
USAID/MOROCCO

**FOSTERING SUSTAINABILITY:
PIECING THE PUZZLE TOGETHER**

FY 2000

*RESULTS REVIEW
AND
RESOURCE REQUEST
(R4)*

February 1998

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ACRONYMS

AIM	Accessing International Markets	MIS	Management Information System
ANHI	National Shelter Upgrading Agency	MMR	Maternal Mortality Rate
CA	Cooperating Agencies	MOE	Ministry of Environment
CAII	Creative Associates International Incorporated	MOPH	Ministry of Public Health
CPR	Contraceptive Prevalence Rate	MNE	Ministry of National Education
CSM	Contraceptive Social Marketing	MPP	Mission Performance Plan
CYP	Couple Years of Protection	MSI	Management Systems International
DHS	Demographic and Health Survey	NED	New Enterprise Development Activity
EA	Environmental Assessment	NGO	Non-Governmental Organization
EG	Economic Growth Strategic Objective	OC	Oral Contraceptive
EOC	Emergency Obstetric Care	OE	Operating Expense
EU	European Union	ORMVAT	Moroccan Irrigation Authority - Tadla
EUP	Environmental Urban Program	OYB	Operational Year Budget
FEC	Municipal Development Bank	PHR	Partnerships for Health Reform
FP	Family Planning	PLLA	Participatory Lifescape/Landscape Appraisal
FSN	Foreign Service National Employee	PWG	Policy Working Group
FY	Fiscal Year (10/1 - 9/30)	QM	Quality Management
GDP	Gross Domestic Product	R4	Results Review and Resource Request
GEA	Girls Education Activity	SME	Small and Medium-sized Enterprise
GOM	Government of Morocco	SPIA	Strategic Plan for International Affairs
GP	General Practitioner	SpO	Special Objective
IEC	Information, Education, and Communication	STI	Sexually Transmitted Infections
IEE	Initial Environmental Examination	TFD	Training for Development Activity
IMCI	Integrated Management of Childhood Illnesses	TFR	Total Fertility Rate
IMR	Infant Mortality Rate	TRM	Tadla Resources Management Activity
IPM	Integrated Pest Management	UES	Urban and Environmental Services Activity
IPR	Intellectual Property Rights	UECP	Urban and Environmental Credit Program
IR	Intermediate Result	USDA	U.S. Department of Agriculture
IWRM	Integrated Water Resources Mgt	USDH	U.S. Direct-Hire Employee
IUD	Intrauterine Device	USG	U.S. Government
LOP	Life of Project	VSC	Voluntary Surgical Contraception
LT	Long-term	WID	Women in Development Office
MAP	Morocco Agribusiness Promotion Activity	WRS	Water Resources Sustainability Activity
MCH	Maternal Child Health	WUA	Water User Association
MEG	Morocco Education for Girls Activity		
MFA	Microenterprise Finance Activity		

Part I:

Development Context, Performance Overview and Factors Affecting Program Performance

Part I: Development Context, Performance Overview and Factors Affecting Program Performance

A. Development Context

USAID/Morocco's assessment of the country's economic, social and political development prospects finds Moroccans increasingly willing to pursue reforms. And the reform trend is accelerating. At the sector level -- the level where USAID plays and can continue to play an influential role -- progressive reforms are taking shape. USAID has worked with enthusiastic development partners. The Ministry of Public Health's regionalization initiative, the Ministry of the Environment's development of partnerships for sustainable water resources management, and the Ministry of National Education's revision of its criteria for teacher promotion are examples. Reforms which promote business by diversifying exports, making credit available, and simplifying tax reporting are others. The economic, environmental and social reforms are making meaningful changes that will improve the lives of poorer Moroccans. By increasing the stakeholders in the economic growth process, USAID's activities are making for a more stable Morocco -- one that contributes to regional stability and increased trade and investment opportunities for U.S. businesses, both key USG national interests.

Admittedly, the pace and scale of reform have varied widely. The creation of a bicameral legislature, for example, was viewed by many as a promising step in democratic reform, although the performance during the 1997 sequence of elections was far from perfect. Privatization is another area where much has been achieved, but where the process has slowed. And a series of essential laws aimed at liberalizing the economy and providing a regulatory framework for increased competitiveness -- e.g. the labor code, the consumer protection law, the industrial property law, the reform of the judiciary system -- although enjoying broad-based support, remains stalled in the legislative process. While critical for the broader development of Morocco, the lack of these reforms did not directly impact on progress toward USAID's targets.

Political developments during 1997 also were mixed -- some good, some bad. A few had a direct impact on USAID's activities. Others had broader implications for the pace of Morocco's development beyond USAID's specific focus areas. First, in mid-1997, King Hassan II reorganized the government, consolidating numerous ministries under technocrats. His decision to remove ministers affiliated with political parties was taken in anticipation of the first-time election for the bicameral parliament. A by-product of this decision was the consolidation of formerly fragmented Administration functions -- especially in the development sectors -- into the hands of a half-dozen or so of the most capable and independent-minded professional managers in Morocco. Fortunately, several appointments

were of long-standing partners of USAID/Morocco, thus allowing many of USAID's activities to proceed without delay.

At the time of writing this R4, the fifteen political parties now represented in the legislative chambers continue to negotiate the structure of the new institutions of governance as well as the make-up of a coalition government. This drawn-out process has led to a slow-down in many Government of Morocco (GOM) functions, with even those caretaker ministers who are strong supporters of USAID's activities feeling limited in their freedom to take the necessary risks to implement reforms. While the King announced the selection of a Prime Minister from an opposition party on February 4, the process of forming and reorganizing the government is expected to continue well into 1998.

Second, as in recent years, the "domestic" concern on which Morocco's political leadership remains focused is the Western Sahara. The 1997 Houston Accords have begun to be implemented, and should lead to a referendum in December 1998. Resolving the uncertainty of that territory's future remains among the highest priorities for the Palace and the GOM. A successful resolution has significant implications for possible GOM budget reallocations and for the U.S. Government's (USG) interests, notably in the development sectors.

A third uncertainty is the capacity of King Hassan II's successor to maintain the cohesion of the highly centralized political system and to preserve the social and economic consensus which gives Morocco stability. The forces of modernization and globalization represent both a challenge and an opportunity for Morocco as it approaches the millennium. But reforming the institutions and rules of the game for adapting to them surely will be a difficult task for a new sovereign to implement.

This fragile political landscape received little encouragement from Morocco's economic performance in 1997. Morocco continued to ride an economic roller-coaster, with 1997 GDP recording a year-on-year *decrease* of 2.2 percent, after registering a record *plus* 12 percent growth in 1996. Morocco's high dependence on rainfall and effective management of water resources continue to influence its growth potential. At the macro level, Morocco successfully maintained a stable economy in 1997, with the budget deficit at about 3 percent of GDP, the currency remaining convertible for current balance of payment transactions, and inflation at about 1.0 percent. However, the trend rate of economic growth does not generate enough jobs to keep pace with the rapid expansion of the labor force, nor is it sufficient to fund investment in the economy on which competitiveness and globalization depend, and which closer economic integration with Europe will demand. For these reasons, it is crucial for Morocco to recommit to reforming those practices and institutions that inhibit business initiative, delay investment programs, degrade the environment, and restrain human capacity development and thereby impede the country's ability to compete successfully in international markets. It is in these four areas -- health/population, water, economic growth, and education -- where USAID has been a supportive partner, with promising results.

B. Performance Overview

USAID contributes not only to Morocco's development but supports many U.S. national interests in Morocco, the region and globally, as outlined in the USG's Strategic Plan for International Affairs (SPIA) and the Mission Performance Plan (MPP). Despite reductions in USAID resources, the Mission's activities are helping to create conditions for economic growth, to promote democracy and to protect the environment. The USAID program contributes to nine of the USG's sixteen strategies for achieving its SPIA goals: preventing regional instability, opening foreign markets, expanding U.S. exports, increasing global economic growth, promoting broad-based economic growth, improving democratic and human rights practices, promoting a sustainable global environment, stabilizing world population, protecting human health and reducing the spread of infectious diseases.

But perhaps USAID's most important impact can be summarized as fostering sustainability. Each of the four performance reports presented in this R4 highlights one piece of the puzzle which, when assembled together, furthers sustainability -- be it through donor collaboration, introducing new technologies, building capacity, or increasing local participation. USAID efforts narrowly focus on areas of comparative advantage, in which USAID already has made a significant investment, and in which public, private or voluntary sector partners are enthusiastically engaged. Recognizing the significant value-added by donor collaboration -- particularly for a Limited Presence Mission -- USAID is completing a thorough review of donor activities in Morocco to identify areas of synergy. Preliminary results of this analysis are outlined in an annex to this R4.

Strategic Objective 1: Reduced Fertility and Improved Health of Children under Five and Women of Child-bearing Age

Preliminary data from the 1997 PAPCHILD survey of 45,000 households confirm Morocco's impressive achievements in family planning and maternal and child health (FP/MCH). The SO-level indicators **exceed targets** and demonstrate the clear contribution of USAID's FP/MCH program. These results confirm Morocco's standing as a true development "success story" in the health sector. The remarkable progress in such indicators as Infant Mortality Rates (IMR) and Maternal Mortality Ratio (MMR) also validates USAID's decision to move the program away from large-scale bilateral assistance, as detailed in the Mission's Population/Health Transition Plan. One example of the plan's efforts to foster sustainability is increased donor collaboration which has become a hallmark of this sector.

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

SO2's performance **exceeded its targets in 1997**: nitrate pollution was reduced by 10%, and 13 million cubic meters of water is being saved annually. Improved environmental services now are reaching 14 cities with a total population of 1.95 million Moroccans. Eight of the eleven policy reforms targeted met or exceeded the planned progress. In addition, SO2 Team oversaw several detailed feasibility studies, environmental assessments and management agreements, as part of the pilot project/best practices approach at the heart of the SO. The

pilot activities also underscore the importance of close cooperation among stakeholders and the crucial role of the GOM and other donors in replicating successes. 1998 will be a key year for SO2, as the pilots are implemented and a "deepening initiative" is designed.

Strategic Objective 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income

Progress in 1997 **exceeded targets in almost all areas**, although ministerial changes caused delays for some activities. The 1997 results show almost 12,500 job-years generated and 16,000 new homeowners. Efforts to enhance Morocco's competitiveness exceeded their targets by 50%. On the other hand, the Urban Environmental Credit Program's targets were not reached due to the political and managerial turmoil within the major counterpart institution. But the situation took a promising turn in late 1997, with a change in Housing Minister and with a joint strategic planning effort. Combined, they put the program back on track.

SO3 achievements have had a national and sustainable impact on Morocco's development. Policy and regulatory reform removed obstacles to enterprise creation and export diversification. The democratization of credit made great strides as the Microfinance activity surpassed all targets, and a working capital loan guaranty fund for small business was created. And a national network of consulting firms across rural regions of Morocco now provides business services to small firms.

Special Objective 4: Increased Replicable Attainment of Basic Education Among Girls in Pilot Schools in Selected Rural Areas

As agreed at last year's R4 review, this Objective has been changed to a Special Objective as of the beginning of FY 1998. SpO4 made considerable progress in 1997, both in **exceeding its existing targets** and preparing to implement the major activity of the SpO. The expanded SpO4 Team reviewed the results framework, modifying the SpO and indicators, resulting in nine indicators (increased from seven) divided between supply, demand and policy objectives. A comprehensive survey of the pilot schools collected in December 1997 offers a wealth of reliable and verifiable baseline data. As data analysis continues, further indicator adjustments may be necessary.

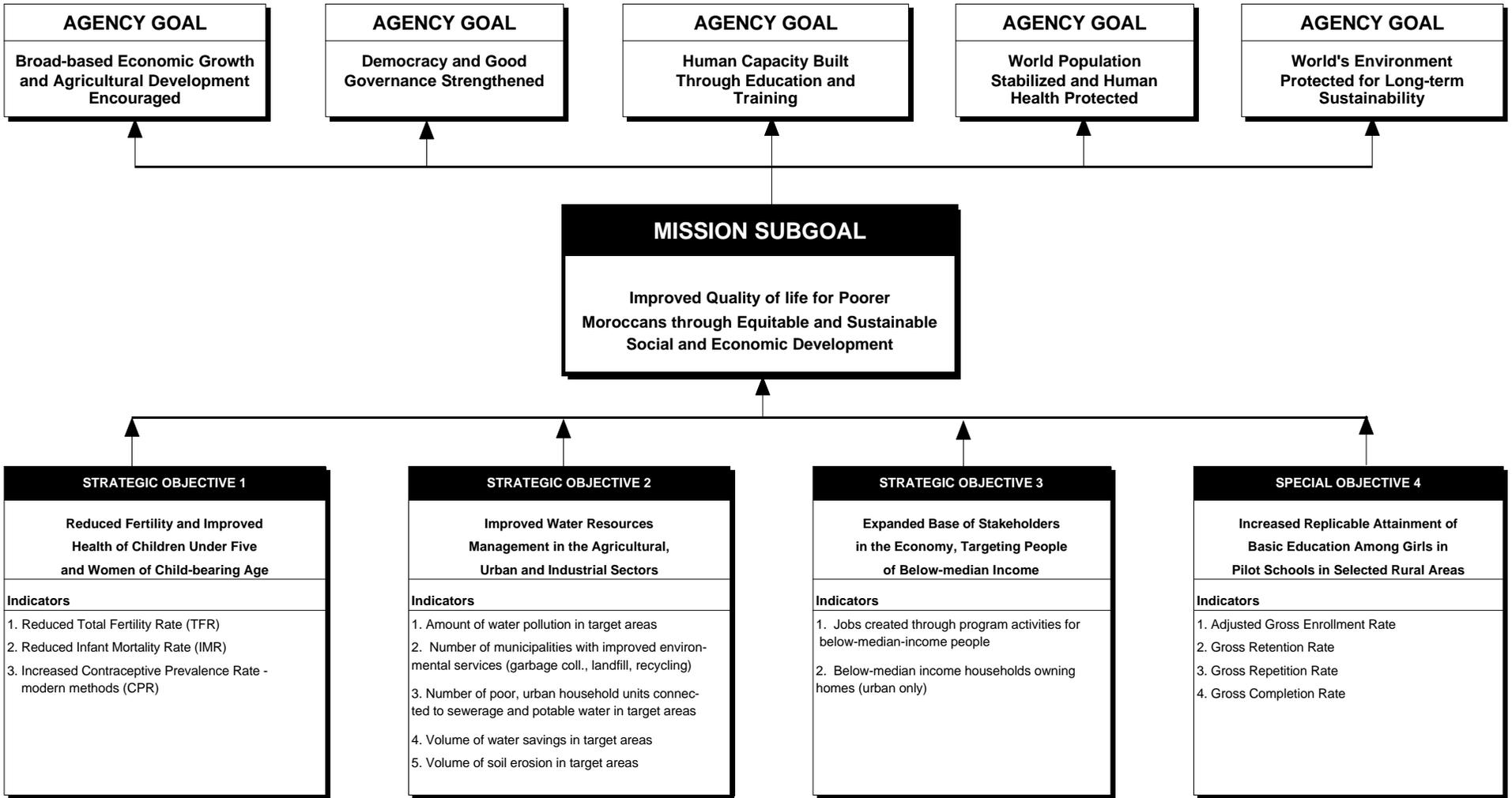
A major achievement during 1997 was the Ministry of National Education's (MNE) initiation of a donor coordination group. A policy sub-group, co-chaired by USAID, is to identify key policy areas that need to be addressed. USAID sees this cooperation as an opportunity for productive policy dialogue. But MNE already is advancing some reforms, such as the revision of teacher promotion criteria to benefit rural teachers. In addition, in 1997, other donors -- World Bank and UNICEF -- decided to adopt the teacher training models created by the Training for Development activity for use in other rural provinces, further diffusing USAID's impact.

C. Factors Affecting Program Performance

Since 1993, the Mission has absorbed substantial reductions in program funds and personnel. By the year 2000, the Mission will be a Limited Presence Mission. The transition has not been without pain and development costs. Between 1996 and 2000, ten activities will have ended. USAID/Morocco's portfolio in FY 2000 will include three-to-four bilateral activities and one Global-supported activity. In the coming months, the Mission will develop a strategy for FY 2000-2004 with perhaps only one Strategic Objective and two or three Special Objectives. And total staff will be reduced to about 45, including six U.S. Direct-Hires.

Nonetheless, the returns on the investment will continue to be worthwhile. The following table demonstrates both requested budget levels and the centrally-funded resources that USAID/Morocco is marshalling to meet its objectives. The planned transition of Strategic Objective 1 (Population and Health) to a non-bilateral Special Objective will break new ground for Morocco and the Agency as the first Population and Health program to make such a major transformation. The young Special Objective in Basic Education (SpO4) already has become a model of USAID leadership in a critical area offering important opportunities for donor collaboration. The Microfinance activity will continue to be a major catalyst for the development of the Moroccan microenterprise sector. And the new initiative in water resources management to be designed in FY 1998 will bring together the best practices and experiences from USAID's long history in Morocco in this sector and will project the benefits of USAID's effective and narrowly-focused program into the post-2000 era.

