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Morocco

RESULTS REVIEW
AND
RESOURCE REQUEST
(R4)

USAID/Morocco

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Acronyms

ABS	Annual Budget Submission	IMR	Infant Mortality Rate
AIDS	Acquired Immune Deficiency Syndrome	IR	Intermediate Result
AIM	Accessing International Markets (project)	IUD	Intra-Uterin Device
ANE	Asia-Near East Bureau	JHPIEGO	Johns Hopkins Program for International Education in Gynecology & Obstetrics
ANHI	<i>Agence Nationale de Lutte contre l'Habitat Insalubre</i>	LOP	Life-of-Project
AVSC	Association for Voluntary Surgical Contraception	MAP	Moroccan Agribusiness Promotion (project)
BASICS	Basic Support for Institutionalizing Child Survival	MNE	Ministry of National Education
CCP	Central Contraceptive Procurement	MOE	Ministry of Environment
CERAU	<i>Centre d'Etude et de Recherche en Aménagement Urbain</i>	MOPH	Ministry of Public Health
CFR	Code of Federal Regulations	MSMP	Moroccan Social Marketing Program
CGEM	<i>Confédération Générale des Entreprises du Maroc</i>	MYOP	Multi-Year Operation Plan
CPS	Country Program Strategy	NED	New Enterprise Development (project)
CRS	Catholic Relief Service	NGO	Non-Governmental Organization
CSM	Contraceptive Social Marketing	OE	Operating Expenditures
CY	Calendar Year	OMNI	Opportunities for Micronutrient Interventions
DD	Diarrhea Disease	ONEP	<i>Office National de l'Eau Potable</i>
DDM	Data for Decision-Making	ORMVA	<i>Office Régional de Mise en Valeur Agricole</i>
DG	Democracy and Governance	ORS	Oral Rehydration Salt
DHS	Demographic and Health Survey	ORS	Oral Rehydration Solution
DIS	Democratic Institutions Support	OYB	Operating Year Budget
DSM	Demand Side Management	PMP	Performance Monitoring Plan
DWG	Democracy Working Group	PRIDE	Project in Development and Environment
EDM	Energy Demand Management (project)	PRIME	Primary Providers' Education Training in Reproductive Health
EPAT	Environmental and Natural Resources Policy and Training Project	PRISM	Performance Information for Strategic Management
EU	European Union	PSA	Privatization Sector Assistance (program)
FEC	<i>Fonds d'Équipement Communal</i>	PSC	Personal Service Contract
FP/MCH	Family Planning/Maternal and Child Health	R4	Results Review and Resource Request
FPMD	Family Planning Management Development	SEA	Strategic and Economic Analysis Office (ANE Bureau)
FSN	Foreign Service National	SO	Strategic Objective
FY	Fiscal Year	SPO	Special Objective
G	Global Bureau	TA	Technical Assistance
GDP	Gross Domestic Product	TAACS	Technical Advisor in AIDS and Child Survival
GIS	Geographic Information System	TF	Trust Fund
GNP	Gross National Product	TRM	Tadla Resource Management (project)
GOM	Government of Morocco	UES	Urban Environmental Services
GWEI	Girls' and Women's Education Initiative	UN	United Nations
HCD	Human Capacity Development	UNDP	United Nations Development Program
HG	Housing Guaranty	UNICEF	United Nations International Children's Emergency Fund
HIV	Human Immuno-deficiency Virus	USAID	United States Agency for International Development
IBRD	International Bank for Reconstruction and Development (World Bank)	USDH	United States Direct Hire
ICM	Integrated Case Management	VSC	Voluntary Surgical Contraception
IEC	Information, Education and Communication	WRS	Water Resources Sustainability
IEE	Initial Environmental Examination	ZAC	<i>Zone d'Aménagement Concerté</i>
IESC	International Executive Service Corps		

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I. OVERALL PROGRAM PERFORMANCE

A. Factors Affecting Program Performance

Morocco stands at a crossroads where it must choose between 1) economic and political liberalization involving transparency and greater empowerment and participation of Moroccans in the economic, political, and social life of the country; or 2) the status quo and the elitism of the past, whereby few gained disproportionately. The legal and regulatory structures currently favor the status quo. However, economic and social pressures are being exerted toward pluralism and greater participation in economic, social and political activities. These societal pressures provide real opportunities for the United States to significantly influence Morocco's development towards more sustainable and equitable systems which promote moderation, build towards future stability, and support Morocco as a model for less democratic Arab countries.

Socio-economic profiles show Morocco to be a country of contrasts and dualistic development. Severe rural and urban poverty coexists alongside modern urban centers. Unemployment affects nearly 20% of the labor force and is increasing at 7% annually, with particularly deleterious affects among educated urban youths. According to a World Bank survey, 22% of the population was estimated to be below or near the poverty line (5.6 million people) in 1993. Women remain especially disadvantaged by low literacy (13% of rural women are literate); low primary school enrollment (22% of rural girls, with only 9% completing 5 years); low-paying jobs, reflecting weak job qualifications and discrimination in terms of advancement; and high unemployment.

Economic growth in 1995 dropped to a disappointing -5.0%, owing to one of the most severe droughts in decades. Overall, growth has averaged only 0.3% since 1992, owing to two earlier droughts in 1992 and 1993, and the slow pace of reform at the sectoral level. Further, the gains from Morocco's successful structural adjustment program of the 1980s are beginning to erode: the budget deficit grew to 4% of GDP in 1994, and inflation rose to an estimated 6.3% in 1995. However, foreign debt has declined to 68% of GDP, with debt servicing at about 33% of exports.

As international trade becomes more competitive, Morocco will lose markets if its economy does not become more efficient. In addition to the recent GATT agreement, Morocco signed an agreement with the European Union in February 1996 which provides for the gradual establishment of a free-trade zone, including services and capital transfer liberalization. Over a ten-year period, Morocco's enterprises will have to compete on equal ground with European firms in both the domestic and export markets. Therefore, the agreement is expected to exert a strong pressure towards the modernization of Morocco's economy to approach the European standard. Moreover, such upgrading will also affect the political and social environments, with precise requirements regarding the democratization process, human rights and the rule of law.

A key constraint to progress is the slow pace of policy reform. Morocco has limited institutional capacity within civil society for policy advocacy and an inadequate policy and institutional framework for integrating poorer Moroccans into the mainstream of the economy. In recent years, the Government of Morocco (GOM) performed poorly on second-tier policy and institutional reforms required to generate equitable growth and employment and sharpen the

economy's competitive edge. The slackening of economic reforms affects the cost of living and quality of life at the grassroots level. It also compromises Morocco's ability to compete in international markets and to attract foreign investment, key requirements for achieving higher economic growth rates necessary to create jobs for a growing labor force. Notwithstanding, some progress has been made in reform areas such as privatization and government procurement of contraceptives.

Another factor which fosters uncertainty is the eventual political succession which must occur for this regime which has been in power since 1961. This transition revolves around the health of the King and is not openly discussed in Morocco. The uncertainty of a transition makes it more important for the U.S. and other donors to strengthen the forces for moderation, and to support broad-based and sustainable development, and pluralistic democratic processes.

The next ten years represent a significant crossroads for Morocco's political and economic development. Continued stability depends on a successful political succession, as well as on Morocco's ability to meet the challenges of increased competitiveness in international trade, on the successful integration with the European Union, and on meeting the demands of the Moroccan people for an acceptable pace and distribution of social and economic development.

B. Progress in the Overall Program

In response to the previously described dualism in Moroccan development, USAID/M has increasingly sharpened its focus and impact on equity and the participation of the poor. Through collaboration with government, the private sector, and the nongovernmental organization (NGO) community, USAID programs are demonstrating the viability of interventions which address the well-being and employment of the poor, at the same time that they contribute to broad-based economic growth and export development. Key areas of progress include family planning and health service delivery, child survival, small business development, agribusiness export expansion which generates employment for the poor, privatization, energy conservation, clean technology, improved water management in irrigated perimeters, and self-help housing for low-income communities. In each of these areas, USAID works with the GOM, private advocacy groups, the private sector in general, and other donors to establish a more transparent and equitable framework for participation and growth. USAID assistance now supports the establishment of systems to encourage making the tough policy decisions necessary to redress social inequities, poverty, environmental degradation, and gender disparities for education.

USAID's strategy for assisting Morocco to achieve an **improved quality of life for poorer Moroccans through equitable and sustainable social and economic development** concentrates on four strategic objectives, three of which were formulated in response to the issuance of revised Agency strategic priorities in March 1994: 1) reduced fertility and improved health of children under five and women of child-bearing age; 2) improved water resources management in the agricultural, urban, and industrial sectors; 3) expanded base of stakeholders in the economy, targeting people of below-median income; and 4) increased basic educational attainment for rural girls in target areas. A fifth area, aiming at increased effectiveness of Moroccan NGOs, focusing on local governance and women's empowerment, is proposed in this document as a special objective (SPO), for which we seek modest funding in FY 96-99.

Working closely with colleagues in Washington, and in coordination with partners in Morocco, the Mission has reshaped its portfolio in line with newest Agency program priorities, and our 1995 CPS. USAID/M reluctantly has eliminated some less strategic, albeit highly successful, parts of the portfolio, such as privatization and energy demand management.

Several common themes are threaded throughout the latest USAID/Morocco program strategy and are integrated into each strategic objective: 1) targeting of poorer Moroccans, especially those below median income; 2) emphasis on the "enabling environment," e.g., the policy, regulatory, and institutional framework; 3) broad-based participation to ensure the involvement and empowerment of beneficiaries and intermediaries; 4) integration and empowerment of women; 5) emphasis on private initiative and expansion of civil society, NGOs, and private associations; and 6) human capacity development.

Performance in each SO area is globally excellent in the older parts of the portfolio (family planning, selected parts of water management and economic growth), and, unsurprisingly, modest for those areas which are only now starting up (new activities in water management, microenterprise finance and basic education).

In **population and health (SO 1)**, USAID-Moroccan collaboration has resulted in an increase in contraceptive prevalence from 36% in 1987 to 50% in 1995, and a concomitant decline in total fertility of 25%, from 4.8 in 1987 to 3.6 children per woman in 1995. The total fertility rate in Morocco's urban areas is approaching replacement levels at 2.2%. Childhood immunization coverage increased from 76% in 1992 to 85% in 1995. USAID has helped to increase the usage rate of oral rehydration solutions for treatment of diarrheal diseases from 15% in 1992 to 29% in 1995. The private sector increasingly is participating in family planning activities. Social marketing of oral contraceptives initiated in 1991 has reduced the cost of contraceptives to the consumer by 27%, with contraceptive products now being available through the private sector. In 1993, private sector sales of contraceptives provided over 300,000 couple-years of protection in Morocco, exceeding targets by 50%.

Environmental activities (SO 2) have improved water resources management in the agricultural, urban, and industrial sectors. USAID's urban environmental programs have helped bring modern sewerage and potable water systems to over 400,000 people (of which 70% are below median income), with indirect benefits (such as reduced seasonal flooding and related water-borne diseases) to an additional 200,000 low-income people over the last decade. Energy and environmental audits have led to energy savings of more than \$12 million to date for companies involved in USAID-assisted activities, and have resulted in reduced emissions into the atmosphere and reduced industrial petroleum usage. Clean technology activities have reduced surface water pollution in targeted areas, and have improved conditions for both workers and the public. Laser land levelling and level-basin irrigation technologies have improved water use efficiency in one of Morocco's largest irrigation perimeters.

In fostering **economic growth (SO 3)**, USAID has expanded the base of stakeholders in the economy, especially for Moroccans of below-median income. A broad range of achievements have been recorded. Through housing loan guaranties, USAID supported the sale of nearly 5,000 housing lots in 1995 to low-income families, including legal titles and basic services. This process has provided the opportunity for the urban poor to capitalize savings and to create opportunities for investment and employment. Twenty-eight small business associations were

further strengthened as advocates for member interests, policy reforms, and new market opportunities, supporting greater employment and production. The export sales volumes of horticultural products increased by an estimated \$22 million in 1995 alone, generating employment for unskilled laborers, the majority (about 60%) being women. USAID-supported business linkages resulted in an estimated \$40 million increase in Moroccan trade, which provided technology resulting in greater demand for agricultural labor, and the establishment of sustainable export opportunities. The privatization of 41 firms valued at \$880 million since 1994 has strengthened the Casablanca stock exchange and increased the number of equity owners from 5,000 to 100,000, including 5,000 employees who have purchased shares in their privatized companies.

In the new area of **primary educational attainment for rural girls (SO 4)**, USAID has worked closely with the Ministry of National Education and with other donors to develop a program to support pilot activities addressing Morocco's poor performance in basic education. The average length of schooling hardly reached 3 years in 1992. 51% of adults are illiterate, including 70% of women. In rural areas, the enrollment rate for girls is only 22%, and only 9% complete five years of primary education. The shamefully low rate of education among women, especially in rural areas, limits their contributions to the economy and to their families' economic well-being, to improved environmental management and the wise use and regeneration of renewable resources, and to acceptance of family health services. USAID is targeting rural primary education for girls for improvement in 20 of Morocco's most needy provinces.

In the area of **democracy (SPO)**, USAID completed an assessment of NGOs and refined its proposal to strengthen civil society for advocacy and for the increased effectiveness of NGOs which focus on local governance and women's empowerment. This Special Objective will provide a framework through which USAID can help to improve the enabling environment for NGOs, support two carefully targeted areas (to empower women and low-income communities) where USAID does not currently fund significant activities, and provide synergy and developmental resources to NGOs which support other strategic priorities.

II. PROGRESS TOWARD ACHIEVEMENT OF STRATEGIC OBJECTIVES

SO 1: Reduced Fertility and Improved Health of Children Under Five and Women of Child-Bearing Age

A. Summary of Data

SO INDICATORS	1995
1.1 Reduced Total Fertility Rate (TFR)	***
1.2 Reduced Infant Mortality Rate (IMR)	*
1.3 Reduced Child Mortality Rate (CMR)	*
1.4 Reduced Maternal Mortality Rate (MMR)	--
1.5 Increased Contraceptive Prevalence (CPR)	***

*** Beyond expectations; ** Met expectations; * Below expectations; -- Start-up/no results

Preliminary results from a 1995 Demographic and Health Survey (DHS) show that Morocco's population and health sectors have achieved substantial gains over the past three years (1992-95). Total fertility rates, for example, have fallen by 14% to 3.6 nationally and are approaching replacement levels (2.2) in urban areas. Contraceptive prevalence rates have increased 19%, and Morocco now has the second highest contraceptive prevalence rate (50%) in the Arab world (Tunisia is first, but enjoys a much higher level of female educational attainment). An encouraging aspect of growth in contraceptive prevalence is that the rate of change was actually higher in rural than in urban areas (22% vs. 16% respectively), indicating that the effort to extend services to traditionally under-served areas is working.

In maternal/child health care over this three-year period, the number of pregnant women receiving the benefit of a prenatal health visit increased 40%. Four of ten births are now attended by a health-care professional, representing a 29% increase. Since USAID, UNICEF and Morocco's MOPH began in 1992 to collaborate in a joint diarrheal disease (DD) control effort, there has been an 88% increase in DD cases provided with oral rehydration salts, and a 54% increase in the number of DD cases receiving care at health facilities.

B. Analysis of Strategic Objective Progress

Progress in the population/health sector is proceeding at a pace higher than expected. Many of USAID's program performance targets are being met or exceeded ahead of schedule: the total fertility rate already has met the 1998 objective; the contraceptive prevalence target for 1997 (49%) has been surpassed; the prenatal care objective for 1997 has been exceeded by 44%; and the immunization coverage target for 1999 has been surpassed by 7%. Therefore, SO targets and measures of progress, as detailed in the PMP for SO 1, have been revised accordingly, showing increasingly ambitious goals and indicators.

Table 1: PHN Accomplishments in Morocco: 1979/80-1995				
Accomplishment	1979/80	1987	1992	1995
Total Fertility Rate	5.9	4.8	4.2	3.6
Infant Mortality Rate	91	73	57	61
Maternal Mortality Rate	---	---	332	---
Contraceptive Prevalence Rate	19%	36%	42%	50%
Attended Births	---	26%	31%	40%
Vaccination Coverage Rate	---	66%	75%	85%
ORT Use Rate	---	---	14%	28%

While these gains are laudable, other indicators provide direction for future relative emphases that will help us manage our resources to achieve planned results. For example, although 49 percent of women expressed a desire to limit the number of children they have, a full 64 percent of contraceptive users still use the pill as their method of choice, while long term method use has advanced only modestly. These data indicate a need for an improved method mix and particularly for increased use of long term methods.

Infant and child mortality rates have not seen the progress witnessed in family planning programs in recent years. Data indicate significant regional differences, and imply (for infant mortality) that a weak safe motherhood program and factors associated with reproductive health and delivery may be contributing to the problem. Re-assessing causative factors for infant and child mortality rates and applying efforts accordingly is essential in the short term, and has resulted in relatively new and somewhat expanded SO 1 efforts in safe motherhood programs.

The striking differences in health and fertility indicators between urban and rural residents reflect vast discrepancies in the availability of services. Some of these indicator differentials -- e.g., in IMR -- are increasing over time. Rural residents have more difficulty reaching facilities which are more frequently under-staffed and lacking supplies. Outreach services to rural residents are limited. Thus, available resources must be applied, and innovative approaches developed, to ensure access to hard-to-reach and poorer populations. Extending services to the 49% of Moroccans in rural areas requires targeting of scarce public resources and increased use of the private sector to provide sustainable service delivery.

The ensemble of information available indicates the desirability of continued efforts in service access, quality and availability, and -- particularly in the absence of more definitive information on causal factors related to the increase in IMR -- re-orienting resources toward safe motherhood efforts. More significantly, given rural conditions and their service-related resource requirements, there is an absolute necessity for diversifying the available resource base for FP/MCH services. Finally, strengthening institutional capacity in order to address longer term sustainability issues is essential.

Table 2: Urban/Rural Disparities in Morocco			
Rate	Total	Urban	Rural
Total Fertility Rate*	3.6	2.2	4.9
Infant Mortality Rate (0-11 months)**	61	50.2	67
Child Mortality Rate (1-4 years)**	20	6.5	27.8
Contraceptive Prevalence Rate*	50	64	39
Medical Assistance at Delivery (Percent)***	31.00	63.70	22.80
Children Fully Vaccinated (Percent)***	75.7	93.7	66.7
FP Demand Satisfied (Percent)***	64.3	82.2	57.3

Sources: * 1995 DHS Panel; ** 1995 rates extrapolated from 1992 DHS urban/rural percentages; *** 1992 DHS.

C. Contribution of USAID Activities

USAID has been the lead donor in family planning in Morocco since the early seventies, and has been an important contributor to maternal/child health activities. USAID still provides some 60 percent of combined donor resources. USAID's contributions go back as far as putting family planning "on the map" of public health services in Morocco, and helping formulate important policy directions that have helped drive the program during the past three decades. A recent study by the Futures Group estimates that our joint efforts in this area since 1971 have reduced today's national population by 6,000,000 persons (current total 26 million), and saved some 35,000 - 40,000 infant lives. Selected achievements, due largely to USAID funding, are summarized below.

SO 1 focuses on increasing use of quality FP/MCH services and on their longer term sustainability in four activity areas: establishing greater access to quality FP/MCH services responsive to client demand; reinforcing institutional capacity to manage FP/MCH programs with particular emphasis on decentralized approaches responsive to client need; improving the policy environment to support expansion of FP/MCH services; and promoting increased diversification of the resource base for financing delivery of FP/MCH services. The first area of activity -- that of improving access and quality -- is oriented toward increased use. The policy area, as planned, has implications for both increased use and sustainability. The program emphases on decentralized management and a diversified resource base are primarily oriented toward the sustainability result of FP/MCH services.

IRI.1 - Increased Use of Quality FP/MCH Services

Method mix toward long term methods: Oral contraceptives have long been the primary family planning method of choice for Moroccan women, with over 68 percent of users relying on the pill in 1992. The MOPH has increased efforts to promote long-term methods, with

USAID as the primary donor. In recent years, over 1,000 service providers have been trained in various long term methods (IUD, injectables, VSC). Between 1992 and 1995, pill-users as a proportion of total users dropped relative to long-term method users, resulting in an increase of approximately 50,000 users of long-term methods.

Pregnancy services: Recent intensification of efforts to improve service quality and access, and to expand information, education and communication activities, have contributed to a dramatic increase in the percentage of women seeking prenatal care, i.e., from approximately one-third to 45 percent between 1992 - 1995. Moreover, deliveries supervised by medically qualified personnel rose by almost one-third (from 31 percent in 1992 to 40 percent in 1995).

Childhood Immunization: Childhood immunization coverage has shown major increases between 1992 and 1995. Vaccination coverage (full coverage for all five immunizations) increased from 76 percent to 85 percent over the three-year period. Impressively, in 1993 the MOPH began to phase in self-reliance for the financing and procurement of childhood vaccines. The revolving fund for this effort was jointly capitalized by USAID/Morocco and USAID/W.

Use of oral rehydration solution: Considerable strides have been made in the management and treatment of diarrhea in children. The percentage of children with diarrhea who received ORS almost doubled in three years, from 15 percent in 1992 to 29 percent in 1995. The positive results reported are a reflection of recent intensified activities in this area.

IR1.2 - Increased Sustainability of FP/MCH Services

Policy changes: The policy front has seen important advances in the phase-over of contraceptive procurement and certain local costs. Specifically, gradual MOPH assumption of contraceptive procurement costs according to a previously established schedule has been initiated: in 1995, the MOPH contributed \$350,000 of its own funds for contraceptive purchases, well above the \$220,000 required by the USAID/GOM agreement for that year. This initial effort is leading to a collective (i.e., MOPH and other donors) discussion of contraceptive procurement sustainability, which may well produce a lasting impact on commodity resources for the national family planning effort in Morocco. The MOPH also formed a Private Sector Committee with assistance from USAID, which has begun exploring new roles and possibilities for expanding FP/MCH services within the private sector, and for incorporating a private sector role within the MOPH's regular planning function for national FP/MCH initiatives.

Social marketing: The Moroccan Social Marketing Program (MSMP) was launched in 1988 by the Ministry of Public Health and a local firm with assistance from USAID Morocco. The MSMP has made available quality contraceptive products at affordable prices and has created an active partnership of private sector manufacturers, distributors, pharmacists and physicians who inform and motivate target client groups about family planning methods. By 1992, the MSMP condom, Protex, was firmly established in the marketplace, and sales were of sufficient magnitude to render the condom component fully self-perpetuating. It is anticipated that the MSMP orals component, which includes Microgynon and Minidril, will be fully sustainable by the end of 1996. Two new, longer-term contraceptive products will be put on the market in 1996: an injectable and the IUD. MSMP promotion and education efforts for these new

products will complement MOPH efforts to promote longer term family planning methods in the public sector.

D. Expected Progress for the FY 1997-1998 Period

The emphases for expected progress during the coming years, as summarized below, represent USAID/M's efforts to define a rational phase-out of bilateral assistance to the health sector by the end of the century. The guidance for these efforts is presented in USAID/M's "Transition Plan: Achieving Sustainability in Family Planning and Maternal Child Health (FP/MCH)," dated March 1996. The Transition Plan aims to ensure the success and sustainability of efforts underway to increase use of basic health and family planning services and to strengthen the capacity of the Moroccan health system to maintain and enhance performance that reduces fertility and improves the health of mothers and children. The application of these principles requires a deliberate and immediate shift in prioritization and, therefore, in relative amounts of resources, from support for the standard provision of services, to support for building Moroccan capacity to continue to provide FP/MCH services in the future. This narrative and the PMP in Annex C are consistent with the guidance outlined in the Transition Plan. To implement the plan, a combination of bilateral and field support resources will be used. Approximately 25% of global activities will be funded by bilateral buy-in or add-on mechanisms. A description of the types of expertise that will be drawn from central resources is provided in Section IV.C.

IRI.1 - Increased Use of Quality FP/MCH Services

Access to quality FP/MCH services: The first area of emphasis -- establishing greater access to quality FP/MCH services responsive to client demand -- will move forward on several fronts, including strengthened outreach, concerted efforts to promote long-term family planning methods, a new safe motherhood initiative in a target area, integration of MCH services based on the WHO integrated case management approach, FP/MCH quality of care issues, and IEC capabilities.

Policy environment: Concrete policy-level decisions, whether internal to the MOPH (e.g., rationalizing the distribution policy for contraceptives or ORS packets) or external to the MOPH (e.g., related to private sector FP/MCH provision) will facilitate expansion and/or improvement of service quality. USAID will assist the MOPH to update its policy agenda and focus it on those areas that relate to and/or flow out of major project foci, i.e., private sector participation and role in FP/MCH service delivery; advocacy for adequate resources; service provider constraints; and issues related to decentralized management. Immediate policy discussions will address: costs of media air time for promotion of family planning methods and health messages; ORS distribution policies; job descriptions for hospital personnel vis-a-vis safe motherhood and VSC responsibilities; and the possibility of contractual arrangements with private sector service providers to fill gaps in public sector service delivery. An additional challenge on the policy dialogue front will be to engage the Ministries of Finance and Population in these discussions. SO 1 efforts in relation to the policy environment also will lead to results in terms of increased sustainability of FP/MCH services.

IRI.2 - Increased Sustainability of FP/MCH Services

Decentralized management and responsiveness to client need: Reinforcing institutional capacity to manage FP/MCH programs with particular emphasis on decentralized approaches responsive to client need will depend on the development and use of quality measures; introduction and expansion of quality management in FP/MCH; revised training content and quality; and strengthened public health management. Within the next two years, we expect to see significantly developed capability of the MOPH to, for example, use its logistics system to track and procure necessary contraceptive supplies in accordance with conditions determined by the USAID-GOM agreement for contraceptive phase-over. The MOPH will develop, in initial target sites, a data base for key FP/MCH program planning needs, available for decision-makers to use in service planning based on epidemiological data, training needs, and other programmatic issues. Related quality management procedures will be introduced and developed at selected service delivery sites. Also, during this period, FP/MCH curricula for medical schools, schools of nursing and in-service training institutes, with an emphasis on long-term family planning methods and outreach services, will have been revised and strengthened, and will be used for all levels of FP/MCH service providers.

Diversified resource base: A more diversified resource base for delivery of FP/MCH services will result from the introduction of new products (an ORS product, IUD, and injectables) into the social marketing pool. Also, through mechanisms established under the private-public sector partnership, the project will develop models for private sector partners (private physicians, enterprises, parastatals, insurance providers, NGOs, etc.) in the provision of preventive health services and information. These practical experiences are expected to provide a basis for future directions to enable a rational "sharing" of the costs of expanded preventive service programs among alternative and accessible delivery channels.

SO 2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

A. Summary of Data

SO INDICATORS		1995
2.1	Amount of Water Pollution in Target Areas	--
2.2	Number of Cities With Improved Environmental Services (garbage collection, landfill, recycling)	**
2.3	Percent of Poor, Urban Household Units Connected to Sewerage and Potable Water	**
2.4	Volume of Water Savings in Target Areas	***
2.5	Volume of Soil Erosion in Target Areas	--

*** Beyond expectations; ** Met expectations; * Below expectations; -- Start-up/no results

The Mission's newly formulated environmental strategic objective was approved last year. Nevertheless, significant progress already has been made through the refocusing of existing activities and the start-up of a new activity. As a result of policy dialogue, institutional

strengthening efforts, technology demonstrations and urban development activities, USAID has influenced the following major developments in 1995:

- ✓ Creation of a new Ministry of the Environment (MOE).
- ✓ Approval of the MOE's national strategy by GOM, NGOs, the private sector and Parliament.
- ✓ A new, comprehensive water law enacted.
- ✓ A general environmental management bill being considered by the Parliament.
- ✓ 20% water savings for agriculture demonstrated through new irrigation technologies.
- ✓ \$2 million of foreign exchange reserves saved annually from energy savings of 60,600 tons of oil equivalent, which also avoids emissions of 425 tons of SO₂, 610 tons of NO_x, 140,000 tons of CO₂, and 120 tons of dust.
- ✓ \$12 million in new private investments for clean technology and pollution prevention, including U.S. technology.
- ✓ 40,000 poor urban families provided with sewerage and potable water hook-ups.
- ✓ 200,000 residents benefitted from sewer system improvements.
- ✓ The 1995 World Habitat II Award to the city of Taza, which, with ANHI/USAID support, eliminated all slum housing and related environmental problems.

