regional level. In order to support business development and job creation at regional level, it is proposed for the Regions to set up funds to support and encourage regional economic activity. These Funds aim to promote investment and entrepreneurship in target sectors or areas, according to regional priorities and in complementarity with incentive, financing and guarantee tools with a national reach. The Regions' economic development will also involve the implementation of large-scale development projects based on the harnessing of a particular area or resource. In order to maximize the chances of success of this type of project, where a high level of convergence of action is required, it is advisable to experiment with their implementation by « **Regional Development Authorities** » (RDAs). These RDAs could take the form of regional and occasionally inter-regional entities, and would have powers and responsibilities in specific areas, enabling them to develop projects in these areas within the framework of a State-Region contractual arrangement. The examples of the Tangier Mediterranean Special Agency (TMSA), the Bouregreg agency or Marchica indicate approaches that can accelerate the development of certain regions or areas.



It is also recommended for the Regions to develop economic activity zones that are embedded in a real territorial project, fully integrated with the existing urban fabric and modes of transport, and that meet the needs and demands of businesses. The initial design of these zones should be entrusted to a regional player capable of structuring the project in coordination with the various stakeholders involved (public authorities, companies, developers, investors, associations), identifying a suitable land base that meets needs, and ensuring the connectivity of the zone and off-site infrastructures. Effective implementation and management would be based on public-private partnerships, as recommended in priority area 1 on the economy, to be entrusted to private operators selected according to an open call for projects procedure and on the basis of specifications requiring top-quality services within the zones.

Regional economic dynamics will also reap the benefits from the social economy's potential, involving the third sector, mission-driven enterprises, public institutions, cooperatives, foundations and large NGOs, within the framework of local ecosystems. These stakeholders must be sufficiently equipped to initiate a virtuous dynamic of territorial development, involving the local population, in close relationship with the regions and in synergy with the local fabric of micro-businesses and SMEs, universities and training and research and development centers in the region. The state-owned enterprises already established in certain territories can already begin playing the role of bringing these stakeholders together, in keeping with their development mission. Similarly, Regional and Local Development Companies can be encouraged to establish financing agreements with the Regions while improving their financial contribution through the implementation of their own projects or through partnerships.

Placing the participatory dimension at the heart of the priorities of the new development model, the Commission proposes to ultimately establish Regional Economic, Social and Environmental Councils that would promote the participation of regional stakeholders in the development of public policies. It also advocates **strengthening participatory democracy in the design of Regional Development Plans (RDPs) and in the preparation and evaluation of Municipal Action Plans (MAPs)** in order to best meet citizens' expectations. From this perspective, part of the allocation of State resources to local authorities could be based on their compliance with a number of good governance requirements (systematic recourse to participation at all levels, respect for parity, inclusion of people with special needs, respect for the environment, delivery of information to citizens).





Strategic Choice 2 . Ensure an innovative reorganization of the territorial decision-making bodies and promote their articulation

The NDM advocates an innovative territorial reorganization that places citizens at the heart of public policies and allows for a more efficient delivery of public services, down to the smallest douar (Cf. Graph 3).

This requires recognizing the douar as a basic territorial unit (meaning a locality for collecting information on populations, lands and natural resources) and as a living space that is delineated and developed, while taking into account the development dynamics which are specific to these spaces. To this end, the creation of an observatory dedicated to gathering information within each douar will provide reliable data to inform public policy choices at the local level. The aim is also to crystallize the mechanisms of participatory democracy around the douar and to make it the first point of delivery of public services to Moroccans. The setting up of commissions at the municipal level, including representatives of the different douars, will be advisable to ensure a dynamic interconnection between the places where people live and the levels of administrative decentralization. This will create a conducive context to encourage the identification and development of local civil society initiatives that tackle the main territorial challenges.



Box 22 : Example of initiatives: Village of Tizi N'Oucheg

Located 60 km from Marrakech, in the Ourika Valley, the village is at an altitude of 1,600 m and is home to 120 families (600 people). Before 2011, the harsh living conditions led to a significant exodus (to Morocco and France). Rachid, a trained guide, created the Tizi N'Oucheg development association in 2011, starting with the tentative, then enthusiastic support of the inhabitants. This initiative will spearhead the development of the village and support the renewal of modernized governance in connection with the traditional decision-making bodies of the village (restoration of the Twiza for solidarity, involvement of the inhabitants, relevance in the choices, financing and management of projects, recruitment of facilitators or managers, etc.) Improving accessibility, sanitation, access to drinking water, reforestation, solidarity system, women's access to income-generating activities after their literacy and training, enhanced education (pre-school and middle school in particular) and improved school, cultural and sports infrastructures... The village has succeeded in reversing the trend of rural exodus by becoming a preferred environment for the personal growth and motivation of its residents.

Today Tizi N'Oucheg is exporting its model to the surrounding villages (governance and project management, preschool and education, economic activities, ...), thanks to the Open Village network. The Open Village network sets up promotional, training and support initiatives for an autonomous, ecological and solidarity-based development of the village communities, by building a network to facilitate cooperation between the different stakeholders (regular Open Village meetings, symposiums, training, study trips, ...). As much through self-management, through the trust built up over time as through the multiplication of such self-sustaining initiatives, this initiative reveals the strength of local determination and the positive dynamics it generates.

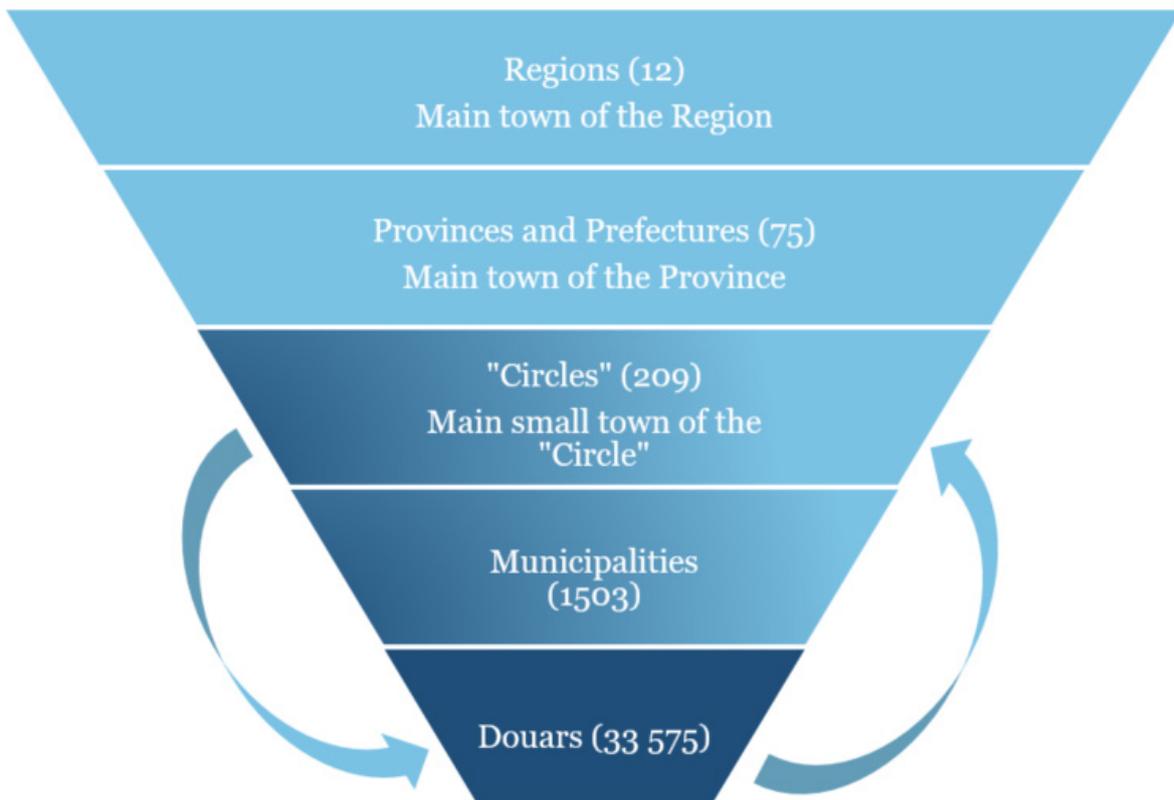
Similarly, it is proposed to reconceptualize the provision of public services in rural areas by capitalizing on the “cercle” as an intermediate level between the municipality and the province. The aim is to upgrade the status of the “cercle” from a simple administrative unit as it exists today to a fully-fledged coordination entity. In this way, the “cercle” can become a local administrative link as well as a link connecting urban and rural areas. The main towns of the “cercle” are often small towns that will constitute flagships for the efficient organization of public services in rural areas. The revival of “cercles” as a coordination unit will facilitate connectivity between towns, small towns, emerging centers and rural municipal districts to enable integrated, inclusive and sustainable development. In addition, the Commission **proposes encouraging inter-municipality** within the “cercle’s” territory **through incentives** for the implementation of projects and the provision of public services.