A fuller definition of the new activities will be developed as part of the Country Program Strategy to be submitted in November 1998. While the new strategy will be adapted to the reality of reduced resources, it also will present a confident vision of the influential role USAID can continue to play as a leader in the development community, contributing to Morocco's sustainable development in the next century, and addressing USG national interests.



All Resources by Objective

(\$000)

STRATEGIC OBJECTIVES	FY 1998	FY 1999	FY 2000
SO1: Population/Health			
- Bilateral	6,800	1,300	100
- Mission-funded Field Support	1,700	3,700	2,400
- Centrally-funded Activities*	300	0	0
Total SO 1:	8,800	5,000	2,500
SO2: Environment			
- Bilateral	1,200	1,674	1,500
- Mission-funded Field Support	0	0	0
- Centrally-funded Activities*	500	100	0
Total SO 2:	1,700	1,774	1,500
SO3: Economic Growth			
- Bilateral	1,000	0	1,000
- Mission-funded Field Support	0	0	0
- Centrally-funded Activities*	30	0	0
- Host Country-owned Local Currency (non-additive)**	(18,000)	(0)	(0)
Total SO 3:	1,030	0	1,000
SO: New Deepening Initiative Total:	0	500	1,500
SpO4: Basic Education			
- Bilateral	1,800	2,026	1,500
- Mission-funded Field Support	0	0	500
- Centrally-funded Activities*	700	700	0
Total SpO 4:	2,500	2,726	2,000
Urban Environmental Credit Program (non-additive)	(0)	(10,000)	(10,000)
TOTAL ALL RESOURCES	14,030	10,000	8,500

* Estimates

** Funds generated under terminated projects approved under previous strategy. USAID/ Morocco negotiated with GOM to have resources devoted to current enterprise development activities. Disbursement started in FY 1998.

Part II:

Progress Toward Achievement of Strategic Objectives

**USAID/Morocco
R4 2000**

SUMMARY TABLE

Objective Name	Rating	Evaluation Findings
SO1: Reduced Fertility and Improved Health of Children Under Five and Women of Child-bearing Age	Exceeded	The 1997 PAPCHILD Survey of 45,000 households, although still unofficial, provides highly reliable and detailed statistics at national and provincial levels.
SO2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors	Exceeded	In September 1997, a joint ANE/G/Mission team reviewed SO2's portfolio and performance along with proposed future plans. The team's strong endorsement of the proposed "deepening initiative" was followed in December 1997 by an ANE review and endorsement to develop the activity.
SO3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income	Exceeded	In November 1997, a joint G/Mission and Moroccan team assessment found USAID's microfinance initiative catalytic for the sector, with USAID considered the leading donor.
SpO4: Increased Replicable Attainment of Basic Education among Girls in Pilot Schools in Selected Rural Areas	Met	Baseline data, collected in January through detailed surveys of pilot regions, offer a comprehensive portrait of the nature of the girls' education problem, which will be useful to policy and decision-makers, as well as measuring performance. Continuing analysis of the data may necessitate further refinements of the SpO4 Indicators.
Percent funding through NGOs and PVOs: FY 98: 13% FY 99: 11% FY 00: 18%*		

* Calculated as percentage of FY budget allotted to US and local NGOs. FY 99 and FY 00 are especially uncertain as new initiative which begins in FY 99 will perhaps include NGO activities. This does not include centrally-funded NGO activities or the numerous local NGO partners of USAID/Morocco that manage their non-USG resources.

Strategic Objective 1

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

As USAID plans to end thirty years of extensive bilateral assistance to Morocco's family planning and maternal and child health programs, steps are being taken to ensure program sustainability. These transitional actions include efforts in policy dialogue, improving institutional capacity, promotion of the private sector, and in some cases, passing the baton to other donors. USAID has been a leader and a catalyst, working with other donors to assure a long-term impact far greater than USAID's initial investment.

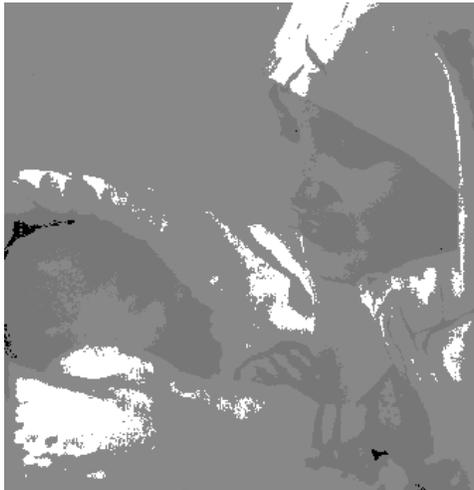
Sexually Transmitted Infections (STIs); The Model

In 1994, in recognition of the public health problem of STIs, the Ministry of Public Health (MOPH) launched a pilot activity in four major cities with assistance from USAID. The objective was to identify the etiology and prevalence of STIs in Morocco, associated risk factors and related treatment-seeking behaviors, while building institutional capacity in the area of STI management. The study provided a plethora of information for decision-makers and program planners, and resulted in a cost-effective, appropriate national strategy which USAID and the MOPH promoted among donors as a key element of quality reproductive health and HIV/AIDS prevention programs. As a result, the MOPH STI program is expanding

nationwide with combined funding in the amount of \$5.7 million from the European Union (EU), UNFPA and UNDP, and no additional USAID support.

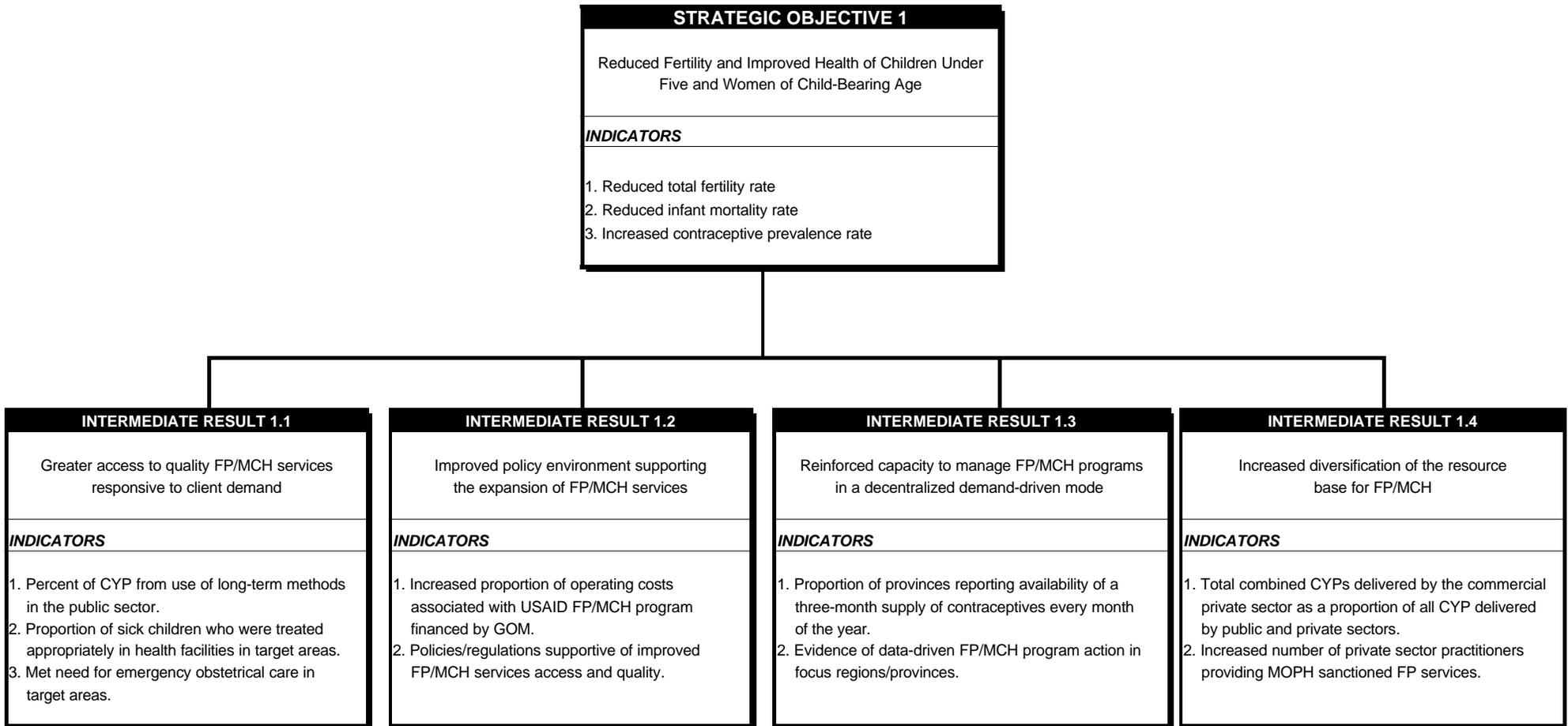
Safe Motherhood; The Next Generation

Given the success of the STI model, USAID agreed to tackle the problem of high maternal mortality through the introduction of improved Emergency Obstetrical Care (EOC) in two regions, and the development of a public information campaign to sensitize key target groups to the issues surrounding maternal mortality.



Launched in 1996 by USAID, the EOC model recently was included in both UNFPA's and the EU's programs. In addition, UNFPA has begun using a USAID-

produced video which targets decision-makers to lobby with other potential donors for additional funding for the EOC initiative. This modus operandi, whereby USAID develops pilot activities using an operations research approach and subsequently attracts other sources of funding for their replication, has proven to be highly effective for the health sector in Morocco. Indeed, USAID anticipates applying this approach to other areas of our assistance in the bilateral and post-bilateral program



1. Performance Analysis

Morocco's impressive achievements in family planning and maternal and child health (FP/MCH) have been confirmed by the dramatic preliminary data from the 1997 PAPCHILD survey.¹ These **SO-level indicators exceed targets** and demonstrate the clear contribution of the Morocco FP/MCH program to the U.S. Strategic Plan for International Affairs and USAID global objectives in terms of stabilizing world population and protecting human health. They also reveal the growth in commitment and capacity of health sector initiatives in Morocco, and the real desire of the population to adopt beneficial health behaviors. Indeed, these results confirm Morocco's role as a **true development "success story"** in the health sector.

SUMMARY OF 1997 SO1 PERFORMANCE DATA

- * Total Fertility Rate decreased to 3.1 from 3.3 in 1995
- * Infant Mortality Rate decreased to 36 from 57 in 1992
- * Maternal Mortality Ratio decreased to 228 from 332 in 1995
- * Modern Method Contraceptive Prevalence increased to 51% from 42% in 1995
- * 75,000 women per year now have access to emergency obstetrical care (EOC) to prevent maternal and infant morbidity and mortality
- * Total market sales of injectables almost quadrupled, thanks to the social marketing program
- * GOM exceeded targets in host country contribution, procuring almost \$1.5 million in contraceptives

This remarkable progress also validates USAID's decision to move the program away from large-scale bilateral assistance. In keeping with USAID/Morocco's Population/Health Transition Plan directives, all SO activities now focus primarily on ensuring sustainability and public and private sector capacity-building to address essential maternal and child health needs in the absence of significant USAID resources. The PAPCHILD data also reveal how vulnerable the program is. In the 1995 panel survey, voluntary surgical sterilization (VSC) accounted for 7% of modern method mix, but in 1997 dropped to 5.3%. In analyzing the reasons for this decrease, the fact that USAID's intensive support to the VSC program was reduced considerably in 1994 presents itself as a potentially significant contributing factor.

Important new GOM initiatives launched in 1997 confirm its role as a close and robust partner with USAID. Decentralization no longer is merely a concept -- today there is new legislation which devolves much authority to the regional level, a new reality with important implications for the health sector. Equally important, major initiatives to involve non-profit private sector local NGOs have been put in motion.

IR 1.1: Greater Access to Quality FP/MCH Services Responsive to Client Demand¹

Family Planning

Access to family planning services in Morocco is well-assured: over 90% of Moroccan women live within 30 kilometers of a health facility, 98% of which offer some level of family planning services; and knowledge of family planning is virtually universal. Thus, public sector family planning efforts now are directed toward improving quality by assuring a wider range of methods and better counseling and information, education and communication (IEC) materials. In 1997, over 40% of provincial health educators, including staff of mobile teams which target rural populations, have benefited from training and materials support to improve their inter-personal communication skills. The success of these efforts is demonstrated by increases in contraceptive prevalence. Total prevalence in urban areas has reached 66%, and in rural areas 51%, up from 63% and 39% respectively in 1995.

The difficulties of moving method-mix toward less costly and more effective long-term methods, however, are revealed in the PAPCHILD survey preliminary findings, which fall short of expectations. The oral contraceptive (OC) remains, by far, the method of choice for Moroccan women, representing 69% of mix. Use of IUDs has increased only modestly -- from 9 to 10%. The low levels of IUD acceptance prompted USAID to fund a major study in 1997 which uncovered a strong provider- and client-bias toward oral contraceptives. The study's implications are being incorporated into new program approaches and IEC efforts.

Injectables and Norplant accounted for only 1.5% of mix, which seems reasonable as these methods only recently have been introduced, and access, particularly for Norplant, is limited. While VSC numbers indicate significant plateauing, demand for these services appears to remain high. Preliminary analysis suggests that, when USAID technical assistance through AVSC ended, internal management weaknesses remained unresolved and hurt performance. Thus, efforts are underway to improve the quality of management and address underlying management constraints.

Maternal Health

USAID and the MOPH have made significant progress in addressing critical maternal health needs in Morocco, which has one of the highest maternal mortality ratios in the Arab world. A two-pronged strategy was developed, which included a sophisticated public education and advocacy campaign about the issue, and the introduction of improved EOC in two regions. Both efforts have been successful. As a result of the public information campaigns, King Hassan II declared maternal health a national priority. The introduction of improved EOC, through training and provision of equipment to more than 250 service providers in 52 facilities, has resulted in access to life-saving services for an estimated 75,000 pregnant women each year. This pilot effort has generated enormous interest of other donors in Morocco as well as maternal health experts in other countries.

Child Survival

The year was eventful for USAID and the MOPH in the area of child survival as well. With USAID support, the GOM continued, to make progress in the area of polio eradication. The last case of polio in Morocco was identified in 1989. Thus, there is considerable optimism that by the year 2000, Morocco will be certified as having eradicated polio. The Vaccine Revolving Fund, set up by USAID

¹ In some cases performance indicators at the IR level have been changed this year, with the agreement of USAID/W. Refer to performance data tables for details.

and UNICEF in 1993, continues to finance all vaccines. Coverage rates for target diseases remain high at approximately 90%.

Despite the notable reductions in infant and child mortality rates, there is a sense that continued gains will be increasingly difficult to achieve and will require new approaches. Thus Morocco has become the first country in the Maghreb to enthusiastically embrace the Integrated Management of Childhood Illnesses (IMCI) strategy, and, with USAID support, has begun IMCI on a pilot basis in two provinces. Baseline surveys have been completed, treatment algorithms adapted, and training and counseling guides are being developed. An innovative community component of the pilot project has local partners working with the MOPH to promote key child survival interventions. This is the MOPH's first effort to work directly with community-based organizations.

IR 1.2: Improved Policy Environment Supporting the Expansion of FP/MCH Services

Progress under this IR was on target thanks to the concerted efforts of the Partnerships for Health Reform (PHR) policy advisor and the other members of the newly established Policy Working Group (PWG), which includes representatives from USAID, other Cooperating Agencies (CAs) and MOPH staff responsible for planning, budgeting, and legal matters. The PWG refined USAID's policy agenda to reflect program priorities, the most important of which is to obtain GOM commitment to finance all public sector contraceptive costs. A major objective was attained when consensus was reached with high-level MOPH colleagues on a strategy to obtain this commitment from the GOM. A presentation which articulates the impact of the FP program to date, and the costs required to support the program in the future, has been developed. The thought-provoking presentation, which will target GOM decision-makers, clearly demonstrates that **there are almost 9 million fewer people in Morocco today due to achievements of the FP program alone.** The presentation also shows that, between 1999 and 2004, approximately \$7 million a year will be required from the national budget to meet projected public sector contraceptive needs. (These costs are higher than current USAID expenditures due to higher unit costs associated with local procurement.) Another major policy agenda benchmark was achieved with the reduction of import taxes on vaccines and selected other essential drugs from 57% to 9.5%. In addition, the MOPH exceeded targets for host country contribution, financing 72% of FP/MCH program costs, including almost \$1.5 million for contraceptives.

IR 1.3: Reinforced Capacity to Manage FP/MCH Programs in a Decentralized Demand-driven Mode

This IR represents a linchpin in the sustainability of the public sector program. Major accomplishments were made to improve institutional capacity for more efficient program management. Activities in areas such as IEC, training, contraceptive logistics and management information systems (MIS) all are on track. Some difficulties in introducing the quality management (QM) approach will be addressed in 1998 by the recently-fielded resident QM advisor.

As a result of USAID assistance, the MOPH IEC Division now has the conceptual and technical capacity to produce high-quality printed materials, video and other mass media programs to sensitize different target groups to FP/MCH issues. In a demonstration of its great resourcefulness, the IEC division took the lead in having MOPH-produced FP/MCH videos aired on cross-country buses. Not only do these buses deliver these health messages to up to six million travelers annually, but the bus companies actually buy the videos.