B. Analysis of Strategic Objective Progress

Morocco has made significant progress in the last two years in terms of advancing a national environmental program. USAID support for the improvement of water resource management as the key environmental issue in Morocco has been mirrored by the GOM and the Royal Palace, both of which understand clearly the central environmental and economic role the water sector plays in Morocco's development. His Majesty King Hassan II, in a 1995 speech to the National Council for the Environment, underlined the strategic importance of water resources management: "...in devising an ambitious and firm water...policy for this peaceful land, Our conviction (is) that this is indeed a vital strategic choice."

In February 1995, the GOM upgraded the Undersecretariat of State for Environment to the new MOE, which was established to 1) coordinate national environmental activities; 2) monitor the national environmental situation; and 3) develop necessary policy and regulatory frameworks. The creation of the MOE is a key step towards the sustainable management of water and other natural resources. An institutional framework for protecting water and environmental resources and for creating the necessary policies, regulatory framework, and monitoring network will improve the outlook for environmental sustainability and, indeed, for economic growth. The creation of the Ministry has provided a foundation from which appropriate planning and programs can be carried out. As a part of its important coordinating function, the MOE already has established a joint work program with the Ministry of Public Works (Water Supply) and the Ministry of Agriculture to strengthen those ministries' common environment functions and to encourage a coordinated response to cross-sectoral environmental issues.

In July 1995, a new Water Law was passed by the Moroccan Parliament. This Law includes the following important features:

a) The Superior Council on Water: The Council reviews sector development policies and approves regional master plans related to water resource development, arbitrates conflicts in water resources allocation and develops policies for the preservation of water quality;

b) A plan for creation of regional watershed agencies, which will coordinate the work of all the sectoral agencies such as the *Direction Régionale de l'Hydraulique* (water supply), the Regional Agricultural Development Offices (ORMVAs), the National Potable Water Office (ONEP) and other local water agencies.

In the midst of the third drought to afflict Morocco in four years, USAID commissioned Dr. Peter Rogers, of Harvard University, to assist the GOM in its drought management efforts. His October 1995 report emphasized that drought should be dealt with in the broader context of water resources management, which requires an integration of diverse disciplines and a fresh institutional approach. The Rogers study has been vetted throughout the GOM and has spurred vigorous debate on key issues such as water pricing in the agricultural sector and demand-side water management in efficiently allocating the country's critical water supply.

Drought Study - October 1995

Dr. Peter Rogers made the following key recommendations based on a study of the Moroccan drought last year commissioned by USAID/Morocco:

- 1. The GOM should strengthen the role of the Superior Council of Water and Climate as an independent policy analysis body and create a multi-disciplinary Autonomous Water Planning Group to work with the Council to formulate the National Water Plan called for by the new water law.*
- 2. Progressive pricing policies, tariff setting and other demand-side management options should be fully explored as water supply augmentation becomes increasingly expensive.*
- 3. Given the impact of drought on food security, an integrated study on the role of irrigated agriculture in agricultural policy should be given high priority.*
- 4. Technology demonstration projects should be encouraged for groundwater storage, wastewater reuse, irrigation efficiency, urban water conservation, and others.*
- 5. Drought insurance options should be explored to protect the lives and livelihoods of rural populations.*

C. Contribution of USAID Activities

SO 2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

USAID has played a significant role in influencing government policies and leveraging other donor resources in the environment sector in Morocco. In terms of field activities, SO 2 efforts in the past year have focused on improving management of water resources through Energy Demand Management (EDM) in the industrial sector, Tadla Resource Management (TRM) in the agricultural sector, and Housing Guaranty (HG) activities in the urban sector, in addition to design activities for new Water Resources Sustainability (WRS) and Urban and Environmental Services (UES) activities.

USAID support for water resource management in the agricultural sector continues to have a major influence on a \$365 million World Bank loan for improving water management in the country's nine irrigated perimeters, particularly in terms of supporting technology development, training, institutional development, and environmentally improved farming practices. The

Bank-financed project has widely replicated tertiary canal design improvements pioneered by USAID's Tadla activity. The TRM project also has contributed to the agricultural component of SO 2 by improving the efficiency of on-farm water use.

The EDM Activity contributed significantly to accomplishment of the industrial aspect of SO 2 through the incorporation of water-related environmental audits in addition to the energy audits conducted by the project team. Energy and material savings have been achieved by integrating boiler efficiency into factory energy demand management activities and adding a clean technology component which includes raw material conservation, recycling, and effluent reduction. Recent customer surveys indicate that some \$12 million in new investments have been made by EDM private sector customers, much of it for U.S. technology.

The USAID Housing Guaranty (HG) Program has made significant progress toward improving water resource management in the urban sector by providing sewerage and potable water hookups to nearly 40,000 urban families of less than median income. Sewer system improvements in Tetouan have directly benefitted over 200,000 residents, with indirect impact on at least another 100,000.

UN Habitat Award
The city of Taza, which eliminated all slum housing through ANHI/USAID support, won the prestigious United Nations Commission on Housing World Habitat II Award for 1995.

The proposal to finance a primary treatment facility in Tetouan has had to be shelved, however, because of the absence of legislation for the proposed Enhanced Credit Authority. In the next year, it is planned to finance urban waste water system improvements (with HG loans) in another 5 cities, bringing the population benefitting to over 500,000. The Tetouan activity has offered and will continue to offer a unique opportunity to re-examine environmental regulations and standards.

IR2.1 - Improved Policy, Regulatory, and Institutional Framework

USAID policy dialogue, staff work and support for a 1994 water management study tour to the U.S. for key GOM officials influenced the development of environmental legislation in 1995, including the new "Environment Law" and the "Water Law".

Also through USAID policy dialogue, the National Shelter Upgrading Agency (ANHI) adopted an environmental checklist in 1994 as a requirement for all new project sites. The Municipal Development Fund (FEC) also improved its pre-financing review of environmental issues for projects. The agency is reviewing the ANHI checklist for possible adaptation to FEC needs. USAID management training has helped improve coordination of ANHI and FEC activities. Whereas the two agencies used to operate independently and often overlapped in their functions, they now travel and work collaboratively as an integrated team for urban development.

USAID support for the Tetouan Sewerage Master Plan Study pioneered environmental analyses and related concerns, which have subsequently been introduced in many other urban master plan studies funded by other donors and the GOM. USAID's efforts in Tetouan also resulted in the creation of an Environmental Division in the local government structure of the Urban Community, which was subsequently replicated in six Urban Communities throughout Morocco. In addition, a unique public-private partnership model for managing the urbanization process -- the *Zone d'Aménagement Concerté (ZAC)* -- developed in Tetouan with USAID support, is

being used in other cities by ANHI, local governments and the private sector. These efforts led to a new law on urban planning in 1991, which is now providing the legal framework for launching ZAC as a workable model for public-private partnerships in urban development nationwide.

One of the world's largest phosphate producers, Morocco's parastatal *Office Chérifien des Phosphates* (in cooperation with the Ministry of the Environment) has requested USAID assistance in analyzing U.S. environmental regulations and conducting an environmental audit on effluents affecting one of the world's richest near-shore fishing grounds.

IR2.2 - Improved Environmental Technologies

The TRM project has shown that through level basin irrigation system demonstrations a water savings of as much as 20 percent is possible on some crops, and the time required for irrigating a hectare of land can be reduced from 15 hours under traditional systems to 7 to 10 hours using laser leveling technology. A high degree of uniformity of water distribution, which can increase crop yield and income per unit of water used, was also demonstrated.

The improvement of environmental technologies through the EDM Activity included pollution prevention audits at two tanneries in Fez, and energy audits of five airports nationwide. These audits identified technical and operational modifications that will result in significant financial savings while simultaneously reducing water pollution. Operating manuals were produced for new resource management software products for electricity and water conservation and were delivered to customers. As the project phased down, six project-trained engineers joined the private sector, including three who started their own firms. The EDM Activity now refers energy and environmental audit inquiries to these firms. It also developed a database and implementation schedule for a national Demand Side Management (DSM) assessment which will reduce electricity consumption in a low-income neighborhood in Rabat through the introduction of energy-conserving light bulbs at the household level, and, eventually, nationwide.

Improved solid waste collection and disposal management technologies have been developed through the USAID urban development program. Haphazard and unsafe garbage dumps and landfills are major contributors to water pollution nationwide. During 1995, assessments were made of garbage collection and landfill systems in Meknes, Sefrou, and Azrou. The major city of Meknes (450,000 population) has followed up with its own funding to make improvements in its existing landfill, which was judged to be hazardous. The city also is working with USAID, FEC (the HG program financial intermediary) and the central government to develop a new, sanitary landfill which will offer enhanced environmental and public health protection.

USAID support for building the GIS technology capacity of a national urban management research and study center (CERAU) has resulted in more effective use of GIS for improved environmental management by other parastatal agencies (including housing, urban services, and regional utility companies). CERAU now is providing technical assistance and training to a variety of institutions with funding from other donors, including UNDP, the French cooperation agency, and the European Union.

IR2.3 - Broadened Public Participation for Environmental Action

USAID/Morocco's Tadla Resource Management Activity has influenced agricultural policy through government support for an increased role in water management for customer-farmers in water users' associations. TRM project staff assisted their government partners at ORMVAT in the development of a new policy to include farmers in water users' groups dealing with irrigation planning, scheduling, and rehabilitation of the irrigation system. USAID is providing support to foster viable water user groups.

EDM broadened public awareness and participation by distributing newsletters to 1300 subscribers, sponsoring television broadcasts on Clean Technologies and seminars on pollution prevention and efficient use of electricity, and participating in seven conferences on energy conservation and clean technology.

The urban solid waste management activities in Meknes, Sefrou, and Azrou have successfully leveraged donor resources: the World Bank has approved use of grant funds for technical studies, and Meknes has agreed to hold public hearings on the plan (an innovation which both USAID and the Bank are encouraging). Plans are underway to assist the same three cities in management of garbage collection and related services, so as to build up capacity to maintain essential services without outside assistance, thereby bolstering public participation for environmental action.

D. Expected Progress for the FY 1997-1998 Period

SO 2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

In the next two years, the SO 2 portfolio will evolve as the EDM activity is completed in June 1996, TRM focuses on managing for specific results related to improved water resources management in the agricultural sector, and the WRS and UES activities are vigorously launched.

The newly designed WRS activity will provide the basis for improving technologies, policies, and public participation in the urban, agricultural and industrial sectors through an integrated, field-based approach to water resources management. Demonstration projects that focus on improving technologies related to soil erosion, water treatment and reuse, and clean technology/pollution prevention will be complemented by intensive policy and institution-building work with the Ministry of Environment, and will be implemented with broad public participation. Water pollution will be reduced in the Sebou river as a result of working with tannery operators through the WRS.

The UES activity will improve solid waste management in selected cities, urban management, and housing finance. The percentage of household units in poor neighborhoods connected to sewerage and potable water will increase from 35 percent to over 60 percent.

The TRM Activity will continue to demonstrate irrigation technologies resulting in an increased volume of water savings. Water savings will also be achieved through WRS demonstrations in pollution prevention and water reuse. Total water savings from all USAID activities will reach approximately 30 million cubic meters.

IR 2.1 - Improved Policy, Regulatory and Institutional Framework

The new Moroccan water law requires a set of decrees to make it operational, such as those governing the establishment of watershed agencies to manage water resources at the local level. Over the next two years, the WRS Activity will work with the MOE, Ministry of Public Works, and local authorities to help draft these operational decrees.

Other policies, norms and standards will be developed in the context of SO 2 activities, including agricultural policies (such as the juridical strengthening of water users' associations) and those emanating from the WRS demonstration activities for water reuse, pollution prevention and erosion control. A draft national water management policy framework based on lessons learned from WRS demonstrations will be developed in close cooperation with the MOE, beginning in 1998.

The environmental checklist requirement adopted by ANHI in 1994 (as a result of policy dialogue with USAID) will be expanded for use in 100 percent of new housing sites throughout Morocco over the next two years. The FEC is considering adaptation of the ANHI checklist for their own pre-financing review of environmental issues.

IR2.2 - Increased Use of Improved Environmental Technologies

Improved environmental technologies for the agricultural sector will continue to be developed and extended through TRM activities. Irrigation canal conveyance and on-farm water use efficiency will improve significantly as the level basin, laser-levelling, and flow measurement technologies introduced at Tadla are extended systematically to the other eight Moroccan irrigation perimeters, reaching hundreds of farmers nationwide. Given that 88 percent of Moroccan surface water supplies are consumed by the nine irrigation perimeters, the scale of water savings from USAID activities will have national significance.

The use of Integrated Pest Management (IPM) practices will be promoted to reduce the amount of hazardous chemicals in ground water through reduction in the use of chemical pesticides. The percentage of farmers adopting IPM technologies in two important agricultural regions (Tadla and Souss-Massa) will increase from 15 percent to 25 percent by the end of 1998. An early focus of the WRS Activity will be on extending the use of chromium recycling technologies to 35 percent of all leather tanners in Fez, whose operations are responsible for approximately half of the highly toxic chromium pollution nationwide. The EDM organization of tannery operator associations in 1995 (as part of the industrial sector environmental audit process described in section C) provides a customer base for demonstrating these new pollution prevention technologies under WRS by 1998.

IR2.3 - Broadened Public Participation for Environmental Action

In response to the GOM commitment to liberalize the irrigated agricultural sector, USAID will continue to support shifting responsibility for water management from the ORMVAs to water users. The TRM Activity will promote an increase in the number of farmers in viable water users' associations from 200 at present to more than 6,000 by 1998.

Local capacity to address environmental needs in a collaborative manner with customers will also improve, primarily through the new UES and WRS Activities. The number of cities holding public meetings prior to investment in environmental services and infrastructure will increase significantly, as will environmental activities implemented with NGO partners.

Global Environment Center Support

Assistance from the Global Bureau has been requested for a number of activities, including a pilot community participation activity relating to garbage collection in selected poor neighborhoods in the city of Fez. If successful, the model will be disseminated to other cities through the USAID program and by counterpart agencies of the Housing Guaranty program. In addition, the G Bureau has provided technical assistance to the Mission for the WRS contractor selection process, and will likely provide support for a training course in environmental assessment methodologies and for NGO activities in the sector.

SO 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-Median Income

A. Summary of Data

USAID/M has reshaped its sizable economic growth portfolio to achieve a focused impact on an expanded base of stakeholders, targeting people of below-median income. Poorer Moroccans remain marginalized from the economic system owing to lack of secure jobs and ownership of their homes and/or enterprises. The achievement of SO 3 will enable many to become stakeholders in the economy and will create opportunities to improve standards of living.

The Performance Monitoring Plan Tables in Annex C demonstrate part of USAID/M's performance to date for this SO. Some indicators have been recently established, and results are not yet available. Conversely, many noteworthy successes of activities being phased out are not reflected in the tables. Achievements in 1995 alone (unless noted otherwise) include:

- ✓ 18,000 person-years of employment generated
- ✓ 20,000 below-medium-income households provided access to housing
- ✓ 28 small business associations strengthened
- ✓ \$26 million increase in exports, primarily in agribusiness
- ✓ 16 new horticultural products introduced
- ✓ 45 agribusiness firms adopting \$1.2 million in new U.S. technologies
- ✓ 41 companies privatized (1992-1995)
- ✓ Receipts of \$880 million generated by privatization (1992-1995)
- ✓ 200,000 new first-time shareholders trading on the stock exchange (1994-1995)
- ✓ 5,000 employees owning shares in their own firms (1994-1995)

B. Analysis of Strategic Objective Progress

Overall progress has occurred in the banking sector, privatization and other areas despite the slow economic growth rate and the perception that the GOM is moving slowly on economic policy reform. The Government of Morocco's recent enactment of several reforms designed to liberalize the banking sector will improve the enabling environment for Moroccan entrepreneurs. The elimination of interest rate ceilings, for example, provides a more receptive climate for lending to small and medium-sized firms as banks assume increased risk for higher earnings. A reduction in required holdings of treasury bonds will free up additional funds to be lent to the less competitive smaller enterprises, now marginalized from the system. The floating of the first bond issues under the Ministry of Privatization and the continued expansion of the Casablanca stock exchange encourage savings and augment the financial resource base.

The GOM announced a plan to create a secondary mortgage market which will significantly increase access to financing to enable individuals to purchase their own homes.

USAID's close working relations with economic advisors in the Royal Cabinet resulted in a Royal speech, in which the King exhorted the principal Moroccan businessmen's association (the *Confédération Générale des Entreprises du Maroc* -- CGEM) to expand its membership to include all Moroccan business, including small firms. The CGEM immediately moved to integrate the national federation of small business associations as a member of CGEM. Palace support for expanding the private sector's contribution to equitable economic growth is the result of USAID collaboration with Royal economic advisors, who now appreciate the importance of supporting small business to help spur Morocco's equitable economic growth.

The enlargement of the European Union and the implementation of the Uruguay round of GATT have resulted in an increasingly competitive environment for Moroccan exports. The recently concluded Cooperative Agreement with the European Union will have a significant impact on trade opportunities and market access for Moroccan exporters in future years. The resulting impact on exports and related employment of individuals of below-median income is difficult to predict, but will not alter the fundamental need for Moroccan producers and exporters to diversify their products and markets.

C. Contribution of USAID Activities

USAID has contributed to employment through two principal vehicles: export promotion activities and the Housing Guaranty programs. These programs result in 1) an **increase in jobs** for below-median-income people and 2) an **increase in below-median income households owning homes**, which are indicators at the SO 3 level. By effecting improvements in the competitiveness of Moroccan firms in international markets, USAID's activities have already had a significant impact on employment. Because of the highly labor-intensive nature of the horticultural, fish and artisan sectors within which these activities work -- with strong backward and forward linkages within the economy -- there is a high degree of correlation between increasing sales and employment. In the past year, as a direct result of USAID's interventions in assisting Moroccan firms to improve their competitiveness, 3,600 person-years of employment were generated. Over 60 percent of these low-skill jobs went to women.

Under the Housing Guaranty programs, USAID studies show that on average, every square meter of land developed produces 15 days of work. As a result of these activities, over 15,000 person-years of employment were generated in 1995 alone (and about 50,000 person-years to date). These figures do not include indirect employment through informal service vendors and other micro-entrepreneurs or jobs in new businesses created on the site, which often represents permanent employment. An earlier study found indirect employment to amount to 13 percent of total employment generation.

As a result of the Housing Guaranty program, 81,000 households to date have been able to build homes on serviced lots provided through these USAID activities. The fraction of urban populations living in shanty towns declined from 13 percent to 6.7 percent in a decade.

I.R 3.1 - Improved Policy and Regulatory Environment

Through the Moroccan Agribusiness Promotion Project (MAP), the New Enterprise Development Project (NED), the Housing Guaranty Program (HG) and its allied Urban and Environmental Services Project (UES), and the Privatization Sector Assistance Program (PSA), USAID is engaged in helping to mitigate the myriad of policy and institutional constraints which generate disincentives, costs, and administrative burdens for businesses.

In 1995, MAP successfully lobbied for the implementation of a simplified customs inspection procedure for frozen product exports which is expected to reduce exporters' losses caused by administrative delays by over \$1 million per year. The adaptation of U.S. food safety standards to Moroccan conditions is progressing through a series of training courses and will enhance access of Moroccan horticultural exporters to the U.S. market.

NED activities sponsored by USAID are developing support for key policy reforms. NED has developed and submitted four proposals to the GOM. More importantly, it is beginning to galvanize the nascent business association movement to advocate reforms as one of its important functions. The powerful CGEM has adopted the four reform proposals and is promoting them with high level decision-makers in a way that the project and Mission cannot. This new channel for advocating reform is expected to succeed over the next three years in reducing administrative obstacles for small business, in simplifying procedures, in fostering a more liberal interest rate structure, and in increasing the voice of small entrepreneurs in the decision making process.

The Mission is working with the Ministry of Finance on housing finance issues. In 1995, a workshop provided a forum for discussing studies on a secondary mortgage market. The Ministry since has proposed some changes in housing finance rules. The GOM is changing its subsidy policy towards a direct purchase-price subsidy program for low-income home buyers. The recently announced relaxation of some interest rate ceilings may be a positive sign.

USAID support helped the GOM to design its new competition policy, which strengthens price liberalization and establishes a framework for anti-trust regulation. The policy provides an improved framework for the enforcement of fair commercial practices and consumer protection. USAID technical support altered some of the fundamental precepts on which the first draft policy was based, and assisted the GOM to design effective implementation mechanisms. The draft law was debated at a USAID-supported seminar which included business, academia, other

technical ministries and the first consumer protection association in Morocco, which presented its views on the draft law. The law will be presented to Parliament in April 1996.

In response to a request for assistance from the Ministry of Finance's Public Enterprise Directorate, Moroccan financial oversight staff were trained in modern auditing technics, which will allow GOM oversight of public enterprises to shift from a pre-expenditure approval mode to an *ex-post* review based on Anglo-Saxon auditing practices. The first GOM entity to implement this improved management and accountability approach will be ANHI.

A bright spot in policy reform has been the progress made in privatization, an area in which USAID involvement will cease this year. The Privatization Program, for which USAID is the only major donor, has generated revenues in excess of \$880 million for 41 enterprises privatized. The program continues to generate foreign investment (\$330 million to date) and to activate the Casablanca Stock Exchange, where the number of participating individual shareholders has increased from 10,000 to 200,000 since 1994. Over 5,000 employees, including those at the lowest levels, have become stockholders in five newly privatized companies. The program recently received a boost with the issuance of privatization bonds which are convertible to equity shares of privatizing companies.

IR 3.2 - Creation and Expansion of Small and Micro Enterprises

The new Microenterprise Finance and the NED activities focus on constraints to accessing financial resources and services, and thus support the creation and expansion of small and micro enterprises. The NED activity has completed Morocco's most comprehensive computerized business registry which will speed up business registration procedures and facilitate market research, since it is the only complete database of all Moroccan enterprises and exporters. NED also implemented a pilot credit activity and has strengthened 28 business associations to provide better services to their members and clientele. The business promotion center which NED supported provided business services to over 3500 clients, and trained over 600 small business employees. The NED project also provided grant support to one micro-business advisory association which has assisted small entrepreneurs in creating some 400 jobs totalling over \$1 million in salaries, and generating about \$1.8 million in investments since 1991.

USAID and the Moroccan Ministry of Commerce, Industry and Artisanry signed an agreement to begin the new Microenterprise Finance Activity in September 1995. An innovative contracting process has been undertaken, whereby contract offerers are competitively proposing the final activity design. The selection process will be concluded by May 1, and is expected to result in the establishment of a sustainable microfinance institution, serving at least 10,000 disadvantaged micro-entrepreneurs.

IR 3.3 - Increased Access to Housing for Below-Median Income Households

The Housing Guaranty Programs support increased access to housing for households of below-median income. USAID has worked with ANHI, the national shelter upgrading agency, since its inception in 1984. The HG funding, supplemented by the grant EUS project for technical support, serves as seed money for ANHI's program. In 1995, ANHI provided 11,750 developed lots for sale to households of below-median income.

Studies have estimated a multiplier of \$5.70 invested by the private sector for every \$1.00 of public investment by the time new neighborhoods -- including owner-built housing, shops and businesses -- are completed. On this basis, the HG-003 and HG-004 loans for shelter programs have induced about \$300 million in private investments.

The USAID Housing Guaranty Program encourages the GOM to improve conditions in existing informal neighborhoods, including acceptance of the validity of informal land transfers. As the Tetouan Project has shown, once residents of informal neighborhoods have legal titles and access to basic services, and are not threatened with expulsion, they invest in home improvements and microenterprises. Starting in 1996, HG-004 is helping to finance such upgrading efforts through Morocco's municipal development fund (FEC).

IR 3.4 - Improved Competitiveness of USAID-Assisted Firms Which Generate Employment for Below-Median Income People

The lack of competitiveness of Moroccan firms is an important constraint to penetrating new markets, maintaining export-led growth, and creating jobs. The MAP and the Accessing International Markets (AIM) projects are the two primary activities focused on improving competitiveness of firms which generate employment for below-median-income people.

In 1995, USAID's activities had a direct hand in helping Moroccan firms export nearly \$26 million of horticultural and other products. These sales generated about 3,600 person-years of employment, of which about 60 percent were for women. Nearly all of the people benefitting from this additional work were temporary farm and factory workers and others from the lower-income strata from both rural and urban areas.

Given an increasingly competitive international trade environment, witnessed by Morocco's diminishing preferential access to French and other traditional European Union markets, the search for new export products and markets has taken on more urgency for both the public and private sector over the past year. USAID is contributing to this effort: A total of \$19 million of export sales in 1995 attributable to USAID assistance went to non-traditional markets, of which over \$6 million in sales comprised new or non-traditional products which diversify Morocco's export product base. USAID has helped to introduce 34 new horticultural products which benefit both Moroccan consumers and exporters.

In order to improve Moroccan firms' productivity, and thereby enhance their competitiveness in domestic and international markets, USAID projects are applying new production, processing, packaging, transport, and management technologies. To date, a total of 91 firms -- including 45 firms in 1995 alone -- have adopted new technologies initially introduced into Morocco by USAID, through commercial imports and distribution. These technologies include new crop varieties, modified atmosphere packaging, food safety management methods, and new freezing technologies. They present an opportunity for firms to increase efficiency of current operations, and to seek out new ways to maintain or expand their operations (and employment) in the face of constantly changing demand for products and an increasingly insecure market place. These technologies have provided a means for U.S. businesses to gain a foothold in the Moroccan market place. Most new technologies have been of U.S. origin, and were valued at \$1.2 million in 1995.

D. Expected Progress for the FY 1997-1998 Period

IR 3.1 - Improved Policy and Regulatory Environment

By the end of 1998, USAID expects that nine key policy and regulatory reforms will be 80 percent completed. These reforms cut across the Economic Growth portfolio. Among them are measures which will facilitate the formation of small businesses, create a "one-stop" business registration process, condense ten tax forms to three, and standardize food safety regulations for processed food destined for export.

Two key reforms are expected to have a sizable impact on small and medium firms' access to financial resources. The liberalization of interest rates and the reduction in required holdings of treasury bonds will provide banks with additional funds to on-lend and an incentive -- potentially higher rates -- to lend to smaller and riskier borrowers. USAID-promoted reform will result also in further reductions in surcharges on trucked exports of fresh and frozen foods and associated administrative delays. Assistance to business associations will enable them to play an active role in lobbying for continued reforms and expanded services for small enterprises.

The successful privatization program will continue without USAID assistance, and by the end of 1998 we anticipate that as many as 114 firms will be divested by government, up from 41 at the end of 1995. The program will continue to have a positive impact on capital market reform and development, enable at least 10,000 more employees to purchase shares of their own companies, and increase the number of first-time equity shareholders by 300,000.

IR 3.2 - Creation and Expansion of Small and Micro Enterprises

The Microenterprise Finance activity gets fully underway in 1996. A U.S. contractor will train staff, establish management systems, develop baseline data, work with local authorities and bankers, and begin pilot micro-lending activities. By the end of 1998 we expect 6500 loans will have been made, of which at least 2000 -- probably many more -- will go to women. At the same time, USAID assistance will result in the registration of 54,000 new small businesses, of which some 7000 will be headed by women. In addition, there will be 26,000 members of business associations, up from 20,000 in 1995.