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Graph 3 : Articulation of territorial decision-making bodies in the NDM



With a view to promoting harmonious development of rural areas, the Commission considers it necessary to adapt planning tools to their specific characteristics, ensuring the preservation of fertile agricultural land, safe housing and due consideration for the role of farming and livestock buildings. The reform of urban planning regulations in rural areas, by recasting the texts in a single, clear code, could serve a useful purpose in this regard. Similarly, it will be necessary to reshape the urbanization of rural areas in an integrated manner with small and medium-sized towns in order to connect rural living areas to these emerging centers and thus foster the creation of attractive economic opportunities. In the same perspective, the generalization of digital coverage in rural areas is necessary to strengthen their growth by supporting the population's economic and financial inclusion, providing them with access to information as well as marketing methods and platforms that ensure a fair distribution of value that is currently widely captured by intermediaries. (Cf. Digital Technology as a Lever for Transformation).

In order to ensure the resilience and sustainability of rural areas, solidarity and family farming must be further supported and developed. The Green Morocco Plan has achieved promising results for increasing agricultural production. From a rural resilience perspective, sustainability of the agricultural sector, and mitigation of its duality between commercial and subsistence farming, the sector's strategy should place greater emphasis on solidarity and family farming. In particular, this calls for improving the efficiency of the support and subsidy mechanism of the agricultural development fund, directing it primarily to



this category of farmers and for addressing the technical, financial and insurance challenges they are facing. Cooperative forms of production and marketing that enable economies of scale for small producers should continue to be strongly encouraged, building on lessons learned from recent experiences in this area. Greater emphasis should also be placed on strengthening agricultural research and linking agriculture to territorial R&D ecosystems. Similarly, greater emphasis should also be placed on enhancing the value of production through efficient food logistics platforms (wholesale market, slaughterhouses, cold chain and transport, storage, packaging ...) and through the development and downstream integration of agro-industrial value chains, towards increased processing in all sectors that can do so. The fragmentation of agricultural land must be addressed through innovative solutions, by encouraging land consolidation through dedicated incentives. Finally, training in agricultural professions for young people in rural areas is strongly recommended in order to ensure the maintenance and succession of family farms while improving their productivity and profitability.

Strategic Choice 3 . Promote integrated land-use planning, improve the housing and the living environment as well as reinforcing connectivity and mobility

The Commission advocates an overhaul of the doctrine of land use planning, from the earliest stages of public policy design and in line with the ambition of sustainable development and the objectives of well-being for citizens.

To achieve this, a new urbanization doctrine must be established, based on urban planning approaches centered on living environment quality and on social and functional diversity. To signal a clean break from the current mode of urbanization, which is often managed by derogation, is unplanned and poorly integrated, the Commission calls for the adoption of a «national reference framework for urban development». This framework would be based on the following principles: i) a distribution of land space that promotes a quality living environment for citizens, through a better functional mix of spaces, in particular by establishing the obligation for municipalities to provide green spaces and socio-cultural infrastructures that meet the needs of citizens, and to ensure the efficient management of urban public services (transport, waste, etc.); (ii) sustainable land management, in particular strict control of the derogation policy and a focus on the use of land that is already open to urbanization in order to reduce urban sprawl and promote concentration, while opening up new areas where necessary in accordance with a planned approach; (iii) strengthening social inclusion and social diversity within cities, in particular by realigning the policy to support access to housing.

This new doctrine entails clarifying the governance of urban planning both in terms of local and central institutions and stakeholders (respective roles, scope of action, cooperation and decision-making modalities) and in terms of urbanization standards and planning tools. It also requires equipping local stakeholders with the necessary technical and human capacities, while holding them accountable for results.



To support the development of metropolises, which are steadily increasing in line with population growth and urbanization, the Commission recommends the implementation of planning and management tools adapted to the specific characteristics of major urban centres. This requires new governance and coordination methods that promote synergies between the institutional players involved in the development and management of the city and its services in its various fields (economic, mobility, infrastructure, spatial planning, sustainability and innovation). Resilient development of large metropolitan areas requires an approach that also integrates spaces on the outskirts of the city. To this end, one of the avenues to explore could be the creation, with the relevant local authorities, of an entity whose mission would be to coordinate, within the limits of the powers vested in it, the development of these areas and to optimize the allocation of the resources that will be dedicated to them. The development of metropolitan areas also requires the mobilization of new sources of financing, through more efficient management of expenditures, pooling of resources and optimization of land resources. In addition, innovative partnerships must be encouraged to meet the challenges of managing and maintaining public facilities and infrastructure at the metropolitan level.

With respect to mobility, the Commission recommends enshrining the role of public transport as a basic public service and as the preferred mode of transportation. In view of demographic and urbanization trends, it is necessary to significantly increase the use of public transportation as a mode of travel and to ensure its quality and accessibility. To this end, the Commission proposes to develop a national mobility strategy involving all stakeholders (State and local authorities) in a common vision that defines principles and objectives. The governance of urban mobility must be strengthened by relying on the support structures recently set up by the Ministry of the Interior to ensure strategic steering, regulation and standardization. The Fund for Urban and Inter-urban Transports Reform (Fonds d'accompagnement des réformes du transport urbain et interurbain - FART) would serve as a financial partner to local authorities, with sufficient financial resources to meet the needs of urban and metropolitan mobility. The prerogatives of municipalities and inter-municipal cooperation institutions must also be clarified to promote synergy between stakeholders.

Consolidation of the urban public transport service will require increased national and local public financing, both for initial investment and for operational functioning, with the aim of making the business model solvent for private operators and ensuring service quality. As part of the ecological transition advocated by the Commission and the commitment to carbon neutrality, it is proposed to gear the urban transport ecosystem toward green mobility by supporting Morocco's positioning in the global value chain related to electric and hybrid mobility.