In training, the focus has been on introducing family planning and emergency obstetrical care curricula in the pre-service training programs of medical, nursing and midwifery schools. In 1997, for the first time, physicians will graduate from the Faculty of Medicine in Rabat competent in such skills as IUD insertion and episiotomy repair. In-service training also was strengthened by development of a National Continuing Education Strategy which focuses on more efficient, decentralized approaches.

An evaluation of the strengths and weaknesses of the MOPH contraceptive logistics system identified system shortcomings to be addressed over the next year. Accomplishments include a new "pull system" -- where contraceptive orders are placed from the field -- which functions well nation-wide at all levels, as evidenced by the low number of stockouts. Focus has turned to improving needs projections and storage capacity, computerizing the control and distribution of contraceptive products, and reducing the pipeline. Given the results and activities planned for the next two years, USAID is optimistic concerning the future capability of the logistics system upon termination of U.S. bilateral assistance.

Notable progress has been made in computerizing the MOPH's FP/MCH MIS. A local area network is fully functional at the central level, and a pilot system has been established in two provinces. Incorporated into these systems is a user-friendly FP/MCH data base for program planners and decision makers. This data base is also a part of larger efforts to improve program monitoring and evaluation and includes a set of key maternal child health indicators to be followed at every level of the health care system. The data base is still in the final testing stage, but should revolutionize the way MOPH managers do business in the future. A Worldwide Web site (sante.gov.ma) conveys basic information about the MOPH and the public health situation in Morocco.

IR 1.4: Increased Diversification of the Resource Base for FP/MCH

Increasing the role of the private sector in providing FP/MCH services is at the heart of USAID's strategy to achieve program sustainability. Truly indicative of sustainability is the success of Morocco's contraceptive social marketing (CSM) program. The program's first two products -- condoms and OCs -- not only graduated to sustainability within a few years of launch, but also were directly responsible for stimulating growth in the entire commercial condom and OC markets. **Before the CSM condom, there were no condoms on the market in Morocco and today there are a dozen brands; since the launch of the CSM OC, total OC sales have increased by 140%.** The CSM OC continue to be the market leader sold in Morocco, accounting for nearly 32% of the total OC commercial market, with sales increasing almost 15% annually.

An intensive mass media and public IEC effort got underway in August 1997 to promote the CSM injectable -- initially launched in November 1996. Sales of both the CSM injectable (Depo Provera) and another brand (Noristerat) since have skyrocketed. Total 1997 injectable sales were 179% greater than 1996 sales. The CSM IUD was launched in November 1997. Sales reached 1,050 units in the first month following the launch, and are anticipated to average 1,650 per month in 1998. The success of the CSM IUD is closely tied to a USAID-supported training program for private General Practitioners (GPs). It is primarily through these GPs that the IUD is promoted. This training program is the first effort in Morocco to systematically implicate the private for-profit sector in public health activities.

Although the private/public sector market share analysis of the PAPCHILD survey has not been completed yet, given the achievements outlined above, USAID anticipates that data will indicate growing use of the private sector for essential FP/MCH services.

2. Expected Progress through FY 2000

The focus of activities will continue to be on sustainability and capacity-building. The most critical achievement will be in the policy area (IR#2) as, in 1998, the GOM must allocate budgetary resources to finance contraceptives and related costs for the public sector FP program. For IR#1, the emphasis will be on addressing problems in the acceptability of long-term methods, an evaluation of the EOC pilot with documentation for its expansion by other donors, and implementation of the IMCI pilot. In IR#3, efforts will focus on capacity-building in provincial and regional activities covering a range of areas including training, MIS, quality management and contraceptive logistics. IR#4, diversifying the resource base, will continue support of the social marketing program and will introduce a number of initiatives to more fully implicate local NGOs.

USAID/Morocco is convinced that the time-frame available to complete SO1 is realistic and that all partners, including the MOPH, fully agree with this assessment. A final workplan, which includes 18 months of activities to be implemented through June 1999, has just been approved by USAID and the MOPH. USAID's institutional contract will be extended through September 1999 to allow for completion of the workplan and close-out of activities. Activities of other CAs also will end at various points in 1999. Requested funding levels will be sufficient in 1999 to provide a bridge for selected post-transition field support activities, assuming a FP/MCH/Pop Special Objective (SpO) is approved.

3. PHN -- Post-Bilateral Transition Phase

By the end of 1999, when USAID's final bilateral support to the PHN sector comes to a close, Morocco's FP/MCH program will be on its way toward long-term sustainability. Nonetheless, there are some vulnerable areas in which institutional capacity will not be fully achieved by the end of the bilateral assistance. This likelihood was foreseen in the Transition Plan and accounts for the Mission's proposed action to close-out the bilateral but follow it immediately with a modestly funded post-bilateral set of activities.

Thus, in order to ensure sustainability of the substantial gains made to date and to help prevent erosion of critical program elements, USAID/M has developed a new draft SpO to support a limited and focused post-bilateral program for the period 2000-2005. This proposal is based on a preliminary assessment which identified the cornerstones for sustainability of the Morocco FP/MCH program, which, unless addressed, could lead to deterioration in service delivery capacity and overall health status of Moroccan women and children. The proposed SpO falls solidly in areas where USAID has made significant investments and has a comparative advantage.

The proposed SpO is: **Institutionalization of key interventions which will facilitate sustainability of population, health and nutrition programs.** This objective would be achieved through two intermediate results: **access to private sector services increased**, focusing on social marketing and reducing barriers to private sector service provision; and **effective decentralized management of FP/MCH established on a pilot basis**, which, working in one region, would improve local-level data management and establish a more responsive model of service delivery through community-based

interventions. In further support of the SpO, selected technical assistance would be made available to the MOPH to address problems which may arise in national FP/MCH program systems developed in partnership with USAID. The SpO would be implemented using G/PHN Center CAs, and would require gradually diminishing resources.

In collaboration with G/PHN and ANE, USAID/M will finalize this strategy and submit it for USAID/W final approval by December 1998, as part of the new USAID/M post-2000 Country Program Strategy. In the coming months, as part of the SpO development, USAID will begin wide-ranging discussions with counterparts and stakeholders in Morocco, conduct other relevant analyses, and undertake an evaluation of the current program.

In terms of management structure, USAID/M plans on the departure of the USDH PHN officer in FY2000. The Senior Population Advisor position also will end in FY2000. The new SpO would be managed by a Technical Advisor in AIDS and Child Survival (TAACS), two professional FSNs and one secretary/ administrative assistant, supervised by a USDH GDO with strong backstopping from USAID/W.

4. Performance Data Tables: SO1

<p>OBJECTIVE 1: Reduced fertility and improved health of children <5 and women of child-bearing age. APPROVED: 2 JULY 1993 COUNTRY/ORGANIZATION: Morocco/USAID</p>			
<p>INDICATOR: 1.1 Reduced total fertility rate (TFR)</p>			
<p>UNIT OF MEASURE: An estimate of the number of children born to Moroccan women aged 15 to 49 years.</p> <hr/> <p>SOURCE: DHS (1992, 1995); PAPCHILD Survey (1997; preliminary results)</p> <hr/> <p>INDICATOR DESCRIPTION: Number of children that would be born per woman if she were to pass through her child-bearing years bearing children according to a current schedule of age-specific fertility rates (woman aged 15-49 years). Indicator data quality is high.</p> <hr/> <p>COMMENTS: With significant support from USAID, the MOPH substantially exceeded original projections which were based on 1992 DHS data. Based on results of the 1995 DHS Panel Survey, TFR projections were modified for the 1996-99 period. 1997 data is still unofficial from the PAPCHILD Survey of 45,000 households using DHS modules.</p>	YEAR	PLANNED	ACTUAL
	1987	--	4.58
	1992	--	4.0
	1995	3.7	3.3
	1997	3.2	3.1
	2000	3.0	

OBJECTIVE 1: Reduced fertility and improved health of children <5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INDICATOR: 1.2 Reduced infant mortality rate (IMR)

UNIT OF MEASURE: An estimate of the number of infants deaths per 1,000 live births

SOURCE: DHS (1992, 1995); PAPCHILD Survey (1997; preliminary results)

INDICATOR DESCRIPTION: The probability of death from birth to the end of the first year (0 through 11 months) based on data collected through household surveys. Indicator data quality is high with the exception of 1995 noted below.

COMMENTS: **Data from the EPPS 1995 (panel survey) would appear to indicate an increase in IMR in 1995. However, due to sampling error related to the small size of the sample, one cannot conclude that the data represent an increase. The 1997 figure is unofficial data from the PAPCHILD survey of 45,000 households (vs. 4,000 in the 1995 EPPS) and a highly reliable estimate of infant mortality in Morocco.

YEAR	PLANNED	ACTUAL
1987	--	82.4
1992	--	57
1995	52.5	61**
1997	55	36
2000	30	

OBJECTIVE 1: Reduced fertility and improved health of children <5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INDICATOR: 1.3 Increased contraceptive prevalence rate - modern methods (CPR).

UNIT OF MEASURE: The proportion of married women of child-bearing age (15-49) who are using a modern contraceptive method at the time of the survey.

SOURCE: DHS (1992, 1995); PAPCHILD Survey (1997; preliminary results)

INDICATOR DESCRIPTION: See unit of measure above. Indicator data quality is high.

COMMENTS: Based on results of the 1995 Panel Survey, CPR projections were modified for the 1996-99 period. For this year's reporting, the indicator has been changed to report prevalence of modern methods only. 1997 data are still unofficial from the PAPCHILD Survey of 45,000 households using DHS modules.

CPR for ALL methods (as reported in the 97 R4) is as follows:

	planned	actual
94	--	41.5
95	46	50
97	54	58.8
00	58	

(This indicator revised this year.)

YEAR	PLANNED	ACTUAL
1992	--	35.5
1995	--	42.4
1997	45	51
2000	48	

OBJECTIVE 1: Reduced fertility and improved health of children <5 and women of child-bearing age.

APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.1 Greater access to quality FP/MCH services responsive to client demand

INDICATOR: 1.1.1 Percent of Couple Years of Protection (CYP) from use of long-term (LT) methods in the public sector.

UNIT OF MEASURE: LT methods include VSC, IUDs, injectables and Norplant.

SOURCE: MOPH Service Statistics based on facility reports of commodities distributed.

INDICATOR DESCRIPTION: Total CYP from LT methods is the numerator, overall public sector CYP is the denominator. All years reflect USAID 1997 conversion factors: IUDs = 3.5 CYPs; 15 cycles pills=1 CYP, 120 condoms = 1 CYP, VSC = 8 CYPs ; Norplant = 3.5 CYPs; 4 injectables (depo) = 1 CYP. Indicator data quality is low due to poor reliability of service statistics.

COMMENTS: Major problems with service data quality were identified last year - mainly at the data entry level. Project efforts this year to clean and improve previous year data have resulted in revised actuals for '92-96. The activity is focusing attention in '98 on resolving data entry problems at the peripheral and central levels.

Because of service data quality problems, it is premature to draw conclusions on program trends, especially in light of new contraceptive prevalence data from the PAPCHILD Survey.

YEAR	PLANNED	ACTUAL
1992	--	28%
1993	--	34%
1994	--	42%
1995	--	38%
1996	--	37%
1997	41%	36%
1998	43%	
1999	45%	

OBJECTIVE 1: Reduced fertility and improved health of children <5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.1 Greater access to quality FP/MCH services responsive to client demand

INDICATOR: 1.1.2 Proportion of sick children who were treated appropriately in health facilities in target areas.

UNIT OF MEASURE: The number of sick children who were classified correctly and appropriately treated (though this does not necessarily mean that the health worker directly provided all medication) for the classification, as a proportion of all sick children seen.

SOURCE: Project supported baseline and follow-up surveys in IMCI project areas.

INDICATOR DESCRIPTION: This compound indicator reflects quality of care by measuring correct classification by health workers (as compared to a "gold standard" observer) and appropriate treatment prescribed to that child. Facilities in the project areas of Agadir and Meknes provinces will be evaluated through a follow-up sample survey. Indicator data quality is moderate to high.

COMMENTS: Baseline data generated from GOM survey with support from the BASICS project in June-July, 1997. The survey was fielded in a sample of health facilities in the pilot areas (Agadir and Meknes provinces). A critical assumption in the use of this performance indicator is timely implementation of the activity workplan, especially adaptation of the algorithms and training of health care providers. A follow-up survey is planned for fall (October-December) 1998.

(New indicator this year.)

YEAR	PLANNED	ACTUAL
1997	--	47%
1998	60%	--
1999	70%	--

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.1 Greater access to quality FP/MCH services responsive to client demand

INDICATOR: 1.1.3 Met need for emergency obstetrical care in target areas.

UNIT OF MEASURE: Proportion of women estimated to have complications directly related to the pregnancy, that are managed in emergency obstetrical care facilities.

SOURCE: Record review and data collection system being established in pilot facilities.

INDICATOR DESCRIPTION: Information on women seen for direct obstetrical emergencies recorded by facilities participating in pilot project. The estimate of the number of women in need of emergency obstetrical care is obtained by applying an international recommendation (15 %) to the estimated number of live births in the project areas. Indicator data quality is moderate.

COMMENTS: This indicator gauges the proportion of estimated need for emergency obstetrical care met through 52 facilities engaged in the USAID-supported Safe Motherhood pilot project. A previously-conducted survey (1989) provides a rough approximation of this indicator with a value of less than 5 % nationwide. The 1996 baseline is based on a retrospective record review in the 52 facilities. Data for 1996 and 1997 rely on the existing data collection efforts within these facilities. In 1998, a project-developed data collection format will be instituted in the participating facilities which will provide more detailed and uniform information on complications treated. As data quality is enhanced with project activities, performance targets may need to be revised.

A critical assumption in the use of this performance indicator is that the activity workplan, particularly the training of health workers and the provision of needed equipment, proceeds according to plan. The Safe Motherhood pilot project is being conducted in 2 regions with a total estimated population of over 3 million and approximately 75,000 expected births.

(New indicator this year.)

YEAR	PLANNED	ACTUAL
1996	--	40%
1997	--	43%
1998	51%	
1999	61%	

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.2 Improved policy environment supporting FP/MCH services

INDICATOR: 1.2.1 Increased proportion of operating costs associated with USAID FP/MCH program financed by the GOM (including contraceptive costs subsumed by the MOPH).

UNIT OF MEASURE: Annual proportion of MOPH contribution to the FP/MCH program for contraceptives and FP/MCH program operating costs.

SOURCE: MOPH budget and expenditure figures.

INDICATOR DESCRIPTION: Numerator is MOPH contribution, denominator is total MOPH and USAID contribution.

COMMENTS: Operating costs for the current year are based on MOPH budget figures and calculated based on a formula established in 1993. Previous years have been adjusted to reflect actual expenditures. Contraceptive costs are actual expenditures as detailed below. Indicator data quality is moderate to high.

Total MOPH Contribution in Terms of Expenditures (\$000)

	planned	actual
94	15,028	22,149
95	15,489	22,165
96	16,153	22,926
97	17,198	31,250
98	18,138	
99	18,661	

Actual Expenditures on Contraceptives (\$000)

	MOPH
94	-0-
95	250
96	764
97	1,453

Note: Although the GOM has consistently surpassed the planned dollar amount of contribution, the percentage appears to fluctuate for several reasons: 1) contraceptive costs to the GOM have been much higher than planned, 2) many one-time-only program costs planned for the first and second project years were carried over, making overall program costs (the denominator) much higher than anticipated in 1996 and 1997.

YEAR	PLANNED	ACTUAL
1994	47%	88%
1995	54%	72%
1996	61%	66%
1997	68%	72%
1998	75%	
1999	83%	

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.2 Improved policy environment supporting expansion of FP/MCH services.

INDICATOR: 1.2.2 Policies/regulations supportive of improved FP/MCH services access and quality.

UNIT OF MEASURE: Percentage completion of 10 policy/regulatory reforms (see attachment).

SOURCE: PHR, JSI, MOPH

INDICATOR DESCRIPTION: Advancement in policy dialogue and implementation of measures within and outside the MOPH, aimed at improving the provision of FP/MCH services.

COMMENTS: The policy agenda was refined in 1997 and is now based on achievement of reforms in 10 key policy/regulatory areas. In addition to the percentage achievements, the mission also achieved 4 key benchmarks in 1997: 1) Presentation of the phase-over issue and budgetary needs through 2005 to a special meeting of high level MOPH officials. Resulted in agreement to develop and defend a dossier which will assist the MOPH to argue for 100% funding of the FP program to high level GOM officials. Draft dossier completed; 2) Import tax on vaccines reduced from 57% to 9.5%; 3) Formal convention between MOPH and Ministry of Communications for free or reduced air time for TV and radio spots drafted. Expected to be approved by new government in early 1998; 4) Class of 206 midwives graduated in June 1997, 10 times more graduates than in previous years.

(This indicator was revised this year.)