IR 3.3 - Increased Access to Housing for Below-Median Income Households

To continue to help lower-income families become homeowners, the Morocco Housing Guaranty Program will require new credit reserve allocations in the next year. If such allocations are forthcoming, by the end of 1998, we anticipate an additional 36,000 housing starts for our clients (below-median-income people) which will generate 37,000 person-years of employment. USAID will press for reform of housing finance and creation of a secondary mortgage market during this period. Training in housing finance, organized by the Wharton School, for 20 participants from four ministries will be completed in 1996.

IR 3.4 - Improved Competitiveness of USAID-Assisted Firms Which Generate Employment for Below-Median Income People

The MAP activity will strengthen key institutions and regulatory functions which will ensure sustainability of the project's earlier market access and development assistance after the project ends in 1998. A series of activities to reinforce a mutually beneficial relationship between the *Institut Agricole et Vétérinaire Hassan II* and private agribusiness firms will be initiated in 1996. A significant number of Moroccan exporters will be certified as respecting U.S. FDA food safety standards (and thereby gain improved access to the U.S. market) following completion of a series of training courses.

By the end of 1998, USAID activities are expected to have facilitated another \$38 million in export sales, including \$28.3 million to new markets and \$13.6 million which will help diversify Morocco's export products. Over 6,000 person-years of employment for below-median earners -- of whom 4,000 will be women -- will be generated by these exports. Ninety additional firms will adopt new technologies. The estimated value of these technologies in 1996 alone is \$2.3 million. Of the technologies adopted in 1996, four will be totally new to Morocco.

The Accessing International Markets project will end in FY 1996. We expect that our partner in the AIM project, the International Executive Service Corps, will continue its activities in Morocco through a local branch that will be created with assistance from USAID as the project winds down.

SO 4: Increased Primary School Attainment Among Girls in Selected Rural Areas

A. Summary of Data

Although USAID's initiative in primary education in Morocco is only just beginning, it is important to understand the general "baseline" environment within which basic education activities will be operating. A selection of available data provide a summary of the starting point for interventions designed to improve primary school attainment for rural Moroccan girls.

The average length of schooling for men and women hardly reached 3 years in 1992. Approximately 70% of Moroccan women are illiterate (48% of all adults). Nationwide, the net enrollment rate at the primary school level is only about 58% (47.6% for girls and 67.5% for boys). However, there is a vast disparity in educational opportunities between urban and rural populations. The primary school enrollment rate (for boys and girls) in urban areas is 89.4% and only 36.7% for rural populations. The enrollment rate for rural girls is a dismal 22.3% (compared to 50.4% for rural boys). Of the minority of rural girls who enroll in primary school, only four out of ten complete the fifth year of schooling.

The Ministry of National Education (MNE) is developing a specific data baseline against which it will measure progress in reforming primary education in selected provinces. The testing protocols being developed by the MNE include "control schools" within provinces which will continue to operate under traditional primary education methods and from which similar data will be collected.

B. Analysis of Strategic Objective Progress

Recognizing that educating girls may be the single greatest contribution to the sustainability of Morocco's development future, the Mission identified girls' education as a target of opportunity in its 1995 Country Program Strategy. The Mission has been engaged in a substantive dialogue with the GOM about its plans for implementing major reforms within the education sector. This dialogue helped the Mission to decide to concentrate on rural primary education and to assist Morocco's MNE in improving primary education for rural girls. The Ministry is now prepared and eager to embark upon a program of testing new approaches designed to improve access, retention and attainment of girls and boys in rural primary schools.

The Mission is working collaboratively with the World Bank in the design and development of the basic education component of the Bank's Social Priorities Initiatives Project. The Bank's project and the Mission's basic education initiative are being designed as complements of one another. USAID and the Bank will work in the same twenty provinces, including some of the same primary schools. The twenty provinces identified by the GOM for joint attention include some of the poorest provinces where primary education and illiteracy needs are the most pronounced. The Bank's effort will focus on infrastructure constraints affecting access to primary schooling. Therefore, two donors will be attacking, at the same time and the same places, different variables affecting the achievement of a common objective.

The Mission (using its newly amended Training for Development Project) has developed with the Ministry an ambitious in-country training program to provide the skills needed to introduce innovations, such as an improved multi-grade curricula, in rural primary schools in four pilot provinces. This training program began in March 1996, so that the pilot effort can begin with the start of classes in September 1996.

The Mission is developing a new bilateral initiative (scheduled for authorization by the end of FY 96) to improve opportunities for girls to obtain a primary education. This new activity, the Morocco Education for Girls (MEG) Activity, will assist the MNE to expand their pilot activities to around sixteen other provinces and to help introduce other educational innovations designed primarily to improve retention of rural girls during the first six years of schooling.

These innovations would be tried first in pilot schools in four provinces and then potentially expanded to twenty provinces. Assuming success in improving girls' primary education within these pilot areas, the MNE would extend these innovations to rural primary schools nationally.

C. Contribution of USAID Activities

The Mission has adopted a three-part approach to improve primary education for girls in Morocco. The three parts complement each other, and will be implemented concurrently.

IR 4.1 - Responsiveness to Girls' Educational Needs: The first element is a strategic training program for the MNE which builds the skills needed for reforms and innovations in primary schooling in rural areas. This training is being implemented under the Mission's Training for Development (TFD) Project, which was amended during FY 95 to include a focus on basic education training.

IR 4.2 - Community Involvement in Girls' Education: The second element is a set of activities which will be undertaken by the new Girls' and Women's Education Initiative (GWEI), managed by G/HCD. Morocco has been identified as an emphasis country for the GWEI and would receive a long-term, resident GWEI advisor. The GWEI country program for Morocco would include a multi-year effort designed, in part, to build community recognition of the importance of educating girls and community support for girls' education.

IR 4.3 - Participation of Girls in Primary School: A new bilateral MEG activity will be the third element and concentrates on assisting the MNE to identify, develop and replicate educational innovations at the primary school level which expands enrollment and improve the retention of rural girls through the sixth grade.

Although this strategic activity area is still in the early stages of program effort, the impact of USAID work already is evident. A major contribution of USAID to the MNE's considerations for primary school reforms was an emphasis on the specific needs of rural girls and a recognition of the importance of gender sensitivity in the quest for an improved primary education system. As a result, there is now a ready acknowledgement of the benefit of quantifying gender disaggregated impact in pilot primary education activities.

Another contribution of the dialogue to date has been a growth in the MNE's interest in drawing upon U.S. and international experience in dealing with the problems of improving rural primary education for girls. The Mission believes this interest will lead to a variety of technical exchanges on global models for improving girls' primary education.

D. Expected Progress for the FY 1997-1998 Period

Initial results from pilot activities during 1996-97 in the first four provinces will be analyzed and the promising aspects of the pilot will be expanded to rural primary schools in other areas. It is anticipated that at least four more provinces will be added to the new, "girl-friendly" primary school format. Improvements in single year retention and repetition rates in target schools should be evident by 1998.

IR 4.1 - Responsiveness to Girl's Educational Needs: Multi-grade instruction has been identified as one of the innovations needed to improve the retention of rural girls in primary school. By the end of this time period, multi-grade instructional training should have been provided to targeted teachers and administrators in ten provinces. To help in sustaining the future needs of the primary school system, multi-grade training will be introduced within at least two teacher training colleges.

IR 4.2 - Community Involvement in Girls' Education: Preliminary ideas include the formation of parents' groups, participation of private sector organizations, and participation of governmental organizations in school-related activities of many kinds. About twenty parents' groups, two business firms, and eight GOM organizations will be involved in school activities by the end of 1998.

IR 4.3 - Participation of Girls in Primary School: Statistics on retention and "drop-out" rates for rural primary schools suggest several possible reasons why girls leave school after having enrolled. The first "wave" of drop-outs occurs before the end of the first term of the school year, at the time when families normally must purchase books and school supplies. Poor families may find the associated education cost of books and school supplies too costly, or affordable only for their sons. Providing rural primary schools with all the books and education supplies needed for a school year may represent a sufficient reduction in the cost of primary education for parents to allow girls to both enroll and stay in school longer. The MEG activity will support pilot education promotion programs in the target areas which strive to remove perceived obstacles to girls' retention and enrollment. Some of these promotional programs are expected to be underway by the 1997-98 school year.

The MNE also is considering testing changes in the hours of school operation, to accommodate parental concerns about girls having to walk home when daylight is fading, and the timing of the school year, to be more flexible about household labor demands during the annual agricultural cycle. It is anticipated that operational tests of such modifications of the school day concept or school year definition will begin in selected schools by 1997-1998.

III. PROPOSAL FOR SPECIAL OBJECTIVE (SPO) IN DEMOCRACY

The current management contract between the Mission and the ANE Bureau states that the Democracy Target of Opportunity "was accepted with the understanding that additional work on defining the results of the strategy will proceed as planned. The retention of the T.O. will depend on the ability to articulate intended results." The Mission has reformulated the Democracy Special Objective (SPO) and defined its anticipated results as set forth below.

A. Rationale

Economic liberalization over the past decade has brought an era of progressive economic and social activism in Morocco. The role of the private sector and civil society has been reconsidered with the realization that financial constraints limit the GOM's capacity to meet the basic economic and social needs of the population.

In 1994, King Hassan II declared to leaders of rural communes: "You are resting on a treasure without realizing it. It consists of local and regional associations upon which you can draw to increase the participation of the population in the development effort." Some Governors and Mayors have encouraged greater citizen participation and civic activism to mobilize both local and outside resources. Although the legal framework has not yet changed, there is greater scope for non-governmental organizations (NGOs) to undertake a variety of advocacy and service functions.

Modern institutions -- including the media, Parliament, political parties, trade unions, professional associations, and a small group of NGOs -- have begun recently to participate more actively in the decision-making processes of the nation. The devolution of power from the central government to Parliament and to local governments is the subject of considerable discussion. While concrete actions are slow, and there is controversy over what "decentralization" means from the perspective of the Ministry of the Interior, the devolution of power is likely to continue. It will lead to opportunities for engagement in public debate and activism.

The institutions of civil society are poorly prepared for the task of contributing to a democratic process. Few NGOs possess adequate organizational, management and professional skills, budgets, or experience in planning and executing activities. Building on USAID experience with business associations, urban communities, women's groups and other NGOs, USAID can help to strengthen civil society in a manner which supports the growing popular demand for democracy and strengthens the forces for moderation in this decreasingly authoritarian society. Failure to succeed in fostering pluralistic political participation and civic activism could result in political instability fueled by rural-urban migration of the poor, unemployment among urban youth and Islamic extremism. The rationale for the U.S. to support the forces for moderation and democracy is rendered compelling by the political transition looming on the horizon.

B. Assessment of Options

The Embassy-chaired Democracy Working Group (DWG) has considered numerous options for supporting democracy in Morocco. Potential areas for assistance were evaluated, including political parties, Parliament, local government, administration of justice, rule of law, the media, human rights, status of women and NGOs. An assessment of Parliament was carried out in 1994, and other studies were undertaken for local government and civil society development. The options for U.S. support for democracy are set forth on the basis of these assessments, supplemented by DWG guidance and experience.

The democratization of Morocco's political system can be viewed tautologically as the product of dynamics between the Palace and top echelons of government, and pressures emanating from civil society. Both are affected by international public opinion. The DWG's assessment is that there is little potential for meaningful USAID intervention at the top political levels. The key actors are well-established, and the dynamics of their interchange are not subject to external influence. Institution-building is not an easy task, nor is the environment particularly receptive. Donors such as USAID can respond to, and reinforce, developments at high political levels, rather than animate them overtly.

The current political situation can be summarized as follows: After Parliamentary elections in 1994, the Palace sought to share government with opposition parties in 1994/5, but was unable to negotiate conditions under which opposition parties were willing to participate. A new coalition of pro-government parties and technocrats was installed in March 1995. At the local level, the Palace espoused decentralization in 1991: local government reforms sought to bring government closer to the people, yet resulted in the fragmentation of local governments which spread local resources too thinly, increased the number of local officials, decreased efficiency and perhaps de facto increased the power of the center. However, there are examples of effective decentralization of authorities within specific national-level programs such as the national shelter upgrading agency (ANHI), as well as local government initiatives through mobilizing local resources, both private and public.

In 1994, the DWG targeted Parliament as one likely area of intervention. However, it has been difficult for the DWG to build a consensus with Parliament on a program of assistance, or to identify opportunities where USAID could have a comparative advantage with limited resources. Nor do there appear to be significant prospects for the transfer of greater power to Parliament in a meaningful way, despite the impending constitutional change to create a bicameral Parliament. Political parties as represented in Parliament reflect a broad spectrum of popular and parochial interests, and have a stake in being regarded as either pro-Government or Opposition. They operate as authoritarian and elite organizations, with limited meaningful support from the masses.

Nonetheless, the overall political winds in Morocco are blowing quietly towards democratization, as evidenced by small gains in the freedom of the media, human rights, decentralization and NGO activism. Support for civil society can strengthen the popular demand for democracy and strengthen forces for moderation and liberalism. The dynamism of civil society, which is an important element of democracy, can be viewed through the prism of political and economic pluralism. If elements of civil society can be strengthened to advocate and secure greater civic and economic scope for private activity, peaceful and progressive

change can occur. Political changes which are achieved as a result of popular demand and pressure are less likely to be rolled back over time than gains made through top-down largesse.

The timing of support for strengthening civil society is opportune, owing to several factors: 1) desire of Morocco to further integrate itself into the world community overall and the world trade regime in particular; 2) dynamic level of activity in the NGO sector; 3) tolerance and encouragement of NGO activism by the Palace and local government; 4) donor pressure for human rights and democracy, as evidenced by the recent European Union Agreement with Morocco; 5) GOM acceptance of NGOs as a credible source of pluralistic decision-making through membership on Commissions established by the Palace; and 6) search of several GOM Ministries for cooperative frameworks to encourage NGOs and civil society development.

C. Key Problem Areas

USAID's recent NGO Assessment¹ identifies numerous constraints to NGO strengthening in Morocco. The legal and regulatory framework (which has not changed appreciably since 1958) poses a constraint as it is cumbersome to register NGOs formally. "Public Utility Status," which allows an NGO to raise funds and hire staff, is nearly impossible to obtain, even after a 5-year period in which to "prove" their utility. Many NGOs operate with local sanction without meeting all legal requirements: this perception of a laissez-faire official attitude carries an element of risk in the absence of precise rules and protection. Consequently, the emergence of efficient and sustainable NGOs is hampered.

Many grassroots NGOs lack institutional capacity to perform in a manner which donors demand. They have limited staff capacity, weak management skills, few financial resources, and inadequate or informal office space and supplies. They have little knowledge on how to appraise the needs of their beneficiaries, mobilize participation and resources, and evaluate their experiences. Other constraints include weak leadership, lack of coordination among NGOs, limited capacity for dialogue with the local government and target communities, limited member input into NGO decision-making, and limited professional skills to help carry out activities. Financial constraints remain a major problem for most NGOs, aggravated by the unhelpful regulatory framework for fund raising.

With regard to community groups and NGOs at the local government level, the pressure of social demand has exceeded the GOM's capacity to provide public services. An assessment² of the populations' needs for essential services such as water, electricity, telephone, urban transportation, health services, education and mass transportation infrastructure showed that for the next five years, demand was expected to grow between seven and twelve percent annually, depending on sectors and regions. The capacity of the government to respond efficiently to this fast growing demand is constrained by several factors, including the exhaustion of its borrowing

¹ Democratic Institutions Support (DIS) project, *Strengthening NGOs for Democratization and Sustainable Development in Morocco. An NGO Assessment*, Global Bureau, Center for Democracy and Governance, February 1996.

² Price Waterhouse, *Private Provision of Public Services*, Final Report (French), Part 1, August 1993, p. 44. This assessment was based on minimal assumptions related to natural population growth, continuation of economic growth, making-up for the lag in existing services provision and improvement of population expectations in terms of quality and diversity of services.

capacity and its slow implementing procedures. The GOM recognizes that the private sector and NGOs will need to help supplement government provision of municipal and social services.

In recent years, women's NGOs have emerged in such diverse areas as women's rights, microenterprise, business, support for homeless women and unmarried mothers, environment and women's research groups. These groups have focused awareness on gender inequality, which has become a central theme in the mobilization of women. In 1991/2, one NGO collected one million signatures to support the reform of women's rights under the Code of Personal Statutes. As a result, some reforms were enacted in 1993. Yet much remains to be done for women in Morocco. Women's participation in development is limited by illiteracy. While women constitute 24 percent of the Moroccan labor force, they represent 35 percent of the unemployed. Three of five economically active women had no educational qualifications in 1991. Women also are under-represented at top government levels and in politics. There is no woman minister and only two percent of locally elected officials are women. Two women -- the first ever -- were elected to Parliament in 1994. Discrimination against women continues at many levels, including marriage, divorce, inheritance, child custody, and employment. Religion, traditional values and attitudes, Moroccan law, and lack of awareness impede women's capacity to become effective agents in civil society.

D. Results Framework

This SPO has been crafted to maximize the impact of NGOs on the evolution of democracy in Morocco, through advocacy at the national level and increased responsiveness of municipal government at the local level. The evolution of a vibrant civil society is an essential ingredient for sustainable democracy in Morocco, as well as for meeting basic social and economic needs and channeling the frustrations of the Moroccan people into effective actions which can help to resolve the profound development problems which this country faces. This SPO enhances the prospects for sustainability by strengthening NGOs as key players in the process of continued policy adjustments in a post-bilateral era of U.S. foreign assistance. Finally, it focuses and provides synergy for a key component of USAID's Transition Plan, the challenge of building private institutions capable of sustaining "lasting linkages" with U.S. and other international institutions.

Several areas of NGO activity support USAID's program goal. USAID provides limited, targeted support to NGOs which further policy advocacy and service delivery objectives as defined within existing SO areas. Missing in the carefully targeted framework for other SOs is a coherent, cross-cutting approach to support of NGOs, which provides synergy and reinforcement for NGOs across the areas of USAID concern; which addresses in a coherent and generic way overall constraints related to the enabling environment; which addresses the needs of poorer Moroccans, e.g. women and the poorer urban and rural elements; and which supports "lasting linkages" with U.S. institutions.

The Democracy SPO is intended to be a focused, intensive four-year effort taking advantage of the window of opportunity provided at this unique time in Morocco's social and political evolution. By the end of this period, USAID will have helped Moroccan NGOs establish a sustainable capacity for advocacy and activism; a framework for their continued development;

and a capacity for advocating an improved enabling environment. Integral to this effort will be building consensus and collaboration with NGOs, key GOM entities and other donors.

Special Objective: Increased Effectiveness of Moroccan NGOs, Focusing on Local Governance and Women's Empowerment

The Democracy SPO will target support to NGOs which help poorer Moroccans, specifically women's and selected community groups from the urban and rural poor. These two groups coincide with USAID's social equity concerns. Community groups are known to USAID through the urban environment and housing portfolio. They will constitute the entry point for working with local government bodies to improve their responsiveness to citizen demands.

Preliminary indicators of progress for the Democracy SPO at the highest level of results are listed below. These results will flow from NGO activism which is supported by USAID.

1. Selected legal and administrative reforms researched, enacted and implemented to promote women's rights and an enabling environment for NGOs.
2. Number of new GOM-NGO partnerships to address community problems or specific needs at the local level.
3. Number of sectoral NGO coordinating mechanisms established to improve organization and coordination of NGO activity among members.
4. Number of NGOs providing social services to improve living conditions of Moroccans.
5. Number of consumer protection associations to improve the delivery of services.

IR SPO.1 - Increased and Improved NGO Activities, Especially Advocacy, in Moroccan Civil Society

The focus on advocacy indicates that support will focus on NGO capacity to advocate changes for an improved enabling environment, human and women's rights, economic empowerment, local government responsiveness, and other areas of constraints which USAID-supported NGOs encounter. The advocacy component will help NGOs to develop strategies for advocacy, carry out studies, foster debate and lobby.

Specific progress will be measured only for USAID-assisted NGOs. Indicators are established as follows:

1. Number of seminars organized by NGOs with GOM participation to provide opportunities for policy discussions and debate.
2. Number of NGO-sponsored studies and seminars on the implementation of the National Women's Action Plan.
3. Number of local governance projects/activities with NGO participation at the design and implementation stages.

4. Number of NGO-sponsored policy studies and other positions made available to governmental bodies and officials, and to media.

IR SPO.1.1 - Improved Administrative and Technical Capacity of Moroccan NGOs to Carry Out Their Activities

Indicators at this level will include the ability to write proposals and attract funding; to utilize resources effectively; to account for resources utilized; to network with Moroccan and, if appropriate, international NGOs; and to design and implement activities in collaboration with local government, if appropriate, and customers.

Specific inputs will include: 1) training of NGO staff members in team building, management, accountability and fund-raising; 2) support for studies, seminars, conferences and pilot activities for selected NGOs; 3) support for networking among Moroccan NGOs and between Moroccan and non-Moroccan NGOs; 4) establishment of a resource center and data bank of NGOs in Morocco and international NGOs as appropriate; and 5) training of local government officials.

E. SPO Progress To Date

The NGO community demonstrated substantial dynamism in 1995, kindled in part by the USAID Assessment Team. Both the GOM and donors showed significant interest in the NGO movement, as evidenced by workshops, seminars, conferences and discussions of NGO issues. The UNDP, Canada, Germany and EU cooperated with USAID to carry out the NGO Assessment in 1995, and plan to participate in follow-up activities. Several NGO conferences took place in 1995, with donor support, for NGOs and community groups in relation to local government and for women's NGOs. The Beijing Conference, including preparatory work, has mobilized support for women's issues in Morocco. There have been several follow-on events, including a recent workshop sponsored by the Ministry of Social Affairs and UNDP to galvanize support for implementing recommendations in Morocco. The window of opportunity continues for USAID to serve as a catalyst for donors and the GOM to strengthen the NGO movement as an advocate of reform, an activist on social issues, and to serve as a force for moderation and participation.

F. Contribution of USAID Activities

In 1995, with assistance from Global/DG, USAID completed an assessment of NGOs and their contribution to democratization and sustainable development in Morocco. USAID further developed contacts and dialogue with NGOs and donors, and is collaboratively planning a seminar with NGOs, donors and GOM entities to disseminate the findings of the assessment, and to develop a collaborative plan to implement key recommendations. USAID/M formed a Democracy Special Objective Team, with client members from the NGO community, and virtual members from ANE/SEA and Global/DG on the expanded SPO Team. With assistance from a facilitator provided by USAID/W, the Democracy SPO Team developed the Results Framework for this Special Objective. Other accomplishments not reported in other SOs include:

- USAID provided support for the participation of women's NGOs in preparatory regional activities and the UN Fourth World Women's Conference in Beijing in September 1995. This support mobilized Moroccan women to focus on legal and economic issues and resulted in recommendations for reform of Moroccan legal statutes for assertion of women's rights to work, education, access to the economic sphere, and participation in the decision-making process.
- Research on women is being carried out through a USAID grant to a Moroccan NGO. The program has awarded six grants to local NGOs on a competitive basis to research women's issues. The research grants cover nutrition education, unmarried mothers, contributions of rural women to development, income generating activities for women, business promotion and community sanitation. The research will be completed in 1996.
- Catholic Relief Services (CRS) provides support, through PL 480 local currency generations, for income generating activities, vocational training, community development, microenterprise credit, potable water and health education. Two of these activities -- in artisanship training and water/health -- have become models for their respective ministries to replicate nationwide, and are being replicated with UNICEF collaboration. CRS is currently developing a new Multi-Year Operating Plan (MYOP) for submission for the use of residual local currency generations.

G. Expected Progress for the FY 1997-1998 Period

The NGO seminar to disseminate the findings of the NGO Assessment will provide an opportunity to bring together NGOs, donors, and GOM officials to consider the recommendations of the report and to plan a strategy for implementing next steps. The seminar will address "enabling environment" issues, NGO activities in key sectors, and relationships between GOM and various sectoral NGOs.

As soon as funding becomes available, USAID will obligate funds through existing activities and will identify appropriate implementation arrangements and an implementation plan. The implementation plan will specify actions to involve customers in developing plans for a resource center, data bank, training, coordination among NGOs and an advocacy strategy. The training plan will be developed with partners and customers. A customer service plan will be specified. Training is expected to begin in the fall of 1996, and implementation of the resource center by 1997. By 1997/8, all project activities will be underway. More detailed information about future activities will be developed after the SPO is approved.

Cooperation with Global Bureau: USAID has collaborated closely with the Global Bureau since 1994 in the development of its approach to democracy. Global/DG provided an outstanding team for the NGO Assessment in June 1995, and will assist the Mission with the seminar, planned for June 1996. Further support from Global will be sought if the Mission proceeds to implement the Democracy SPO. Possibilities include field support for developing a framework for NGO strengthening and advocacy (through Democratic Institutions Support and/or civil society support), women's empowerment (Global Women in Politics), and possibly resident technical assistance through the Democracy Fellows program.

IV. STATUS OF THE MANAGEMENT CONTRACT

A. Strategic Objective Changes or Refinements

USAID/Morocco is currently operating within the framework of ANE-approved Strategic Objectives (SOs) pursuant to the April 1995 Morocco Country Program Strategy (CPS) review. There have been no substantive changes at the SO and key intermediate results levels for the Mission's three core SOs. The major refinements that were made at this higher level concerned new objectives in girls' education, and in democracy, as described below. Other changes and refinements have been concentrated at the indicator level where, with assistance from USAID/W, the Mission has just completed an intensive review of indicators across all SOs to accurately capture program progress. For girls' education and democracy, respectively, the SO and SPO were reformulated as follows:

1. In girls' education, the reference to women has been deleted given the emphasis of the proposed program on primary education for girls. The design of the activity is predicated on the importance of reaching girls at an early age; and
2. In democracy, in lieu of the original reference to "key institutions supporting citizen's rights and civic participation," this special objective has eliminated the possibility of assistance to Parliament, and has been redefined to support "Increased effectiveness of Moroccan NGOs, focusing on local governance and women's empowerment." This formulation has been structured to strengthen NGOs as key elements of civil society which can impact on democracy through advocacy at the national level and increased responsiveness of local government at the local level. The objective is to build a lasting capacity for advocacy and activism related to women's empowerment and the integration of other disadvantaged groups through local governance. The new SPO formulation has been endorsed by the Embassy Democracy Working Group.

B. Special Concerns -- Outstanding Actions in the ANE/SEA Action Agenda

The current management contract between the Mission and the Bureau is contained in State 131621, issued on May 31, 1995, and subsequently amplified by the Bureau's "Status of ANE Strategy/Action Plan Agreements" matrix for Morocco setting out actions to be taken by the Mission and the Bureau for the current contract period. The contract contains the following action items:

1. **Transition:** The Mission was requested to prepare a more comprehensive approach to transition in conjunction with the next action plan.

Status: The Mission's transition plan is contained in Annex E of this document. The current plan will be further developed and refined in coordination with concerned ANE and G Bureau operating units.

2. Staffing: The Mission was reminded of the need to continually evaluate the numbers and skills mix of staff required to implement the Mission's strategy, particularly in light of the ever tightening OE resource environment.

Status: The Mission is mindful of the severe OE resource constraints under which we operate. In this light, the Mission reduced its USDH level by two positions last year, by not replacing two USDH who departed on early transfers. Additional harmonization of staffing with needed skills to accomplish strategic objectives occurred with the transfer of a USDH to a different technical office. The Mission will proceed to eliminate USDH positions in accordance with the schedule submitted in the FY 1997 ABS. The Mission submitted a reorganization plan in 1995 which was recently approved by USAID/W. Six FSN positions have been reduced during the last year. An NSDD-38 action was approved by the Ambassador in late 1995, confirming this USDH and FSN downsizing. Further adjustments in staffing will be made difficult by the need to work from encumbered positions. Additional staff cuts, beyond those already planned, risk reductions in the Mission's position levels below what is needed for effective program and activity management, especially when new initiatives are considered, e.g., girls' education.