The Covid-19 crisis has emphasized the importance of decent housing and the quality of the living environment for the well-being of citizens. During lockdown, people have spent more time at home, including for work, and their activities were mostly restricted to their immediate neighborhood. This situation has shed light on the precariousness of some forms of housing (in terms of surface areas, access to basic infrastructure, etc.) and has stressed the need for every Moroccan to have access to decent housing and to a living environment that supports access to local services. Moreover, the Constitution places



the right to housing within the taxonomy of «rights and freedoms», similar to education, vocational training, health, social protection, medical coverage, employment, access to water, sustainable development. What is more, decent housing is considered in the Royal Speeches as a prerequisite for «human dignity», «social cohesion» and «living together».

The Commission recommends improving access to housing and adopting a housing policy that promotes social diversity, contributes to mobility and socioeconomic inclusion and to a better living environment, and ensures efficient use of public resources.

In accordance with the urban planning doctrine advocated by the new development model, the Commission recommends that housing policy should no longer be limited to the supply of low-cost housing, but should also enable households, particularly low-income households, to have access to a decent, resilient and sustainable «living environment», ensuring access to local public services and means of transport. To this end, it is proposed to better regulate the social housing sector by, for example, setting up an independent regulator (as is the case in many countries) in charge of carefully identifying housing needs in various localities, ensuring that the supply of and demand for social housing is matched in both quantity and type, defining the necessary standards and specifications for social housing (e.g., minimum areas, maximum density, green spaces, local shops, public transport, public services, libraries, playgrounds, sports fields, etc.), ensuring that these standards and specifications are met. The regulator would also be in charge of overseeing the sector's players, ensuring the transparency of partnership procedures between the public sector and real estate developers, as well as ensuring the sustainability and efficiency of public resources (land and financing) mobilized for the promotion of social housing.

In keeping with the recommendations made regarding urban planning, the Commission advocates the need to develop a supply of social housing located within cities in order to thwart the current trend of deploying social housing on the outskirts of cities (often by derogation), which has led to ghettoization and dormitory towns and has resulted in higher urban development costs for the State and local authorities. This requires identifying and making better use of available land in urban areas (public land, or vacant, abandoned, seized or disputed properties) by setting up territorial land banks, for example, and supporting the development of social housing projects that are located in the heart of cities. This also requires a shift in the State's policy of incentives and financial assistance from an approach based almost exclusively on tax incentives and the provision of public land to developers to one geared more towards direct financial assistance targeting eligible households, thus making it possible to boost demand, support the acquisition of housing within cities, and ensure efficient and targeted use of the State's public resources. In this sense, it is also important to take action on the existing housing stock within the cities to ensure its renovation or rehabilitation (old medina neighborhoods, insalubrious housing, historic city centers, etc.). This rehabilitation effort could also be paired with actions to enhance the rich architectural and urban heritage of Moroccan cities.

The Commission also proposes to stimulate the rental market, especially for low-income households and individuals, to facilitate the mobility of citizens (especially the youngest) within the Kingdom and to support equitable access to opportunities, both in terms of supply, which is currently scarce, and demand by developing, for example, state guarantee mechanisms for the most modest tenants.



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In addition, it is important to modernize the trades and the construction and real estate development sector to factor in the demographic and social changes that are creating new needs (e.g., the elderly, people with disabilities, single young people, etc.) as well as environmental constraints, particularly to ensure the energy efficiency of buildings. It is also important to strive for greater professionalization and formalization of housing stakeholders as a means of ensuring the quality and safety of the housing units built and their suitability for the urban planning doctrine, through the adoption of appropriate standards and controls.

Finally, the Commission emphasizes the digital inclusion of territories to strengthen participation and improve access to public services, particularly in remote areas, and for reasonable rates. To reduce the digital divide and tackle the «white zones» excluded from high-speed broadband connections, it is crucial to continue deploying infrastructure to connect all Moroccans in all territories and ensure universal access to broadband Internet, as quickly as possible. This can be achieved through a tender bid to operators that includes adequate risk and profit-sharing considerations and equalization schemes between high-density and low-density areas. In order to reduce the cost of digital investments for the community, accelerate their deployment, and reduce the final costs of services, it is proposed to introduce a framework and standards that encourage the sharing of infrastructure between operators, and to adopt a model for the more efficient use of fiber optic networks owned by public companies (ONEE, ONCF, ADM, etc.), which would offer all operators open and regulated access to public fiber optic networks.

Strategic Choice 4 . Preserve natural resources and strengthen the territories climate-resilience

Territories, and in particular the regional dimension, are the entry point for the preservation of natural resources and local wealth. The emphasis placed on sustainability as a basis for development choices is in line with the imperative of enhancing the value of natural resources and ensuring their preservation for current and future generations.

The Commission considers it necessary to strengthen the governance of natural resources by ensuring consistency in stakeholder participation in the operational deployment of the National Sustainable Development Strategy (NSDS) and by enforcing the mechanisms for environmental impact assessments of investment programs as an essential criterion for their selection. The public sector will be required to fully adhere to the «Government's Exemplarity Covenant» on Sustainability, drawn up in 2019.

The Commission calls for the consolidation of efforts aimed at the development of agriculture, fully integrating the impediments to its sustainability. While emphasizing the rapid conversion of Moroccan agriculture to crops that are resilient to climatic hazards and generate high value added, the Commission stresses the importance of providing substantive responses to the structural limitations of Moroccan agriculture, by placing the issue of sustainability and value added at the heart of the agricultural strategy, by : i) optimizing water resources, by giving priority to expanding irrigated areas to crops that ensure national food security, and by ensuring that export crops maximize water use, taking into account its direct



and indirect cost to the State and the community; and ii) rationalizing agricultural energy consumption, by increasing the penetration rate of renewable energies in the agricultural sector, by increasing the use of solar energy techniques in water pumping.

In addition, it is recommended to better harness the full potential of the green and blue economies, which create value in all territories. The Commission encourages the adoption of a strategy dedicated to the green economy and applied at the territorial level, giving priority to a circular economy approach which integrates local specificities and potentialities. Particular attention should be paid to the development of green industrial sectors in the fields of solar energy, wind power, liquid sanitation and waste management. To anticipate the future skills needs for the development of green industries, the Commission calls for the deployment of training programs dedicated to green jobs and the promotion, through appropriate incentives, of research, development and innovation initiatives by academic, industrial and financial stakeholders. The cannabis and hemp industries, which exist in certain regions, can be part of the green economy. To this end, the Commission proposes to clarify the legal framework of this crop and to develop an accompanying ecosystem able to develop it in a controlled setting.

With regard to the blue economy, all of Morocco's opportunities must be mobilized in light of its position as a maritime nation with substantial intangible capital. These actions should focus on traditional economic sectors such as fishing, tourism and port activities as well as on new sectors with a high growth potential (aquaculture, seaweed farming, marine organic products, shipbuilding or marine renewable energy ...). The aquaculture sector in particular deserves a strong boost to achieve the objectives set out in the "Halieutis Plan". A development plan for this sector should be implemented and provide for the introduction of incentives to facilitate access to aquaculture inputs and accompany investors with appropriate technical and financial support linked to specific objectives of investment, transfer and development of know-how. Mobilizing the full potential of the blue economy requires accelerating the implementation of development plans for Morocco's nine coastal regions. These will serve as a catalyst for the development of «coastal clusters» to attract investments geared towards wealth-creating activities and committed to the preservation of coastlines.