YEAR	PLANNED	ACTUAL
1995		7%
1996	14%	14%
1997	30%	58%
1998	48%	
1999	77%	
2000	88%	
2001	100%	

SO1 Policy Matrix Annex

Numbers in the columns indicate the **percentage estimate of completion** for each reform initiative. The reform process is comprised of five phases (with percentage weights shown) : problem identification (10%), reform proposition (10%), public debate and validation (20%), adoption (20%), and implementation (40%). **.Anticipated and 1997 actual (in bold) policy achievements under SO 1 are summarized in the following table:**

Reforms	1997	1998	1999	2000	2001
Sustainability of FP/MCH					
MOPH finances 100% of public sector contraceptive needs by the end of 1999	60 60	60	60	100	100
Administrative and customs costs reduced for contraceptives and vaccines	55 ¹ 10	40	100	100	100
Financial sustainability: 1) National health accounts (NHA) completed; 2) Strategy to increase the role of the private sector implemented	-- --	20	60	60	100
Regionalization/decentralization monitoring system in place	--	40	60	100	100
Increased number of midwives trained and placed in government service	100 10	20	60	60	100
Regulatory framework related to the use of health personnel in the public and private sectors revised	10 10	20	60	60	100
Vaccine revolving fund fully functional; assistance to ensure sustainability	--	40	60	100	100
Reduced cost media time guaranteed for FP/MCH	80 60	100	100	100	100
Quality of FP/MCH					
Service and quality standards for FP, EOC and IMCI elaborated, validated and disseminated	40 40	100	100	100	100
Maternal death audits required for all maternal deaths in public health facilities.	--	40	60	100	100
Total	345				
Average of all reforms	58	--	--	--	--
Anticipated Average	30	48	72	88	100

The average percentage achievement for 1997 (58%) greatly exceeded the anticipated average achievement of 30%. The average for 1997 was based on only six policy issues. For 1998-2001, average achievement will be based on these 6 issues, plus 4 new ones, which were identified by the SO1 policy team and advisor at the end of 1997. Also note that although major USAID funding to this policy reform agenda is due to end in December 1999, the achievements will be tracked out to 2001 in order to assess sustained impact and the role that our programs play after our funding actually stops.

1 This policy issue is related to two different commodities: vaccines and contraceptives. Exoneration/reduction of taxes and customs duties on vaccines was achieved in July 1997 (100% complete), taxes and customs duties on contraceptives are in Identification/Analysis stage (10%). Thus, an average of 55% achievement is used for the policy matrix.

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.3 Reinforced capacity to manage FP/MCH programs with particular emphasis on decentralized approaches responsive to client need.

INDICATOR: 1.3.1. Proportion of provinces reporting the availability of a three-month supply of contraceptives every month of the year.

UNIT OF MEASURE: The percentage of provinces that had a three-month supply of injectable contraceptives in service delivery points for all months.

SOURCE: MOPH service statistics

INDICATOR DESCRIPTION: SO1 is using injectable contraceptives as the marker for this indicator given program emphasis on long-term methods. Indicator data quality is moderate.

COMMENTS: SO1 is introducing this indicator this year in lieu of "stockouts reported" as stockout data is not now routinely available. Fluctuations in the data to date are attributed to the recent introduction of injectables in the public sector. The availability of injectables should stabilize and steadily increase over the next two years as the method becomes established in the public sector, and because of the ongoing USAID supported improvements in the contraceptive logistics system.

The proportion of provinces with a three-month supply of oral contraceptives is noted below.

95 71%
 96 75%
 97 72%

(New indicator this year.)

YEAR	PLANNED	ACTUAL
1995	--	83
1996	--	69
1997	--	75
1998	80%	
1999	85%	

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.3 Reinforced capacity to manage FP/MCH programs with particular emphasis on decentralized approaches responsive to client need.

INDICATOR: 1.3.2. Evidence of data-driven FP/MCH program action in focus regions/provinces (Agadir and Meknes).

UNIT OF MEASURE: Description of activities carried out to establish a peripheral level management information system (MIS) for use as a tool in decentralized management and of resultant FP/MCH program actions.

SOURCE: JSI Project reports from the field.

INDICATOR DESCRIPTION: A qualitative measure of the active use of management information in support of the MOPH decentralization process. The SO team determines whether a benchmark has been achieved through review of project reports and validation by field visits. Indicator data quality is moderate.

COMMENTS: This indicator illustrates progress made in program management as a result of data analysis and use at the regional level.

1996 Baseline: All FP/MCH statistics from provinces entered by hand and sent to central level for computer entry and analysis. Program targets for provinces established at central level.

1997 Target/Benchmark: A set of common FP/MCH indicators established by the MOPH for use at the local and central levels. Computer systems and networks installed at health delegation and referral hospital and local staff trained in a number of software, including *MAGIC* (data-base management). Local incidence of reportable infectious diseases checked daily by Chief Medical Officer.

1998 Target/Benchmark: Software in place and used for data entry of service statistics linked to the MOPH common indicators. Meetings held monthly to review and discuss data. Evidence of at least 3 FP/MCH related program actions per region taken based on the data.

1999 Target/Benchmark: Evidence of regular and accurate FP/MCH data entry and analysis. 1998 program actions reviewed for effectiveness and adjusted accordingly. At least three additional program actions per region taken based on data analysis.

(New indicator this year.)

YEAR	MET	NOT MET
1996	--	--
1997	X	
1998		
1999		

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.4 Increased diversification of resource base financing the delivery of FP/MCH services.

INDICATOR: 1.4.1. Total combined CYPs delivered by the commercial private sector as a proportion of all CYP delivered by public and private sectors.

UNIT OF MEASURE: The numerator is total commercial sector CYPs (including USAID/SOMARC CSM CYP's). SOMARC and commercial sector data do not include CYPs from VSC or condoms. The denominator is CYPs from both the public and commercial private sectors.

SOURCE: SOMARC project data, data from pharmaceutical industry on private sector sales, and MOPH service statistics.

INDICATOR DEFINITION: See unit of measure above. Data quality is moderate (public sector CYPs being the weak link).

COMMENTS: USAID/M CSM product promotion is considered to have a "halo" effect in increasing distribution of promoted products in the private commercial sector as well as the public sector. This indicator reflects project success in increasing private sector share of market.

CYPs of selected CSM FP commodities distributed (Oral Contraceptives and injectables) as a proportion of all CYPs delivered by the private commercial sector.

	Planned	Actual
96	--	28.9%
97	49.4%	47.4%
98	53.5%	
99	59.2%	

** May be revised for next R4 based on PAPCHILD data.

(This indicator slightly revised from last year.)

YEAR	PLANNED	ACTUAL
1994	--	28.0%
1995	--	28.7%
1996	--	31.3%
1997	--	34.0%
1998	39%**	
1999	44%**	

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.
APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.4 Increased diversification of the resource base financing the delivery of FP/MCH services.

INDICATOR: 1.4.2. Increased number of private sector practitioners providing "MOPH-sanctioned" FP services.

UNIT OF MEASURE: The proportion of private sector physicians trained/certified to provide target FP services, with a focus on clinical methods.

SOURCE: JSI MIS/Project data for numerator and information on the total number of private sector general practitioners (denominator) from the Moroccan Medical Association (SMSM).

INDICATOR DESCRIPTION: Numerator reflects the total number of GPs trained to date (i.e. cumulative since 1995). Denominator is 2000 Moroccan private physicians. Indicator quality is high.

COMMENTS: Target FP services include long-term FP methods, especially IUDs. Training of private sector GPs began as a trial effort in 1996. Certification requires that the trainee demonstrate competence in IUD insertions and progress toward this target has been delayed because of the limited number of clinical practice sites for training.

In order to increase the number of GPs trained, additional trainers and clinical training sites are required. In 1997, two additional groups of trainers and two new clinical practicum sites were identified and utilized. Efforts in 1998-99 will continue to focus on identifying alternative training mechanisms for private sector service providers. It is anticipated that targets will be met.

YEAR	PLANNED	ACTUAL
1996	5 %	3.8 %
1997	20 %	15%
1998	45 %	
1999	70%	

Strategic Objective 2

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

Lakhoul and his family cultivate 5 hectares (ha) of prime irrigated land in the 95,000 ha Tadla Irrigation Perimeter located in the Oum er R'bia River Basin of Morocco. Lakhoul belongs to a group of farmers who have come to appreciate from first-hand experience the benefits of switching from the conventional "*robta*" system for irrigating their land to laser-leveled basins.

Field evidence and interviews with farmers like Lakhoul, show that level-basins provide Tadla farmers more than 20% water savings, over 85% uniformity of water application to growing crops, and up to 50% increase in crop yields.

The Tadla Resources Management activity (TRM) introduced level-basin technology in 1995 as part of USAID/Morocco's program to increase water savings through improved irrigation system management and through improved on-farm water-use efficiency.

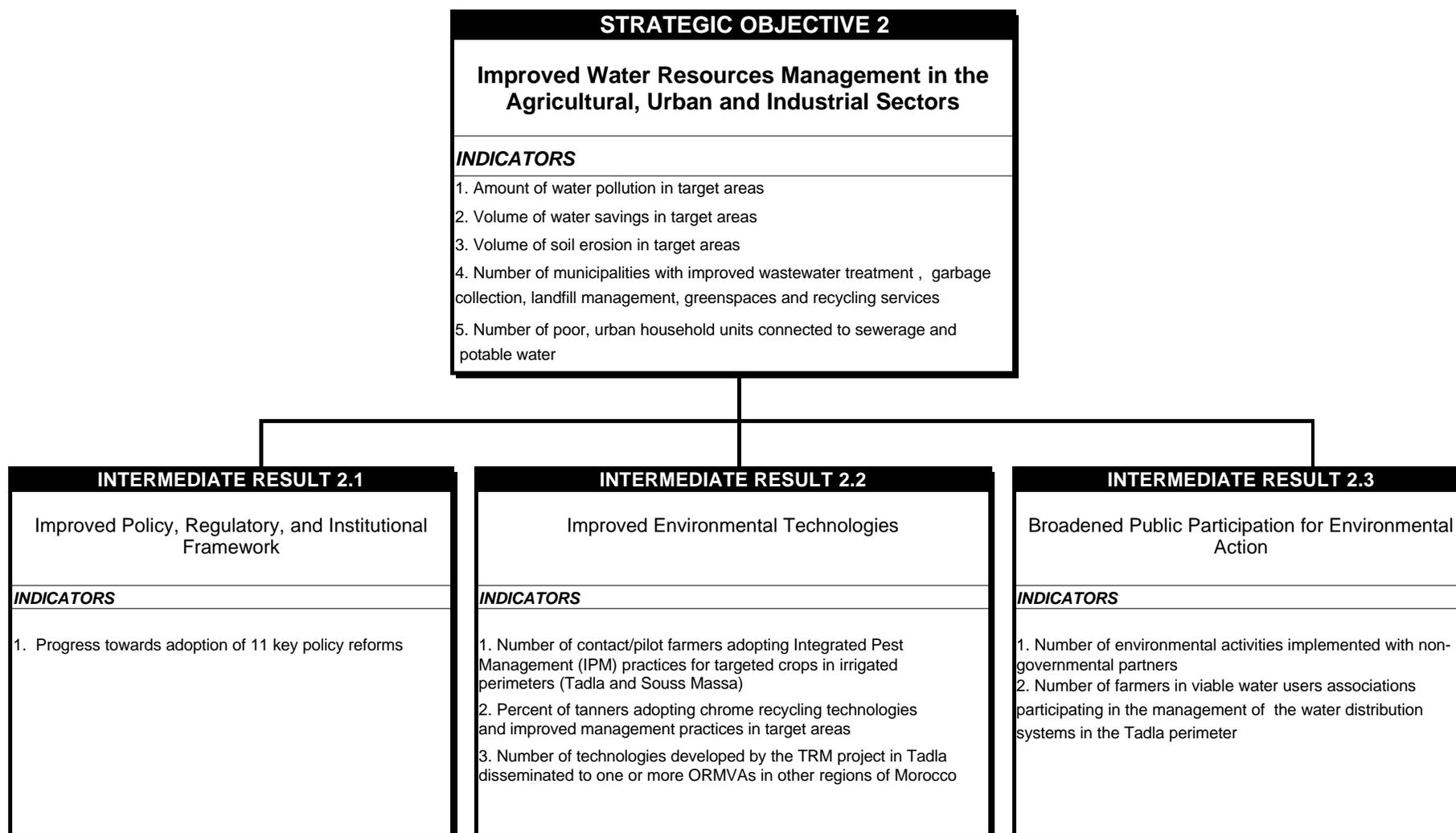
Lakhoul started with 1.2 ha of level-basins in the 1995 TRM farm demonstration adding

1.2 more ha in 1996 and 1.1 ha in 1997, for a total of 3.5 of his 5 hectares in level-basins. The gradual growth over the last three years reflects his conviction that level-basins are the way to go. Lakhoul is particularly attracted by the 50% reduction in labor required to irrigate, as well as the increased productivity of his high-value crops of sugar beets, onions, potatoes, beans, sesame and paprika. He also appreciates the water savings realized, which allows him to manage this scarce resource more effectively.



TRM-trained engineers and technicians from ORMVAT, the local irrigation authority, provide laser-assisted land-leveling services for level-basin development to Tadla farmers. TRM and ORMVAT plan to extend this water-

saving technology to a larger number of farmers in Tadla and to other irrigation districts in Morocco, through the participation of the private sector in providing laser-leveling services.



1. Performance Analysis

Agenda 21, adopted at the seminal 1992 U.N. Conference on Environment and Development, laid out a clear and concise blueprint for water policy:

Effectively integrated management of water resources is important to all socio-economic sectors relying on water. Rational allocation prevents conflict and enhances the social development of local communities, as well as economic planning and productivity. Efficient demand management allows water-using sectors to achieve long-term savings on water costs and stimulates resource-conscious production technologies. Health conditions and environmental quality should also improve, either as a result of integrated development planning or as a beneficial consequence of improved environmental or social conditions. (Agenda 21, 1992, p.174).

USAID/Morocco's Environmental Strategic Objective (SO2) follows the approach outlined above, to help ward off looming water shortages and severe water pollution and health problems through improved integrated water resources management (IWRM). This objective supports the U.S. Government's national interest in global issues, as pursued through its strategies to secure a sustainable global environment in order to protect the United States from the effects of international environmental degradation, and to protect human health and reduce disease. This approach already has paid off, **with performance surpassing expectations this year**. Some of the SO's most important accomplishments during 1997 are detailed in the following summary:

Summary of 1997 SO2 Performance Data
<ul style="list-style-type: none">* Reduction in nitrate pollution by 10% in target areas* 13 million cubic meter water savings annually in target areas* Improved municipal environmental services in 14 cities, with 1.95 m population* Increase of 52,000 poor households connected to water and sewerage systems* Water fee increase of 6% in the Tadla Irrigation Perimeter* Tadla Irrigation Authority re-engineered with USAID assistance, enhancing efficiency* Continued growth in stature of the Ministry of the Environment* Adoption of environmental planning techniques by FEC and ANHI* Adoption of "integrated pest management" (IPM) practices by 135 farmers* More than 3,000 farmers involved in participatory irrigation management

In addition, USAID's SO2 Team oversaw several detailed feasibility studies, environmental assessments and management agreements, as part of the pilot project, best practices approach at the heart of the SO. This approach focuses on solving compelling water problems through IWRM in "real life" situations. By testing on the ground new participatory approaches and improved technologies, the binding constraints and policy issues become clear. This approach stresses close cooperation among stakeholders and **the crucial role of the GOM and other donors to replicate successes**.

The Team is working in Fes on pollution prevention in the Dokkarat industrial area, where about 20% of the city's chromium pollution originates. A recycling facility will be designed and constructed to reduce by 90% in 1998 the area's chromium effluent load. Effluent now ends up in the city's sewer system and the Sebou River. This work is an essential element of the \$60 million World Bank and

Caisse Française de Développement (CFD) investment in the city's new sewage treatment infrastructure, making it possible to succeed.

A demonstration facility for wastewater treatment and reuse in Drarga, a small town near Agadir, is expected to be operational by the end of the year, solving severe health/pollution and water scarcity problems in the community and surrounding areas. USAID's investment already has leveraged a \$470,000 contribution by a French-supported regional housing developer (ERAC), and the German aid organization, KfW, is planning to replicate this activity in a nearby community with a \$400,000 investment.

The Team completed a feasibility study to privatize a complex landfill operation in Meknes. Engineering designs were done to improve landfill operations to reduce pollution in Azrou and Ouled Teima. Triggered by earlier successful USAID solid waste work in Tetouan, the World Bank is supporting privatization of garbage collection in Fes.

Work in the northern Rif Mountain watershed of Nakhla also will begin this year. Working with farmer groups, the Team will address the severe soil erosion problems which are key to effective water management in the basin. The Northern Development Agency (*Agence du Nord*) will provide some \$110,000 to support this effort.

SO2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

Following Tadla Resources Management (TRM) activity demonstrations last year, the Tadla Irrigation Authority (ORMVAT) is disseminating TRM-developed reduced-nitrogen fertilizer application technology on a larger scale this year. This program is dramatically reducing **water pollution** by limiting the amount of nitrates leached into the groundwater, thereby reducing the serious health risks associated with this pollutant in drinking water supplies.

Appreciable **water savings** continue to accrue in the agricultural sector, which consumes the lion's share (roughly 90%) of all captured water in Morocco. Primarily as a result of irrigation system-level improvements in Tadla, and to a lesser extent from improved on-farm irrigation technology, almost 13 million cubic meters of water was saved this year.