3. Language on HIV/AIDS Pilot Activities: The Mission was instructed to incorporate suggested language from G and ANE Bureaus to describe the HIV/AIDS pilot activities.

Status: Completed. The suggested language was incorporated into the Mission's Country Program Strategy (CPS) document.

4. Population/Health Performance-Based Transition Plan: The Mission was instructed to provide a performance-based transition plan for activities under its Family Planning and Maternal and Child Health SO, highlighting criteria for program success.

Status: Completed. This document was submitted to Washington in March 1996.

5. Reformulation of Environmental SO: The Mission was instructed to reformulate the environmental SO to read "Improved Water Resources Management in the Agricultural, Urban, and Industrial Sectors."

Status: Completed. Reformulation incorporated into the SO and final CPS document.

6. Environmental Indicators: The Mission was instructed to include indicators on the extent to which the models being developed under the environmental SO are being adopted and replicated by USAID's partners.

Status: Completed. Environmental indicators were reworked with USAID/Washington assistance as part of the Mission's reengineering and R4 development workshop. Replication of demonstration/pilot projects by USAID's partners is a major component in the design of environmental results packages.

7. Phase-Out of IESC Activity: The Mission and Washington agreed that USAID support for the IESC activity would be phased out.

Status: The IESC cooperative agreement was amended to reduce grant funding by 35% and to phase out the activity by July 1996, one year earlier than originally planned.

8. Reformulation of the Girls' Education Target of Opportunity: The Mission was instructed to reformulate this TO to read as follows: "Increased Basic Educational Attainment for Rural Girls and Women in Target Areas."

Status: Completed. Reformulation as SO 4 incorporated into the CPS document, omitting the reference to women and focusing on primary education as noted above. Now carried in Mission strategy as SO 4.

9. Democracy Target of Opportunity: The Mission was instructed to further define and articulate results intended under this TO.

Status: Completed. See narrative concerning Democracy Special Objective in Section III, and results framework and performance data tables in Annexes A and C respectively. Further development will be based on the approval of the SPO, and participation of the ANE and G Bureaus.

10. Performance Monitoring Plan (PMP): The Mission was instructed to complete the remaining gaps in the performance monitoring plan.

Status: Completed. As indicated above, with USAID/W assistance, the Mission has completed an intensive review of its PMP, including development of results frameworks, revision and fine tuning of indicators, and conversion of our performance tracking system from PRISM to the new Performance Data System.

C. 22 CFR Issues and Schedule

1. **Issues:** There are no outstanding 22 CFR 216 issues to report at this time.

2. Preliminary List of Upcoming 22 CFR 216 Activities

- a) Environment (SO 2) -- The 22 CFR 216 requirements for the new Water Resources Sustainability (WRS) activity are partially completed, and a categorical exclusion has been granted for the improved policy and regulatory framework component. Any demonstration projects undertaken as part of the WRS activity will require Environmental Assessments. These assessments will be conducted as part of the feasibility studies for the WRS demonstration projects in the coming year.
- b) Stakeholders in the Economy (SO 3) -- The IEE for the new Microfinance Activity has been completed.
- c) Girls' Education (SO 4) -- The new girls' education activity will require an IEE. It is anticipated that a categorical exclusion will be granted.

V. RESOURCE REQUIREMENTS

A. Program Request and Funding Scenario Analyses

At ANE Bureau request, the Mission has looked at a wide variety of funding scenarios over the past several months, applying criteria provided by the Bureau. Funding scenarios are derived from a base level of \$29.6 million, the FY 1997 OMB request level for the USAID/Morocco program. Pursuant to R4 guidance, this base was then applied to develop funding scenarios for each SO at the following OYB levels: \$21.0 million for FY 1996; \$29.6 million for FY 1997; and \$26.6 million for FY 1998. The impact of the various budget scenarios is shown in Annex D, Tables 2 and 3.

As was indicated previously by sensitivity analyses prepared for last year's CPS review and by subsequent funding scenarios provided to the Bureau, under any of the current scenarios, the Mission will move to protect what it sees as its core objectives in family planning and maternal and child health, girls' education, and stakeholders in the economy. In view of the difficulty of estimating resource availability in the current budget environment of reduced funding levels and earmarks, we have reviewed a broad range of budget scenarios to protect our program and to ensure an adequate level of funding to carry out the various mutually reinforcing elements of our program strategy.

In the event of further budget cuts, application of worst-case scenarios would fall on democracy and environment, as necessary. The current resource parameters established by the budget guidance provided by USAID/W should allow the Mission to adequately support all current SOs and the SPO even at worst-case levels as is indicated by Tables 2 and 3. The threshold reduction level is currently estimated at approximately \$15.0 million. Below this level, the Mission would be forced into restructuring -- i.e., eliminating certain results or entire SOs or the SPO.

Important points to note under the current scenarios contained in Tables 2 and 3 include the following:

SO 1: Reduced Fertility and Improved Health of Children under Five and Women in Child-Bearing Ages: Expenditure levels for SO 1 activities have accelerated in recent months. With the SO 1 Transition Plan now being implemented, resource requirements are significant and are required to be available on a timely basis. The uncertainty about earmarks and Global Field Support levels necessitate a reduced mortgage and extended pipeline. Under all scenarios, all activities can and will be carried out. However, certain activities related to reduced fertility may have to be scaled back somewhat if the FY 98 base - 30% scenario becomes reality.

SO 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-Median Income: The FY 1997 OMB request level allows the Mission to consider a much-needed economic policy activity which will focus on support to key elements related to policy and institutional reform, capacity-building of public and private entities, policy advocacy and the establishment of lasting linkages between Moroccan and U.S. and other international economic institutions. With the phase-out of key activities in the latter part of the decade, and the emphasis on lasting capacity and transition planning, the Mission intends to concentrate its

efforts on key sustainability objectives through a new activity and/or continued support for current activities. At the base - 20% level for FY 97 and base - 30% level for FY 98, the Mission will have to decide whether to fully fund all continuing activities and/or to forego a new transition initiative.

SPO: Increased Effectiveness of Moroccan NGOs, Focusing on Local Governance and Women's Empowerment: Under the funding scenarios presented, this SPO can proceed to implement a modest program of support for civil society institutions which promote democracy and support the empowerment of women and other poor elements of the population. At worst-case scenario levels, this SPO would be dropped.

B. Program Management Requirements: Operating Expenses and Staffing.

The Operating Expense (OE) level of \$2,995,900 for FY 96 presented in Table 6 represents a reduction of 10.5 percent from the original ABS budget level of \$3,300,500 submitted in June 1995. At this reduced level, the Mission is operating on a "bare-bones" basis, and experiences increased vulnerability in its ability to administer and monitor its program. The majority of the reduction falls in the Major Function Code U300 -- Contract Personnel. The other function codes have no flexibility in their minimal funding levels.

- OE reductions and FSN staff size limitations (based on "on-board" levels as of 6/30/95) could materially affect Mission vulnerabilities in the areas of Mission management and financial operations.

- Little training other than mandatory/required training related to NMS, AWACS and A&A can be funded at this reduced level.

- Any unforeseen funding needs, such as medical evacuations, emergency leave, or unscheduled training or conferences may require a supplemental allotment of OE, or may require an involuntary reduction in force.

Certain staff, hitherto OE-funded, have been, or soon will be, shifted to funding provided under specific program activities. These adjustments, in process for several months, reflect the actual foci of these staff members' work. All will have their Personal Services Contracts financed through the activities upon which the bulk of their time and work are concentrated. OE requirements have been reduced accordingly, covering a portion of the budgetary shortfall. Current required staffing equals 76 full-time individuals (see Table 5). The Mission has 15 USDH (not including 1 RHUDO and 1 IDI), 55 FSNs and 4 U.S./TCN PSCs. The following crude estimates of Operating Expenses (OE) usage by "operating unit" were derived by applying the percentage of staff in an operating unit as a multiplier with the budgeted OE level. OE and Trust Funds (TF) were not differentiated, as TF are applied against FSN salaries (but not specific FSNs) and other local expenses. The staff levels and percentages of total do not include RHUDO personnel (separate OE and program) or program-funded personnel. Levels include vacant positions (5) which are in process of being filled now that the hiring freeze has been lifted.

"Operating Unit"	No. and % of Staff *	OE Funds (\$)
SO 1 - Pop/Health	4.5 - 8%	240,000
SO 2 - Environment	5.0 - 8%	240,000
SO 3 - Economic Growth	7.0 - 12%	360,000
SO 4 - Basic Education	3.5 - 6%	180,000
SPO - Democracy	2.0 - 3%	90,000
All Others	37.0 - 63%	1,886,000
TOTAL	59.0 - 100%	2,996,000

* Without program-funded (14) and RHUDO OE-funded (3) people.

C. Technical Support Needs from USAID/Washington

Brief descriptions of desirable field support services are provided by Strategic Objective. These services correspond to those listed in Table 4. At funding levels less than those indicated in Table 4, the use of Global Field Support will diminish significantly.

SO 1: Population Funds

Demographic and Health Surveys (DHS), 936-3023: A national-level Demographic and Health Survey to be undertaken in CY 1997 in collaboration with the Ministry of Public Health (MOPH) data collection and statistics unit. Inputs include short-term technical assistance and local cost support for the design, implementation, analysis, reporting and dissemination of DHS findings.

Contraceptive Social Marketing III (CSM III), 936-3051: Marketing and promotion of contraceptive products through private sector commercial channels. Inputs include TA by Washington-based as well as Morocco-based regional advisors, IEC to promote socially marketed products, CSM-related studies, and training of private sector physicians and pharmacists.

Evaluating FP Program Impact (EVALUATION), 936-3060: Development of an evaluation capacity at the MOPH, including a full range of data analysis and evaluation activities. Inputs entail short-term TA, support for special data analyses, in-country training focused on data applications for program management, and U.S.-based training for select MOPH staff.

Central Contraceptive Procurement (CCP), 936-3057: U.S. procurement and shipping of contraceptive products.

Program for Voluntary and Safe Contraception (AVSC), 936-3068: Technical input for expansion of voluntary surgical contraception (VSC) services, with a focus on quality assurance and program sustainability. Inputs entail short-term TA.

Training in Reproductive Health (JHPIEGO), 936-3069: Work with MOPH and the National Training Center for Reproductive Health to ensure appropriate deployment, utilization and maintenance of VSC equipment. Inputs include short-term TA and local cost support.

Family Planning Management Development (FPMD), 936-3055: Work with the MOPH in the area of institutional development and managerial capacity-building to enhance the quality, coverage and sustainability of MOPH services. Inputs include short-term technical assistance and operations support.

The Policy Project, 936-3078: Identification or formulation of measures which address policy issues such as decentralization, resource allocation for preventive health services and products, and implications of private sector in achieving public health objectives. Inputs include short-term TA in strategic planning, policy-related studies, and support for national and regional workshops and policy communications.

Primary Providers' Education and Training in Reproductive Health (PRIME), 936-3072: Strategic and program planning for reproductive health training of a wide spectrum of service providers. Inputs include short-term TA for training needs assessments, training program development, development of innovative teaching/learning strategies, support for elaboration and production of appropriate training materials, and study tours.

SO 1: Child Survival Funds

Technical Advisors in AIDS and Child Survival (TAACS), 936-5970: Morocco-based technical manager with oversight for Maternal and Child Health activities. Input entails one TAACS assigned to USAID/Morocco.

Basic Support for Institutionalizing Child Survival (BASICS), 936-6006.01: Design and monitoring of oral rehydration salt (ORS) production and promotion by the commercial pharmaceuticals sector, technical guidance for rural ORS marketing initiatives, and for integrated case management of the sick child. Inputs entail short-term TA by private sector, ORS expert, and ICM expert.

Opportunities for Micronutrient Interventions (OMNI), 936-5122.01: Study of Vitamin A Deficiency in select provinces, analysis and dissemination of results. Inputs include short-term TA for study preparation, analyses, and recommendations for public health program interventions in micronutrients.

Data for Decision-Making (DDM), 936-5991: Health Information System (HIS) development, testing of approaches to increase data-based decision-making for establishing public health policies and for planning, managing and evaluating programs. Inputs entail short-term technical assistance and software.

SO 2: Environment

Environmental and Natural Resources Policy and Training Project (EPAT): Environmental impact assessment training courses may be performed through EPAT.

PRIDE: Environmental analyses, assessments, etc., could be implemented through PRIDE (World Environment Center).

Sustainable Agriculture and Natural Resources Management Collaborative Research Support Program (SANREM CRSP): Assistance with activities relating to soil erosion prevention and soil/water preservation.

Environment Center (Global): Field support for contractor selection, evaluations, and SO Monitoring.

SO 3: Economic Growth

Agricultural Biotechnology for Sustainable Productivity (ABSP): Assistance to raise compliance levels regarding international agreements on property rights, including workshops and drafting of appropriate legislation.

Program of Innovation in Microenterprise (PRIME), 940-0406: Assistance with analyses, evaluations, and perhaps implementation aspects of the Microenterprise Finance Activity.

SO 4: Basic Education

Girls and Women's Education Initiative (GWEI): Assistance with mounting programs of public awareness and local community participation for improving enrollment and retention rates of girls in rural primary schools.

Human Resource Division (Global): Assistance with design, evaluation and monitoring may be provided.

ANNEX A
RESULTS FRAMEWORKS

**USAID/MOROCCO
SO 1 Results Framework**

**SO# 1 Reduced fertility and improved
health of children under five and
women of child-bearing age**

**IR 1.1 Increased use of quality
family planning/maternal and
child health services
1-4 years
MOPH, USAID, UNICEF, UNFPA, EU
World Bank (WB)**

**IR 1.2 Increased sustainability of
of family planning/maternal and
child health services
2-4 years
MOPH, USAID, EU, UNFPA, WB**

**IR 1.1.1 Greater access to
quality FP/MCH services
responsive to client demand
2-4 years
MOPH, USAID, UNICEF, UNFPA, EU,**

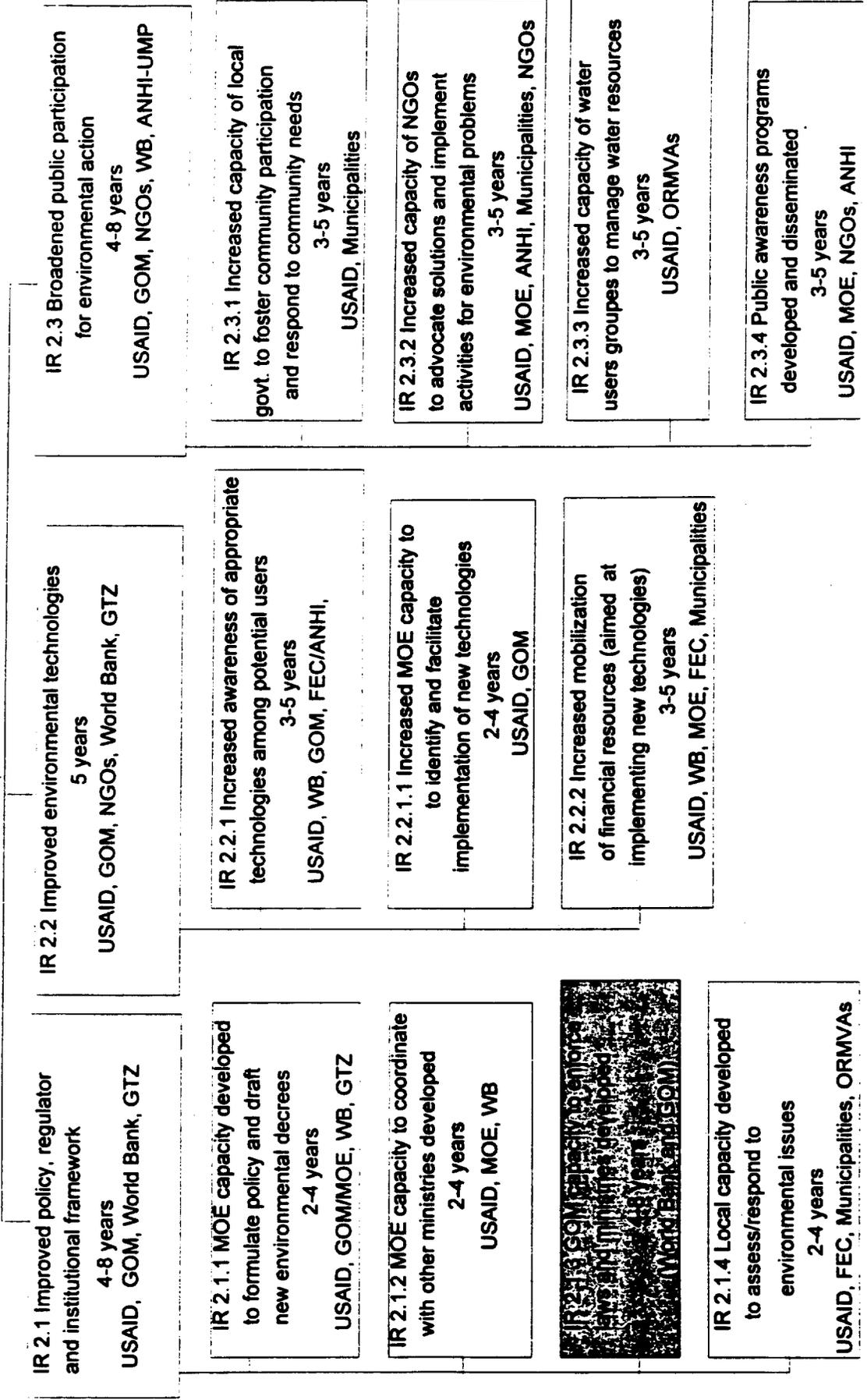
**IR 1.1.2 Improved policy environmen
supporting expansion of FP/MCH
services
1-3 years
MOPH, USAID**

**IR 1.2.1 Reenforced capacity to mana
FP/MCH programs with particular
emphasis on decentralized approaches
responsive to client demand
2-4 years
MOPH, USAID, UNFPA, WB**

**IR 1.2.2 Increased diversification
of resource base financing the
delivery of FP/MCH services
1-4 years
MOPH, USAID, UNICEF**

**USAID/MOROCCO
SO 2 Results Framework**

SO# 2 Improved water resource management in the agricultural, urban and industrial sectors



IR 2.1 Improved policy, regulator and institutional framework
4-8 years
USAID, GOM, World Bank, GTZ

IR 2.1.1 MOE capacity developed to formulate policy and draft new environmental decrees
2-4 years
USAID, GOM/MOE, WB, GTZ

IR 2.1.2 MOE capacity to coordinate with other ministries developed
2-4 years
USAID, MOE, WB

IR 2.1.3 GOM capacity developed to assess/respond to environmental issues
2-4 years
USAID, FEC, Municipalities, ORMVAs

IR 2.1.4 Local capacity developed to assess/respond to environmental issues
2-4 years
USAID, FEC, Municipalities, ORMVAs

IR 2.2 Improved environmental technologies
5 years
USAID, GOM, NGOs, World Bank, GTZ

IR 2.2.1 Increased awareness of appropriate technologies among potential users
3-5 years
USAID, WB, GOM, FEC/ANHI,

IR 2.2.1.1 Increased MOE capacity to identify and facilitate implementation of new technologies
2-4 years
USAID, GOM

IR 2.2.2 Increased mobilization of financial resources (aimed at implementing new technologies)
3-5 years
USAID, WB, MOE, FEC, Municipalities

IR 2.3 Broadened public participation for environmental action
4-8 years
USAID, GOM, NGOs, WB, ANHI-UMP

IR 2.3.1 Increased capacity of local govt. to foster community participation and respond to community needs
3-5 years
USAID, Municipalities

IR 2.3.2 Increased capacity of NGOs to advocate solutions and implement activities for environmental problems
3-5 years
USAID, MOE, ANHI, Municipalities, NGOs

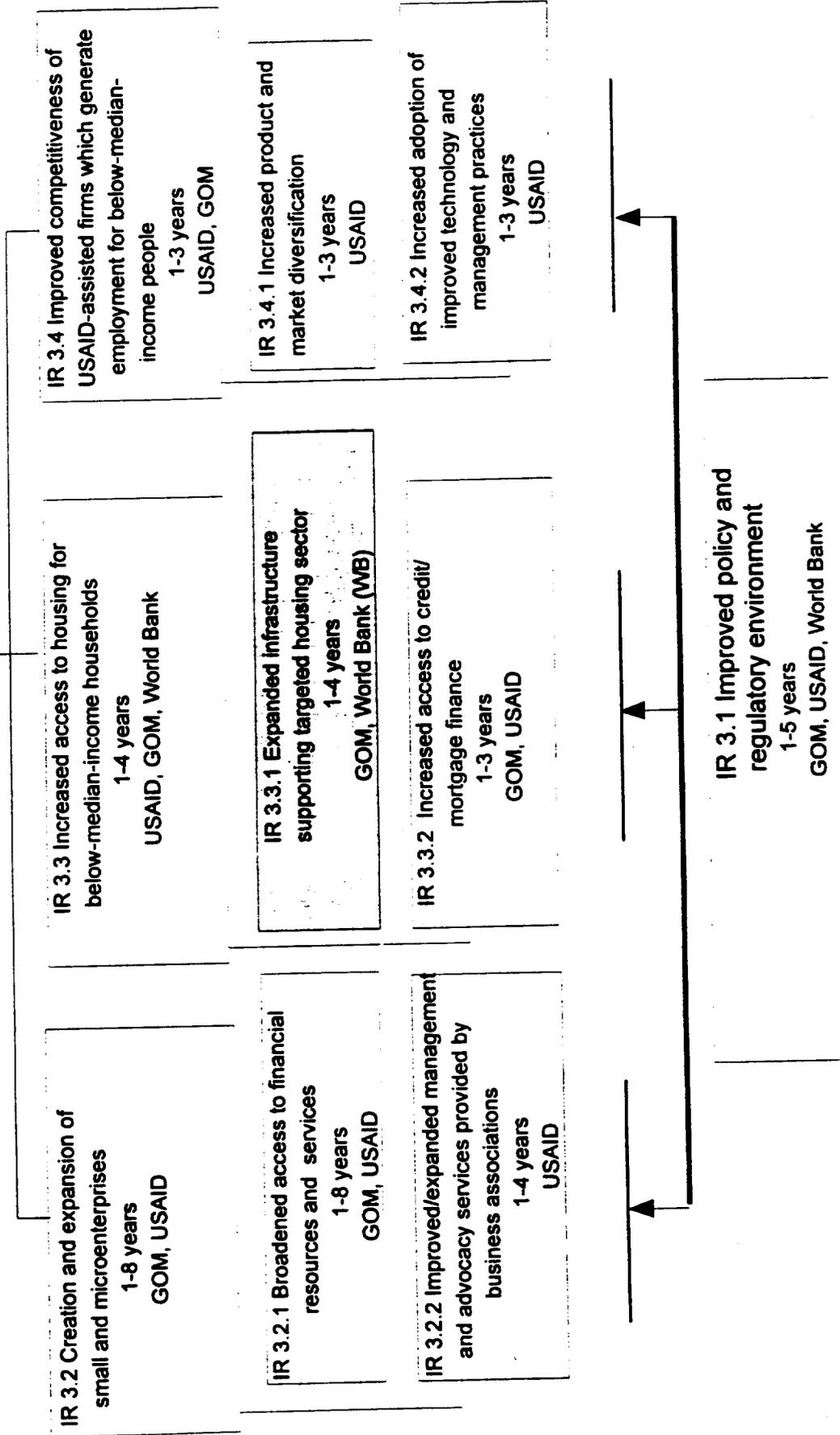
IR 2.3.3 Increased capacity of water users groupes to manage water resources
3-5 years
USAID, ORMVAs

IR 2.3.4 Public awareness programs developed and disseminated
3-5 years
USAID, MOE, NGOs, ANHI

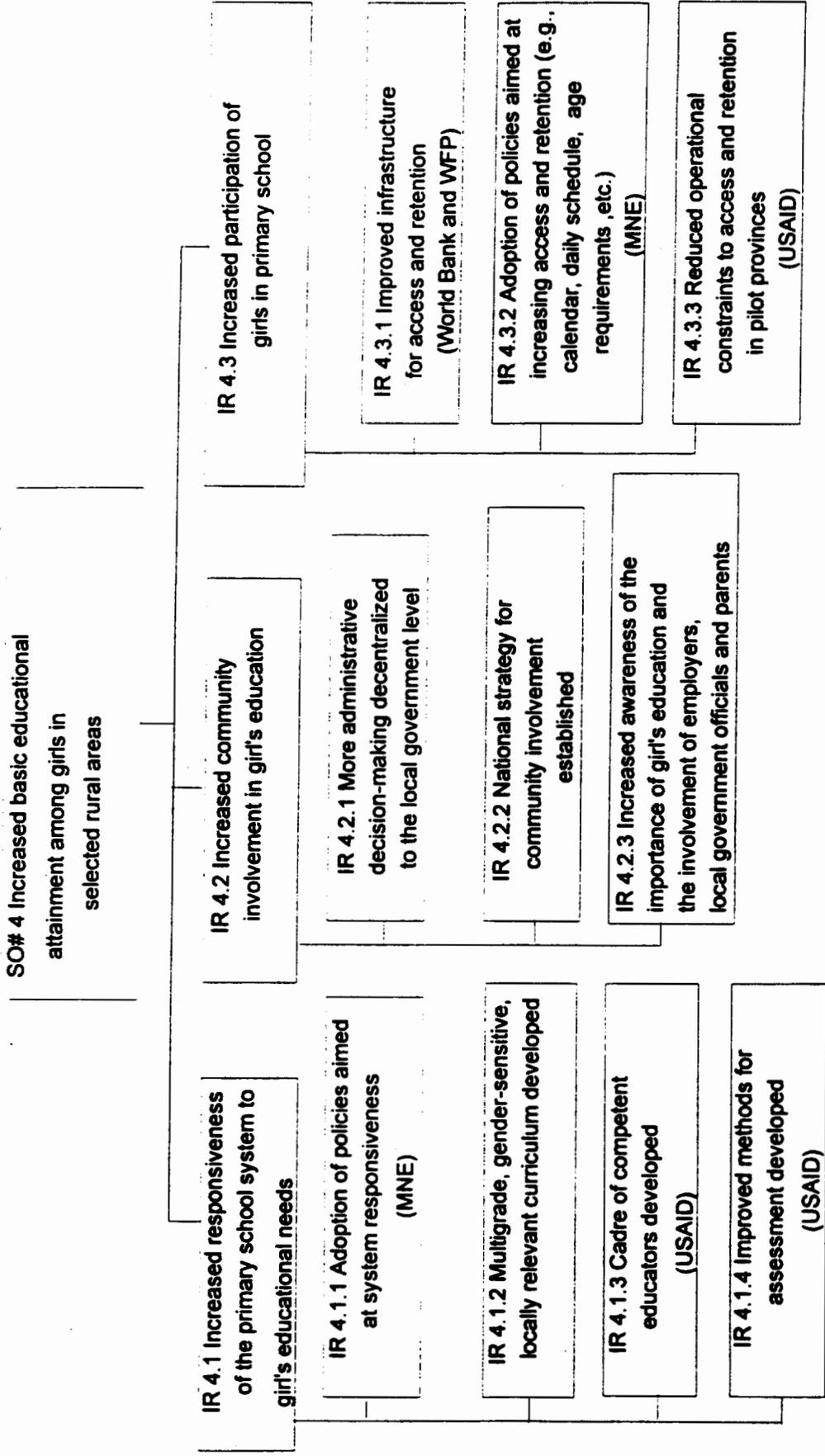
USAID/MOROCCO

SO 3 Results Framework

SO#3 Expanded base of stakeholders in the economy, targeting people of below-median income



USAID/MOROCCO SO 4 Results Framework



Morocco Education for Girls Project

Girl's and Women's Education Initiative

Morocco Education for Girls Project and Training for Development Project

USAID/MOROCCO SPO Results Framework

Increased effectiveness of Moroccan NGOs, focusing on local governance and women's empowerment

IR 1. Increased and improved NGO activities, especially advocacy, in Moroccan civil society

IR 1.1. Improved administrative and technical capacity of Moroccan NGOs

- NGO staff trained
- NGO resource center established and operating
- Increased networking among Moroccan NGOs and between Moroccan and non-Moroccan NGOs

ANNEX B

STRATEGIC OBJECTIVE TREES

AGENCY GOAL
Stabilizing World Population Growth and Protecting Human Health

AGENCY GOAL
Protecting the Environment

AGENCY GOAL
Encouraging Broad-based Economic Growth

AGENCY GOAL
Building Democracy

MISSION SUBGOAL
Improved Quality of Life for Poorer Moroccans through Equitable and Sustainable Social and Economic Development

STRATEGIC OBJECTIVE 1
Reduced Fertility and Improved Health of Children Under Five and Women of Child-bearing Age

Indicators

1. Total fertility rate
2. Infant mortality rate
3. Child mortality rate
4. Maternal mortality rate
5. Contraceptive prevalence rate

STRATEGIC OBJECTIVE 2
Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

Indicators

1. Amount of water pollution in target areas
2. Number of cities with improved environmental services (garbage collection, landfill, recycling)
3. Percent of poor, urban household units connected to sewerage and potable water in target areas
4. Volume of water savings in target areas
5. Volume of soil erosion in target areas

STRATEGIC OBJECTIVE 3
Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income

Indicators

1. Jobs created through program activities for below-median-income people
2. Below-median income households owning homes (urban only)

STRATEGIC OBJECTIVE 4
Increased Basic Educational Attainment Among Girls in Selected Rural Areas

Indicators

1. Percent of girls who complete at least five years of primary schooling

SPECIAL OBJECTIVE
Increased Effectiveness of Moroccan NGO's, Focusing on Local Governance and Women's Empowerment

Indicators

1. Legal/Admin. reforms
2. GOM-NGO partnerships
3. Public service users associations
4. Sectoral NGO federations
5. NGO's directly providing social services

STRATEGIC OBJECTIVE 1
Reduced Fertility and Improved Health of Children Under Five and Women of Child-bearing Age

INDICATORS

1. Total fertility rate
2. Infant mortality rate
3. Child mortality rate
4. Maternal mortality rate
5. Contraceptive prevalence rate

INTERMEDIATE RESULT 1.1
Increased Use of Quality FP/MCH Services

INDICATORS

1. Percentage of diarrheal disease cases treated by ORT
2. Ratio (long-term/short-term method) for public sector couple years of protection (CYP)
3. Percentage of complicated pregnancies/deliveries attended by medically trained personnel in target areas

INTERMEDIATE RESULT 1.2
Increased Sustainability of FP/MCH Services

INDICATORS

1. CYP-private sector
2. Proportion of operating costs (including contraceptives) associated with USAID FP/MCH program financed by GOM
3. Private sector share of the contraceptive market

STRATEGIC OBJECTIVE 2
Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

INDICATORS

1. Amount of water pollution in target areas
2. Number of cities with improved environmental services (garbage collection, landfill, recycling)
3. Percent of poor, urban household units connected to sewerage and potable water in target areas
4. Volume of water savings in target areas
5. Volume of soil erosion in target areas

INTERMEDIATE RESULT 2.1

Improved Policy, Regulatory, and Institutional Framework

INDICATORS

1. Number of environmental laws and decrees promulgated and implemented
2. Number of new sites for which environmental checklists are used prior to investment in public works in lower income neighborhoods

INTERMEDIATE RESULT 2.2.