Our country's natural and cultural capital also offers strong potential for the national and international tourism sector, particularly cultural tourism or wellness tourism, alongside niches in sports tourism and eco-tourism. The Kingdom's diversified natural capital, its historical and cultural heritage, the hospitality of its population, its culinary expertise, and its safe and secure environment are all assets that make it a popular tourist destination. Proximity, particularly with a European market that will be increasingly sensitive to environmental impact and low-carbon footprint travel, further strengthens Morocco's potential. To fully harness this potential, it is necessary to develop a diversified tourism offer that highlights the country's cultural and heritage assets and promotes them fully in all territories, and which also enhances tourist entertainment. To achieve these objectives, close coordination among all the sectors involved is necessary: in particular agriculture (for eco-tourism, gites, natural parks), culture (for the enhancement of tangible and intangible heritage), health (for wellness tourism), and sport (around activities with a high potential for



exposure, such as surfing, mountaineering, etc.).

Finally, the Commission emphasizes the protection of biodiversity and forest ecosystems as an essential means for sustainability policy. In addition to the extension of the national network of protected areas, in order to reconcile the conservation of biodiversity with its sustainable use, it will be necessary to set up a Forest Program for the restoration of forest ecosystems, which should be underpinned by a territorial, participatory and partnership-based approach. It is recommended for this Program to be designed in keeping with the reality on the ground and subject to a participatory approach involving pastoral associations, forestry cooperatives and small-scale farmers. This partnership-based approach will make it possible to define contractual relations and lines of accountability to ensure that natural resources are «harvested» at a rate that is compatible with their regeneration rate. Finally, the program should encourage on-the-job training and support research and development activities that are adapted to the specific characteristics of different woodlands.

Strategic Choice 5 . Preserve water resources through better use of the resource and more rigorous management of its scarcity for current and future generations

Morocco suffers from constantly growing water stress. The increasing scarcity of water poses a direct threat to the country's economic, environmental, and social balances, particularly in arid and semi-arid regions and those whose income depends heavily on water resources. Based on this observation, water is one of the most urgent issues to be addressed through an approach that fully integrates water scarcity and gives precedence to its long-term preservation for current and future generations. To this end, the Commission is introducing four proposals.

The first step is to reform the organization of the water sector and increase transparency on the costs of the resource at each stage of its mobilization. The objective is to ensure greater transparency in the cost of the resource, from its collection to its distribution. This will be achieved through i) the financial decoupling of water and energy, as part of an in-depth reform of , the National Office for Electricity and Potable Water (Office National de l'Electricité et de l'Eau Potable -ONEE), which consists in making the two «Water» and «Electricity» branches financially independent, so as to undo the tacit equalization of tariffs between the water and energy sectors, and to make their financial model more transparent; ii) the integration of the cost of mobilization infrastructures into the cost of the resource, as a necessity to break with the current situation marked by the free provision of dam and irrigation services, which leads to an underestimation of the cost of the resource, as well as distortions in the selection of the most optimal investments. This recommendation consists of gradually remunerating the services provided by the infrastructure (water storage, flood control, hydropower) that will enable infrastructure managers to collect revenue and provide for maintenance and reinvestment.



Secondly, it is recommended to introduce a pricing system that reflects the real value of the resource and encourages rationalizing its use and managing its scarcity. The revision of pricing is necessary to provide the necessary long-term resources to invest in mobilizing new resources and protecting the existing ones, preventing losses (leaks, evaporation) or rationalizing the use of water. This will notably involve: (i) gradually increasing water tariffs for all users, individuals and farmers, to ensure remuneration for mobilization services. The State would be directly responsible for subsidizing the «social» consumption brackets for low-income citizens; ii) in agriculture, it would be advisable to set up water saving incentive mechanisms through irrigation quotas proportional to the agricultural surface area of farms.

Thirdly, the creation of a National Water Management Agency (Agence Nationale de Gestion de l'Eau - ANGE). This Agency will replace the Interministerial Water Commission in order to converge public and sectoral policies with a regional breakdown by hydraulic basin. The ANGE could be in charge of dealing with the issue of water according to an integrated approach, from upstream to downstream. It will define the allocation of water resources in accordance with the guidelines of the Higher Council for Water and Climate. It will establish and approve service tariffs for the various water mobilization, production and transportation infrastructures. The agency will also promote the adoption and effective use of standards and criteria for the mobilization, withdrawal and use of raw or treated water that are conducive to the long-term preservation of the resource, particularly for water-intensive sectors such as agriculture and tourism in certain regions.

Finally, water needs cannot be met in the future without the mobilization of unconventional resources and the preservation of underground resources. It will first be necessary to rationalize the use of groundwater through modes of operation that take into account the regenerative capacity of the water tables. In addition, it will be advisable massively tap into seawater desalination in order to ensure a secure supplement to the water supply of coastal cities, to free up additional water resources for irrigated perimeters and to significantly reduce water losses. Controlling the cost of energy and using suitable pricing that makes the best use of the resource can make this niche attractive for private investment and public-private partnerships. The treatment and reuse of wastewater and rainwater must be made systematic to meet the needs of irrigated areas and relieve pressure on dams. This requires the establishment of a regulatory framework allowing for the effective integration of treated water in water planning, and the clarification of responsibilities for treatment and monitoring costs for the quality of treated wastewater, as well as standards for the safe and healthy reuse of wastewater, in accordance with the standards set by the World Health Organization.



Table 6 : Summary of the priority area’s strategic choices the and the expected impact for citizens

Strategic choices and proposals	Citizen Impact
Priority Area 4 - Resilient territories, anchorage points for development	
Strategic Choice 1 - Create a prosperous and dynamic «Morocco of Regions»	
Proposal 1.1 Accelerate the process of advanced regionalization with effective deconcentration	Citizens are better served by public policies in all areas, as a result of territorialized management that responds more specifically to their needs. They benefit from the economic revitalization of the territories, particularly through their spin-offs in terms of employment and opportunities. Citizens also have more opportunities to participate and express their needs.
Proposal 1.2 Strengthen the financial and human resources of local authorities	
Proposal 1.3 Establish integrated ecosystems to provide economic stimulus at the regional level	
Proposal 1.4 Strengthen participatory democracy at the territorial level	
Strategic Choice 2 – Ensure an innovative reorganization of the territorial decision-making bodies and promote their articulation	
Proposal 2.1 Recognize the douar as a basic territorial unit	Citizens, particularly in rural areas and small towns, have access to better quality public services. Citizens in large cities have access to a healthy and cohesive living environment.
Proposal 2.2 Reconceptualize the provision of public services in rural areas by capitalizing on the “cercle” as a coordination structure	
Proposal 2.3 Adapt planning tools to the specific characteristics of rural areas	
Proposal 2.4 Further support solidarity and family farming to ensure the resilience of rural areas	
Strategic Choice 3 - Promote integrated land-use planning, improve the housing and the living environment as well as reinforcing connectivity and mobility	
Proposal 3.1 Adopt a «national reference framework for urban development» that enshrines a new planning doctrine centered on the quality of the living environment and social diversity	Citizens have access to a better quality of life in an urban environment, with living, leisure and green spaces accessible to all, with a social diversity that promotes cohesion and community living. Citizens have access to affordable, quality public transportation and broadband Internet access throughout the territory, strengthening their inclusion and participation.
Proposal 3.2 Enshrine the role of public transport as a basic public service and as the preferred mode of transportation	
Proposal 3.3 Improving access to housing and adopting a housing policy that promotes social diversity, contributes to mobility and socioeconomic inclusion and to a better living environment, and ensures efficient use of public resources	
Proposal 3.4 Accelerate the digital inclusion of territories	