Detailed **soil erosion** control feasibility work undertaken in the Nakhla watershed has produced a blueprint for future action. The work specifies a new baseline erosion figure and gives a clearer picture of the magnitude of the problem. Implementation will begin in 1998, with reductions in erosion planned to occur by late year in target areas.

A sharp increase of **municipalities with improved environmental services** is tied to Urban Environmental Credit Program (UECP) loan guarantees to the urban infrastructure agency *Fonds d'Équipement Communal* (FEC) for on lending to municipalities. Projects undertaken in areas such as wastewater treatment, garbage collection and landfill management contributed to improved water resources management in the urban sector. USAID's work directly stimulated the European Investment Bank to finance liquid and solid waste systems for municipalities.

While an additional **52,000 poor, urban household units were connected to sewerage and potable water**, targets were not fully achieved due to politically generated management problems in the national shelter upgrading agency, *Agence Nationale de Lutte contre l'Habitat Insalubre* (ANHI).

Regardless, Kuwaiti funds and the Arab Fund (FADES) will finance new economically-integrated urban extensions in five cities using USAID's "ANHI model."

IR 2.1: Improved Policy, Regulatory and Institutional Framework

Significant progress was made in key policy and institutional reform areas. At the end of the year, the ORMVAT raised the price of water by 6%, bringing the total increase in the water tariff in Tadla to 20% since the beginning of the TRM activity. With the adoption and implementation of this **progressive water pricing policy**, it is expected that ORMVAT will be able to operate without any national subsidy by the year 2000. In addition, SO2's work in Drarga on wastewater treatment and reuse helped set prices reflecting the real costs involved.

The **decentralization of water management authorities** also moved forward, with the appointment of the Director of the Oum er R'bia River Basin Agency, the first of several such agencies called for under the new Water Law. Subsidiary decrees to clarify roles and authorities of basin agencies are being formulated. Also, the FEC began to implement a wastewater co-management strategy between smaller cities and regional water authorities.

The use of **environmental impact assessments** to avoid adverse impacts was advanced with the completion of an environmental planning trainers' workshop, the development of new environmental analysis procedures by ANHI and FEC, and the preparation of detailed environmental assessments for the pilot activities in Drarga, Fes and Nakhla.

Private sector involvement in the delivery of urban infrastructure also was enhanced through the development of a new privatization strategy by ANHI which promotes public-private partnerships between ANHI and private construction firms to produce urban social housing and serviced lots. Several cities are working to privatize liquid and solid waste management services, with more donors now active.

An interministerial committee on **norms and standards** prepared a comprehensive analysis of chromium and other industrial effluents, which will be reinforced and validated by the WRS chromium recycling pilot activity. Laws and decrees were developed by the GOM incorporating the **polluter-pays-principle** (PPP). The PPP is included in the management convention agreed to by the tanners who are part of the WRS pilot project in Dokkarat.

The leadership and **coordination role of the Ministry of the Environment (MOE)** was strengthened by its chairmanship of the WRS interministerial steering committee meetings, with strong participation from other institutions. Acknowledging the MOE's coordinating role, the FEC is working closely with the Ministry to update environmental checklists and procedures for construction of urban infrastructure, now a prerequisite for municipal loans.

Water user associations in Tadla continued to grow in number and stature, with several new groups participating in the management of the distribution of water. At the same time, the **efficiency of ORMVAT** was enhanced by TRM-assisted long-term strategic planning for the organization. The strategy developed was validated and then approved in December, culminating in a visit by the Minister of Agriculture and the USAID Director to Tadla to help promote extension of this approach to other irrigation perimeters.

Lastly, the **sustainability of ANHI and FEC**, two main institutions involved in the provision of urban environmental infrastructure, was enhanced through design and implementation of an improved MIS

and internal controls, financial management and risk analysis improvements, and integration of public-private sector partnerships methodology into their operations.

IR 2.2: Improved Environmental Technologies

Significant progress was made in support of the SO's technology component. As a result of the concerted efforts of two Mission activities -- TRM and Morocco Agribusiness Promotion (MAP) -- **integrated pest management** practices have been more widely adopted in Tadla and in the Souss-Massa basin. This technology helps combat ground- and surface-water pollution.

USAID has reset the targets and time frame for the adoption of **chromium recycling** technologies as a result of the detailed feasibility study carried out this year, and expects 100% adoption by the end of 1998. The investment envisaged in Dokkarat will help reduce the amount of chromium pollution in the Sebou and prevent damage to the planned new Fes wastewater treatment facility.

One of the SO's most promising **new technologies**, laser level-basin irrigation, was **disseminated** to the Doukkala perimeter, as a result of TRM's installation of demonstration plots during the current agricultural year. This exciting new technology has tremendous promise over a wide range of soil and moisture conditions and should be replicated widely.

IR 2.3: Broadened Public Participation for Environmental Action

Public participation helps to ensure widespread support for improved water management activities by men and women in target areas. SO activities designed for **implementation with non-governmental partners** have built important constituencies and consensus around specific actions, and have exceeded targets. For example, in Tikiouine, ANHI is working with community associations from clandestine neighborhoods which donate labor to expand the sewerage system.

Design activities supported by comprehensive stakeholder dialogue have laid the groundwork for future economic partnerships between ANHI, municipalities, individual landowners and neighborhood landowner associations. Through land contributions and swaps within an official legal and financial framework, the partnerships will undertake jointly the financing and construction of trunk infrastructure and servicing of plots.

In Tadla, the **number of farmers in viable water user associations (WUA)** has grown dramatically, with an increase of almost 1,500 new members this year, demonstrating ORMVAT's commitment to turn over more management responsibility to these associations.

2. Expected Progress Through FY 2000 and Management Actions

SO2 remains solidly on-target to achieve important results by the year 2000. An audit of the Mission's implementation of the Government Performance and Results Act for Environment - Natural Resource Management Activities conducted in 1997 by the IG concluded that the Mission had developed strategic and annual plans which were consistent with the Agency's Strategic Framework and also had developed indicators consistent with Agency goals. The audit report concluded that **"USAID/Morocco's natural resources management activities were making satisfactory progress toward achieving the intended benefits."**

Significant changes are expected in the SO's architecture by 2000. TRM and UES will be concluded, leaving WRS as the only current core activity left. Based upon a positive, in-depth ANE/Global

review of the current portfolio, performance and strategic thinking about the future, a new initiative will be started by that year, which will lead the SO into the new millennium. This initiative will be built upon the best practices developed and tested in our current portfolio, but will focus on the application of best practice to basinwide management in a single important watershed.

SO2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

As a result of TRM system-level and on-farm improvements, water savings will reach an annual level of 70 million cubic meters in Tadla, with likely additional savings through dissemination of these technologies to other large-scale irrigation perimeters. Similarly, with the adoption of TRM's integrated plant nutrient management program, dangerous nitrate pollution should decrease by 25%, appreciably reducing detrimental health effects.

There should be a 90% reduction in the level of tannery chromium pollution in the Dokkarat industrial area as a result of the development of the WRS pilot chromium recycling plant. Water pollution from domestic sewage and water usage in Drarga will be reduced as a result of the operations of the new wastewater treatment and reuse facility. Work in the Nakhla Watershed will lead to a 14% reduction in erosion in target areas by the year 2000.

New UES/UECP targets of 30 municipalities with a population of 2.75 million with improved urban environmental services, and 254,300 poor, urban households connected to sewerage and potable water systems, will be achieved as a result of the credit program and the supporting technical assistance activity.

IR 2.1: Improved Policy, Regulatory and Institutional Framework

Most of SO2's current policy agenda will be in the implementation/enforcement stage by the year 2000. We expect to see water tariffs reflect better the actual cost of water, and new Basin Agencies starting to manage water rationally on a watershed scale.

Environmental assessments should be used routinely by national public institutions, municipalities and the private sector prior to investment in urban infrastructure, and the private sector should be well entrenched in infrastructure service delivery at the local level.

Progress will be made in effluent norms and standards development, with the chromium pollution prevention work catalyzing the process. SO work with the tanners of Fes also will lead to the acceptance and implementation of the polluter-pays-principle.

All of the principal institutions with which USAID works -- the MOE, ORMVAT, ANHI, FEC and WUAs -- should be sufficiently strengthened to ensure their sustainability and effectiveness in the water sector. Similarly, a group of model municipalities will have integrated environmental protection concepts into urban environmental services management, and adopted improved financial management practices to sustain improvements and protection.

IR 2.2: Improved Environmental Technologies

Widespread acceptance of IPM practices among farmers is expected in Tadla and Souss-Massa, reducing water pollution. Key TRM-introduced technologies, including laser level-basin irrigation and flow monitoring-based system management, are expected to be widely disseminated. In addition, in

the industrial sector, it is envisioned that 100% of the tanners in the Dokkarat industrial zone of Fes will adopt WRS chromium recycling technologies.

Important low-cost, neighborhood-scale liquid waste management technologies, co-financed with other donors, will be implemented. Environmentally-sound landfill design and management will be practiced in several municipalities

IR 2.3: Broadened Public Participation for Environmental Action

With the SO Team's strong support for public participation, and positive feedback from partners, targets should be met or exceeded in the coming years. The focus of many SO activities is on the participation of a broad spectrum of civil society, with special attention paid to integration of women's concerns. Women play important roles in the erosion control activities in the Nakhla watershed and in various urban infrastructure activities, such as improved garbage collection.

The SO program is continuing to make good progress in helping to transfer irrigation system operations and maintenance responsibility to farmers in the Tadla perimeter. Other WUAs also will figure prominently in SO activities, particularly in Drarga, where such an association will invest more than \$200,000 during the next ten years in the management of the sanitation system. The SO Team also will focus on stimulating more widespread community participation in all aspects of urban environmental improvements.

There will be no changes in the staffing of SO2 through the year 2000.

3. Performance Data Tables: SO2

STRATEGIC OBJECTIVE 2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors APPROVED: 4/95 COUNTRY/ORGANIZATION: USAID/Morocco			
INDICATOR 2.1: Amount of water pollution in target areas			
UNIT OF MEASURE: Percent reduction measured in a) mg/l chromium b) kg of excess nitrogen/ha	YEAR	PLANNED	ACTUAL
SOURCE: TRM and WRS reports; laboratory sampling, sample field verification			
INDICATOR DESCRIPTION: See COMMENTS			
COMMENTS: a) In last year's R4, we reported a 10% reduction, due to the improved tanning processes at Tannery Saiss, which resulted in reduced losses of chromium in the effluents. We projected a 30% decrease by the end of '97 based on the assumption that the pilot project would focus on pollution prevention measures within each tannery and that some measures would be implemented in '97. However, the detailed feasibility study conducted this year has shown that the only way to reach the target of a 90% reduction in chromium concentration for the tanneries in Dokkarat is to build a centralized chrome recovery unit. Therefore, we have not intervened at the tannery level in 1997, and have adjusted our targets accordingly. We now expect to reach the 90% target by the end of '98 (two years ahead of schedule) once the station is built and operational. New, revised targets are therefore included in this year's R4. We also adjusted the baseline figure in 1997 to reflect additional, more detailed audit work done during the feasibility study. Verification in the future will be straight forward. The Ministry of Environment's Laboratory will sample effluents from the tanneries and then again from the chromium recycling facility to monitor the reduction in chromium levels in the water. Accuracy of the MOE's Laboratory will be checked from time to time with blind samples. b) The TRM project is assisting ORMVAT's extension staff to disseminate better nitrogen management practices for sugar beet and wheat crops based on results from 1996 demonstrations. A total of 1300 sugar beet and wheat growers in Tadla are adopting the project-recommended nitrogen applications for 1997-98 crop year. The reduction in the excess nitrogen based on this program is 185 metric tons, estimated as follows: 1. Reduction of 20 kg of N/ha x 2000 ha of wheat = 40 tons of excess nitrogen; 2. Reduction of 100 kg of N/ha x 1450 ha of sugar beets = 145 tons of excess nitrogen This represents 10.4% of the baseline total excess nitrogen reported in 1996: 35 kg x 51000 ha = 1785 tons Verification includes reports from ORMVAT's extension agents on farmers following the ORMVAT/TRM nitrogen application program for the '97/'98 crop-year along with sample field verification. The 35 kg/ha baseline was obtained from a 1996 TRM survey.			
	1995 Baseline a) 69.3 mg/l = average chrome concentration	a) 5%	a) 5%
	1996 b) 35 kg/ha = average excess nitrogen applied in Tadla	a) 10% b) 0%	a) 10% b) 0%
	1997 Baseline a) 114 mg/l = average chrome concentration	a) 10% b) 10%	a) 10% b) 10.4%
	1998	a) 90% b) 15%	
	1999	b) 25%	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/MOROCCO

INDICATOR 2.2: Volume of water savings in target areas

T OF MEASURE: Millions of cubic meters/yr (annual, not cumulative)

SOURCE: ORMVAT reports; data from 11 flow monitoring stations; TRM-generated data

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS: Canal system savings: ORMVAT's estimate of conveyance efficiency is based on the ratio of the volume of water delivered to the farmers to the volume of water entering the main canals for the agricultural year (Oct 1- Sept 30).
ORMVAT canal efficiency in Beni Moussa in '97 = 82.4%
Baseline efficiency = 75 %
Total volume of water released into Beni Moussa System = 575.4 Mm3
Total water savings = (.824 - .75)x 575.4 = 42.6 Mm3.
It is estimated that project related activities (see contributing activities below) contributed to at least 30% of the overall ORMVAT water savings in 1997. Thus project water savings are computed to be 12.8 Mm3 (30% of 42.6 Mm3).
On-farm savings: The project installed 23 hectares (ha) of level-basins. Annual surface water applied is 865 m3/ha.
Level-basins will save 20% of the water currently applied
Amount of on-farm water savings : 865 x .2 X 23 = .004 Mm3
Total water savings: Total water savings = 12.8 + .004 = 12.8 Mm3

ORMVA's management of the irrigation system has been improved by the use of the following set of new management tools developed by the project:

- Real-time measurement of water flows at 11 points in the distribution network has been operational since June '97. This tool has been used since then by ORMVAT for real-time monitoring of water flow distribution.
- A computer irrigation planning program and GIS, in place since '96, were used to improve irrigation planning.
- Agro-meteorological network data, functioning since '96, has been used to improve irrigation scheduling.
- Mobile flow monitoring system, in place since '95, has been used to check the water flow delivered to farmers.

Plans for verification include:

- * Use of the 11 project installed monitoring stations for measuring inflow and outflow from primary and secondary canals for verification of ORMVAT's efficiency figures.
- * ORMVAT's reports for the measurement of the amount of water used by the farmers compared to the amount of water entering the main canals for irrigation.
- * 30 % contribution of TRM to the total water savings is determined by consensus of TRM/ORMVAT based on the evaluation of the TRM contributing activities listed above.
- * 20 % on-farm savings from laser leveled basins is computed from project demonstration results.

YEAR	PLANNED	ACTUAL
1994 Baseline	0	0
1995	0	2
1996	5	6
1997	10	12.8
1998	30	
1999	70	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/MOROCCO

INDICATOR 2.3: Volume of soil erosion in target areas

UNIT OF MEASURE: Metric tons of soil loss per hectare per year

SOURCE: WRS feasibility study, measurements from soil erosion plots; meteorological data

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS:

Target area is the WRS demonstration site in the Nakhla watershed in the Rif mountains of northern Morocco, an area with one of the highest erosion rates in the country.

Erosion reduces the availability and concentration of plant nutrients and alters soil structure in ways that affect water availability and root growth. In addition, eroded uplands cannot absorb water to replenish aquifers, and at the same time increases the sedimentation of dams and reduces their storage capacity for water. Therefore, reducing soil erosion will have multiple water resource management benefits.

Based upon detailed feasibility work in the Nakhla watershed this year, we need to adjust last year's baseline figure from 35 tons/km²/year to 64 tons/ha/year. No reduction in soil loss was expected in 1997.

Data comes from the Nakhla feasibility study and the detailed work done by Dr. Taya to estimate soil erosion in the target area.

Verification includes:

- Daily monitoring of sediments in 14 soil erosion measurement plots by students in the watershed during the rainy season (November to April);
- Use of meteorological data from the Jbel Timzouak station;
- Extrapolation and projection of soil loss reduction from actions implemented in the watershed based on similar actions elsewhere;
- Calculation of the universal soil loss equation in target areas of the Nakhla watershed.

YEAR	PLANNED	ACTUAL
1997 Baseline	64	64
1998	61	
1999	58	
2000	55	
2001	51	
2002	48	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

INDICATOR 2.4: Number of municipalities with improved wastewater treatment, garbage collection, landfill management, greenspaces and recycling services

UNIT OF MEASURE: Number/population (cumulative)

SOURCE: Urban Environmental Services (UES), Urban Environmental Credit (HG 004) and Contractor (TSS) reports. Also evaluation and monitoring site visits.

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS:

We are focusing on municipalities with improved environmental services which benefit directly from the UES Activity and the Urban Environmental Credit Program (UECP) (formerly Housing Guaranty). Examples of how environmental services contribute to improved water resources management include: greenspaces located in natural drainage channels will decrease flooding risk and enhance rainfall infiltration; landfills will be controlled and pollution of groundwater by liquid contaminant leachates prevented.