Improved Environmental Technologies

INDICATORS

1. Number of firms in the environmental services industry
2. Percent of farmers adopting integrated pest management practices in target areas (Tadla and Souss-Massa perimeters)
3. Percent of tanners adopting chrome recycling technologies in target areas

INTERMEDIATE RESULT 2.3

Broadened Public Participation for Environmental Action

INDICATORS

1. Number of cities holding public sessions prior to investment in environmental services and infrastructure
2. Number of environmental activities implemented with NGO partners
3. Number of farmers in viable water users associations effectively managing water resources at the local level
4. Number of public awareness activities implemented

STRATEGIC OBJECTIVE 3
Expanded Base of Stakeholders in the Economy,
Targeting People of Below-median Income

INDICATORS

1. Jobs created through program activities for below-median-income people
2. Below-median income households owning homes (urban only)

INTERMEDIATE RESULT 3.1
Improved Policy and Regulatory Environment

INDICATORS

1. Progress towards adoption of 9 key reforms
2. Percentage of annual operating costs recovered by micro-finance institutions
3. Export surcharge on truck transport
4. Measure to increase access to housing credit for target group

INTERMEDIATE RESULT 3.2
Creation and Expansion of Small and Microenterprises

INDICATORS

1. Business licenses issued to SME
2. Business licenses issued to women

INTERMEDIATE RESULT 3.3
Increased Access to Housing for Below-median-income Households

INDICATORS

1. Housing lots developed for sale to households of below-median income (urban)

INTERMEDIATE RESULT 3.4
Improved Competitiveness of USAID-assisted Firms which Generate Employment for Below-median-income People

INDICATORS

1. Export sales attributable to USAID assistance (horticulture)
2. Export sales attributable to USAID assistance (fish and artisanry)

STRATEGIC OBJECTIVE 4
Increased Basic Educational Attainment Among Girls in Selected Rural Areas
INDICATORS
1. Percent of girls who complete at least five years of primary schooling

INTERMEDIATE RESULT 4.1
Increased Responsiveness of the Primary School System to Girl's Educational Needs
INDICATORS
<ol style="list-style-type: none"> 1. Retention rate for primary school girls 2. Number of rural primary schools offering improved multigrade curriculum 3. Data collection systems tracking gender disaggregated progress designed, operating and used for decision making in planning, program implementation and teaching

INTERMEDIATE RESULT 4.2.
Increased Community Involvement in Girl's Education
INDICATORS
<ol style="list-style-type: none"> 1. Number of parents' groups with new programs in support of girl's participation in rural primary schools 2. Number of private sector organizations supporting or promoting girl's education 3. Amount of local government participation in rural primary education

INTERMEDIATE RESULT 4.3
Increased Participation of Girls in Primary School
INDICATORS
<ol style="list-style-type: none"> 1. Retention rate for rural girls through the 6th year 2. Percentage of total number of eligible rural girls enrolled in primary school during a given year

SPECIAL OBJECTIVE
Increased Effectiveness of Moroccan NGOs, Focusing on Local Governance and Women's Empowerment
INDICATORS
<ol style="list-style-type: none">1. Selected legal and administrative reforms researched, enacted and implemented to promote women's rights and an enabling environment for NGOs2. New GOM-NGO partnerships to address community problems or specific needs at the local level3. Sectoral NGO coordinating mechanisms established to improve organization and coordination of NGO activity among members4. NGOs providing social services to improve living conditions of Moroccans5. Consumer protection associations to improve the delivery of services

INTERMEDIATE RESULT SPO.1
Increased and Improved NGO activities, Especially Advocacy, in Moroccan Civil Society
INDICATORS
<ol style="list-style-type: none">1. Seminars organized by NGOs with GOM participation to provide opportunities for policy discussions and debate2. NGO-sponsored studies and seminars on the implementation of the National Women's Action Plan3. Local governance projects/activities with NGO participation at the design and implementation stages4. NGO-sponsored policy studies and other positions made available to governmental bodies and officials, and to media

Note: Performance Data Tables will be developed upon approval of this SPO

ANNEX C

PERFORMANCE DATA TABLES

PERFORMANCE DATA TABLE

USAID/MOROCCO

Year/Month SO Approved: 95/4

(1) STRATEGIC OBJECTIVE # <u>1</u> : Reduced fertility and improved health of children under five and women of child-bearing age				
(2) Indicator: Reduced total fertility rate (TFR)				
(3) Definition/Unit: Average number of children that would be born alive to a woman during her lifetime if she were to pass through all her childbearing years	(5) Year	(8) Planned	(9) Actual	
(4) Source: Demographic and Health Survey (DHS) and PAPChild Survey	(6) Baseline	1993	4.1	
(10) Comments: With significant support from USAID in this sector, the MOPH has substantially exceeded original projections based on 1992 DHS data. Based on results of the 1995 Panel Survey, TFR projections have been re-set for the period 1996-99. Supplementary information in the form of rural/urban TFR differentials may provide additional precision for impact analysis.	4.2 (1992)	1994	4.0	
		1995	3.9	3.6
		1996	3.5	
		1997	3.4	
		1998	3.3	
	(7) Target	1999	3.2	
(2) Indicator: Reduced infant mortality rate (IMR)				
(3) Definition/Unit: Annual number of deaths of children ages 0-11 months per thousand live births	(5) Year	(8) Planned	(9) Actual	
(4) Source: DHS and PAPChild Survey	(6) Baseline	1993	55.5	
(10) Comments: Data from the 1995 Panel Survey evinces that neonatal mortality (within the first month of life) contributed disproportionately to the apparent increase in the infant mortality rate. The 1996 PAPChild Survey will provide another point-in-time measure of infant mortality. Given the greater sample size envisioned for PAPChild (45,000), this latter data set should avoid distortions that may have arisen with regard to infant mortality in the smaller sample (4,000) of the Panel Survey. Based on results of the 1995 Panel Survey, IMR projections have been re-set for the period 1996-99.	57 (1992)	1994	54	
		1995	52.5	61
		1996	57	
		1997	55	
		1998	54	
	(7) Target	1999	52	

MOPH-Ministry of Public Health

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) STRATEGIC OBJECTIVE # <u>1</u> : Reduced fertility and improved health of children under five and women of child bearing age				
(2) Indicator: Reduced child mortality rate (CMR)				
(3) Definition/Unit: Annual number of deaths of children ages 1-4 years per total population of same age		(5) Year	(8) Planned	(9) Actual
(4) Source: DHS and PAPChild Survey		(6) Baseline 1993	-----	-----
(10) Comments: The 1996 PAPChild Survey will provide another point-in-time measure of child mortality. Based on results of the 1995 Panel Survey, child mortality projections have been re-set for the period 1996-99.		20 (1992)	-----	-----
		1994		
		1995	18.5	20
		1996	18.5	
		1997	19	
		1998	18.5	
		(7) Target 1999	18	
(2) Indicator: Reduced maternal mortality rate (MMR)				
(3) Definition/Unit: Annual number of deaths of women per 100,000 live births		(5) Year	(8) Planned	(9) Actual
(4) Source: DHS		(6) Baseline 1993	-----	-----
(10) Comments: The sisterhood methodology used within the 1992 DHS to collect and calculate the maternal mortality rate will not be repeated until the 1998 DHS. As USAID inputs will concentrate on developing a replicable model for reducing maternal mortality which is being refined and implemented in the North Central Region (population 3 million), direct impact of USAID investments in terms of this indicator will initially appear in this Region.		332	1994	
			1995	
			1996	
			1997	
			1998	245
			(7) Target 1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) STRATEGIC OBJECTIVE # <u>1</u>: Reduced fertility and improved health of children under five and women of child-bearing age				
(2) Indicator: Increased contraceptive prevalence rate (CPR)				
(3) Definition/Unit: Increased percentage of married women of child-bearing age (15-49) currently using contraceptives		(5) Year	(8) Planned	(9) Actual
(4) Source: DHS	(6) Baseline	1993	43.0	
(10) Comments: With significant support from USAID in this sector, the MOPH has substantially exceeded original projections based on 1992 DHS data. This indicator includes all contraceptive methods, including traditional practices. Based on results of the 1995 Panel Survey, contraceptive prevalence projections have been re-set for the period 1996-99. A supplementary measure is prevalence of modern contraceptive method use; however, CPR, which is population-based, is a much more accurate measure. In addition, at higher levels (i.e., >60%), CPR may indicate the potential for the program's sustainability.	41.5 (1992)	1994	44.5	
		1995	46	50
		1996	52	
		1997	54	
		1998	56.5	
	(7) Target		1999	58

PERFORMANCE DATA TABLE

USAID/Morocco

year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 1.1: Increased use of quality FP/MCH services				
(2) Indicator: Increased percentage of diarrheal disease cases treated by oral rehydration therapy (ORT)				
(3) Definition/Unit: Percent of children under five who had diarrhea in the previous two weeks and who were treated with ORS sachet or home solution		(5) Year	(8) Planned	(9) Actual
(4) Source: DHS and PAPChild Survey		(6) Baseline	1994	19.5%
(10) Comments: The 1996 PAPChild Survey will provide another point-in-time measure of this indicator. Based on results of the 1995 Panel Survey, projections have been re-set for the period 1996-99.		14% (1992)	1995	21.5%
			1996	29.5
			1997	31.0%
			1998	32.5%
		(7) Target	1999	34.0%

				28.0%

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 1.1: Increased use of quality FP/MCH Services				
(2) Indicator: Increased ratio (long-term/short-term method) for public sector couple years of protection (CYP)				
(3) Definition/Unit: Measured converting LT/ST products distributed to CYP: IUD = 3.8 CYP; 15 cycles of pills = 1 CYP; 150 condoms = 1 CYP; VSC= 10 CYP; Norplant= 3.5 CYP; 4 injectables = 1 CYP	(5) Year	(8) Planned	(9) Actual	
(4) Source: MOPH Service Statistics	(6) Baseline	1993	1.79	
(10) Comments: The Contraceptive Needs Assessment being conducted by UNFPA in February, 1996 (in collaboration with USAID) will provide revised and updated CYP performance and projections. In addition, long term CYPs must be based upon all methods, including female sterilizations and methods recently introduced into MOPH programs -- injectable contraceptives and Norplant. The addition of CYP equivalent for these methods has increased actual and planned ratios, relative to previous ratio calculations. These ratios presume that CYPs attributed to pill use will stabilize in out years.	1.3 (1992)	1994	2.04	
		1995	0.78	1.99
		1996	1.99	
		1997	2.0	
		1998	2.2	
	(7) Target	1999	2.3	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 1.1 : Increased use of quality FP/MCH services					
(2) Indicator: Increased percentage of complicated pregnancies/deliveries attended by medically trained personnel in target areas					
(3) Definition/Unit: Percentage of women at risk of complicated delivery or experiencing complications attended by an MD, nurse or midwife capable of providing appropriate response		(5) Year	(8) Planned	(9) Actual	
(4) Source: North Central Region service statistics		(6) Baseline	1994	-----	
<p>(10) Comments: 1989 INAS study on the rate of obstetrical interventions in Morocco provides solid, though hospital-based, baseline data for treatment of complications during delivery. Denominator for the indicator may be estimated from available data (e.g., population x fertility rate). Level of achievement may be measured against expected 15% complication rate for all pregnancies. The target area for USAID investments during the initial years will be the North Central Region, which includes Fes and 7 surrounding provinces. The INAS study may be repeated in 1998 if broader, national level data for this indicator is required.</p> <p>(N.B.: Complications are defined as follows: hemorrhages, obstructed labor, induced abortion, hypertension, and infection.)</p>			1995	-----	
		TBD	1996		
			1997	5%	
			1998	15%	
		(7) Target	1999	40%	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 1.2: Increased sustainability of FP/MCH services				
(2) Indicator: Increased couple years of protection - private sector (including socially marketed products)				
(3) Definition/Unit: Measured for all contraceptives distributed through the commercial sector: IUD = 3.8 CYP; 4 injectables = 1 CYP; 15 cycles of pills = 1 CYP; 150 condoms = 1 CYP		(5) Year	(8) Planned	(9) Actual
(4) Source: SOMARC -- Sales statistics of wholesales to pharmacies	(6) Baseline	1994	303,352	386,859
(10) Comments: This indicator includes all contraceptive products provided through the private sector, the bulk of which is distributed through sales by pharmacies. However, IUDs and condoms are not considered pharmaceutical products and official sales figures are not kept; sales figures for these products are available for social marketed brands only. The only injectable contraceptive available through early 1996 was Noristerat. A new injectable and IUDs will be introduced as socially marketed products during 1996.	330,581 (1993)	1995	394,064	
		1996	445,437	
		1997	512,129	
		1998	568,737	
	(7) Target		1999	632,110

7.7

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 1.2: Increased sustainability of FP/MCH services				
(2) Indicator: Increased proportion of operating costs associated with the USAID FP/MCH program financed by the GOM (including contraceptive costs subsumed by the MOPH)				
(3) Definition/Unit: Annual calculation of MOPH contribution to the FP/MCH program for contraceptives and FP/MCH operating costs		(5) Year	(8) Planned	(9) Actual
(4) Source: MOPH budget and expenditure figures	(6) Baseline	1994	47%	
(10) Comments: The methodology for calculating host country contributions was developed with support from USAID and refined during 1995.	40% (1993)	1995	54%	
		1996	61%	
		1997	68%	
		1998	75%	
	(7) Target	1999	83%	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 1.1.1 : Greater access to quality FP/MCH services responsive to client demand					
(2) Indicator: Increased number of sites offering safe motherhood services					
(3) Definition/Unit: Capacity to appropriately address complicated pregnancies/deliveries		(5) Year	(8) Planned	(9) Actual	
(4) Source: MOPH statistics and JSI MIS		(6) Baseline	1994	-----	
(10) Comments: Safe motherhood services will be provided by medical and paramedical staff trained in life saving skills at sites with emergency obstetric equipment. ¹ Health centers/hospitals ² 1996/97 pilot initiative may be expanded to other regions if experience warrants. In this case, the number of planned sites will necessarily be determined through a feasibility study in the identified region(s).		0	1995	-----	
			1996	45/7 ¹	
			1997	TBD ²	
			1998	TBD ²	
		(7) Target	1999	TBD ²	
(2) Indicator: Increased number of sites offering long-term family planning methods					
(3) Definition/Unit: Capacity to provide VSC, IUD, and/or injectable family planning methods		(5) Year	(8) Planned	(9) Actual	
(4) Source: MOPH statistics and JSI MIS		(6) Baseline	1994	-----	
(10) Comments: Long-term methods will be provided by medical and paramedical staff trained in VSC procedures, IUD insertions and/or injectables at sites with appropriate equipment and supplies. Data are provided as follows: VSC/IUD/injectables provider sites		40/1600/10 (1994)	1995	40/1600/21	
			1996	45/1673/26	
			1997	47/1746/36	
			1998	49/2200/50	
		(7) Target	1999	52/2200/1000	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO approved: 95/4

(1) INTERMEDIATE RESULT # 1.1.2 : Improved policy environment supporting expansion of FP/MCH services				
(2) Indicator: Policies/regulations supportive of improved FP/MCH services access and quality				
(3) Definition/Unit: Development/enactment of supportive policies/regulations		(5) Year	(8) Planned	(9) Actual
(4) Source: JSI MIS		(6) Baseline 1994	-----	-----
(10) Comments: The following policy agenda items are targets for the 1996-1999 time period: (a) Media airtime costs for public service announcements in FP/MCH (b) ORS distribution policy 1) MOPH quantity distributed 2) Availability outside pharmacies (c) Job descriptions for hospital personnel to include VSC and safe motherhood functions (d) Contractual arrangements with private-sector service providers for FP/MCH services in the public sector (e) Medical profession recertification requirements via continuing education credits, etc.		1995	-----	-----
		1996	(See Following Table)	
		1997		
		1987		
		(7) Target 1999		
(2) Indicator:				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline 1994		-----
(10) Comments:		1995		-----
		1996		
		1997		
		1998		
		(7) Target 1999		

1) Narrative will necessarily provide specific information

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 1.2.1: Reinforced capacity to manage FP/MCH programs with particular emphasis on decentralized approaches responsive to client need				
(2) Indicator: Provincial-level information system for program planning/decision-making				
(3) Definition/Unit: Data input analysis and use for FP/MCH programs in pilot province		(5) Year	(8) Planned	(9) Actual
(4) Source: JSI MIS, MOPH records		(6) Baseline 1994	-----	-----
(10) Comments: Decentralized functions targeted for 1996-99 period are as follows: (a) Training needs identification (b) Service delivery problem identification and resolution planning (c) IEC development (Information, Education, Communication) (d) Budget planning reflective of program planning (e) Program planning based on epidemiological data		1995	-----	-----
		1996	(See Following Table)	
		1997		
		1998		
		(7) Target 1999		

PERFORMANCE DATA TABLE

HAID/MOROCCO

Year/Month SO Approved: 95/4

POLICY AGENDA ITEMS	PROGRESS (*)		
	1996	1997	1998
1) Intermediate Result# 1.1.2: Improved policy environment supporting expansion of FP/MCH services			
2) Indicator: Policies/regulations supportive of improved FP/MCH services access and quality			
3) Definition/Unit: Development/enactment of supportive policies/regulations			
4) Source: JSI MIS			
1) Media air time costs for PSA's in FP/MCH			1999
2) ORS distribution policy 1) MOPH quantity distributed 2) Availability outside pharmacies			
3) Job descriptions for hospital personnel to include VSC and safe motherhood functions			
4) Contractual arrangements with private sector service providers for FP/MCH services in the public sector			
5) Medical profession recertification requirements via continuing education credits, etc.			

Narrative will necessarily provide specific information

PERFORMANCE DATA TABLE

Year/Month SO Approved: 95/4

USAID/MOROCCO

	PROGRESS (*)		
	1996	1997	1998
(1) INTERMEDIATE RESULT# 1.2.1: Reinforced capacity to manage FP/MCH programs with particular emphasis on decentralized approaches responsive to client need			
(2) INDICATOR: Provincial-level information system for program planning/decision-making			
(3) DEFINITION/UNIT: Data input analysis and use for FP/MCH programs in pilot province			
(4) SOURCE: JSI MIS, MOPH records			
DECENTRALIZED FUNCTIONS			
(A) Training needs identification			
(B) Service delivery problem identification and resolution planning			
(C) IEC Development			
(D) Program planning based on epidemiological data			
(E) Budget planning reflective of program planning			

(*) Narrative will necessarily provide specific information

PERFORMANCE DATA TABLE

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT #	1.2.1	Reinforced capacity to manage FP/MCH programs with particular emphasis on decentralized approaches responsive to client need	(2) Indicator:	Increase in number of sites applying quality management methodologies	(5) Year	(8) Planned	(9) Actual
(3) Definition/Unit:	Service delivery site or management structure which has adopted processes for continuous review of services provided, vis-a-vis client satisfaction, and which implements improvements identified by such review		(6) Baseline	1994	-----	-----	-----
(4) Source:	JSI MIS		15 sites	1995		25 sites	
(10) Comments:	Sites may be within the service delivery system itself, e.g., at the clinic or dispensary level, or within the management structure, within directorates, divisions, or program management units.			1996		40 sites	
Note:	These figures are cumulative.			1997		55 sites	
			(7) Target	1998		75 sites	
(2) Indicator:	Strengthened basic FP/MCH medical curricula and in-service training			1999			
(3) Definition/Unit:	Number of health workers trained in new curricula		(6) Baseline	1994		(8) Planned	(9) Actual
(4) Source:	JSI MIS		0	1995		-----	-----
(10) Comments:	Priority areas for development of new curricula and modules include equipe mobile services, long-term family planning methods (VSC, IUDs and injectables) and safe motherhood (life saving skills in emergency obstetrical care). Target numbers of individuals to be trained vary by area. Therefore, the magnitude of targets listed will vary by year (figures are not cumulative).			1996		2,000	
				1997		1,000	
				1998		1,250	
			(7) Target	1999		1,250	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO approved: 95/4

(1) INTERMEDIATE RESULT # <u>1.2.2</u>: Increased diversification of resource base financing the delivery of FP/MCH services					
(2) Indicator: New products introduced and successfully marketed					
(3) Definition/Unit: Sales figures measured for ORS		(5) Year	(8) Planned	(9) Actual	
(4) Source: SOMARC, JSI MIS		(6) Baseline	1993	-----	223,400
(10) Comments: This most notably includes injectable and IUD contraceptives which are scheduled for social marketing launch in 1996. However, other new products, such as Norplant, may also be introduced with USAID support. ORS sales will include Biosel, which is currently on the market, and a new product scheduled for launching.		372,789 (1992)	1994		530,598
			1995	320,000	
			1996	500,000	
			1997	650,000	
			1998	800,000	
			(7) Target	1999	1,000,000
(2) Indicator: New products introduced and successfully marketed					
(3) Definition/Unit: Sales figures measured for IUDs		(5) Year	(8) Planned	(9) Actual	
(4) Source: SOMARC, JSI MIS		(6) Baseline	1994	-----	-----
(10) Comments:		0 (1994)	1995	-----	0
			1996	2,500	
			1997	7,500	
			1998	12,500	
			(7) Target	1999	18,750

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO approved: 95/4

(1) INTERMEDIATE RESULT # <u>1.2.2</u>: Increased diversification of resource base financing the delivery of FP/MCH services			
(2) Indicator: New products introduced and successfully marketed			
(3) Definition/Unit: Sales figures measured for injectables	(5) Year	(8) Planned	(9) Actual
(4) Source: SOMARC, JSI MIS	(6) Baseline 1994	-----	-----
(10) Comments:	0	1995	-
		1996	42,000
		1997	120,000
		1998	180,000
	(7) Target 1999	270,000	
(2) Indicator: Increased number of private sector practitioners providing "MOPH-sanctioned" FP/MCH services			
(3) Definition/Unit: Private sector physicians, nurses and/or midwives trained/certified to provide target FP/MCH services	(5) Year	(8) Planned	(9) Actual
(4) Source: JSI MIS	(6) Baseline 1994	-----	-----
(10) Comments: Target FP/MCH services include long-term family planning methods and preventive maternal/child care, e.g., prenatal care, vaccinations. This effort is being undertaken on a trial basis.	17	1995	
		1996	100
		1997	200
		1998	350
	(7) Target 1999	600	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) STRATEGIC OBJECTIVE # <u>2</u>: Improved water resources management in the agricultural, urban and industrial sectors				
(2) Indicator: Amount of water pollution in target areas				
(3) Definition/Unit: Parts per million (chromium, nitrates, other pollutants)		(5) Year	(8) Planned	(9) Actual
(4) Source: TRM, WRS reports		(6) Baseline	1994	-----
(10) Comments: This indicator will measure the amount of chromium in rivers from tanneries in Fez, nitrates from the Tadla perimeter, and potentially other water pollutants. Study to be undertaken by WRS and TRM contractors which will provide baseline data by 12/96.		Avail. 12/96	1995	-----
			1996	
			1997	reduce by 10%
			1998	reduce by 15%
		(7) Target	1999	reduce by 25%
(2) Indicator: Number of cities with improved environmental services (garbage collection, landfill, recycling)				
(3) Definition/Unit: Number (cumulative)		(5) Year	(8) Planned	(9) Actual
(4) Source: Municipality reports		(6) Baseline	1993	1/300,000
(10) Comments: (a) Figures given are cumulative number of cities/cumulative population (e.g. target is 11/2,100,000 = 11 cities with combined total population of 2,100,000 population) (b) Population of 11 target cities is approximately 2.1 million. (c) The following cities have improved delivery systems in the noted areas: Tetouan: wastewater collection, garbage collection Meknes: garbage collection, landfill management (1995) Fez: garbage collection focused on poor neighborhoods (1996)		1 - Tetouan ('93)	1994	1/300,000
			1995	2/600,000
			1996	4/900,000
			1997	7/1,200,000
			1998	9/1,500,000
		(7) Target	1999	11/2,100,000