Strategic Choice 4 – Preserve natural resources and strengthen the resilience of territories to climate change	
Proposal 4.1 Strengthen the governance of natural resources and ensure the operational deployment of the National Sustainable Development Strategy (NSDS)	Citizens have access to a healthy environment that is conducive to well-being, where biodiversity is preserved, is resilient to climate change and allows for the rational use of natural resources. Citizens have access to significant economic opportunities, linked to their region’s potential, in local sectors such as the green and blue economy and in family farming.
Proposal 4.2 Consolidate the efforts aimed at the development of agriculture, fully integrating the impediments to its sustainability	
Proposal 4.3 Better harness the full potential of the green and blue economies, which create value in all territories	
Strategic Choice 5 - Preserve water resources through better use of the resource and more rigorous management of its scarcity for current and future generations	
Proposal 5.1 Reform the organization of the water sector and increase transparency on the costs of the resource at each stage of its mobilization	Citizens have continuous and sufficient access to water, are aware of water scarcity and its value, and adopt the necessary behaviors to preserve it.
Proposal 5.2 Introduce a pricing system that reflects the real value of the resource and encourages rationalizing its use	
Proposal 5.3 Set up a National Water Management Agency (Agence Nationale de Gestion de l’Eau - ANGE)	
Proposal 5.4. Mobilize the potential of unconventional resources and work actively promote the active support of preservation of underground resources	



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PART III

LEVERS OF CHANGE

- I. THE TRANSFORMATIVE PROJECTS REQUIRED TO LAUNCH THE NEW DEVELOPMENT MODEL**
- II. THE NATIONAL COMPACT FOR DEVELOPPEMENT**

I. THE TRANSFORMATIVE PROJECTS REQUIRED TO LAUNCH THE NEW DEVELOPMENT MODEL

The structural transformations advocated by the NDM require substantial technical, human and financial capacities, particularly in the seed stage. The Commission considers it necessary to focus on five important levers for launching the model and supporting its implementation: (i) digital technology as a lever for rapid transformation; (ii) a competent and efficient administrative machinery; (iii) securing the resources needed to finance transformative projects; (iv) the contribution of Moroccans of the World (Marocains du Monde- MDM) their knowledge, networks and expertise; and (v) the mobilization of cooperative relationships with the Kingdom's external partners, based on a win-win approach.

1. Digital Technology

Digital technology is a real lever for change and development. It should be given special attention at the highest level of the State as a driving force for structural and high-impact transformations.

Indeed, digital technology is an effective means of building trust between citizens, businesses and the State, helping to make the State-citizen and State-business relationship more seamless and transparent, through simplified and clarified procedures and better quality services. In particular, and by providing quality infrastructure throughout the country, the service platform approach facilitates access to information, contributes to holding stakeholders accountable to public opinion, and offers new channels for services and participation. Digital technology could also radically transform access to and quality of public services, particularly in remote areas, and become a tool for economic, social and territorial inclusion. Mobile payments are also an additional opportunity for the economic and social inclusion of vulnerable populations, the majority of whom are unbanked, as they facilitate commercial transactions and services.

Five main challenges must be met to ensure that the full potential of digital technologies is mobilized in the country's development projects:

- **Adopt a digital transformation strategy, endorsed at the highest level.** A mission team consisting of a results-oriented interministerial delegation staffed with expert human resources could be set up to provide the technical and institutional legitimacy that is indispensable for leading this cross-cutting transformation project. It would ensure coordination with all the administrations and entities involved and would rely on the Digital Development Agency for implementation.
- **Upgrading fixed and mobile broadband and very high-speed digital infrastructures and extending them to the whole territory, ensuring a right of access for all citizens.** It is necessary and urgent to launch a broadband coverage operation of the entire territory, including in white areas, to reduce the digital divide revealed by the Covid-19 crisis, and provide nationwide access to a quality broadband connection and sufficient speed for uses that have become essential, such as distance learning. The broadband connection of all public facilities throughout the country, such as hospitals and schools, must be guaranteed and reliable, including in rural areas. In order to reduce the cost of digital investments for the community, and to accelerate their deployment, it is also recommended to promote the sharing of infrastructures between operators, including the fiber optic networks owned by state-owned enterprises. Finally, it is also recommended to increase the degree of competition in the fixed and mobile broadband market, under the effective control of the ANRT, potentially through the entry of new infrastructure operators or Internet service providers. Such a remedial action in terms of broadband connection infrastructure should be supported by the Universal Telecommunications Service Development Fund (Fonds de développement du service universel des télécommunications - (FDSUT).
- **Develop digital platforms for all citizen and business services, as well as participation platforms at central and territorial levels. There is an urgent need to accelerate the digitalization of the administration through a single digital platform,** enabling each citizen to access all the administrative services needed in their daily lives. The digitalization of State and administrative services has recently made significant headway, with the adoption of laws for administrative simplification. The digitalization of the administration is well underway, and must be accelerated, in particular with the adoption and immediate implementation of laws on digital administration, administrative simplification and cybersecurity, not forgetting the digitalization of the administration of justice and its services to citizens.
- **Train a sufficient number of skilled people capable of driving and implementing this digital transformation on the ground.** Today, there are clearly not enough people trained in these skills, both to meet the needs of the private sector and those of the administration. It is important to increase the number of people trained in digital technology, at all levels of qualification, from technician to PhD students. The massive training of young people in digital technologies would also support their inclusion and their access to employment in the post-Covid-19 economic context.



- **Complete the legal framework to secure the digital trust of users and the digital sovereignty of the Kingdom.** This includes speeding up the drafting of laws and implementing decrees on cybersecurity, intellectual property, and the management of personal data, as well as providing the institutional framework for the full legal recognition of digital interactions and the legal value of digital documents, through the electronic signature and the unique digital citizen identifier, in compliance with safeguards for the protection of personal data.

2. The administrative machinery

The other essential lever for initiating and leading change is the administrative machinery, which will be the bearer and linchpin of the implementation of a significant part of the projects, in collaboration with the other stakeholders, and whose capacity to drive these projects at both the central and territorial levels is a prerequisite for the success of the new model.

In order to achieve greater efficiency, the administrative machinery must remain non-partisan and its prerogatives must be clearly delineated, separating the strategic level from the public policy level, which falls within the political field, the regulatory level from the permanent administration, and the operational level of implementation and monitoring from public or private players operating in the territory. This calls for a competent, accountable, performance and results-oriented administration; a transparent administration that is accountable for its actions and its ability to take initiatives and drive change.

More specifically, the regular renewal of senior national and local public officials is a challenge requiring priority consideration through mechanisms to enhance their attractiveness, identify and select a pool of skilled talent, develop leadership skills to enable them to take initiatives to solve complex problems without fear of sanctions, and promote experience in the territories.

Improving the performance of the administration will also require the simplification and streamlining of internal management procedures to focus on cross-functional missions and goals, to hold authorizing officers accountable and to encourage the emergence of the territories as a place of convergence for public action.

State-owned enterprises and institutions, which make up the administrative machinery, should be heavily involved in the launch phase of the new model, given the importance of their missions as operational levers in structuring sectors, and their technical capacities, often of high quality and enabling them to carry out large-scale, complex projects. This may require capacity building in terms of change management at the executive level to ensure the mobilization of energies and skills.



Finally, the administration must place greater emphasis on the quality of service to citizens and businesses by speeding up the process of simplifying administrative procedures, fully digitalizing them, and providing citizens with access to public data to regularly assess the quality of services and to have means of appeal in the event of disputes or misuse.