A municipality is counted only once even though several environmental service improvements may take place within the same municipality. Only those activities which have produced results in improving environmental services are counted. FEC-funded projects which improve environmental services are included this year. These are loans made to municipalities that are part of the UECP pipeline in the project implementation plan. Under the project paper it was envisioned that FEC would work in ten municipalities using the \$20 million of the UECP resource. These municipalities, in most cases, also benefit from TA under the UES project. With the establishment of the first project implementation plan of the FEC/UECP component (January 1996), the average cost of projects financed under the program was less than expected, and therefore the number of municipalities to be served increased. The targets for 1998 and 1999 have therefore been revised upward.

Progress made in the implementation of previous assessments conducted for Meknes, Sefrou and Azrou was evaluated. Meknes improved its landfill management and Sefrou improved garbage collection. Several other municipalities improved their urban environmental services, including garbage collection by purchasing new equipment and improving truck routing, and sewerage infrastructure networks.

YEAR	PLANNED	ACTUAL
1994 Base-line	2/600,000	2/600,000
1995	2/600,000	2/600,000
1996	4/900,000	5/1,000,000
1997	7/1,200,000	14/1,950,000
1998	22/2,530,000	
1999	30/2,750,000	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/MOROCCO

INDICATOR 2.5: Number of poor, urban household units connected to sewerage and potable water

UNIT OF MEASURE: Number (annual/cumulative household number)
SOURCE: USAID Urban Environmental Credit files; FEC project implementation reports; ANHI annual reports; "Habitat en chiffres" reports.

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS:

The figures are of households in slum and clandestine neighborhoods which are connected to both sewerage and potable water networks.

The numbers are derived from ANHI's annual reports and reflect the actual number of serviced lots delivered to target populations, compared to the annual delivery planned.

The contribution of FEC is derived from funds directly allocated/planned to support infrastructure programs (sewerage and potable water) targeting poor urban households. 1997 marks the first year of implementation of FEC's part of the program.

This year's target was not met because the internal problems of ANHI had a negative impact on its production of new sites, which in turn adversely affected the number of households connected to sewerage and water.

This indicator has changed from the national production/demand ratio, a percentage, to the more straightforward "number" unit. The SO Team believes this reflects better its manageable interest, in addition to the better availability and reliability of data.

YEAR	PLANNED	ACTUAL
1994 Base-line	10,300	10,300
1995	24,000/ 34,300	19,700/30,000
1996	24,000/58,300	15,800/45,800
1997	64,000/122,300	52,000/97,800
1998	70,000/192,300	
1999	62,000/254,300	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/MOROCCO

INTERMEDIATE RESULT 2.1: Improved Policy, Regulatory, and Institutional Framework

INDICATOR 2.1.1: Progress towards adoption of 11 key reforms

UNIT OF MEASURE: Percentage completion of 11 policy reforms

SOURCE: USAID project reports (WRS, TRM, UES)

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS:

Based on progress toward implementation of 11 reforms supported by USAID activities, measured in terms of percentage achieved in five key phases (Identification/analysis - 10%; development - 10%; validation, promotion, training - 20%; adoption - 20%; implementation/enforcement - 40%). This policy indicator serves as the basis for the Mission's environmental policy agenda.

This year's results were very impressive, with 8 out of 11 targets met or exceeded making the overall average exceeded by 2%.

Results are compiled and synthesized annually by USAID. See "SO2 Policy Reform Agenda" (attached) for further details.

YEAR	PLANNED	ACTUAL
1995	12%	12%
1996	23%	23%
1997	35%	37%
1998	51%	
1999	63%	
2000	77%	

SO2 Policy Matrix Annex

Numbers in the columns indicate the **percentage estimate of completion** for each reform initiative. The reform process is comprised of five phases (with percentage weights shown) : problem identification (10%), reform proposition (10%), public debate and validation (20%), adoption (20%), and implementation (40%). Anticipated and 1997 actual (in bold) policy achievements under SO2 are summarized in the following table:

Reforms	'95	'96	'97	'98	'99	'00	'01	'02
Water Demand Management								
Progressive pricing policy	0	10	30/25	35	45	65	85	90
Decentralized management	0	10	20/20	30	40	70	100	100
Water Supply Enhancement								
Environmental impact assessment	20	35	60/55	80	85	90	100	100
Private sector involvement	40	50	50/70	80	90	100	100	100
Water Quality Improvement								
Industrial effluent norms	0	0	20/10	20	40	55	70	85
Polluter-pays principle	0	10	20/15	20	40	55	70	85
Institutional Strengthening								
MOE coordinating ministry	0	10	20/20	40	40	70	100	100
Water users associations	10	20	45/30	40	60	70	100	100
ORMVA's efficiency	0	10	30/20	30	50	70	80	100
Sustainability of FEC	25	50	55/65	65	75	85	95	100
Sustainability of ANHI	35	45	55/60	75	90	100	100	100
TOTAL	130	250	405/390	515	655	830	1000	1060
Average of all reforms	12	23	37	-	-	-	-	-
Anticipated Average	12	23	35	47	60	75	91	96

37% of USAID's environmental (SO2) policy reform targets were achieved by the end of 1997, slightly exceeding expectations.

SO2 - Policy Reform Agenda

Definition of Policy Issues

SO2's policy agenda supports the principle of **Integrated Water Resources Management (IWRM)** -- to reconcile competing claims on limited supplies by efficiently managing the resource for human and environmental use given the high natural variability of the weather and climate in Morocco. The principal components of IWRM include water demand management, water supply enhancement, water quality improvement and the strengthening of the principal institutions working in the sector.

Policy Emphasis 1:

Water Demand Management

- Encourage **progressive pricing policies** to bring demand into balance with supply. A pricing structure for irrigation water reflecting actual costs is adopted on a progressive basis, with regularly scheduled increases over the next several years. Pricing for potable and reutilized wastewater reflecting actual costs, and revenue from water charges supporting water system activities on a sustainable basis.
- Support the **decentralization of water management authority**. Implementing decrees for the devolution of water management authority to Watershed Agencies should be issued, as called for in the Water Law. The Ministry of Agriculture should reach agreement with the Ministry of Public Works regarding the clear allocation of roles and responsibilities of the Watershed Agencies and the irrigation authorities (ORMVAs) for those water sector functions that both parties may claim.

Policy Emphasis 2:

Water Supply Enhancement

- Encourage the **use of environmental assessments prior to urban infrastructure investment**. ANHI and FEC should conduct environmental assessments prior to investment rather than rely on after-the-fact assessments. Relevant ANHI, FEC and selected municipality staff need to be trained in methods of urban project assessment, planning and design of environmental impact assessments, etc., to build adequate capacity to undertake the necessary environmental reviews for their projects.
- Encourage **private sector involvement in urban infrastructure service delivery**. Increased volume and efficiency of investment in infrastructure require the opening of most sectors to competition and private capital. Although the GOM has clearly stated its policy to encourage greater private provision of environmental infrastructure, the institutional and regulatory framework of promising, key municipal sectors --water distribution and solid waste disposal-- is still to be adapted to reflect this strategy.

Policy Emphasis 3:

Water Quality Improvements

- Develop **targeted industrial effluent norms and standards**. The Ministry of Environment (MOE) should coordinate development and adoption of environmental norms and standards (by sector) by the Comité des Normes et Standards. Proposed norms and standards in the tannery and metal plating sectors need to be developed and tested.
- Support the **implementation of the polluter-pays principle**. The MOE should develop ways and means to implement the "polluter-pays principle", wherein polluting industries are fined at a significant enough level to provide ample economic incentives for investments in pollution prevention and clean technologies.

Policy Emphasis 4:

Institutional Strengthening

- Help assure the **acceptance of the Ministry of the Environment as a coordinating ministry in the sector**. Through the establishment of an Interministerial Steering Committee for the WRS activity, the MOE will coordinate work with local, regional, and national agencies on the three demonstration activities. As the MOE coordinates activities among agencies, and as new technologies are adopted and associated policies evolve, their credibility and stature will be enhanced within the government.
- Actively seek **the empowerment of water users associations (WUAs)**. Steps necessary to support the progressive transfer of irrigation system operations and maintenance responsibilities to the WUAs should be undertaken by the ORMVAs. Organizational issues and related training needs to be addressed, legislative and administrative issues concerning financial autonomy of the WUAs needs to be reviewed, help to manage the tertiary irrigation canal system must be provided to WUAs, and WUA participation on the ORMVA Board of Directors must be accepted.
- Enhance the **efficiency of irrigation authorities** through reduction in state subsidies, downsizing, and increasing their autonomy. This re-engineering process will permit them to effectively respond to the on-going liberalization program of the irrigated agriculture sector in Morocco. ORMVAs should be able to generate (through water fees) enough funds to support their personnel and to finance the on-going rehabilitation program of the irrigated perimeters. ORMVAs will then become strong regional institutions controlled partially by representatives from WUAs.
- Enhance the **sustainability of ANHI and FEC**. These two organizations should contribute to improve shelter conditions and to increase the capability of municipalities to provide shelter-related infrastructure and environmental services, in particular improved liquid and solid waste management, on a more sustainable basis. For ANHI, the institutional goal is to assist it to restructure its organization and finances to enable it to maintain quality and productivity in the face of changing conditions. For the FEC, the institutional goal is to adapt the institution to its new role as a bank, rather than public parastatal, reducing government protection and increasing the competitiveness of its products and its clients, municipalities, in the financial markets. Through an improved municipal credits program, FEC will help establish, implement and monitor environmental planning norms and procedures for construction by municipalities or urban environmental infrastructure and community facilities.

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/MOROCCO

INTERMEDIATE RESULT 2.2: Improved Environmental Technologies

INDICATOR 2.2.1: Number of contact/pilot farmers adopting Integrated Pest Management (IPM) practices for targeted crops in irrigated perimeters (Tadla and Souss Massa).

UNIT OF MEASURE: Number

SOURCE: TRM, ORMVAT and other Morocco Agribusiness Promotion (MAP) reports

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS:

Two USAID activities (TRM and MAP) are helping increase adoption of IPM practices in the irrigated perimeters of Morocco, starting with Tadla and Souss Massa.

The TRM Project is assisting ORMVAT's extension staff to expand IPM practices for citrus and paprika crops based on the results of the 1996 IPM program. A total of 105 farmers are adopting project-recommended IPM practices for the 1997/1998 crop year. This has come about as a result of:

- * Development and support of the Tadla IPM network and TRM monitoring activities
- * Field days, field visits, and training of ORMVAT's technicians and extension agents
- * Dissemination by ORMVAT's extension agents of the IPM practices to farmers in Tadla

Plans for verification include:

Reports from ORMVAT's extension agents on farmers following the ORMVAT/TRM IPM program for the '97/'98 crop-year. In addition, random field checks will be made by the project staff to verify ORMVAT data.

Under the Map project, the IPM unit at the Complexe Horticole d'Agadir, with USAID assistance, directly helped 30 farmers adopt IPM practices in 1997.

YEAR	PLANNED	ACTUAL
1994 Baseline	0	0
1995	10	8
1996	40	36
1997	100	135
1998	300	
1999	600	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/MOROCCO

INTERMEDIATE RESULT 2.2: Improved Environmental Technologies

INDICATOR 2.2.2: Percent of tanners adopting chrome recycling technologies and improved management practices in target areas

UNIT OF MEASURE: Percent

SOURCE: WRS Reports

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS:

An awareness workshop was held for the tanners of Fes on pollution prevention and chromium recycling technologies. At the stakeholder's workshop in April, the tanners stated that they were ready to adopt chrome recycling technologies. We expect that all of the operating tanneries of Dokkarat will hook up to the treatment station. In last year's R4, we expected that 30% of the tanners would adopt chrome recycling technologies in 1997. In fact, all the tanners (100%) are committed to the technology, but that number will not be achieved until next year, based on the approach suggested in the detailed feasibility study carried out this year. We are therefore changing targets to 8% in 1997 and 100% in 1998.

Verification will include:

- * Number of tanners signing the convention to participate in the Dokkarat pilot project
- * Number of tanners connecting to the chromium recovery unit
- * Number of tanners purchasing recovered chromium

YEAR	PLANNED	ACTUAL
1994 Baseline	0%	0%
1995	5%	5%
1996	10%	8%
1997	8%	8%
1998	100%	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/MOROCCO

INTERMEDIATE RESULT 2.2: Improved Environmental Technologies

INDICATOR 2.2.3: Number of technologies developed by the TRM project in Tadla disseminated to one or more ORMVAs in other regions of Morocco

UNIT OF MEASURE: Number (cumulative)

SOURCE: TRM and ORMVAT reports

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS:

The TRM project achieved a large dissemination of the portable Replogle weir. A total of 8 other ORMVAs (Doukkala, Haouz, Gharb, Loukkos, Moulouya, Tafilalet & Ouarzazat) received a set of this technology developed by the TRM project for verifying and controlling water being delivered by the irrigation system to farmers.

ORMVAs in the Haouz and Doukkala both expressed interest in initiating laser-leveling technology developed in Tadla by the TRM project. During the 1997-98 crop year, the project disseminated the level-basin technology to three farmers and to the experimental station in the Doukkala perimeter. This was achieved as a result of:

- * Field days and seminars
- * Dissemination of project technical reports
- * Training courses in Tadla with participants from other ORMVAs

YEAR	PLANNED	ACTUAL
1995 Baseline	0	0
1996	1	1
1997	2	2
1998	3	
1999	5	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/MOROCCO

INTERMEDIATE RESULT 2.3: Broadened Public Participation for Environmental Action

INDICATOR 2.3.1: Number of environmental activities implemented with non-governmental partners

UNIT OF MEASURE: Number

SOURCE: WRS/UES reports and site visits; WRS feasibility studies; stakeholders' workshops; and participatory surveys in Nakhla

INDICATOR DESCRIPTION: See COMMENTS

COMMENTS:

UES: ANHI assisted two community groups in several clandestine neighborhoods in sewerage system expansion and development of pedestrian footpaths in Tikiouine. The municipality is providing cement and pipes; the amicales are providing manpower.

Community groups in Ouled Teima constructed 5 km of a secondary and tertiary sewerage system. ANHI provided the working drawings; the amicales the labor. This type of support and assistance has been extended to other clandestine neighborhoods.

WRS: In 1997, there were many WRS activities implemented with NGO partners. First, there was an awareness workshop for tanners in February. There were 3 stakeholder's workshops in which NGOs were represented and prominently featured. WRS is developing conventions for pilot project implementation in which (1) the tanners will be involved in Fes (separating their effluents and purchasing recycled chrome), (2) NGO's and farmers are involved in Oued Nakhla, and (3) the Al-Amal water users association is involved in Drarga. A participatory survey was conducted in Drarga, tannery audits were conducted with tanners, and numerous meetings were held with farmers in Oued Nakhla. In addition, NGO's participated in the workshop on cost-benefit analysis of environmental projects held in Tetouan in June.

UES verification includes ANHI field office surveys, municipality site visits, surveys and Urban Environmental Credit Program (UECP, formerly HG) project implementation plan updates.

WRS verification includes review of minutes of stakeholders workshops, Participatory Lifescape, Landscape Analysis (PLLA) reports, participatory survey report for the wastewater treatment project in Agadir, notes on the awareness training workshop for tanners, and the draft conventions for Fes, Agadir and Nakhla.