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) STRATEGIC OBJECTIVE # 2: Improved water resources management in the agricultural, urban and industrial sectors				
(2) Indicator: Percent of poor, urban household units connected to sewerage and potable water				
(3) Definition/Unit: Percent		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID Housing Guaranty Program files	(6) Baseline	1994	35%	35%
(10) Comments: Includes slums and clandestine neighborhoods	35% (1994)	1995		
		1996	60%	
		1997		
		1998		
	(7) Target	1999	70%	
(2) Indicator: Volume of water savings in target areas				
(3) Definition/Unit: Millions of cubic meters		(5) Year	(8) Planned	(9) Actual
(4) Source: TRM, WRS reports	(6) Baseline	1994	0	0
(10) Comments: Water savings will come particularly from improved farm-level management and improved system-level canal management in the irrigated perimeters (especially at Tadla) and potentially from water reuse and recycling in the demonstration activity sites of the new WRS activity.	0 mil.m3/yr (1994)	1995	0	2
		1996	5	
		1997	10	
		1998	30	
	(7) Target	1999	70	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) STRATEGIC OBJECTIVE # <u>2</u>: Improved water resources management in the agricultural, urban and industrial sectors				
(2) Indicator: Volume of soil erosion in target areas				
(3) Definition/Unit: Tons of soil per square kilometer		(5) Year	(8) Planned	(9) Actual
(4) Source: WRS reports		(6) Baseline	1994	
(10) Comments: Value of indicator is calculated by measuring the number of grams of soil per liter of water, then extrapolating to determine tons of soil per square kilometer. Target area is the WRS demonstration site in the Oued-Laou watershed in the Rif mountains of northern Morocco, an area with the one of the highest erosion rates in the country.		740 (1993)	1995	740
			1996	740
			1997	700
			1998	630
		(7) Target	1999	580
(2) Indicator:				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline	1993	-----
(10) Comments:			1994	-----
			1995	
			1996	
			1997	
			1998	
		(7) Target	1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 2.1: Improved policy, regulatory, and institutional framework				
(2) Indicator: Number of environmental laws and decrees promulgated and implemented				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID and GOM reports		(6) Baseline	1994	-----
(10) Comments: Includes: 1995-Environmental bills drafted 1996-Public vetting 1997-Laws enacted 1998-Implementation decrees promulgated 1999-Enforcement		0 (1994)	1995	2
			1996	5
			1997	5
			1998	5
		(7) Target	1999	5
		(2) Indicator:		
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline	1993	-----
(10) Comments:			1994	-----
			1995	
			1996	
			1997	
			1998	
		(7) Target	1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 2.1: Improved policy, regulatory, and institutional framework				
(2) Indicator: Number of new sites for which environmental checklists are used prior to investment in public works in lower income neighborhoods				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: ANHI reports/field trip visits		(6) Baseline	1994	20
(10) Comments: Figures are not cumulative.		0 (1993)	1995	15
			1996	100% of new sites
			1997	
			1998	
		(7) Target	1999	
		(2) Indicator:		
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline	1993	-----
(10) Comments:			1994	
			1995	
			1996	
			1997	
			1998	
		(7) Target	1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 2.2: Improved environmental technologies				
(2) Indicator: Number of firms in the environmental services industry				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: TRM, MAP project reports		(6) Baseline	1994	-----
(10) Comments: Examples of environmental services that might be provided by firms include pollution prevention audits, soil tests, chemical residue analyses.		110 firms	1995	120
		(1994)	1996	140
			1997	190
			1998	230
			1999	300
(2) Indicator: Percent of farmers adopting integrated pest management (IPM) practices in target areas (Tadla and Souss-Massa perimeters)				
(3) Definition/Unit: Percent		(5) Year	(8) Planned	(9) Actual
(4) Source: TRM, MAP project reports		(6) Baseline	1994	10%
(10) Comments: Two USAID activities (TRM and MAP) help increase adoption of IPM practices in two important agricultural regions		10% (1994)	1995	15%
			1996	17%
			1997	20%
			1998	25%
			1999	33%
		(7) Target	1999	33%

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 2.2 : Improved environmental technologies				
(2) Indicator: Percent of tanners adopting chrome recycling technologies in target areas				
(3) Definition/Unit: Percent		(5) Year	(8) Planned	(9) Actual
(4) Source: Municipal and GOM reports		(6) Baseline	1994	0%
(10) Comments: Population of tanners in Fez target area is estimated at approximately 200.		0% (1994)	1995	5%
			1996	10%
			1997	20%
			1998	35%
		(7) Target	1999	50%
(2) Indicator:				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline	1993	-----
(10) Comments:			1994	-----
			1995	
			1996	
			1997	
			1998	
		(7) Target	1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Moth SO Approved: 95/4

(1) INTERMEDIATE RESULT #2.3: Broadened public participation for environmental action				
(2) Indicator: Number of cities holding public sessions prior to investment in environmental services and infrastructure				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: Surveys/field trip reports		(6) Baseline	1993	-----
(10) Comments: Behind schedule - to be coordinated with World Bank project whose start-up has been delayed. New USAID UES activity has also been delayed due to contract award		1994	0	0
		1995	2	
		1996	4	
		1997	7	
		1998	9	
	(7) Target	1999	11	
(2) Indicator: Number of environmental activities implemented with NGO partners				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID		(6) Baseline	1993	-----
(10) Comments:		1994	0	0
		1995	0	
		1996	5	
		1997	10	
		1998	15	
	(7) Target	1999	20	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 2.3: Broadened public participation for environmental action				
(2) Indicator: Number of farmers in viable water users associations effectively managing water resources at the local level				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: TRM reports		(6) Baseline 1994	-----	-----
(10) Comments: The GOM is actively working to transfer water management responsibilities from the ORMVAs to local water users associations. USAID is promoting this approach at the Tadla perimeter and is working towards replication in the other eight irrigated perimeters.		200 1995	200	600
		1996	1,000	
		1997	3,000	
		1998	6,000	
		(7) Target 1999	10,000	
(2) Indicator: Number of public awareness activities implemented				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: WRS reports		(6) Baseline 1993	-----	-----
(10) Comments: Public awareness activities could include public meetings, seminars, radio programs or public service announcements, and informational materials such as brochures and posters concerned with environmental issues in target areas. The new WRS activity will provide the bulk of the data for this indicator and targets will be set following completion of demonstration site feasibility studies - 12/96.		TBD 1994		-----
		1995		
		1996		
		1997		
		(7) Target 1999		

PERFORMANCE DATA TABLE

Morocco

YEAR/MONTH SO APPROVED: 95/4

STRATEGIC OBJECTIVE # 3 Expanded base of stakeholders in the economy, targeting people of below-median income			
Indicator # 3 (1): Increase in jobs, created through program activities, for below-median-income people			
Definition/Unit: Number of person-years employment for target group	(5) Year	(8) Planned	(9) Actual
Source: USAID project reports (AIM, MAP, ANHI and HG (S))	(6) Baseline	1994	19,762
Comments: For HG program, 15 days work generated for each land developed, assuming 300 work-days per year. S are for years disbursement of HG loans approved. ment in/related to construction. 1992 study estimated an onal 13% non-construction jobs. d MAP define person-year as 8 months of labor; estimates on commodity-specific models. An estimated 60% of these o to women.	15,847	1995	18,775
		1996	18,756
		1997	14,080
		1998	
	(7) Target	1999	
Indicator # 3 (2): Increase in below-median income households owning homes (urban only)			
Definition/Unit: Number of serviced lots made available/units derived (relative numbers)	(5) Year	(8) Planned	(9) Actual
Source: ANHI annual reports	(6) Baseline	Lots	Lots/Units
Comments: Assumes 70% of lots are target group, 2 units built on lots (duplex or apartments). Over 50% of all ANHI lots are in squatter resettlement sites. mean homeownership families.	24,250 (1993)	1994	33,500
		1995	46,800
		1996	51,300
		1997	60,800
		1998	70,000
	(7) Target	1999	80,000

BOM land development/sites and services agency for housing development

PERFORMANCE DATA TABLE

USAID/Morocco

YEAR/MONTH SO APPROVED: 95/4

(1) INTERMEDIATE RESULT # 3.1 Improved policy and regulatory environment				
(2) Indicator# 3.1 (1) : Progress towards adoption of 9 key reforms				
(3) Definition/Unit: Percentage completion of 9 policy/regulatory reforms *		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (NED, MAP)		(6) Baseline	1993	11%
(10) Comments: * SEE ATTACHMENT A FOR DETAILS. Based on progress of nine reforms supported by USAID projects, measured in terms of percentage achieved in five key phases. Results to be compiled and synthesized annually by USAID.		7% (1992)	1994	21%
			1995	33%
			1996	47%
			1997	67%
			1998	84%
		(7) Target	1999	
		(2) Indicator # 3.1 (2) : Increase in annual operating costs recovered by microfinance institutions		
(3) Definition/Unit: Percent recovered		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (MFA)		(6) Baseline	1994	-----
(10) Comments:		0%	1995	-----
			1996	0%
			1997	30%
			1998	70%
			1999	100%
		(7) Target	2000	100%

PERFORMANCE DATA TABLE

USAID/Morocco

YEAR/MONTH SO APPROVED: 95/4

(1) INTERMEDIATE RESULT # 3.1 Improved policy and regulatory environment				
(2) Indicator # 3.1 (3): Reduced export surcharge on truck transport				
(3) Definition/Unit: French Francs (FF)		(5) Year	(8) Planned	(9) Actual
(4) Source: MAP project reports (annual survey)	(6) Baseline	1994	-----	-----
(10) Comments : Average value of risk surcharge due to administrative delays for trucks entering Morocco.	FF 18,000 (1994)	1995		18,000
		1996	14,000	
		1997	10,000	
		1998	10,000	
	(7) Target	1999	10,000	
(2) Indicator # 3.1 (4) New measure to increase access to housing credit for target group				
(3) Definition/Unit: Housing finance decree		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID/Office of Environmental and Urban Programs	(6) Baseline	1994	-----	-----
(10) Comments:	No decree	1995	-----	-----
		1996	Decree adopted	
		1997	Decree implemented	
		1998		
	(7) Target	1999		

PERFORMANCE DATA TABLE

USAID/Morocco

YEAR/MONTH SO APPROVED: 95/4

(1) INTERMEDIATE RESULT # 3.2 Creation and expansion of small and microenterprises				
(2) Indicator # 3.2 (1) Increase in business licenses issued to SMEs				
(3) Definition/Unit: Number of SMEs registered annually		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (NED)		(6) Baseline	1994	16,000
(10) Comments: Policy reforms proposed, not yet implemented.		16,000 (1993)	1995	16,000
			1996	17,000
			1997	18,000
			1998	19,000
		(7) Target	1999	
(2) Indicator # 3.2 (2) : Increase in business licenses issued to women				
(3) Definition/Unit: Percent of business licenses issued to women		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (NED, RCC)		(6) Baseline	1994	10%
(10) Comments:		10% (1993)	1995	10%
			1996	11%
			1997	12%
			1998	13%
		(7) Target	1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 3.2.1 Broadened access to financial resources and services				
(2) Indicator # 3.2.1 (1): Increased number of microentrepreneurs receiving loans through the formal credit system				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (MFA, AMSED)		(6) Baseline	1994	-----
(10) Comments: Based on one microfinance unit. Figures for 95 and 96 represent CRS client portfolio for the USAID-supported CRS microfinance program. Starting 1997, it is a combination of both programs.		750 (1994)	1995	-----
			1996	900
			1997	2250
			1998	3400
		(7) Target	1999	5700
(2) Indicator # 3.2.1 (2): Increased no. of loans provided to small businesses based on cash-flow business plan				
(3) Definition/Unit: Number		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (NED)		(6) Baseline	1994	-----
(10) Comments:			1995	
			1996	50
			1997	100
			1998	200
		(7) Target	1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 3.2.1 Broadened access to financial resources and services				
(2) Indicator # 3.2.1 (3): Increased percentage of approved borrowers who are female recipients of microloans under USAID projects				
(3) Definition/Unit: Percentage of total number of microloans		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (MFA)		(6) Baseline		
(10) Comments:		1994		
		1995	0%	
		1996	10%	
		1997	17%	
		1998	19%	
		(7) Target	1999	20%
(2) Indicator #:				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline		
(10) Comments:				
		(7) Target		

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 3.2.2 Improved/expanded management and advocacy services provided by business associations					
(2) Indicator # 3.2.2 (1) : Increased membership of business associations					
(3) Definition/Unit: Number of members		(5) Year	(8) Planned	(9) Actual	
(4) Source: Annual survey		(6) Baseline			
		1994	-----	-----	
		20,000 (1995)	-----	-----	
(10) Comments: Baseline data available February 1996. Eighty associations with 20,000 members in 1995 survey.		1996	22,000		
		1997	24,000		
		1998	26,000		
		(7) Target	1999	28,000	
		(2) Indicator #			
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual	
(4) Source:		(6) Baseline			
(10) Comments:					
			(7) Target		

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 3.3. Increased access to housing for below-median-income households				
(2) Indicator # 3.3 (1) : Housing lots developed for sale to households of below-median income (urban)				
(3) Definition/Unit: New starts per year/cumulative new starts		(5) Year	(8) Planned	(9) Actual
(4) Source: ANHI reports	(6) Baseline (92)	1993	9,200/57,400	9,500/56,250
(10) Comments: Estimated 70 % of total new starts are for below-median-income people. Assumption is that the rate of increase in starts will level off near end of decade.	8,400/46,760	1994	10,000/62,000	10,160/66,400
		1995	11,500/75,000	11,750/78,150
		1996	12,300/90,500	
		1997	12,000/100,000	
		1998	12,000/110,000	
		(7) Target	1999	12,600/115,500
(2) Indicator#				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:	(6) Baseline			
(10) Comments				
		(7) Target		

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 3.3.1 Increased access to credit/mortgage finance				
(2) Indicator # 3.3.1 (1) : Private sector financing leveraged for below-median-income housing through USAID programs				
(3) Definition/Unit: Multiplier		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (ANHI, surveys) (92, 95)		(6) Baseline	1994	5.7
(10) Comments: Data from two surveys by independent teams. Multiplier is at project completion (correction of version in CPS). Ratio private/public sector investment at project completion.		5.6 (1992)	1995	5.7
			1996	
			1997	5.8
			1998	
		(7) Target	1999	6
(2) Indicator #:				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline		
(10) Comments:				
			(7) Target	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # <u>3.4</u> Improved competitiveness of USAID-assisted firms which generate employment for below-median income people				
(2) Indicator # 3.4 (1): Increased export sales attributable to USAID assistance (horticulture)				
(3) Definition/Unit: Million of dollars		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (MAP, AIM)		(6) Baseline		
(10) Comments:		1.72 (1992)	1993	3.78
			1994	10.78
			1995	21.17
			1996	21.30
			1997	12.0
			1998	
		(7) Target	1999	
(2) Indicator # 3.4 (2) : Increased export sales attributable to USAID assistance (fish and artisanry)				
(3) Definition/Unit: Millions of dollars		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (AIM)		(6) Baseline		
(10) Comments:		2.20 (1992)	1993	4.57
			1994	5.63
			1995	4.65
			1996	1.7
			1997	
			1998	
		(7) Target	1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 3.4.1. Increased product and market diversification				
(2) Indicator # 3.4.1 (1) : Increased exports to non-traditional markets attributable to USAID assistance				
(3) Definition/Unit: Millions of dollars		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (MAP, AIM)		(6) Baseline		
(10) Comments: Non-traditional markets are defined as those to which less than 10% of the Moroccan product was shipped in 1992.		1993		6.55
		1994		13.46
		1995		19.23
		1996	17.00	
		1997	9.00	
		1998		
		(7) Target	1999	
(2) Indicator # 3.4.1 (2) : Increased product-diversifying export sales attributable to USAID assistance				
(3) Definition/Unit: Millions of dollars		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (MAP, AIM)		(6) Baseline		
(10) Comments: A product-diversifying export is defined here as a product which represented less than 2% of Moroccan agricultural exports in 1992.		1993		1.84
		0.69 (1992)	1994	5.90
			1995	6.37
			1996	7.60
			1997	4.80
			1998	
		(7) Target	1999	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 3.4.2. Increased adoption of improved technology and management practices				
(2) Indicator # 3.4.2 (1): Increased no. of firms adopting USAID promoted or introduced technology or management practices				
(3) Definition/Unit: Cumulative number		(5) Year	(8) Planned	(9) Actual
(4) Source: USAID project reports (MAP, AIM)		(6) Baseline		
(10) Comments: adoption here implies commercial importation, distribution and/or use.		0 (1992)		1
			1993	
			1994	
			1995	
			1996	122
			1997	152
			(7) Target	1999
(2) Indicator#				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline		
(10) Comments:				
			(7) Target	

SO 3 Policy Matrix: Nine Key Reforms

A. EXPECTED RESULTS (Indicator No. 3.1 (1))

Nine policy reform efforts (described below) are included in the results framework. For passing through various phases of the policy implementation process (also described below), the effort receives a weighted percentage through to completion. The identification phase is evaluated at 10% of the entire process; formulation is an additional 10%; validation is worth 20%; adoption, 20%; and enforcement 40%, for a total of 100% (i.e., policy in force).

Over the course of the period measured in the SO 3 Results Framework, the Project Officers have rated the progress to date and the anticipated progress over the 1996-1999 period as follows:

POLICY MATRIX RESULTS 1992-1999

Reform	92	93	94	95	96	97	98	99
Small business unit	0	10	20	20	40	60	60	80
Loi-Cadre	0	10	20	40	60	80	80	100
One-stop license	0	0	0	0	20	40	80	100
Economic Association	0	0	10	40	40	60	80	80
Tax forms	0	10	20	40	60	100	100	100
Food safety regulations	0	10	20	40	40	60	100	100
Competition policy	0	0	10	20	40	60	80	100
Liberalized interest rates	0	0	10	20	40	60	80	80
Privatization	60	60	80	80	80	80	100	100
TOTAL	60	100	190	300	420	600	760	840

This provides the following yearly totals and indicators (sum of yearly status divided by number of reforms):

Year	% Total	Average % for all reforms
1992	60	7
1993	100	11
1994	190	21
1995	300	33
1996	420	47
1997	600	67
1998	760	84
1999	840	93

SITUATION AT END OF 1995

As noted above, Project Officers have rated the progress to date of the nine reforms as follows:

Small business unit	20%
Loi-Cadre:	40%
One-stop license:	0%
Economic Association:	40%
Tax forms:	40%
Food safety:	40%
Competition policy:	20%
Liberalized interest rates:	20%
Privatization:	80%
TOTAL	300% or 33% averaged over 9 reforms

The USAID policy result at the end of 1995 for the framework is the average of the above percentages: 33%.

This indicates that we have advanced a third of the way through our reform agenda, but shows that the most difficult activities remain to be accomplished (adoption and enforcement).

B. ECONOMIC GROWTH POLICY/REGULATORY REFORM EFFORTS

The small business policy unit (under NED) would link the RCC (already computerized) with the data bases in CNSS, IGR, and tribunaux to develop a data base that could be used to make informed policy about small and medium enterprises. An existing unit within the Ministry of Commerce would handle policy analysis. Four steps, one completed.

The Loi-Cadre (under NED) would create a guide officiel des formalités (already submitted to MCIE) which entrepreneurs could use for following all the administrative steps in setting up a new business. The related loi-cadre would codify the relationship between business and government, setting parameters for how rules and regulations affecting the private sector would be drawn up. Two phases and guide officiel stuck.

The one-stop center (under NED) would develop a single approval form, a single business and tax number, and a pilot center within the Chamber of Commerce for registering a business. Four individual steps, none completed.

The economic association status (under NED) would develop a new legal framework for business and trade associations (already submitted to MCIE) that would allow them more autonomy in raising funds and lobbying. Draft law stuck.

Ten tax forms into three: Self-explanatory reform already submitted to MCIE and Ministry of Finance. One step, stuck.

Food safety regulations: Uniform food safety standards for processed domestic and export food products. Six steps plus several training courses; 2 steps and 8 training courses completed.

Adoption of competition policy: Development of a competition policy to assure that protection for consumers and small producers exists. Draft competition policy law being prepared for Parliament review.

Liberalized interest rates: Consciousness raising and practical guidance for how to deal with interest rate liberalization from the perspective of banks, borrowers, consumers, along with new savings and lending products aimed at microenterprise and small firms. Interest rate controls were removed in February 1996.

Privatization of 114 firms. GOM will privatize firms in such a way that equity is spread across a larger segment of the population, including employees of privatized firms. To date, 41 enterprises have been fully privatized, and 5000 employees have purchased shares in their own companies.

C. ECONOMIC GROWTH POLICY/REGULATORY STEPS (PHASES)

In the matrix, the policy/regulatory efforts will generally pass through the following, flexibly-defined, five steps or phases:

1. **Identification/analysis**: This includes constraints analysis, definition of the problem, winners and losers analysis, baseline data development, alternative solutions feasibility studies, impact analysis, norms, and cost/benefit analysis. It also involves consultation with all the interested parties: GOM, NGOS, experts, associations, private individuals.
2. **Formulation**: The development of a best case proposal for solving the problem identified, costed out, with all costs and benefits clearly indicated and all norms specified.
3. **Validation/promotion/training**: This includes getting proposals vetted by relevant participants (GOM, Parliament, NGOs, private sector). The dialogue includes all interested parties and builds awareness of the importance of what needs to be done. Coalitions which think the proposal is a good idea and can lobby for adoption are identified, sensitized, and trained. This is the stage of seminars, round tables, etc. with the interested parties.
4. **Adoption**: Can take the form of the voting of a law, the issuance of a decree, the adoption of a regulation, or the establishment of an operation. This is the phase of public/private negotiations and GOM coordinating among ministries.
5. **Implementation/enforcement**: This puts the proposal into effect. Any TA needs for implementation pass through the RFP stage and selection process stage. The implementation staff is trained in new procedures. Enforcement is monitored and actual impact assessed.

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) STRATEGIC OBJECTIVE # 4: Increased basic educational attainment among girls in selected rural areas				
(2) Indicator: Percent of girls who complete at least five years of primary schooling				
(3) Definition/Unit: Number of girls completing 5 years of schooling divided by total number of rural girls		(5) Year	(8) Planned	(9) Actual
(4) Source: Ministry of National Education (MNE)		(6) Baseline 1996		
(10) Comments: This variable is not amenable for data collection on a yearly basis.		8.8% (1992) 1997		
		1998		
		1999	13%	
		2000		
		2001		
		(7) Target 2002	18%	
(2) Indicator:				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline 1996	-----	-----
(10) Comments:		1997	-----	-----
		1998		
		1999		
		2000		
		2001		
		(7) Target 2002		

PERFORMANCE DATA TABLE

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 4.1: Increased responsiveness of the primary school system to girl's educational needs				
(2) Indicator: Repetition rate for primary school girls				
(3) Definition/Unit: Percentage of total girls who repeat a grade		(5) Year	(8) Planned	(9) Actual
(4) Source: MNE/contractor		(6) Baseline		
(10) Comments: For the purposes of performance monitoring, the percentage will be broken into this parts: - grades: 1-3 - grades: 4-6		1996		
		1997	10%	
		1998	9%	
		1999	8%	
		2000	7%	
		2001	6%	
		(7) Target	2002	
(2) Indicator: Number of rural primary schools offering improved multigrade curriculum				
(3) Definition/Unit: See comments below		(5) Year	(8) Planned	(9) Actual
(4) Source: MNE		(6) Baseline		
(10) Comments: - Improved curriculum is obtained through teacher training programs in multigrade teaching methodologies and curriculum adaptation to rural settings - A rural primary school can be composed of a mother school and satellite schools; such is considered one school		1996		
		1997	16 schools	
		1998	26 schools	
		1999	40 schools	
		2000	60 schools	
		2001	85 schools	
		(7) Target	2002	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 4.1: Increased responsiveness of the primary school system to girl's educational needs				
(2) Indicator: Data collection systems tracking gender-disaggregated progress designed, operating and used for decision making in planning, program implementation and teaching				
(3) Definition/Unit: A system is defined as gender sensitive data collection and gender disaggregated analysis		(5) Year	(8) Planned	(9) Actual
(4) Source: Contractor/MNE		(6) Baseline	1996	
(10) Comments: This involves the introduction of a new specifically designed standardized system for progress monitoring in activity areas (systems will be put in operation starting in 4 provinces and expanding to 20).		0 (1996)	1997	4
			1998	8
			1999	12
			2000	16
			2001	20
		(7) Target	2002	20
(2) Indicator:				
(3) Definition/Unit:		(5) Year	(8) Planned	(9) Actual
(4) Source:		(6) Baseline	1993	-----
(10) Comments:			1994	-----
			1995	
			1996	
			1997	
			1998	
		(7) Target	1999	

PERFORMANCE DATA TABLE

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # 4.2: Increased community involvement in girl's education			
(2) Indicator: Number of parents' groups with new programs in support of girl's participation in rural primary schools			
(3) Definition/Unit: New programs adopted and implemented in existing or created parent groups	(5) Year	(8) Planned	(9) Actual
(4) Source: Contractor/MNE	(6) Baseline	1996	
(10) Comments: If a group has more than one program operating, that group is still counted as one indicator unit.		1997	10
		1998	22
		1999	36
		2000	50
		2001	66
	(7) Target	2002	
(2) Indicator: Number of private sector organizations supporting or promoting girl's education			
(3) Definition/Unit: New activities adopted and implemented in existing private sector organizations	(5) Year	(8) Planned	(9) Actual
(4) Source: Contractor	(6) Baseline	1996	-----
(10) Comments: If an organization has more than one activity it is still counted as one indicator unit.		1997	-----
		1998	2
		1999	4
		2000	7
		2001	10
	(7) Target	2002	

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT# 4.2: Increased community involvement in girl's education																	
(2) Indicator: Amount of local government participation in rural primary education																	
(3) Definition/Unit: See comments			(5) Year	(8) Planned	(9) Actual												
(4) Source: MNE		(6) Baseline	1996														
(10) Comments: If at least 2 of 3 "yes" boxes are checked for one local government entity, then one indicator unit exists. <table border="0" style="width:100%"> <tr> <td align="center"><u>Activity</u></td> <td align="center"><u>Yes</u></td> <td align="center"><u>No</u></td> </tr> <tr> <td>1. Local govts review annual ed. plan</td> <td></td> <td></td> </tr> <tr> <td>2. Community participation agreement signed for basic ed. with MNE</td> <td></td> <td></td> </tr> <tr> <td>3. Local govts' contributions made</td> <td></td> <td></td> </tr> </table>		<u>Activity</u>	<u>Yes</u>	<u>No</u>	1. Local govts review annual ed. plan			2. Community participation agreement signed for basic ed. with MNE			3. Local govts' contributions made				1997	4	
		<u>Activity</u>	<u>Yes</u>	<u>No</u>													
		1. Local govts review annual ed. plan															
		2. Community participation agreement signed for basic ed. with MNE															
		3. Local govts' contributions made															
			1998	8													
			1999	12													
	2000	16															
	2001	20															
		(7) Target	2002														
(2) Indicator:																	
(3) Definition/Unit:			(5) Year	(8) Planned	(9) Actual												
(4) Source:		(6) Baseline	1993	-----	-----												
(10) Comments:			1994	-----	-----												
			1995														
			1996														
			1997														
			1998														
			(7) Target	1999													

PERFORMANCE DATA TABLE

USAID/Morocco

Year/Month SO Approved: 95/4

(1) INTERMEDIATE RESULT # <u>4.3</u>: Increased participation of girls in primary school				
(2) Indicator: Retention rate for rural girls through the 6th year				
(3) Definition/Unit: Percentage of girls enrolled and remaining in school through the 6th grade		(5) Year	(8) Planned	(9) Actual
(4) Source: MNE		(6) Baseline 1996		
(10) Comments: 1992 statistics are nationwide for rural areas. For the purpose of performance monitoring, percentage will be broken out into two parts: - grades: 1-3 - grades: 4-6		39.6% (1996)	1997	41%
			1998	44%
			1999	47%
			2000	50%
			2001	52%
		(7) Target	2002	
(2) Indicator: Percentage of total number of eligible rural girls enrolled in primary school during a given year				
(3) Definition/Unit: Enrollment rate in first grade		(5) Year	(8) Planned	(9) Actual
(4) Source: MNE		(6) Baseline 1996		
(10) Comments: Baseline statistics refer to rural nationwide statistics for enrollment in rural Morocco. Due to lack of statistics for the selected areas we are using the national statistics as representative of selected areas.		22.3% (1992)	1997	24%
			1998	27%
			1999	31%
			2000	35%
			2001	38%
		(7) Target	2002	

ANNEX D

BUDGET TABLES 2 - 6

Attachment 4

**Table 2
ALL RESOURCES TABLE
USAID/MOROCCO
(\$000)**

Funding Category	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base - 10%	Base -30%
Sustainable Development					
Population	3,350	6,620	4,206	5,463	3,249
Of which: Field Support ***	3,350	2,950	1,550	1,550	700
Maternal/Child Health	5,200	4,500	3,000	3,700	2,000
Of which: Field Support ***	700	400	400	400	400
Environment	5,000	4,500	4,500	4,500	4,500
Of which: Field Support ***	500	200	200	200	200
Economic Growth	4,000	8,500	6,500	7,500	6,500
Of which: Field Support ***	500	500	500	500	500
Basic Education	2,500	3,500	3,500	3,500	3,500
Of which: Field Support ***	500	500	500	500	500
Democracy	950	1,950	1,950	1,950	1,950
Of which: Field Support ***	250	250	250	250	250
Economic Support Funds					
Of which: Field Support ***	-0-	-0-	-0-	-0-	-0-
Of which Child Survival					
Of which: Field Support ***	-0-	-0-	-0-	-0-	-0-
Of which Basic Education					
Of which: Field Support ***	-0-	-0-	-0-	-0-	-0-
PL480:					
Title II	-0-	-0-	-0-	-0-	-0-
Title III					
Housing Guaranty	(30,000)	(20,000)	(16,000)	(18,000)	(12,600)
GRAND TOTAL	21,000	29,570	23,656	26,613	20,699

* The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level.