3. Financing the New Development Model

The NDM requires the mobilization of substantial financial resources for its launch and implementation and calls for a suitable financing strategy. According to preliminary assessments, it is estimated that the reforms and projects proposed in the NDM will require additional public financing estimated at about 4% of GDP annually in the seed phase (2022-2025) and about 10% of GDP at cruising speed by 2030. Some development objectives, in particular those associated with **human capital and inclusion** (education; higher education; health; social protection; youth), will indeed require significant recurrent public spending following their generalization. Other projects at the heart of the model, such as the **five selected challenges**, the structural reforms that underpin them (water, energy, transport and logistics, digital technology, etc.), the **productive transformation of the economy**, and the **development of territorial ecosystems** (regional projects, support funds, research and training clusters, etc.), will need to be launched as early as 2022 to foster value creation and quality jobs.

The NDM financing strategy specifically focuses on its seed phase, driven by the State and aimed at providing the conditions for the private sector to take over. It is based on the assumption that a successful launch will generate a positive dynamic that will enable the NDM to partially fund itself by contributing to an increase in resources. The dynamics of transformation and reform will have a positive impact on the capacity to mobilize public resources: Because of their transformational scope, the NDM's main areas of focus would favor the transition to a new level of annual GDP growth that could reach an average of 6% from 2025 and 7% from 2030. The positive economic momentum that would be achieved through an appropriate sequencing of reforms and projects, starting with the most structuring and those with the greatest economic impact, would contribute to a recovery in tax revenues, which would ultimately help reduce the State's financing needs and restore, in the end, the sustainability of public finances. The expected return on the NDM therefore justifies a proactive financing strategy, which approaches these additional expenditures as investments in the future with a medium to long-term perspective, which takes into account the dynamic effect potentially generated by the NDM towards a virtuous circle of growth, and which ensures the allocation of the resources required to launch the structural projects of the new model and to open a new phase of growth.



This strategy is based on five structuring levers, calling on public and private financing, which aim at initiating the major NDM projects, and that must be activated concurrently :

- **A budgetary policy aligned with the NDM's objectives, including the necessary reallocations for financing its transformation projects.** This includes **prioritizing the allocation of resources to human capital**, redirecting compensation charges to integrated social protection mechanisms and the Single Social Registry, and rationalizing transfers to state-owned enterprises and institutions and increasing their dividends by reforming them and improving their performance. More generally, strategic expenditure review and medium-term budget programming would help ensure better allocation of resources in keeping with the objectives.
- **An agile budgetary policy, in line with the medium-to-long-term dynamics required by any development model.** Increased use of short-term debt is unavoidable, and should serve to finance specifically targeted projects and initiatives that promote structural development and growth in the medium-to-long term, particularly in the areas of human capital and structural transformation of the economy. This approach makes it necessary to break, at least momentarily, with restrictive macroeconomic rules, while ensuring the medium-to-long-term financial sustainability necessary to maintain the confidence of economic players. Reliance on debt will be based on the opportunities offered on the capital market, recourse to active debt management operations, as well as on concessional financing opportunities and the range of financing mechanisms available under international partnerships.
- **A more effective fiscal policy, capable of mobilizing additional resources, whose potential is estimated at between 2 and 3% of GDP.** This will involve improving tax equity, broadening the tax base, integrating the informal sector, and optimizing tax expenditures in the broad sense, including niches of tax exemptions that are no longer justified.
- **A rapid beginning of the structural transformation of the economy, capable of generating medium-term resources that would enable the sustainability of the model and calling for an amplified role of State-owned enterprises and institutions and the national and international private sector.** The generation of strong growth, with more quality jobs to boost domestic demand, will not be possible without a rapid commitment to diversifying the economy and increasing its capacity to capture all sources of growth. In the framework of this financing strategy, sustainability is ensured by the growth dynamic that generates additional tax revenues and allows them to be allocated first and foremost to the areas of human capital and inclusion, whose financing needs will be growing over the NDM horizon. This structural transformation calls for the rapid activation of the diversification strategy advocated by the NDM, as well as highly leveraged instruments for private productive investment, such as those provided for under the Mohammed VI Fund. It also calls for a strong mobilization of State-owned enterprises and institutions, particularly those operating in strategic sectors, acting as economic driving forces and boosting territorial ecosystems, in line with the NDM's recommendations relating to the State's shareholder policy and the reform of certain key sectors (energy, water, digital technology, logistics, etc.).





- **Favorable conditions for increasing national and international private investment, through an attractive investment framework and the diversification of financing mechanisms and systems for economic transformation.** The NDM relies on a strong mobilization of private investment for the achievement of its objectives and recommends a clear increase in private sector investments (currently around 35%). The gradual transition to a new growth level is in fact partly dependent on a strong dynamic of private investment, particularly in the productive sectors, which would materialize through an increase in its share in total GFCF and productivity gains. Increasing private investment requires : (i) diversification of financing mechanisms and systems, through a competitive bank financing offer, a dynamic and attractive stock market with regulatory standards aligned with the best international standards, and the use of innovative financing; (ii) efficient mobilization of institutional savings and its deployment in favor of long-term NDM financing, through alignment of the regulatory framework governing pension and social protection funds and insurance, as well as the restructuring of financial State-owned enterprises and institutions; (iii) development of public-private partnerships and innovative financial arrangements for project financing, in particular by opening up certain sectors to private investment, establishing a regulatory framework in line with international standards, and preparing a pipeline of bankable projects; (iv) strengthening the capacity to attract FDIs.