YEAR	PLANNED	ACTUAL
1995 Baseline	0	0
1996	5	6
1997	10	14
1998	15	
1999	20	

STRATEGIC OBJECTIVE 2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors			
APPROVED: 4/95		COUNTRY/ORGANIZATION: USAID/MOROCCO	
INTERMEDIATE RESULT 2.3: Broadened Public Participation for Environmental Action			
INDICATOR 2.3.2: Number of farmers in viable water users associations (WUA) participating in the management of the water distribution systems in the Tadla perimeter.			
UNIT OF MEASURE: Number SOURCE: TRM and ORMVAT reports <hr/> INDICATOR DESCRIPTION: See COMMENTS <hr/> COMMENTS: <p>The TRM project is assisting ORMVAT in its Action Plan for participatory involvement of farmers in irrigation system management and maintenance. Three more WUAs were activated for the 1997-98 crop-year.</p> <p>The TRM Activity has produced a diagnostic & evaluation of WUAs in Tadla, developed a plan for creating WUAs, and organized a study tour and national seminars, which have all contributed to the growth of these organizations</p> <p>Verification includes reports from ORMVAT's WUA Bureau on farmers who are members of the water users associations involved in the Tadla system management and maintenance for the 1997-98 crop-year.</p>	YEAR	PLANNED	ACTUAL
	1994 Baseline	188	188
	1995	188	530
	1996	1000	1566
	1997	3000	3043
	1998	6000	
	1999	10,000	

Strategic Objective 3

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

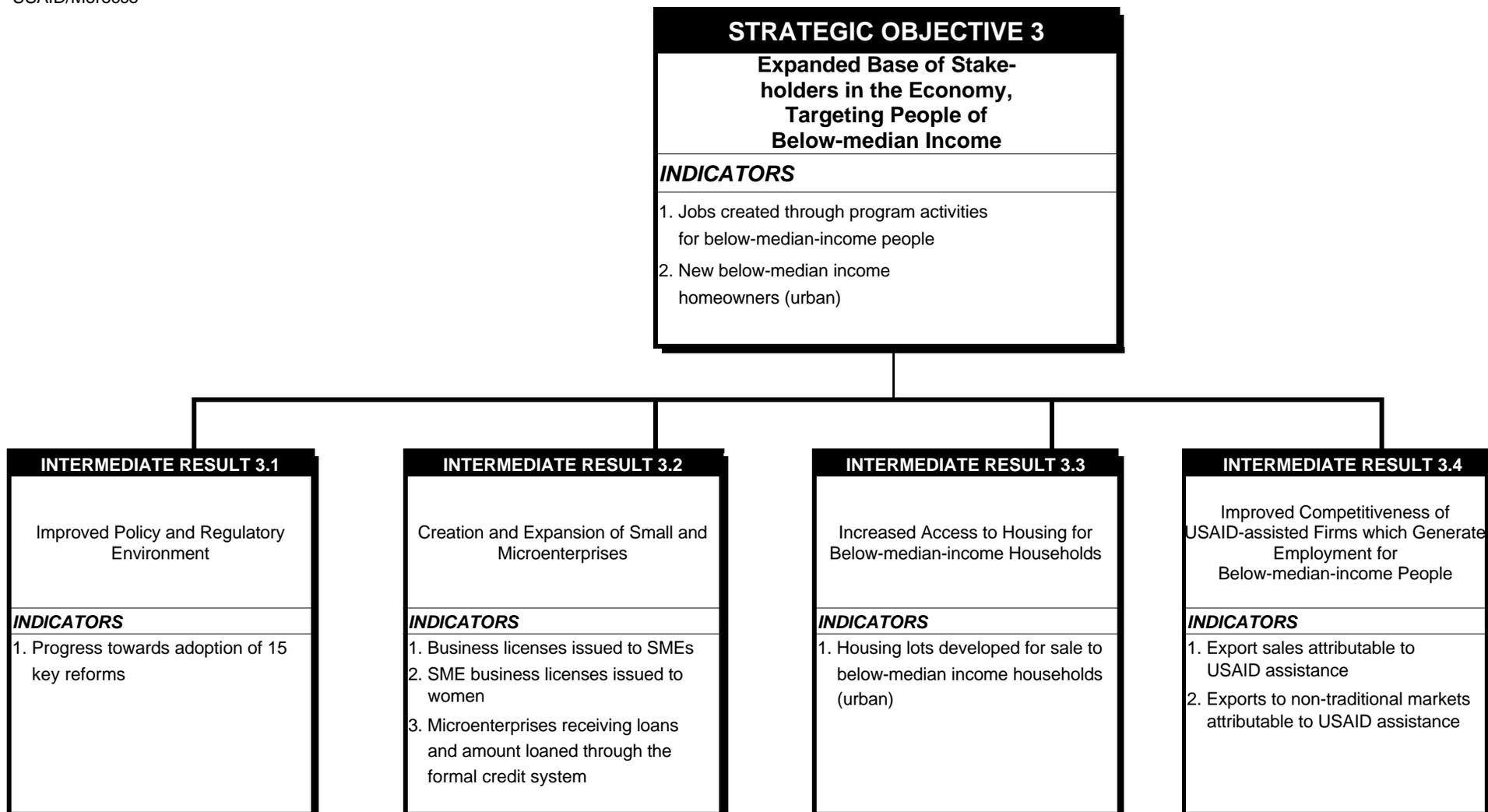
New York-area beer lovers will be able to quench their thirsts during the Knicks' title run this year with a new brand from Morocco. The first container of an initial \$1 million order of Casablanca Beer was dispatched at year-end and is now being test marketed by Morocco Breweries among some of America's toughest connoisseurs. If Casablanca beer gains only one-tenth of one percent of market share in New York, another plant will have to be built in Morocco, say brewery officials, and another 300 jobs will be added to the roles. This is a success story from **Morocco Agribusiness Promotion (MAP)**, which took brewery staff to the 1996 Fancy Food Show in the U.S., linked the company to its U.S. importer and marketer, helped design the label, refine the taste, and launch the export effort. The objective: help diversify Morocco's exports. Mohamed Benmakhlouf runs a small business in Fes. His family has been in the pottery business for generations. In recent years, the 30-employee business wasn't doing well and Mohamed seriously thought of shutting down his kilns to try the cold storage business instead. In 1997, Mohamed paid for training offered through USAID. He learned about quality control, and cash and personnel and inventory management. Most importantly,



he learned about international trade fairs and exporting. Mohamed decided to stay in the pottery business, invested \$100,000 in a new plant and equipment, and is adding 60 new employees. He now exports most of his production, and credits the USAID training with his revised sales orientation. This is a success story from the **New Enterprise Development (NED)** activity. The Objective: to create and expand small enterprise.

Abdelhak Tlemssani's family has retailed olives at the same shop in the ancient Medina for 500 years. When he approached a commercial bank about getting a loan to expand his business, he had no proof of ownership of his shop, which would serve as collateral.

Because he could not produce the right papers, he didn't get the loan. But then he heard about a USAID project. He applied for and was accorded a \$300 loan, no collateral required. The loan helped him increase his business fourfold. He now makes his wholesale purchases of olives in larger quantities and buys when seasonal conditions are the most favorable. This is one of many success stories from the **Microenterprise Finance** activity. The objective: make working capital available to microentrepreneurs.



1. Performance Analysis

Progress during 1997 was very good. Results exceeded targets in almost all areas, although ministerial changes caused delays for some activities.

Summary of 1997 SO3 Performance Data

- * 12,500 person-years of employment generated
- * 16,000 new homeowners
- * USDA concurrence with phytosanitary procedures for tomato exports to U.S.
- * Agricultural Intellectual Property Rights law passed
- * One-stop business registration process accepted
- * Creation of small business policy unit
- * Single tax number and simplified reporting adopted and implemented
- * Public-private relationship framework adopted by National Business Federation
- * Housing finance permitted to be offered by private banks
- * \$24.7 million export sales (of which \$20 million to new markets, \$7.1 to U.S.)
- * \$17 million in market-diversification products (e.g., Casablanca beer)
- * 46 new horticultural products introduced (cumulative 1992-97)
- * 17 firms adopted new U.S. technologies (total of 155 from 1992-97)
- * \$2 million in new technology sales by U.S. firms to Morocco
- * 20% reduction of road transport costs for food exporters from customs reform
- * Microenterprise finance institution created and operating in three cities
- * 1,880 micro-loans disbursed, 16% to women, in first nine months of operations
- * Privatization continued, 55 companies privatized (1992-97), up from 45 in 1996

SO3 combines Economic Growth (EG) and Environment and Urban Programs (EUP) activities. The SO fits one of the seven goals of the Administration's Strategic Plan for International Affairs (SPIA): the encouragement of broad-based economic growth and agricultural development. Implementation activities respond to two of the SPIA's 16 strategies: to open foreign markets to free the flow of goods, services and capital; and to promote broad-based growth in developing and transitioning economies.

For the primary SO indicators of jobs and increased home-ownership for below median-income people, **1997 results show over 12,000 job-years generated and 16,000 new homeowners.** Since 1993, cumulative job creation exceeds 72,000. Of the total, the housing guaranty program has contributed 51,000, and competitiveness improvement activities contributed 21,000. The latter figure of 21,000 has been disaggregated by gender and includes **8,800 jobs that went to women.**

Promoting enterprise and improving competitiveness generated 5,344 person-years of employment in 1997, and housing guaranty activities generated 3,600 -- an excellent return on investment. For comparative purposes, consider the following: The French-Italian firm, SGS Thompson, estimates that its investment of \$420 million in Morocco will create 4,000 jobs. A General Motors subsidiary, the Delphi Corporation, will invest \$18 million in an auto components plant and create an estimated 900 jobs. SO3's enterprise promotion and competitiveness-enhancing activities generated 5,344 job-years from an FY 1997 obligation of only \$2.2 million and expenditures of about \$5 million.

The job numbers are both good and bad. On the one hand, the competitiveness-enhancing activities **exceeded their job-year targets by 50%**, both for job-years overall and for female employment. On the other hand, the Urban and Environmental Credit Program target was not reached. A major reason

was a Housing Minister who for two years halted implementation, reversed the GOM housing strategy, and tried to undo many prior achievements. Because USAID's housing targets are tied directly to the performance of the National Shelter Upgrading Agency (ANHI), its internal problems -- turnover of four executive directors in two years, demoralized senior managers -- affect productive activity and USAID disbursements. The appointment of a new Housing Minister in August 1997 was a turning point. A jointly-organized strategic planning retreat in December -- the key 1997 housing program accomplishment -- enabled the program to get back on track.

Several themes are highlighted in the sections below. Achievements have had a national and sustainable impact on Morocco's development. **Policy and regulatory reforms** removed obstacles to enterprise creation and export diversification. **Continued institutional development helps ensure food safety for U.S. consumers.** The **democratization of credit** progressed to our satisfaction -- in Phase I of the Microenterprise Finance activity, which surpassed all targets, and by the creation of a working capital loan guarantee fund for small entrepreneurs. A **national network of consulting firms** across Morocco is providing business services to small firms. **The promotion of public-private partnerships** has yielded immediate demand-driven results. **Regular customer consultation** brings continuous refinements to SO3 activities and keeps them totally client-oriented.

IR 3.1: Improved Policy and Regulatory Environment

SO3 promotes policy reform in 15 specific areas. During 1997, progress was good and slightly surpassed expectations, though not evenly across the board. Seven proposals have been accepted and are being implemented. Four others have been accepted in principle, but formal approval still is pending. One other (red tomato initiative) awaits USDA formal approval in early 1998. For the remaining three, implementation is agonizingly slow.

Change of the Finance Minister in June and of the Housing Minister in August was both good and bad. Good because USAID had had an excellent working relationship with the new Finance Minister in his former position, bad because decisions reached with his predecessor had to be revalidated. And good, too, because the new Housing Minister helped restart the housing program stalled by his predecessor.

The SO3 Policy Reform Annex provides a summary of reforms, steps involved, and estimated percentages of accomplishments. The 1997 target was 67%, the accomplishments estimated at 69%. The table on IR 3.1 provides an explanation of the phases involved in the reform process and percentages attributed to each step. Following is a summary of the status of SO3 reform efforts, organized according to emphasis:

Policy Emphasis Area 1 - Removing Obstacles to Business: The **Small Business Policy Unit** has been created and is on track. The **Public-Private Legal Framework** linking the government and business communities has been adopted by the National Business Federation but not yet issued as an executive decree by the GOM, which is USAID's goal. It is behind schedule. The **One-stop Business Registration Center** proposal has been adopted but not yet operationalized and tested and is thus behind schedule. The **Economic Association Law** has been approved by the National Business Federation and other associations, but awaits formal GOM approval and is also behind schedule. The **Single Tax ID Number and Simplified Tax Reporting Format** is being implemented in the context of a larger program of tax reforms and is on schedule.

Policy Emphasis Area 2 - Improving Morocco's Competitiveness: The **Red Tomato Export Initiative** technical dossier has been approved by the USDA. Publication in the Federal Register (final

approval) is expected in early 1998. The process is slightly behind schedule. The **Agricultural Intellectual Property Rights Bill** has been passed and implementation is basically on schedule. With regard to **Uniform Food Safety Standards and Regulations**, a revision of Morocco's food safety law based on the U.S. FDA model is on track for GOM approval and improved food safety procedures have already been adopted by many firms. Regarding **Crop Contracts and Arbitration**, U.S. models have been adopted and the process is ahead of schedule. The **Truck Export Surcharge Cut** is complete. It reduced exporter road transport costs by 20% and improved competitiveness.

Policy Emphasis Area 3 - Improving Equity: Progress in **Housing Finance Reform** is on schedule, with the adoption of direct (beneficiary-tied) subsidy for social housing, competition opened to private banks for social housing finance, and relaunch of the effort to securitize mortgages. The **Microfinance Bill** awaits action with 18 other proposals, but approval is expected without a hitch, and microfinance association work is proceeding unimpeded. The **Pilot Working Capital Loan Guaranty Facility** has been approved. Formal agreements have been signed with banking institutions, and a publicity campaign and loan dossiers are under review. However, the process is slightly behind schedule because of change in ministers. The **Competition Law** awaits action with 18 other initiatives. GOM legal experts question the innovative substance of the law (an independent regulatory agency), and further public debate will be required before a decision is reached. The process is behind schedule. The **Privatization** process has been institutionalized and 55 firms have been privatized, up from 45 reported in the 1996 R4. The Moroccan stock exchange is in a new headquarters and cited as one of the best performers of emerging markets. The SO team considers this process essentially complete. The final disbursement for privatization occurred just before the PACD of September 30. Accordingly, this is the last year in which privatization results will be reported in the R4.

IR 3.2: Creation and Expansion of Small and Microenterprises

The Microenterprise Finance (MFA) and New Enterprise Development (NED) activities address constraints to enterprise development and promote the **democratization of credit**. Both performed very well in 1997. Implementation of the Microenterprise Finance activity began in full in 1997 and has **surpassed all Phase I targets**. A new microfinance institution became operational and lending activities were officially launched by the U.S. Ambassador and the Minister of Finance. Offices were opened in three cities, staffed by trained loan agents, including several women. 1,880 loans averaging \$300 were made in just nine months, 16% of them going to women. Customer feedback led to new loan products, refinements in services, and revised agent recruitment and training procedures. Preparations are underway to begin lending in six more cities in 1998, and a four-year Phase II plan has been approved. The microlending law, along with 18 other reform initiatives, awaits approval at the level of the Prime Minister's secretariat. Several other donors, among them the European Union and UNDP, will launch microfinance activities modeled after USAID's, which has made microfinance an accepted feature of the development landscape in Morocco. Because Phase I was so successful, a planned evaluation was shelved in favor of a study by a joint Global Bureau-Moroccan expert team. Results were apparent, and USAID and the GOM agreed with the team's conclusion that VITA's performance as implementation contractor was excellent. The study helped document Phase I results and plan Phase II.

The NED activity benefitted from a refocused action agenda based on a formal evaluation. Agreement was reached with the Ministry of Finance to institutionalize the working capital loan guarantee program. Just as MFA has demonstrated the viability of lending to micro-entrepreneurs, NED will validate the feasibility of making non-collateralized working capital loans to small entrepreneurs, based on a well-conceived, market-driven business plan acceptable to banks in place of usual collateral

requirements.

During 1997, NED contractor Chemonics was especially successful in facilitating **public-private partnerships** benefitting regional and rural businesses and associations outside the Casablanca-Rabat corridor. NED training activities led to the **creation of a national network** comprised of 60 firms, 13 non-government associations, and 10 regional Chambers of Commerce. NED also provided assistance for the completion of 28 business studies, of which 90% became new business start-ups with an estimated investment of \$6.3 million, or about \$215,000 per small enterprise. Numbers of business and association people trained **exceeded 1997 targets by 46%, and 16% of the trainees were women**. NED training activities and business-plan development are **demand-driven** -- participants pay for training services. In eastern Morocco, NED fostered a fruitful partnership between the regional governor, local authorities, businessmen, and NGOs which have joined forces to promote regional development. NGOs have assumed several government functions and local authorities now see attracting businesses, rather than regulating them, as a key role.

USAID's achievement of institutionalized access to working capital loans for medium, small, and micro-entrepreneurs -- particularly for women in this Islamic state -- already has had an impact. As the Minister of Finance said recently, **USAID's philosophy and programs have "enlightened and changed" his thinking in the past year**. USAID's achievements in enterprise development and credit promotion have led other donors to program \$40 million for small and microenterprise development.

IR 3.3: Increased Access to Housing for Below-median-income Households

The Urban and Environmental Credit Program (UECP), using U.S. Housing Guaranty resources, enables new home ownership for people of below-median income by providing seed money to the National Shelter Upgrading Agency (ANHI). In 1997, ANHI offered 8,000 lots for sale, **directly benefitting 16,000 below-median income buyers**, and bringing the **cumulative total to 114,000 buyers** since 1993.

Data analysis reveals a multiplier of 5.7/1 private/public investment by the time new neighborhoods -- with owner-built housing, shops, and businesses -- are completed. On this basis, the Morocco UECP's funding of \$55 million will generate an estimated \$314 million in other private investments.

USAID efforts to promote **public-private partnership in the housing sector** are achieving good results. The Ministry of Housing, ANHI, and several other parastatal agencies have launched their first international finance partnership calling for private sector bids for social housing construction in partnership with ANHI, the land provider. This action will diversify sources and increase the volume of capital for social housing production. Second, the Ministry has adopted a policy of selling wholesale large parcels of serviced land to the private sector for subdivision and sale to below-median income households, thus conserving public resources and mobilizing a market-driven private real estate sector.

IR 3.4: Improved Competitiveness of USAID-assisted Firms Which Generate Employment for Below-median Income People

The Moroccan Agribusiness Promotion (MAP) activity helps improve the competitiveness of firms which employ below-median income people. In 1997, MAP-assisted exports totaled \$24.7 million of horticultural and other products, **68% higher than target**. These sales generated 5,000 person-years of employment, with **42% of the work going to women**. Poor people, particularly temporary female farm and factory workers with no other employment opportunities, were key beneficiaries of these

sales.