** Base is defined as operating bureau allocations from the FY 1997 OMB request level.

*** Refers to Field Support – both Global-funded and Mission-funded.

Table 3
Funding Scenarios by Objective
(\$000)

OBJECTIVE	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base -10%	Base - 30%
Strategic Objective 1: Population/Health Total SO 1:	8,550	11,120	7,208	9,183	5,249
Strategic Objective 2: Environment Total SO 2:	5,000	4,500	4,500	4,500	4,500
Strategic Objective 3: Economic Growth Total SO 3:	4,000	6,500	6,500	7,500	6,500
Strategic Objective 4: Basic Education Total SO 4:	2,500	3,500	3,500	3,500	3,500
Special Objective: Democracy Total SPO:	950	1,950	1,950	1,950	950
Housing Guaranty	-30,000	-20,000	-16,000	-18,000	-12,600
GRAND TOTAL	21,000	29,570	23,656	26,613	20,899

* The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level.
** Base is defined as operating bureau allocations from the FY 1997 OMB request level.

GLOBAL FIELD SUPPORT

Table 4

Mission Objective	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)									
				FY 1996**				FY 1997***					
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau		
SO 1: Pop.	Contraceptive Social Marketing 936-3051	Medium-high	3 years (1996-98)	750	-0-	750	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	DHS 936-3023	Medium-high		150	350	150	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	CCP 936-3057	Medium-high		1,500	1,200	1,500	750	500	1,500	750	500	1,500	750
	Evaluation 936-3060	Medium		200	500	200	-0-	-0-	200	-0-	-0-	-0-	-0-
	AVSC 936-3068	-		100	100	100	100	100	100	100	100	100	100
	JHPIEGO 936-3069	-		100	100	100	100	100	100	100	100	100	100
	FPMD 936-3055	Medium		200	-	200	200	200	200	200	200	200	200
	POLICY 936-3078	Medium		200	-	200	200	200	200	200	200	200	200
	PRIME 936-3072	Medium-high		150	-	300	200	200	200	200	200	200	200
	TAACS 936-5970	Medium-high		150	150	150	150	150	150	150	150	150	150
	BASICS 936-6008	Medium		300	-	100	100	100	100	100	100	100	100
	Data for Decision-Making 936-5981	Medium-high		150	-	150	150	150	150	150	150	150	150
	OMNI 936-5122	Medium		100	-	100	100	100	100	100	100	100	100
				1,050	3,000	1,050	2,350	900	1,050	300	800		

For Priorities use high, medium-high, medium, medium-low, low
 . The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level.
 . Base is defined as operating bureau allocations from the FY 1997 OMB request level.

Table 5

Staff Requirements (FY 1996)*

Staff	Strategic Objective 1: POP/Health	Strategic Objective 2: Environment	Strategic Objective 3 : Econ. Growth	Strategic Objective 4: Basic Ed.	Special Objective : Democracy	Other	Total Staff by Class
USDH	1.5	3	4	1.5	1	6	17
FSN* (OE)	3	2	4	2	1	18	30
FSN* (TF)	0	0	0	0	0	12	12
FSN *(Prog.)	3	3	5	1.5	0.5	0	13
US/TCN PSC (OE)	0	0	0	0	0	3	3
TAACS ADVISOR	1	0	0	0	0	0	1
Total Staff by Objective	8.5	8	13	5	2.5	39	76

*Refers to both FSNDH and FSNPSC.

*RHUDO Personnel are included; one USDH (SO2), two Program-funded FSNs (SO2 and SO3) and two OE (not part of Mission OE) - funded FSNs (SO2 and SO3).

Table 6
Operating Expense Requirements

OE/Trust Funded Levels by Major Function Code	FY 1996
U100 USDH	\$277,000.00
U200 FN Direct Hire	486,215.00
U300 Contract Personnel	862,785.00
U400 Housing	531,400.00
U500 Office Operations	593,400.00
U600 NXP	245,100.00
Total Mission-Funded OE	\$2,995,900.00
.....Of which Trust Funded	\$400,000.00

ANNEX E

MISSION TRANSITION PLAN

ANNEX E

USAID/Morocco Transition Plan

March 1996

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I. INTRODUCTION

The 1995 Agency Review of the Morocco Country Program Strategy requested that the Mission prepare a "comprehensive approach to transition which establishes the Mission's criteria for success..., pursues activities that will work toward sustainability..., and avoids seeking the establishment of foundations or post-USAID presence partnerships..." This document is the USAID/Morocco response to the CPS request for a transition strategy. Implicit in the Results Review and Resource Request (R4) for 1996 are the Strategic Objectives (SOs) which USAID/Morocco is striving to attain by the end of the current strategy period (1995-2000). Transition should be considered in the context of achieving the SO results we have established for the Mission. Similarly, sustainability has been built into the formulation of each SO.

The objective of the Morocco Transition Plan is to demonstrate the progress USAID/Morocco plans to make towards the overall program goal of "improved quality of life for poorer Moroccans through equitable and sustainable social and economic development" by the end of the strategy period, during a time when Agency resources will be declining. The Mission understands the necessity of working more efficiently with shrinking resources, but intends to continue to pursue this overall program goal, which was approved in the 1995 CPS. Over the past two years, as reported in the Mission's Annual Budget Submissions (ABS), USAID/Morocco projected staffing adjustments to parallel changes in the program size and composition. The Mission anticipates both a gradual reduction in staff numbers -- USDH and FSN -- and changes in the skills mix to complement program directions. We feel that this responsible forward planning will allow USAID/Morocco to maintain a program-driven Operating Expense budget and staffing pattern without disruptive and unnecessarily expensive adjustments that would be caused by precipitous and/or abrupt reductions.

In general terms, transition will occur with the achievement of our SO results, which will help establish three fundamental elements for sustainable development in Morocco: 1) policy reforms in support of equitable and sustainable development; 2) strengthened institutional capacities; and 3) lasting linkages between Moroccan and U.S. institutions in business and key development areas to sustain exchanges among the peoples of Morocco and the U.S. in future years. Our overarching emphasis will be to focus on creating lasting capacity for advancing the overall program goal of integrating poorer Moroccans, especially women, into sustainable economic and social development.

II. U.S. GOALS IN MOROCCO

A. Overall U.S. Goals

Overall U.S. goals in Morocco include: 1) maintenance of Morocco's continued political and economic stability; 2) the maintenance of Morocco's generally pro-U.S. orientation and moderate policies on the Middle East Peace Process and the resolution of the Western Sahara dispute; and 3) the protection of U.S. strategic interests including the largest VOA transmitter in the world, a NASA tracking station, and longstanding military agreements;

4) the promotion of democratization in Morocco; and 5) the maintenance and expansion of an open market economy which can absorb U.S. export sales and investments.

Of key concern with respect to the first and pivotal goal is the political succession for this regime that has been in power since 1961. The succession is linked to the health of the King, and is not openly discussed in Morocco. U.S. support for a peaceful transition necessitates systematic and discrete encouragement of the forces of moderation in Morocco. Specific and unequivocal support for economic and political liberalization can help channel pent up frustrations into constructive venues, contributing to evolutionary change and stability.

B. USAID Development Goals

Economic liberalization and democratization support overall U.S. goals in Morocco, providing an impetus for maintaining generally pro-U.S. political and economic orientations. These goals also are consistent with the objectives of the USAID program. In its broadest sense, USAID addresses issues which are integrally related to Morocco's stability and open-market orientation. More than any other U.S. Government agency, USAID focuses on establishing systemic frameworks to support trade, investment and its concomitants: equitable social and economic development. USAID activities encourage the consistent and sustained focus of Moroccans and other donors on the establishment of systems which support the social and economic integration of Morocco's poorer citizens, building lasting bases for economic and political stability. This same long-term strategy builds the bases for maintaining U.S. political goals in Morocco.

USAID development goals in Morocco derive from USAID's primary program goal. Overall, poverty and illiteracy remain extensive in Morocco. The slow pace of reform, combined with weak institutional capacity at the grassroots level, conspire against prospects for significant progress. Rural poverty increases rural-urban migration, and places additional pressures on Morocco's towns and cities, increasing unemployment, especially among the youth and the educated. Poverty impacts disproportionately on women and female-headed households. Women and children remain at the core of Morocco's lagging social indicators such as education and infant mortality. These inequities cannot be redressed without greater opportunities to participate in the economy, and greater access to social services including health and basic education. The public sector will have to work more collaboratively and responsively with civil society, if these problems are to be redressed.

Social and distributional equity concerns will remain a cornerstone of USAID's strategy, for the purpose of addressing economic dualism, achieving broad-based sustainable social and economic development, and improving the quality of life. USAID's program addresses economic and social inequities throughout its portfolio. Especially important are the urban housing dimensions of SO 2 and the income generating components of SO 3 in terms of their impact on the income of Morocco's poor, including women. The rural outreach focus of health service delivery under SO 1 and the basic education focus for rural girls under SO 4 provide specific benefits to women. Because of these emphases, the Mission acknowledges that poorer women (and their children) continue to be the most

disinherited element of Morocco's population. A specific focus on women emerges naturally from the portfolio.

The approved country program strategy operates within four SOs, and USAID/Morocco has submitted a revised strategy in the fifth area of Democracy. Strategic development goals are framed around sustainable and dynamic systems to: 1) reduce fertility and improve health of children under five and women of child-bearing age; 2) improve water resources management in the agricultural, urban and industrial sectors; 3) expand the base of stakeholders in the economy, targeting people of below-median income; 4) increase basic educational attainment among girls in selected rural areas. The Mission is considering a Special Objective in the area of democracy and NGO strengthening, as proposed in the 1996 R4. Pending the outcome of the review of this proposal, the Mission will consider transition planning issues for this Special Objective.

III. Transition Framework: Three Fundamental Elements of Sustainability

In 1995, USAID/Morocco embarked on a transition planning process for the Population/Health program. The resulting Population/Health Transition Plan (PHTP) provides a model for the Mission's overall Transition Plan. The PHTP focuses on "Sustainability" and "Lasting Effects or Capacity." The PHTP also identifies specific "Sustainability Products" which establish concrete results anticipated through USAID assistance.

There are many ways to define sustainability. Sustainability is defined in the PHTP as the ability of Moroccans "to produce high quality information, products and services that are sufficiently well valued by the population so that adequate national resources are committed to ensure their continued delivery." This definition has a dynamic element: "maintaining sustainability is an ongoing process of transforming capacity into performance, and inputs into valued results. The definition shares with other sustainability definitions a sense that a product or service is continuously available." The definition emphasizes the capacity of both the public and private sectors to perform valued tasks. Sustainability is not equated with the continuation of a particular program, organization or institution.

For purposes of the Morocco Transition Plan, the basis for sustainability has been disaggregated into three fundamental elements. For the USAID development goals set forth in Section II.B. above, success in each Strategic Objective area will be defined as achievement of SO results. Following the precedent established by the PHTP, each SO will incorporate, to the extent it has not already done so, the elements of sustainability set forth below.

1. Policy Reform

Rationale:

- Sustainability requires an enabling and supportive policy and regulatory environment which provides incentives for Moroccans to assume increasing responsibility for USAID-supported functions over time.
- Policy reforms also are needed that provide support for a dynamic element of complementarity between the public and private sectors.
- Policy reforms that support the theme of sustainable natural resource management are essential to ensure that today's needs are met without sacrificing tomorrow's natural resource base and productive capacity for future generations.

Background:

After strong GOM commitment to a first round of structural adjustment and economic reform in the 1980s, the GOM has slowed down on implementation of the second-tier institutional reforms which are required to sharpen the economy's competitive edge. This is of concern to both the business community and to donors, including the World Bank. USAID's response to this partial impasse has been to continue policy analysis and training in certain reform areas, and to strengthen policy advocacy groups in the private sector. USAID experience over the past decade demonstrates that reform is possible, but that it takes time. Even after laws are passed, it may take as much as five years to craft and issue the decrees to implement them. Donor support can speed up this process. For example, USAID support under the Economic Policy Analysis Project (implemented from FY85-95) provided assistance to the GOM in the implementation of its privatization laws and policies. This was followed by the Privatization Project which has successfully built capacity and launched a transparent, focused process under which many benefits of privatization accrued to middle class share holders. The GOM has recently passed new Water and Environment legislation which will require support to craft decrees and standards for its implementation. In the Competition Policy area, USAID provided support to draft and debate (with business groups and technical Ministries) an anti-trust law. Although this law has not yet passed, the dialogue with the GOM is continuing on how to implement it through an appropriate regulatory framework, training, local government oversight and legal reform. While there is progress on some fronts, overall progress is slow. Since it is unlikely that USAID and other donor support will result in an optimal policy and regulatory framework by the year 2000, USAID will intensify efforts to build capacity for private advocacy and debate, and to foster greater GOM awareness and receptivity to reform.

USAID Transition Approach:

Because Morocco is not yet on a sustainable growth path with respect to policy reform, USAID/Morocco advocates continued involvement in this key area, owing to 1) the fundamental impact that this process has on achieving equitable and sustainable development for poorer Moroccans; 2) the impact overall growth has on both GOM and private resources which are available to contribute to economic growth and meeting basic needs of the population; and 3) the need for this framework to be in place to provide openings for U.S. business as well as to assure Morocco's competitive edge in the world economy. The stakes are too high for the U.S. to relinquish its involvement in the policy reform area until Moroccan advocacy groups are strengthened, and the GOM is more

receptive to the need for policy reform to achieve its development and democracy objectives. Each SO has a significant emphasis on policy reform in a broad sense, including regulatory and administrative aspects of implementation. This emphasis is integral to a "systemic" approach. Since not all policies can be optimized before the end of the program strategy period in the year 2000, it is necessary for the Mission to shift its focus from a set of policies to a system which can generate appropriate policy and regulatory frameworks commensurate with the ability and awareness of the Moroccan people to demand greater opportunities and to absorb new freedoms.

2. Strengthening Institutional Capacity

Rationale:

- Sustainable systems need to be developed that have the lasting capacity to continue USAID-supported functions.
- Financing capacity (and/or fund-raising capacity) for both public and private sectors must be established.
- A dynamic process for evolutionary change and advocacy is needed to support and expand activities which respond to evolving problems through the application of state-of-the-art solutions.

Background:

Most Moroccan institutions are characterized as being weak. The government bureaucracy is top heavy and administratively cumbersome, with lots of red tape. In addition, information is not often shared among ministries, and inter-ministerial rivalries are not uncommon. Recent budgetary constraints have exacerbated this situation, and have led, in some cases, to reorganizations and retrenchments, and a sense of instability.

Apart from established business, the private sector and civil society are generally underdeveloped. This is especially true in areas such as small businesses, microenterprises, financial markets, and civil society including the NGO sector. Local NGOs remain weak, with the exception of those created or supported by the GOM or donors for specific social objectives, and those run by professionals, such as human rights groups and business associations. While indicators for future growth are promising, there are few non-governmental entities capable of forging lasting linkages with U.S. institutions. Priority private institutions include business associations, policy institutions, financial institutions, environmental advocacy groups, water user's associations, grassroots or community groups and women's empowerment groups.

USAID Transition Approach:

The focus on transition has enhanced USAID's recognition that a "systemic" approach requires a somewhat different approach to institutional capacity. While some SO areas are expected to have achieved institutional sustainability in selected areas of activity, all SO areas will need to reassess the situation and to focus on both public and private

capacity in a complementary fashion. Some key private institutions may require further support for capacity-building and establishing linkages with U.S. counterpart institutions.

3. Lasting Linkages

Rationale:

"Linkage" is defined as mutually beneficial collaborative ties between customers, partners, stakeholders and other organizations, whether they be public or private, Moroccan or American. The linkage concept is a relatively new tool for USAID, borne out of reflection on transition, and the desire to foster synergy and sustain ties among development actors using a broad spectrum of mutually beneficial arrangements.

USAID Transition Approach:

For the purposes of the Moroccan Transition Plan, lasting linkages are intended to strengthen those Moroccan institutions USAID has assisted and to engage them in productive relationships with U.S. and other Moroccan institutions. Some parts of the program have already emphasized linkages, e.g., between U.S. universities and Moroccan universities in agriculture. Linkages contribute generally to civil society development and pluralism, empowerment of women's groups and literacy. They also facilitate lasting cultural, educational, scientific, technological, and commercial interactions both within Morocco and between the U.S. and Morocco.

Specific mechanisms to facilitate linkages in the near term would include centrally-funded activities from the Global Bureau, as well as direct, bilateral linkages where the USAID role would be to directly support professional exchanges (e.g., travel of U.S. experts to Morocco and internal U.S. travel of Moroccan participants), short-term training for Moroccans in the U.S., and the purchase of commodities. Such linkages are designed expressly to facilitate professional contacts and collaboration with a strong likelihood for lasting collaboration.

Successful achievement of sustainable development results in Morocco will be realized in the context of activities that focus on policy reform, strengthened institutional capacity, and lasting linkages. Owing to multiple and distinct activities within some SOs, it will be important to track progress towards sustainability by activity.

USAID's intention is to intensify the focus on sustainable systems; to progressively "graduate" activities as rapidly as possible; and to define linkages to sustain in a "post-bilateral" period.

IV. HISTORICAL PERSPECTIVE

Historically, USAID has successfully completed numerous activities and withdrawn from several sectors. For example, a 1995 GAO Audit found that the Hassan II Institute of Agronomic and Veterinary Medicine has sustained and built upon the 20-year USAID

institution-building effort. The Audit also determined that general development training and activities which supported renewable energy had resulted in sustained capacity.

During this decade, USAID has phased out of over 35 years of food aid assistance in Morocco. To establish a sustainable capacity for addressing the social welfare objectives supported under food aid, Catholic Relief Services (CRS) is utilizing remaining local currency funds to assist the Ministry of Social Affairs and other Moroccan entities to develop sustainable approaches to assisting poorer Moroccans who had benefitted from food distribution. This program of assistance is expected to terminate in 1998, when the local currency funds are fully utilized. CRS currently is developing its final Multi-Year Operating Plan to plan the last phase of assistance.

The development of a new Country Program Strategy (CPS) in 1995 required that the Mission take a hard look across its portfolio to define priority strategic areas and to determine which areas of assistance were no longer pertinent to achieve its strategy. Within its current portfolio, the Mission determined that several activities are reaching reasonable levels of sustainability. The projects affected included Privatization Sector Assistance, Accessing International Markets and Training for Development.

For Privatization Sector Assistance, the Mission determined that there would be no additional support after the current project ends in December 1996. The Mission focused the final evaluation of this project on sustainability, and reoriented all available resources to maximize the project's impact on sustainable capacity within the Ministry of Privatization and financial market mechanisms which support privatization.

For Accessing International Markets, the Mission determined that no additional funds would be obligated, thus funding the project at 65% of the anticipated life-of-project budget, and terminating the activity one year early. The Mission redirected all remaining funds toward selected activities which provide the greatest impact on the revised Strategic Objective of economic growth.

The Mission re-examined the role of general training activities within the overall program as part of the 1995 CPS. Concurrently, the Agency adopted new standards for results-oriented training planning in human resource development (ADS 253). The CPS process, new results-oriented training planning and declining resource availability resulted in a detailed Mission review of the role of training-support activities like the TFD Project. This review led to the development of a transition plan for general training support which: 1) completes all general development training activities by 1999; 2) introduces new institution-building activities within the *Direction de la Formation des Cadres* to help ensure that continuing education activities can be carried on after the cessation of USAID assistance; 3) refocuses remaining resources on priority human capacity development needs related to the Mission's new strategic objectives; 4) reduces the planned funding levels for general training efforts, limiting this component to funds already committed; and 5) requires that all new training be determined on the basis of sectoral results-oriented training plans. This transition plan is available from the Mission upon request.

Since 1995, newly designed USAID activities include implicit transition strategies focused on policy reform, sustained institutional capacity development, and participation of private entities and customers. These designs also prioritize activity components should USAID support be withdrawn prematurely.

V. SUSTAINABILITY AND TRANSITION BY STRATEGIC OBJECTIVE

Within each strategic area, the Mission has identified critical interventions where USAID has a knowledge-base from which to build, and unique expertise and experience for contributing to a sustainable process. Many interventions are planned to be self-sustainable by the end of the current CPS period, the year 2000. The Mission anticipates that within long-standing program areas such as Population/Health and Economic Growth, key policy and advocacy areas may require discrete support in the "post-bilateral phase" of USAID assistance to Morocco. New areas of intervention in girls' basic education, microenterprise finance and water resources sustainability have been designed with transition in mind, and will require six to seven years to mature to sustainability. Within the context of the sustainability elements woven through the Strategic Objectives, the Mission will continue to refocus its efforts to maximize the impact of its resources, both human and financial, on the successful transition from a full bilateral presence to a temporary post-bilateral program, followed by full graduation. The bilateral phase is expected to end with the completion of major activities within SO 1 and the (proposed) democracy special objective, while new activities will require a continued field presence for SO 2, SO 3 and SO 4. The Mission will make continual assessments and judgments with respect to the optimal use of resources keyed to sustainability and success, which will be embodied in the formulation of SO results.

The indicators for success, expected results and SOs are detailed in the Results Framework in Annex A, and Performance Measures in Annex C of the R4. In effect, these comprise the criteria for program success during this strategy period. The section below details how the Mission envisions attainment of each SO in the context of a transition strategy.

SO 1: REDUCED FERTILITY AND IMPROVED HEALTH OF CHILDREN UNDER FIVE AND WOMEN IN CHILD-BEARING YEARS

A. Transition Strategy

1. Foundation for the Strategic Objective: This SO has been a key sector within the USAID/Morocco program since 1971. This SO addresses the disproportionate burden of large family size and inadequate family health on the poor, as well as the role that population plays on the demand side of the equation for economic growth, employment, water resources management and social services. Population and health also are USAID global objectives.

2. Strategic Objective Attainment: The PHTP builds on the commitment to sustainability which was a cornerstone of the Phase V Project covering the period from

1993 to 1999. The Phase V Project is the bilateral funding vehicle for this SO, which has 14 Global support activities. This simplifies the task of transition, as all activities can be coordinated under this umbrella project. The PHTP has established priority activities and a time frame for withdrawal. A Results Framework developed for the PHTP has been integrated into the Results Framework for the SO. The PHTP brings to bear all resources of Morocco's public and private health systems, including other donor assistance. The Plan is both management-intensive and dynamic. Its implementation will require continuous validation and refinement, undertaken through constant communications to achieve consensus with USAID customers and partners.

The PHTP is divided into two phases. The "immediate" phase covers the life of the current bilateral Phase V PHN Project, which ends in 1999. During this period, USAID will work with the public and private health systems, in consultation with development partners, stakeholders and customers, to analyze, plan, organize, negotiate and implement USAID investments in establishing sustainable systems and a viable policy framework. By 1999, USAID plans to withdraw from bilateral support to the sector.

The "post-bilateral assistance phase," probably beginning in the year 2000, will focus on establishing and institutionalizing a network of mutually beneficial relationships between FP/MCH institutions in the U.S. and Morocco, up to the year 2005 and beyond. During this period, USAID and the GOM will foster long-term institutional relationships involving technical exchanges, South-to-South collaboration, university linkages and private health groups.

3. Sustainability Elements

Policy Reform. Concrete policy-level decisions which facilitate expansion of and/or service quality improvement are expected to be in place. In practical terms we anticipate that these actions will generate reduced costs of media air time for promotion of family planning methods/health messages; liberalized ORS distribution policies; job descriptions for hospital personnel vis-a-vis safe motherhood and VSC responsibilities; and the facility to execute contractual arrangements with private sector service providers to fill gaps in public sector service delivery needs. In the coming months, an up-dated policy agenda will be elaborated which will further define those areas that directly relate to and/or flow out of major project foci, i.e., private sector participation and role in FP/MCH service delivery; advocacy for adequate resources; service provider constraints; and issues related to decentralized management. An additional desirable end-point on the policy dialogue front will be to establish a wider range of interlocutors (i.e., beyond the MOPH, to the Ministry of Population and the Ministry of Finance) in these discussions.

Strengthened Institutional Capacities. USAID will be directing its efforts toward reinforcing institutional capacities to manage FP/MCH programs with particular emphasis on decentralized approaches responsive to client need. Results will include evidence of use of quality measures in service delivery; the introduction and expansion of quality management in FP/MCH; revised training content and quality for pre- and in-service providers; and strengthened public health management. We expect to see significantly developed capability of the MOPH to, for example, use its logistics system to track and

procure necessary contraceptive supplies in accordance with program requirements. We also would expect to see a database for key FP/MCH program planning needs developed and available for decision-makers to use in service planning and budgeting based on epidemiological conditions, training needs, and other programming decisions.

Lasting Linkages. USAID will be building on previous investments of the last 2-3 decades (e.g., the National Training Center for Reproductive Health) and/or existing institutions (e.g., the Moroccan National Syndicate of Physicians) to develop in-country linkages in the areas of specialized family planning/reproductive health quality assurance standards and service protocols; training; and equipment maintenance. Other linkages that will have come to fruition include U.S. university (Tulane) support for the development of an in-country capability to use evaluation data for national planning and/or local programming; and through the U.S.-based Institute of Quality Health Care, the establishment of a quality of care council for overseeing approaches in service standards and protocols. Finally, institutional linkages with U.S.-based universities will promote research for program improvement and planning through better use of data.