Graph 4 : NDM financing strategy

Creation of an inclusive virtuous dynamic guaranteeing sustainability

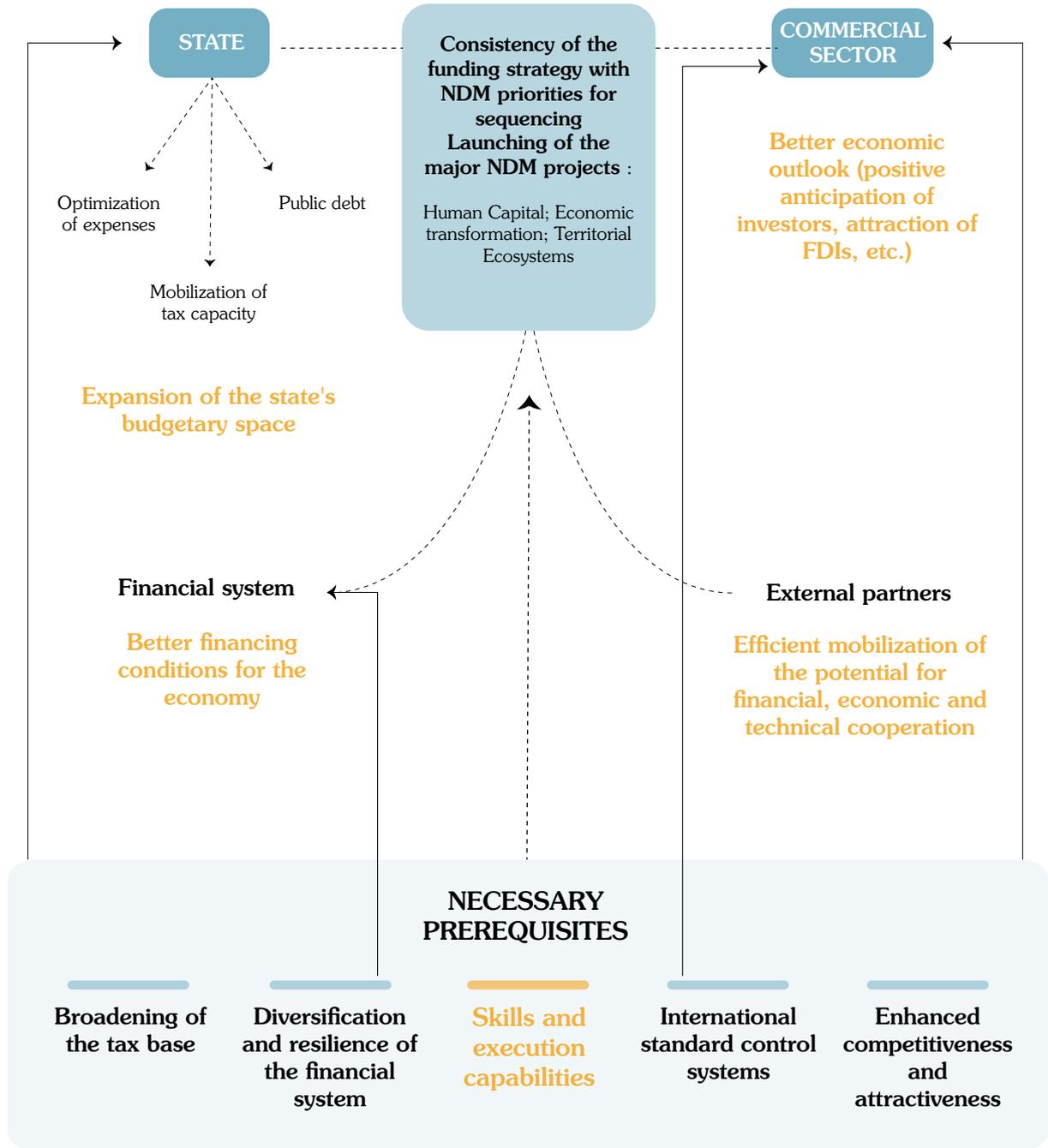


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4. Moroccans of the World

The NDM emphasizes the prominent role of the Moroccans of the World (Marocains du Monde -MDM), who represent a strength and a valuable asset in the country's development process. In this regard, the Commission reiterates the importance of the implementation of the constitutional provisions for a better representation of our diaspora, particularly through the strengthening of the Council for The Moroccan Community Abroad (Conseil de la Communauté Marocaine à l'Étranger – CCME). It also calls for emphasis to be placed on the implementation of renewed policies adapted to the needs and expectations of this important segment of the Moroccan population and to the defense of its interests with the countries of residence.

In order to further mobilize the skills of Moroccans of the World for the nation's development, it is recommended to implement incentive-based approaches to attract Moroccans of the World with highly skilled profiles operating in cutting-edge sectors such as ICT, biotechnology or renewable energy. The creation of a database of Moroccans of the World accessible to private and public Moroccan institutions will be advisable in this regard. The Commission considers it essential to mobilize Moroccans of the World for the development of scientific research, R&D and innovation activities, given the expertise acquired by the diaspora in this area. Achieving this objective is contingent on a number of prerequisites, including structuring the scientific research ecosystem and indexing it to the country's strategic priorities, through clearly defined national programs with transparent modes of governance and regular monitoring and evaluation.

Moroccans of the World have the specificity of acting as connectors of Morocco with the rest of the world, which is a great opportunity to be seized. Through their role as a «gateway» between the domestic and international markets, Moroccans of the World can help raise capital, develop new partnerships or provide access to skills and expertise which are unavailable in Morocco, or promote Moroccan products and services. Moroccan communities living abroad can also help boost the Kingdom's international outreach efforts by tapping into existing organizations as well as spaces that can be mobilized in host countries to disseminate Moroccan culture abroad.

Remittances from Moroccans of the World to Morocco, whose contribution is important to safeguard the balance of payments of our country, must be maintained and strengthened through the development of financial products tailored to the investment objectives of the Moroccans of the World, especially for the new generations. Beyond remittances, great importance should be given to encouraging their investments in Morocco, through a comprehensive and integrated policy aimed at providing support and connecting them with project sponsors in Morocco. In addition, there should be strong and regular communication to explain the national regulatory and procedural framework and provide useful information on investment opportunities in Morocco, by region and by sector.



Furthermore, it is recommended to maintain efforts to consolidate and strengthen cultural and intangible links with this important segment of the Moroccan population. This involves substantially raising the quality of current cultural facilities, by ensuring the regular organization of socio-cultural events, offering language courses in Arabic or Amazigh for the benefit of new generations born in the host countries or by providing them with e-learning platforms to enable them to better understand the cultural heritage of their countries of origin. In this context, the Commission calls for the strengthening and consolidation of the efforts undertaken by the main institutional players involved, in particular, the Department of Foreign Affairs, the Council for the Moroccan Community Abroad and the Hassan II Foundation for Moroccans Living Abroad. To this end, the Commission recommends the establishment of a Moroccan Agency for Cultural Affairs Abroad to federate stakeholders' efforts and promote the mobilization of Moroccans of the World.

The importance of the Moroccan Jewish community around the world should be emphasized. That community remains attached to its country of origin and is extremely sensitive to the action undertaken by Morocco to preserve its remembrance sites (cemeteries, synagogues, museums ...) and promote its intangible heritage. The Constitution's recognition of the Hebrew component as one of the constitutive cultural elements of the Nation, together with the country's international policy of openness and balance, create a dynamic that allows for greater contribution by this community to Morocco's development and to promoting the values of peace, tolerance and dialogue.

5. Morocco's international partnerships

The NDM enshrines Morocco's irreversible choice to open up to its regional and international environment, and its ongoing commitment to defend multilateral causes and respond to global challenges. As such, it contributes to Morocco's outreach stemming from the specificity of the Kingdom of Morocco and its constants, including respect for its sovereignty and territorial integrity.

The CSMD reaffirms Morocco's attachment to the spaces of solidarity as identified in the Preamble of the Constitution, in particular, the attachment to the construction of the Maghreb, as well as its belonging to the Arab Muslim world. The CSMD is confident that Morocco will be an active player in the development of the African continent, in view of its historical ties with this region of the world and the potential it harbors on the economic, human and cultural levels. At the same time, it reiterates the importance of Morocco's commitment to the promotion of a space of strengthened cooperation with the European Union and the Euro-Mediterranean neighboring countries and Morocco as a key player in the Euro-African relationship. It also calls for pursuing the strategy of diversifying alliances and partnerships with other regions of the world to make it a driving force for expanding its external markets and strengthening its attractiveness for FDIs. These alliances constitute an additional milestone to consolidate Morocco's position as a regional hub, between Europe and Africa, between East and West.



The implementation of the transformation projects advocated by the NDM requires the mobilization of international partnerships, both to strengthen investment and to consolidate the transfer of technology and know-how in the framework of technical and strategic cooperation and partnerships and in the context of a co-development approach. These partnerships will also be a driving force for expanding international trade opportunities, making it possible to boost the national exportable supply and ensure its geographical and sectoral diversification. The NDM, given the transformational policies that underpin it, could also serve as a basis for strengthening South-South cooperation around development strategies and their deployment in environments where resources are severely lacking.

The bets for the future identified in the NDM : i) Become a digital nation, where digital technologies are fully mobilized based on their transformational and economic potential; ii) Become a regional hub for higher education, research and innovation; iii) Become the regional champion of low-carbon energy; iv) Acquire the status of Regional Financial Center of reference ; v) Make the «Made in Morocco» label a hallmark of quality, competitiveness and sustainability, which is a substantial lever for deepening our international partnerships, strategic positioning of Morocco at the regional and international level and consolidation of the place and role played by Morocco internationally.

Priority will be given to Africa first, a continent of the future, where the dense network of cooperation agreements linking Morocco to other countries on its continent and the potential of the AfCFTA opens up promising prospects for cooperation. In line with the African strategy initiated by His Majesty King Mohammed VI, the NDM's bets for the future could be a catalyst for deepening partnership and co-development ties with Africa at the bilateral, regional and continental levels. Such an approach is likely to foster a renewed relationship with Africa, a win-win relationship that mobilizes complementarities, boosts economic specialization profiles and helps build regional value chains in high-potential sectors (agribusiness, textiles, automotive industry, tourism, higher education, innovation, cultural industry and sustainable development and the pharmaceutical industry).

Given that they correspond to areas of common interest and have the potential to be mutually beneficial, the NDM bets for the future can also be a catalyst for deepening and diversifying Morocco's privileged partnership with the European Union. It is, in this case, (1) the competitive and green energy bet for the future whereby Morocco has assets to contribute to the EU's Green Deal, which plans to import 40 GW of renewable energy by 2050; (2) the knowledge bet for the future, through enhanced cooperation in the field of higher education and scientific research; (3) the digital bet for the future around a data Schengen (data security, cloud), mobile payment ...); (4) the regional financial center bet for the future whereby Morocco can establish itself as a continental platform offering opportunities for European portfolio investors seeking profitable investment; (5) the "Made in Morocco" bet for the future, whereby Morocco can be an attractive destination for European companies seeking to relocate their activities near major growth markets.



The strengthening of the Atlantic dimension of the Kingdom's foreign policy should be pursued through the deepening of partnership ties with the United States of America, harnessing the full potential of the Free Trade Agreement (FTA) and the many trade and investment opportunities it offers. The recent recognition by the United States of America of Morocco's sovereignty over the Sahara and the announcement of the opening of a U.S. consulate in Dakhla, herald a dynamic of special bilateral cooperation but also oriented towards the rest of the African continent. The agreements signed with the U.S. International Development Finance Corporation open up new avenues for promoting dynamic, innovative economic cooperation in many strategic areas. This requires peace and stability in the Euro-Mediterranean region and in Africa as a whole. Moreover, closer ties with Canada and Latin American countries could help shore up Morocco's Atlantic dimension and open up new opportunities for those countries' respective economies.

The Commission also underscores the importance of the strategic partnership between Morocco with the Gulf Cooperation Council (GCC), both bilaterally and multilaterally, given the opportunities for partnerships in areas that are essential for the implementation of the NDM.

Partnerships with emerging players, especially those with whom Morocco has entered into strategic partnerships, in this case China, India and Russia, must be consolidated in light of the role that these countries play in the current geopolitical and geo-economic equilibrium and those that are emerging in the post-crisis Covid world. The recent actions carried out recently to strengthen Morocco's relations with China, with the Kingdom's endorsement of the Chinese initiative of the new «Silk Road», and the implementation of the Mohammed VI Tanger Tech city project, are part of this framework and should be further strengthened to make it a strategic lever for the regional and international positioning of our country.

In order to harness the full potential of these international partnerships for the Kingdom of Morocco's outreach and to strengthen its competitiveness and attractiveness, it is recommended to adopt an integrated strategy of the «Morocco Label» (Label Maroc), capable of rallying the efforts and pooling the resources of stakeholders involved in economic and cultural promotion abroad.



II. THE NATIONAL COMPACT FOR DEVELOPMENT

The effective implementation of the development model requires the strengthening of the strategic management, monitoring and change management functions. The change process is difficult everywhere; it requires first and foremost leadership and strong commitment, but also continuity, perseverance, risk-taking and ongoing management of resistance. International experience has shown that development visions at the national level are more likely to succeed when they are accompanied by an assertive and sustained process of mobilization and commitment from stakeholders, as well as a monitoring and strategic management mechanism that maintains permanent pressure to reach the desired course and to overcome any potential roadblocks.

With a view to entrenching the new development model as a common frame of reference for all players and to engage the active civil population in its implementation, it has been proposed to translate it into a «**National Compact for Development**». This Compact would serve as a moment of consensual commitment by development players around a new ambition for the country and a common frame of reference that guides and directs the action of all the active civil population in its plurality. The Compact would enable the renewal of the State's relations with development stakeholders (political parties, constitutional institutions, private sector and social partners, territories and third sector). A renewal whose guiding principles are: accountability, empowerment, subsidiarity, partnership, sustainability and inclusion.

This Compact could be solemnly adopted by all relevant stakeholders and would constitute a strong moral and political commitment before His Majesty the King and the Nation as a whole. It would pave the way for a new historical milestone in the country's development process, both symbolically and in its strategic vocation and functionality.

Based on the new development model, the content of the Compact could set out the common ambition, national priorities and objectives, principles of action and the framework of trust and responsibility, and commitments required from stakeholders to pursue the agreed course of action and apply the principles. The National Compact for Development would set the overall framework for coherence and synergy among all stakeholders, defining the strategic priorities that govern the allocation of resources and steering change. It would focus on the fundamental choices for development, a bedrock common to the entire nation, to make room for the plurality of partisan choices in the roll-out of public policies. The Compact would also reflect the unique nature of the Moroccan model and its capacity to spread internationally by creating the conditions for making the country's major development choices clear in the medium and long term.

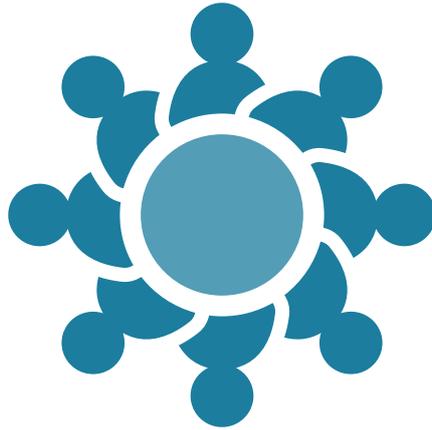


Another function of the Compact would be to provide a framework for steering and monitoring the implementation of the country's development vision. In this perspective, the Compact would include reference to mechanisms for regular monitoring of the progress of the projects selected. These mechanisms could include, for example, annual reporting by stakeholders on their actions to achieve the objectives of the Compact, as well as regular meetings or progress reviews between all stakeholders. These monitoring mechanisms would also provide citizens with direct information on the progress of the National Compact.

Following the adoption of the National Compact for Development, **the CSMD recommends the establishment, under the authority of His Majesty the King, of a mechanism to monitor the NDM, to give impetus to strategic projects and to support change management.** By ensuring overall coherence and strategic alignment, driving and supporting transformational reforms, this mechanism would hold the stakeholders involved accountable and strengthen overall performance.

This mechanism placed with His Majesty the King could have the following missions:

- i) to spread knowledge of the NDM (frame of reference and the National Compact for Development) and to ensure the widest possible dissemination through all media;
- ii) to design and provide methodological instruments to facilitate the coherent and effective implementation of the NDM to the bodies and authorities concerned;
- iii) to ensure that the strategies and reforms proposed for the implementation of the NDM are consistent with the frame of reference and the National Compact for Development prior to their adoption by the relevant authorities, through the formulation of opinions and recommendations;
- iv) to monitor the implementation of the strategic projects conducted by the relevant authorities and report to His Majesty the King;
- v) to support change management by contributing, on the basis of Royal Instructions, to the development of strategic projects in support of the relevant authorities and bodies, to the experimentation of innovative projects and to the development of executive training courses in the field of training/action and change management in universities and specialized training institutes.



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