B. Prioritization of Activities/Results at Reduced Funding Levels

Adequate funds currently appear to be available for priority actions. If funding declines precipitously, then the Mission may have to truncate entire programmatic activities which are separate and distinct, or cut back on integral components of selected activities. Reduced funding levels may require the reduction of discrete activities funded under Global field support. Since the current pipeline for this SO is almost totally committed for the main institutional contract, activities outside the contract are dependent on new annual obligations. The difficult decisions of cutting activities, which are now linked to the success of implementing the transition plan, will be made as the need arises.

SO 2: IMPROVED WATER RESOURCES MANAGEMENT IN THE AGRICULTURAL, URBAN AND INDUSTRIAL SECTORS

A. Transition Strategy

1. Foundation for the Strategic Objective: This new SO was developed to build on the success of earlier agriculture, urban and energy-related activities and to address environmental problems related to water use, quality and availability which threaten economic growth, the provision of ecosystem services, and human health.

2. Strategic Objective Attainment: The Environment SO focuses on the improvement of water resources management in the agricultural, urban and industrial sectors, a key contributor to sustainable development in Morocco. Results Packages in Water Resources Sustainability (WRS), Urban Environmental Services (UES), Tadla Resources Management (TRM), and the soon-to-be-completed Energy Demand Management/Clean Technology (EDM) will all contribute significantly to this end. USAID envisages a progressive phase-out from this SO as the proposed results are attained within specific SO areas. All pre-existing activities in this SO have been redefined to contribute to these

results. The Mission does not anticipate termination of the bilateral phase of this SO until the WRS activity winds down in 2002, at the earliest.

A key aspect of USAID environmental support is the focus on demonstration activities. USAID activities have as principal objectives the establishment of replicable precedents and pilot programs in a field which is rapidly gaining priority attention in Morocco. The focus on leveraging public, private and donor resources, along with the emphasis on policy and institutional capacity, technology transfer and participation, provide a sound framework for transition in this sector.

3. Sustainability Elements

Policy Reforms. A key element of our transition strategy is to improve the policy and regulatory framework through a series of activities specifically designed with sustainability in mind. Each of the key demonstration activities implemented under this SO is meant to ground stakeholders in "real life" policy issues that can only grow out of the comprehensive understanding of problems gained through hands-on pilot activities. With relevant national ministries, local governments, customers, advocacy groups, donors, and others working together in each pilot effort, chances of translating problems encountered into national or local policies and regulations are excellent. Likewise, with our participatory approach to working together to solve problems, chances of speedy and effective implementation are greatly enhanced.

USAID also is working directly with national, local government and specialized regional groups on specific policy issues and on developing indigenous capacity to deal with policy reforms. Key policy focus areas are: water pricing reform; municipal environmental checklists; water user association financing reform; wood use in commercial and industrial enterprises; industrial effluent pollution payments; and water treatment and re-use standards.

Strengthening Institutional Capacity. Another key element of our transition strategy is to strengthen key institutions in Morocco which clearly will play pivotal roles in achieving SO results and serving national interests in the environmental sector in the post-USAID assistance era. We are focusing on the newly created Ministry of the Environment, key urban environmental infrastructure agencies (ANHI and FEC), water users' associations and other relevant NGO/community groups, and several local governments. In addition to providing important technical assistance, modest amounts of equipment and significant training opportunities, these institutions are being strengthened through a great deal of on-the-job training and experience garnered through their active participation in the various demonstration or pilot activities carried out under this SO.

Programs in the urban sector build on the municipal strengthening successes achieved under the Tetouan program. Assistance helps municipalities develop institutional capacity to design and implement sustainable approaches to sewerage and solid waste collection and treatment. In the agricultural sector, SO activities focus on strengthening water users' associations so that they can manage water resources effectively at the local level. In the industrial sector, SO activities build upon the participatory approach to addressing

environmental issues pioneered by the EDM project, particularly with regard to strengthening a tannery "cellule" to help manage pollution prevention activities in Fez.

Lasting Linkages. Partnerships, such as the one developed by the cities of Tetouan and Raleigh, NC to support urban environmental activities, are examples of linkages that assure the sustainability of SO results after our bilateral program is terminated. We also are building into new activities under the SO the development of strong and effective internal linkages among key players in the water management sector in Morocco. These actions are key to the successful achievement of SO results as well as to the long-term sustainability of Morocco's ability to deal effectively with water management issues into the foreseeable future. The SO team's approach to inclusivity of all key stakeholders into decision-making processes of the group is an important means to this end.

B. Prioritization of Activities/Results at Reduced Funding Levels

The environment program requires funding for its comprehensive water resources management objectives, which are low-cost approaches with high pay-offs in terms of leveraging other resources. Modest funding is required through the strategy period. If funding is reduced, the Mission would likely eliminate a pilot activity under the WRS component and/or probably opt to scale back the technical assistance currently envisioned for ANHI and FEC to institutionalize their decentralized operational capacity.

SO 3: EXPANDED BASE OF STAKEHOLDERS IN THE ECONOMY, TARGETING PEOPLE OF BELOW-MEDIAN INCOME

A. Transition Strategy

1. Foundation for the Strategic Objective: This SO is a key element of the Mission's program goal of improved quality of life through sustainable economic development. If poorer Moroccans can be provided access to opportunities for employment or income-generating activities, they will improve their quality of life, become effective participants in the Moroccan economy, and contribute to the political stability of the nation. The essence of the objective is equity promotion in a growing economy, which serves Moroccan self-interest and responds to larger U.S. strategic interests as well.

2. Strategic Objective Attainment: Successful achievement of the objective depends on an improved policy and regulatory environment which attracts investment and stimulates growth; stronger business associations which are able to effectively lobby for reform; increased home ownership and access to financial services for people of below-median income; increased competitiveness of Moroccan firms in an international market economy; and an increased number of micro and small enterprises vying in the Moroccan marketplace and generating employment. Much has been achieved, but much remains to be accomplished.

The portfolio already is in a transitional phase, and, in line with the Mission's strategy approved in 1995, now places more emphasis on equity. Thus, five of the six activities in this SO will be completed in the next three years. Private Sector Export Promotion,

Privatization Sector Assistance (PSA), and Accessing International Markets (AIM) end in FY96. New Enterprise Development (NED) and Morocco Agribusiness Promotion (MAP) will end in FY98. The newest project in the portfolio and a key element of the transition, the Microenterprise Finance Activity (MFA), is authorized through 2003. The Mission also intends to propose another transition activity in FY97/98 to build a lasting capacity of key institutions, both private and public, to identify and implement economic reforms and to nurture Moroccan business associations and NGOs. These activities are viewed as the end of USAID assistance for Stage 1 of the classic economic reform process, the launching of economic liberalization. Our transition activities will continue support for Stage 2 of the process, the consolidation and sustainability of economic liberalization. Selective assistance activities, bundled in Results Packages, will provide USAID support for key reform areas, create and strengthen advocacy groups, and build links with U.S. and other international institutions.

3. Sustainability Elements

Policy Reform. USAID is working to strengthen the ability of Moroccan institutions, both public and private, to assess and adjust economic policy to further liberalize the economy and to expand international trade and investment. Achievement of these ends will serve the larger objective of sharing the benefits of growth with disadvantaged Moroccans, and integrating Morocco's poor into the economic and social mainstream.

The momentum achieved through USAID's assistance to the GOM's privatization program is expected to accelerate over the next few years. Privatization has taken on new significance with the recent signing of an Association Agreement with the EU in which Morocco further opened its economy to external competition. The Government's priority is to continue its policy reform agenda in privatization and reduce its 20% share of GDP in order to make the industrial sector more competitive, in expectation of greater international competition in the years to come.

Recent banking reforms, such as the liberalization of interest rates and the adoption by banks of cash flow-based lending procedures, will provide access to credit to those firms which currently are excluded from the formal banking sector. We expect that further liberalization will take place in the banking sector and that the competition policy promoted by USAID will be adopted. Further, we expect that business formation and registration will become simpler as a result of USAID policy initiatives, and that the result will be significantly increased investment in the economy.

Strengthened Institutional Capacity. The final year of Privatization Sector Assistance (PSA) is concentrated on assuring institutional sustainability. USAID technical assistance to the Ministry of Privatization will ensure its capability to continue the privatization process once USAID assistance ends on September 30, 1996. Expatriate advisors are training local staff to carry out their functions. An institutional development specialist is working with the Ministry to strengthen its capacity, and local staff are being trained in support functions such as management information systems, privatization techniques in public infrastructure services, and telecommunications.

Under NED, sustainability is fostered through strengthened business associations and private consulting firms which offer products and services for business development, and engage in advocacy and public policy debate on issues which affect business development in Morocco. NED also promotes legal and administrative reforms and simplified business procedures to improve the operational climate for small enterprises.

Both the MAP and AIM projects are working with producer associations and GOM agencies which provide services to exporting firms to help connect these organizations with international marketplaces and trading partner counterpart organizations, and to be able to provide a range of similar services after the projects end.

Lasting Linkages. The MAP and AIM projects are transaction-oriented, private sector development activities which assist Moroccan businesses to develop commercially viable trade relationships with importers and exporters. The sustainability of these linkages depends primarily on the establishment of viable commercial channels and on the normal vagaries of business trends, weather (for agriculture), exchange rates, trade regulations and market access, rather than on future service provision. Sustainability is enhanced by the selective and targeted nature of the assistance offered and by the capacity of the participating firms. The assistance offered is generally a small but key piece of technical assistance, advice, or information that helps firms to move into a new market or to develop a new product. The NED project enhances the capabilities of businesses and business associations to establish long-lasting trade and investment linkages.

B. Prioritization of Activities/Results at Reduced Funding Levels

The pipeline in this portfolio is being expended judiciously in support of the redefined SO set forth in the Country Program Strategy of April 1995. Funding priorities include the new Microenterprise Finance Activity initiated in late FY95 and authorized through 2003, and institutional strengthening activities to build lasting capacity and linkages in key reform areas necessary to integrate poorer Moroccans into the economy. The Mission-proposed transition activity in FY97/98 constitutes a key funding priority in support of enduring capacity-building and lasting linkages.

SO 4: INCREASED PRIMARY SCHOOL ATTAINMENT AMONG GIRLS IN SELECTED RURAL AREAS

A. Transition Strategy

1. Foundation for the Strategic Objective: This new SO has been developed in response to USAID recognition, both in Morocco and Washington, that increased education of Moroccan girls and women is key to the achievement of USAID's strategic priorities in Morocco. Increased education will contribute to women's empowerment. Girls and women constitute the most disadvantaged and disinherited element of Moroccan society: from an equity standpoint, their integration into the economic and social mainstream is a key area for USAID focus, in collaboration with other elements of Moroccan society (public and private) and donors.

2. Strategic Objective Attainment: In undertaking a new initiative in primary education for rural girls, the Mission realized that it has to both identify a manageable, affordable set of interventions in a new field of endeavor and also to plan how USAID could responsibly exit the sector within a reasonable time frame. Issues of sustainability are central as the Mission considers embarking upon an assistance program within a new sector.

The Mission is developing an approach which will focus on institutional capacity-building and a rapid transition to host country assumption of full implementation (as well as financing) responsibilities. This new SO will build on the GOM's desire to reform its education system and to address the disparities of educational attainment experienced by rural girls versus urban girls. The time horizon needed to demonstrate a feasible solution to the problems of primary schooling of rural girls and to build sufficient in-country capacity is anticipated to be seven years, with assistance ending in the year 2002.

The "built-in" transition plan for SO 4 calls for the GOM to begin replicating proven solutions to primary schooling beyond the target provinces by the end of USAID assistance in 2002. Once a feasible solution to rural primary schooling has been demonstrated in the pilot areas, the GOM has stated that it is prepared to implement the identified formula nationwide.

3. Sustainability Elements

Policy Reform. Morocco is in the process of major reforms within the education sector. USAID's objective in girls' basic education concentrates on rural primary education and the reforms that the Ministry of National Education (MNE) is considering for primary education in the country. MNE is prepared to embark upon a program of testing new approaches designed to improve access, retention, achievement and attainment for girls and boys in rural primary schools. USAID's initiatives will introduce educational innovations that address primarily girls' retention through the 6th grade in pilot areas. As pilots are implemented and impact assessed, MNE will review and formulate new primary school policies which promote adoption of the innovations at the national level.

Strengthened Institutional Capacity. The Mission plans to leave behind an institutional capacity at the national and local level (in targeted areas) to continue and to disseminate improved educational approaches which attract and retain rural girls through primary education. The rapid transition to host country assumption of full implementation and financing responsibilities constitutes an integral aspect of what the Mission will leave behind.

Lasting Linkages. Because of the nature of the MNE strategy and the MNE -USAID approach, a mix of players will be brought together to participate in the proposed activity interventions, such as local authorities, parent groups, private organization, NGOs, to build community recognition of the importance of educating girls and community support for girls' education.

B. Prioritization of Activities/Results at Reduced Funding Levels

Funding priorities will be established as the activity matures. Minimal funding is available from FY95 obligations and from Global field support to undertake start-up training and planning activities. The design of the bilateral support component is expected to be finalized during the fourth quarter of FY96, and will address funding priorities within the scope of activities outlined above.

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TAGS:

SUBJECT: AGENCY REVIEW OF USAID MOROCCO'S COUNTRY PROGRAM
STRATEGY AND ACTION PLAN DOCUMENT

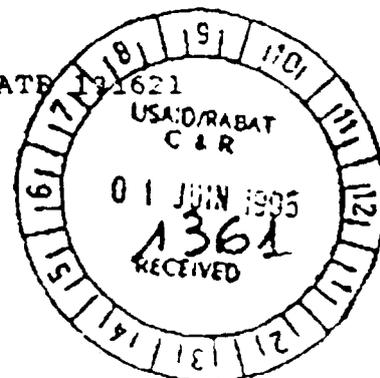
SUMMARY

1. DURING PROGRAM WEEK, APRIL 3-7, 1995, THE AGENCY REACHED AGREEMENT ON MOROCCO'S STRATEGY AND ACTION PLAN, SUBJECT TO THE FOLLOWING COMMENTS AND ACTIONS TO BE COMPLETED. THE MISSION DIRECTOR IS HEREBY DELEGATED THE AUTHORITY TO APPROVE AND AUTHORIZE THE DOLS 15 MILLION MICRO-FINANCE DEVELOPMENT PROJECT ONCE DESIGN IS COMPLETED. THE WATER RESOURCES SUSTAINABILITY NAD IS APPROVED, AND THE MISSION MAY PROCEED WITH PROJECT DEVELOPMENT AND IMPLEMENTATION. THE MISSION DIRECTOR IS HEREBY DELEGATED THE AUTHORITY TO APPROVE AND AUTHORIZE THIS DOLS 12 MILLION PROJECT AS WELL, ONCE DESIGN IS COMPLETED.

2. THE MISSION WILL PROCEED WITH IMPLEMENTING THE STRATEGY AND REPORTING ON RESULTS WITHIN EXISTING DELEGATIONS OF AUTHORITY. FORMAL DELEGATIONS OF AUTHORITY TO MANAGE AND IMPLEMENT THE STRATEGY UNDER A RE-ENGINEERED AGENCY SYSTEM ARE DEFERRED UNTIL THE AGENCY FINALIZES REMAINING OPERATIONAL CONSIDERATIONS (E.G., CONTENT AND

DETAIL OF USAID/W - MISSION MANAGEMENT CONTRACT; EXTENT OF DELEGATIONS OF AUTHORITY). AT THAT TIME, ANE WILL WORK WITH THE MISSION TO TRANSFORM THE CURRENT STRATEGY AGREEMENT INTO A FORMAL MANAGEMENT CONTRACT, AS NECESSARY.
END SUMMARY.

GENERAL AGREEMENTS



TRANSITION. THE ISSUE WAS RAISED AS TO WHETHER THE AGENCY STRATEGY FOR MOROCCO SHOULD BE ONE OF TRANSITION. USAID/MOROCCO WAS RECOGNIZED FOR PROPOSING IN THE CPS AN EXPLICIT TRANSITION STRATEGY FOR THE FAMILY PLANNING SECTOR. THE MISSION WAS REQUESTED TO PREPARE A MORE COMPREHENSIVE APPROACH TO TRANSITION IN CONJUNCTION WITH THE NEXT ACTION PLAN, WHICH:

-- ESTABLISHES THE MISSION'S CRITERIA FOR SUCCESS (BASED ON DEVELOPMENT GOALS AS WELL AS OVERALL USG INTERESTS IN MOROCCO), AND WHERE THE MISSION PROJECTS MOROCCO TO BE IN TERMS OF THOSE CRITERIA BY THE END OF THIS STRATEGY PERIOD;

-- PURSUES ACTIVITIES THAT WILL WORK TOWARD SUSTAINABILITY, DEFINED AS THE ABILITY OF MOROCCO (PUBLIC AND PRIVATE SECTORS) TO CONTINUE ACTIVITIES WITHOUT USAID RESOURCES; AND

-- AVOIDS SEEKING THE ESTABLISHMENT OF FOUNDATIONS OR POST-USAID PRESENCE PARTNERSHIPS, BUT FOCUSES ALL EFFORTS ON ACHIEVING SUSTAINABILITY.

4. ATTENTION TO REVENUE GENERATING ISSUES WILL BE CRITICAL, PARTICULARLY WITH RESPECT TO ABILITY OF THE GOVERNMENT OF MOROCCO AND THE PRIVATE SECTOR TO RECOVER SOME COSTS IN ORDER TO FINANCE THE NATION'S DEVELOPMENT NEEDS.

5. ALTHOUGH THE MISSION USDH STAFF LEVEL HAS DECLINED FROM 25 IN FY 1991 TO 17 IN FY 1995 (A 32 PERCENT REDUCTION), THE MISSION WILL NEED TO CONTINUALLY EVALUATE THE NUMBERS AND SKILLS MIX OF STAFF REQUIRED TO IMPLEMENT THE STRATEGY, PARTICULARLY IN LIGHT OF THE EVER TIGHTENING OF RESOURCE ENVIRONMENT.

6. PROGRAM FOCUS. IN DEVELOPING THE STRATEGY, THE MISSION HAS FOLLOWED WASHINGTON GUIDANCE TO FOCUS THE PROGRAM. FOUR PROJECTS HAVE BEEN REFOCUSED TO BETTER REFLECT THE NEW STRATEGIC OBJECTIVES, SIX PROJECTS WILL

WILL CLOSE WITHIN THE NEXT 18 MONTHS, AND PROPOSED NEW ACTIVITIES WILL FOCUS ON THE NEW STRATEGIC OBJECTIVES.

STRATEGY

7. STRATEGIC FRAMEWORK. THE OVERALL STRATEGIC FRAMEWORK FOR MOROCCO, WITH THREE STRATEGIC OBJECTIVES FOCUSING ON POPULATION/HEALTH, ENVIRONMENT, AND ECONOMIC GROWTH, WAS APPROVED.

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-- POPULATION, HEALTH AND NUTRITION

8. THE FORMULATION OF THE STRATEGIC OBJECTIVE WAS ACCEPTED. THE MISSION WILL INCORPORATE SUGGESTED LANGUAGE FROM G AND ANE TO DESCRIBE THE HIV/AIDS PILOT ACTIVITIES

~~CURRENTLY BEING IMPLEMENTED UNDER THIS S.O., RECOGNIZING THEIR LINKS TO EDUCATION, ECONOMIC AND REPRODUCTIVE HEALTH ACTIVITIES.~~

9. THE MISSION WILL PROVIDE, AT NEXT YEAR'S ACTION PLAN REVIEW, A PERFORMANCE-BASED TRANSITION PLAN FOR ACTIVITIES UNDER THIS STRATEGIC OBJECTIVE, HIGHLIGHTING CRITERIA FOR PROGRAM SUCCESS. GLOBAL AND ANE WILL ASSIST THE MISSION IN PRODUCING THE PLAN.

-- ENVIRONMENT

10. THE S.O. WILL BE REFORMULATED TO READ QUOTE IMPROVED WATER RESOURCES MANAGEMENT IN THE AGRICULTURAL, URBAN AND INDUSTRIAL SECTORS UNQUOTE. THE PROGRAM OUTCOMES REMAIN THE SAME.

11. THE MISSION WILL INCLUDE INDICATORS ON THE EXTENT TO WHICH THE MODELS BEING DEVELOPED UNDER THIS S.O. ARE BEING ADOPTED AND REPLICATED BY USAID'S PARTNERS (E.G., GOVERNMENT, PRIVATE SECTOR, OTHER DONORS).

-- ECONOMIC GROWTH

12. FOLLOWING CONSIDERABLE DISCUSSION AS TO WHETHER QUOTE EXPANDED BASE OF STAKEHOLDERS UNQUOTE BEST DESCRIBES THE STRATEGY AND RESULTS FRAMEWORK EXPECTED UNDER THIS S.O., IT WAS AGREED THAT THE EXISTING LANGUAGE WOULD BE RETAINED. RESULTS WILL BE MEASURED IN TERMS OF EMPLOYMENT, ESTABLISHMENT OF MICRO/SMALL BUSINESSES AND HOME OWNERSHIP.

13. IN THE AREA OF DIRECT FOREIGN TRADE AND INVESTMENT PROMOTION, USAID SUPPORT FOR THE IESC ACTIVITY WILL BE PHASED OUT. ALTHOUGH USAID'S ACCESSING INTERNATIONAL MARKETS PROJECT WAS EXPLICITLY NOT INTENDED TO SUPPORT IESC TO BECOME SELF-SUSTAINING, IESC MAY, AT ITS DISCRETION, REVIEW OPTIONS FOR OPERATING ON A COST-RECOVERABLE, SELF-SUSTAINABLE BASIS WITH ITS OWN RESOURCES.

TARGETS OF OPPORTUNITY

-- BASIC EDUCATION

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14. THE T.O. WILL BE REFORMULATED AS QUOTE INCREASED BASIC EDUCATIONAL ATTAINMENT FOR RURAL GIRLS AND WOMEN IN TARGET AREAS UNQUOTE. ATTAINMENT REFERS TO THE NUMBER OF YEARS OF SCHOOLING ACCOMPLISHED THROUGH INCREASED ACCESS AND RETENTION.

15. IF THE ACTIVITY PERFORMS WELL, THE EXPECTATION IS THAT IN TWO YEARS IT COULD BECOME A FREE-STANDING S.O. IN ITS OWN RIGHT, OR BE FOLDED INTO ONE OR MORE OF THE EXISTING S.O.S.

-- DEMOCRACY/GOVERNANCE

16. THE T.O. WAS ACCEPTED WITH THE UNDERSTANDING THAT ADDITIONAL WORK ON DEFINING THE RESULTS OF THE STRATEGY WILL PROCEED AS PLANNED. THE RETENTION OF THIS T.O. WILL DEPEND ON THE ABILITY TO ARTICULATE INTENDED RESULTS, WHICH WILL BE REVIEWED PRIOR TO OR WITH NEXT YEAR'S ACTION PLAN.

ACTION PLAN

-- SENSITIVITY ANALYSIS

17. THE MISSION PROVIDED A SENSITIVITY ANALYSIS DURING PROGRAM WEEK WHICH DEMONSTRATED THAT AT THE LEVEL OF APPROXIMATELY 18 MILLION DOLLARS, ALL STRATEGIC OBJECTIVES MAY BE ADEQUATELY SUPPORTED. THE MISSION WILL REASSESS ITS STRATEGY AND PRIORITIES IF FUNDING DROPS SIGNIFICANTLY BELOW THIS LEVEL.

-- PIPELINE

18. THE MISSION'S PIPELINE WAS FOUND TO BE WELL WITHIN AGENCY GUIDELINES. SOME PROJECT PIPELINES ARE RATHER HIGH, BUT THESE ARE PROJECTED TO BE UNDER CONTROL BY THE CLOSE OF FY 1995.

-- CATEGORY C PROJECTS

19. THE MISSION HAS NO CATEGORY C PROJECTS.

-- OPERATING EXPENSE AND STAFF.

21. THE CURRENT LEVEL AND MIX OF USDH, FSN, AND PSC STAFF

WERE DEEMED ADEQUATE TO MANAGE THE STRATEGY. IT WAS ACCEPTED, AFTER CONCERNS WERE DISCUSSED, THAT THE MIX OF

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USDH AND NON-USDH STAFF WERE ADEQUATE TO MANAGE THE PHN PORTFOLIO AND THE NEW START-UP IN BASIC EDUCATION.

22. THE MISSION REPRESENTATIVES WERE ADVISED THAT FUTURE RESOURCE CONSTRAINTS MAY NECESSITATE A REASSESSMENT OF STAFFING REQUIREMENTS.

-- PERFORMANCE MONITORING PLAN

23. THE REMAINING GAPS IN THE PERFORMANCE MONITORING PLAN (E.G., THE MAGNITUDES OF SEVERAL RESULTS AND ANNUAL TARGETS) WILL BE COMPLETED BEFORE NEXT YEAR'S ACTION PLAN.

-- G BUREAU FIELD SUPPORT

24. THE MISSION HAS SUBMITTED MOU'S FOR G FUNDING AND FIELD SUPPORT FOR ITS POPULATION/HEALTH S.O., ITS DEMOCRACY T.O., AND ITS ENVIRONMENT S.O., ALL OF WHICH HAVE BEEN SIGNED.

-- G BUREAU CORE RESEARCH

25. BY SUMMER 1995, G WILL PROVIDE A LIST OF CORE RESEARCH ACTIVITIES IN MOROCCO. THE MISSION WILL ASSESS THE LIST TO DETERMINE WHETHER GREATER SYNERGY BETWEEN THESE ACTIVITIES AND THE AGENCY BILATERAL STRATEGY IS POSSIBLE.

-- NADS

- WATER RESOURCES SUSTAINABILITY (WRS)

26. THIS NAD FITS THE ENVIRONMENT S.O. AS REFORMULATED, AND WAS APPROVED. THE MISSION DIRECTOR IS DELEGATED THE AUTHORITY TO PROCEED WITH THE DOLS 12 MILLION DESIGN AND AUTHORIZATION.

- MICROENTERPRISE FINANCE

27. THIS NAD WAS CONDITIONALLY APPROVED IN NOVEMBER 1994 PER STATE 316238, SUBJECT TO THE APPROVAL OF THE ASSOCIATED S.O. DURING PROGRAM WEEK. DEVELOPMENT OF THE PROJECT WAS AUTHORIZED AS IT WOULD ALSO HELP DEFINE THE S.O. THE NAD DIRECTLY SUPPORTS THE AGREED UPON S.O., AND THE MISSION DIRECTOR IS DELEGATED THE AUTHORITY TO AUTHORIZE THE DOLS 15 MILLION PROJECT.

28. SUMMARY OF OUTSTANDING ACTIONS

-- THE MISSION WILL PROCEED WITH DEVELOPMENT OF THE MICRO-FINANCE DEVELOPMENT AND WITH NAD DEVELOPMENT ON THE WATER RESOURCES SUSTAINABILITY PROJECTS.

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-- THE MISSION WILL PREPARE A MORE COMPREHENSIVE APPROACH TO TRANSITION IN CONJUNCTION WITH THE NEXT ACTION PLAN.

-- THE MISSION WILL PROVIDE A PERFORMANCE-BASED TRANSITION PLAN FOR ACTIVITIES UNDER THE POPULATION, HEALTH AND NUTRITION S.O., HIGHLIGHTING CRITERIA FOR PROGRAM SUCCESS.

-- IN THE ENVIRONMENT AREA, ~~THE S.O. WILL BE REFORMULATED~~ AS NOTED IN PARA 13, AND THE MISSION WILL INCLUDE INDICATORS ON THE EXTENT TO WHICH PROGRAM MODELS ARE BEING ADOPTED AND REPLICATED.

-- THE BASIC EDUCATION TARGET OF OPPORTUNITY WILL BE REFORMULATED AS NOTED IN PARA 17.

-- THE DEMOCRACY/GOVERNANCE T.O. WILL BE FURTHER REFINED PRIOR TO OR WITH NEXT YEAR'S ACTION PLAN.

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