\$20 million of the exports went to non-traditional markets, which **exceeded the target by 129%**. And over \$17 million in sales consisted of new or non-traditional products, thus diversifying Morocco's export product base and **surpassing the target by 236%**. Sales to the USA reached \$7.1 million, **78% above target** for 1997, based on strong demand for olive oil, green olives, capers, herbs, spices, essential oils, and freeze-dried products. MAP assistance helped Morocco Breweries launch a new product, Casablanca beer, in the U.S. with an initial order of \$1 million. And during a 1992-96 period of 3% agricultural export decline to the EU caused by increasing EU import barriers, MAP helped expand the value of Morocco's non-citrus horticultural exports to the EU by \$85 million (26%).

The technical dossier for exports of Moroccan red tomatoes was approved by the USDA. Final approval of a change in the Code of Federal Regulations is expected in early 1998, enabling tomato exports -- a key initiative of the U.S. Ambassador's trade and investment agenda -- to begin. Smallholder tomato growers located in an economically-depressed area along Morocco's central coast will be key beneficiaries. Similarly, the agricultural variety intellectual property rights legislation will encourage foreign companies to provide or license their products to growers in Morocco. Through 1997, MAP directly introduced 46 new horticultural products which benefit Moroccan producers, consumers, and exporters.

MAP also helped agricultural firms search for new production, processing, packaging, transport, and management technologies. In 1997, **17 more firms adopted U.S. technologies**, pushing the total of firms that have paid for (i.e., commercially imported and distributed) new technologies introduced by MAP, including new crop varieties, modified atmosphere packaging, food safety controls, and new freezing methods, to 155. These technologies also represent opportunities for U.S. business in Morocco, since almost all new technologies introduced have been of U.S. origin, and represent sales by U.S. firms of \$2 million in 1997.

Among the most important achievements of MAP during 1997 was nurturing of **public-private partner-ships and institutional capacity-building**, which have resulted in enhanced food safety for U.S. consumers. The Ministry of Agriculture has worked closely with a private growers organization to assure compliance of exports with U.S. phytosanitary standards. Institutional strengthening included the adoption by the GOM agricultural export control authority and private firms of food safety regulations and procedures modeled on those of the U.S. Food and Drug Administration. In addition, Morocco's only plant quarantine facility became operational in 1997. The Ministry also worked with producer associations to identify and mitigate administrative constraints to exporting. Based on MAP work with producers and the Ministry, the national airline increased its export charter capacity for cut flowers and fresh produce to the U.S. by 25%. Finally, the Agricultural and Veterinary Institute, aided by its long relationship with the University of Minnesota, now offers scientific services to directly address producer problems. It also created a new program of agribusiness management and accepted its first MS degree candidates during 1996.

2. Expected Progress through 2000 and Management Actions

An additional 28,000 jobs will be created in 1998-99, bringing the cumulative total to 120,000. Another 38,000 people will become new homeowners, making the cumulative total 160,000. For **IR 3.1 Improved Policy and Regulatory Environment**, 95% of the policy agenda is expected to be achieved. Among the accomplishments will be passage of the microfinance law and full implementation of the agricultural IPR law; a fully operational small business policy unit; an official guide for business formalities available; enacted business association and competition laws; uniform

food safety standards institutionalized; crop production contracts and arbitration methods standardized operating procedure; red tomatoes exported to a U.S. East Coast niche market; the new housing finance policy adopted and implemented; and a secondary mortgage market created.

For **IR 3.2 Creation and Expansion of Small and Microenterprises**, access to credit will be further democratized. The USAID-created micro-finance institution will be nearly self-sufficient and micro-lending services will be available in 40 centers. At least 80,000 loans will have been disbursed to 17,000 micro-entrepreneurs, of which at least 27% will be women. The NED activity will end in June 1999, having made non-collateralized working capital loans for small business an institutionalized banking practice. Obstacles to small business development will be further reduced by an operational small business policy unit in the Ministry of Finance, and enabling policies and regulations will provide incentives to small business. The association law will spur the creation of business associations and expand their influence as lobbies for regulatory reform and service provision for small enterprises. By the end of 1999, business licenses issued will increase by about 50,000 and will cumulatively total 150,000, of which over 10% will have been issued to women.

For **IR 3.3 Increased Access to Housing for Below-median-income Households**, ANHI, back on track, will return to optimum housing unit production levels of 12,000 eligible lots per year, launch new efforts to improve conditions in existing shanty towns, and increase production of new serviced lots. Public-private partnerships among ANHI, municipalities, and private land-holders will offer an increased number of serviced urban land units for sale. UECP will devote new credit allocations in 1999 to urban environmental infrastructure, including serviced lots for sale to below-median income homeowners. Private capital markets, including a secondary mortgage market, will finance home-building and ownership. Lots developed for sale to below-median-income households will total 126,000. New homeowners will total 160,000.

For **IR 3.4 Improved Competitiveness of USAID-assisted Firms Which Generate Employment for Below-median-income People**, the MAP activity, ending in June 1998, will achieve a successful transfer of responsibility to GOM and private sector agencies, helped facilitate export sales will total \$129 million -- \$97 million to new markets, and \$59 million comprising non-traditional products. 25,000 person-years of employment will be generated from these exports, of which 11,000 will be for women. And 183 firms will have adopted new technologies.

As USAID/Morocco moves to Limited Presence status, MFA will be the sole remaining SO3 activity in the year 2000, along with policy targets-of-opportunity funded under the DSTS activity (608-0214). The EG staff likewise will decrease. One more USDH slot will be deleted in FY 1998, and one FSN position will be deleted by FY 2000.

3. SO3 Performance Data Tables

STRATEGIC OBJECTIVE 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income			
APPROVED: 4/95		COUNTRY/ORGANIZATION: USAID/Morocco	
INDICATOR 3.1: Jobs created through program activities for below-median-income people			
UNIT OF MEASURE: Person-years of employment for target group	YEAR	PLANNED	ACTUAL
SOURCE: USAID project reports (MAP, NED, MFA, UES, AIM) , HG and ANHI records			
INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures			
COMMENTS: "Person-years" used in place of simply "jobs" because much of the work generated is in the form of seasonal agricultural or home-building tasks. Therefore, we aggregate the estimate of number of months of work into "person-years" of employment. For the number of "person-years" generated by the Housing Guaranty program, we assume 15 days work generated for each m ² of land developed and 300 work-days per year. Calculated on the basis of actual delivery of serviced lots used as justification for different disbursements (in \$millions) of HG-003 and HG-004 to ANHI as reimbursement for expenditures. \$60m planned HG credits by 97; actual only \$35m. Job generation is tied to amounts of credits. Political problems in 1996-97 seriously disrupted ANHI management structure and production. Urban mandate revoked and production directed to rural social housing. The result was ANHI achieved 3,647 (estimated) of original 12,000 job generation target. Employment estimates for export promotion activities (MAP, AIM) are calculated via commodity-specific models with coefficients based on survey data. A "ground-truther" is 200 person-years of employment generated by each \$1 million of exports. (Compare this to the U.S. figure of 20 jobs generated for each \$1 million of U.S. exports.) Microenterprise (MFA) and SME (NED) employment forecasts derived by applying tested formulas to estimated growth in the respective loan programs. Competitiveness-enhancing activities' (MAP, NED, MFA) generation of 5,344 person-years of employment in 1997 (surpassing target of 2,939 by 82%) can be compared with SGS Thompson's investment in Morocco of \$420 million to create an estimated 4,000 jobs or Delphi Corporation investment of \$18 million to create an estimated 900 jobs. Such comparisons support a conclusion that USAID/Morocco's EG investments are very cost effective.			
	1993 Baseline		26,572 (A) 27,101 (C)
	1994		20,531 (A) 47,632 (C)
	1995		19,308 (A) 66,940 (C)
	1996	19,226 (A) 76,350 (C)	9,604 (A) 76,544 (C)
	1997	14,939 (A) 93,986 (C)	12,494 (A) 89,038 (C)
	1998	12,917 (A) 106,903 (C)	
	1999 Target (T)	14,725 (A) 121,628 (C)	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

INDICATOR 3.1(a): Housing Guaranty component only: Jobs created through HG (UECP) program activities for below-median-income people

UNIT OF MEASURE: Person-years of employment for target group
SOURCE: ANHI and HG reports for each reimbursement

INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures

COMMENTS:

Except for 1993 (HG003), "actual" data based on HG 004 disbursements seen in "year" column. Employment is in/related to construction of serviced plots. For job generation, we use a formula which assumes 15 days work generated for each m² of land developed divided by 300 work-days per year. Production results are reported usually early in the year succeeding their actual realization, Therefore, actual numbers reported in R-4 table for a given year are tentative until final production reports are completed in the following year. Job generation is reported on the basis of ANHI production used to justify disbursement of HG loans.

Revised "actual" figures (ar) are based on improved data for ANHI production and associated job generation levels credited to the HG by UES analyses independent of ANHI official reports. These data show an over estimation of production and therefore job generation equal to 2997 jobs or a 4.0% over estimation with the actual (revised) jobs created by 1997 totaling 68,324 rather than 71,321.

Political problems 1996-97 seriously disrupted ANHI management structure and production. Its urban mandate was temporarily revoked and production directed to rural social housing. ANHI urban serviced plot production significantly slowed. With USAID assistance, a newly appointed (August 1997) Minister of Housing has re instated ANHI's mandate and institutional recovery of ANHI is in process for 1998. The impact of 96-97 problems are evident in revised figures for actual jobs generated for this period. The 1996 actual of 16,500 provided in the 1996 R-4 was based on trend estimation and not realized production levels which were reported as 3,657 in February 1997, off 78% of expected. The 1997 planned level of 12,000 was not revised to reflect these problems and is expected to report in at 7,150 actual, off 4,850, or 40% when ANHI production reports are released in February 1997.

Planning revised (pr) figures show revised planning targets for 1998 and 1999 based on expected levels of HG credits to be available. Planned HG 004 for 1994-99 was \$80M for ANHI. Revised plan for same period is \$45M with \$35m disbursed, and an additional \$10M authorized through 1997 as indicated under the "year" column.

YEAR	PLANNED (P) planned (C) cumulative pr: plned rev. cr: cum rev.	ACTUAL (A) annual (C)cumulative ar: annual rev cr: cum rev.
1993 (B) \$20m end of HG 003	(P) 15,271 (C) 15,271	(A) 15,271 (ar: 25,347) (C) 15,271 (cr: 25,347)
1994 Base: \$14.5m HG	(P) 17,250 (C) 32,521	(A) 17,250 (ar: 17,260) (C) 32,521 (cr: 42,607)
1995 Base: \$16m HG	(P) 15,150 (C) 47,671	(A) 15,150 (ar: 14,910) (C) 47,671 (cr: 57,517)
1996 Base: \$4.5m HG	(P) 15,000 (C) 62,671	(A) 16,500 (ar: 3,657) (C) 64,171 (cr: 61,174)
1997 Base: \$10m HG	(P) 12,000 (C) 74,671	(A) 7150 est. (C) 71,321est. (cr: 68,324)
1998 Base: \$10m HG	(P) 10,000 (pr: 7,150) (C) 84,671 (cr: 75,474)	
1999 (T) Base: \$10m HG	(P) 13,000 (pr: 7,150) (C) 97,671 (cr: 82,624)	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

INDICATOR 3.2: Number of new below-median-income homeowners (urban)

UNIT OF MEASURE: Number of household units on serviced lots	YEAR	PLANNED	ACTUAL
<p>SOURCE: ANHI annual records</p>		<p>(P) planned (pr) plnd rev. (C) cumulative (cr) cum. rev</p>	<p>(A) annual (ar) annual rev. (C) cumulative (cr) cum rev</p>
<p>INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures</p>	1993 (B)		<p>(A) N.A. (C) 48,500</p>
<p>COMMENTS:</p> <p>'Units' = home-owning families</p> <p>Assumes 70% of units are for target group and two family units, on average, are built on each lot (duplex or apartment).</p> <p>Over 50% of all ANHI lots are in squatter resettlement projects.</p> <p>An error in transcribing planning figures for 1996 in the 1996 R-4 showed a planning figure of 9,000 rather than the correct figure of 19,000. This error will be corrected in revised figures provided as pr: planning revised and cr: cumulative revised.</p> <p>An estimated 8,000 plots were completed in 1997, generating 16,000 new household units under a formula of 3 story construction (1 commercial, 2 residential). Actual annual production reports will not be available until late February 1998.</p> <p>Both 1996 and 1997 were affected by serious ANHI management problems, politically generated, resulting in atomization of the USAID-trained management team and a succession of director generals. USAID pressure on the newly elected (August 1997) Minister of Housing resulted in reconstitution of the original ANHI management team and refocussing of its activities on the original ANHI mandate of slum upgrading and housing the urban poor. ANHI management was not fully reorganized with a permanent director general in place before January 1998. Consequently, the estimated "actual" of 16,000 new household units on serviced lots for 1997 is down by 7,600 units or 32% of the 23,600 "planned" annual production level and 5.9% off the cumulative planned target.</p> <p>Ongoing institutional reforms at ANHI supported by USAID are expected to allow them to set "normal" objectives for 1998: over 9,000 eligible serviced plots generating opportunities for some 18,000 new homeowners are expected to be developed.</p>	1994	<p>(P) 18,500 (C) 67,000</p>	<p>(A) 12,900 (C) 61,400</p>
	1995	<p>(P) 26,600 (C) 93,600</p>	<p>(A) 20,200 (C) 81,600</p>
	1996	<p>(P) 9,000 (pr: 19,000) (C) 102,600 (cr: 112,600)</p>	<p>(A) 16,400 (ar: 19,000) (C) 98,000</p>
	1997	<p>(P) 23,600 (C) 121,600 (cr: 136,200)</p>	<p>(A) 16,000 est. (C) 114,000</p>
	1998	<p>(P) 18,400 (C) 140,000 (cr: 154,600)</p>	
	1999 (T)	<p>(P) 20,000 (C) 160,000 (cr: 174,600)</p>	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 3.1: Improved policy and regulatory environment

INDICATOR 3.1.1: Progress towards adoption of 15 key reforms

UNIT OF MEASURE: Percentage completion of 15 policy reforms	YEAR	PLANNED	ACTUAL
SOURCE: USAID project reports (NED, MAP, MFA, UES)			
INDICATOR DESCRIPTION: See COMMENTS			
<p>COMMENTS: Progress on reforms has been good overall, although not all initiatives met 1997 expectations. 1997 was a year of national elections, significant ministerial shuffling, and Western Sahara negotiations, all of which slowed reform efforts across the board. Nonetheless, half of the initiatives are on schedule. Among others that are behind, the red tomato initiative depends on USDA action and is not under USAID or GOM control at this final stage. Four that are behind are expected to be back on track in 1998.</p> <p>The SO3 policy matrix (seen at the attachment) was created by the Economic Growth team in 1995. Other USAID/Morocco SO teams, and indeed some other missions, have adopted the EG team's reform matrix model. The intent was to be able to better report on reform achievements.</p> <p>The percentages seen in the boxes are the estimates of aggregate figures which present targets and accomplishments, with the ultimate goal of full implementation (to achieve 100%) of each of the 15 reform proposals.</p> <p>Progress is measured in terms of percentage achieved in five key phases, as conceived by the SO3 team: 1. Identification and analysis of the problem (10%); 2. Elaboration of proposed interventions to address the problem (10%); 3. Dialogue, lobbying, public discussion, validation of the proposal (20%); 4. Adoption via decree, regulation, legislation, or creation of an implementing team, unit, office, or organization (20%); 5. Implementation or enforcement via concrete action (40%). Note that Phase 5 -- implementation -- is the key one and is thus assigned the greatest weight.</p> <p>The SO3 matrix was expanded in 1996 to include six initiatives then underway for which we had not been properly reporting. Targets for the nine original reform initiatives were retained from 1993, but targets for the six additional initiatives were established in 1996 and actual achievements first reported in the 1996 R4.</p> <p>When a new mission strategy was approved by ANE in 1995, the SO3 team was instructed to focus and concentrate the portfolio. In 1996 and 1997, the EG team has closed out seven projects with authorized funding of \$77 million, added one new start, Micro-enterprise Finance authorized at \$15.5 million, and adapted the NED and MAP projects to the strategy. EG has nonetheless been able to surpass or meet almost all targets, even those established as far back as 1993 under the post-Gulf War strategy.</p>	1992 (B)		4%
	1993		9%
	1994		17%
	1995		30%
	1996	45%	43%
	1997	67%	69%
	1998	88%	
	1999 (T)	95%	

SO3 Policy Reform Annex

1. Background: The SO 3 matrix was created in 1995 to help the SO team assess reform progress. The agenda originally included nine policy reforms. In 1996, the agenda was expanded to better reflect actual policy dialogue and to enable the SO team to more accurately report results. In addition, the reform agenda was regrouped under three policy emphases. The SO 3 matrix model was subsequently adopted by other SO teams and some other missions.

Numbers in the columns indicate the **percentage estimate of completion** for each reform initiative. The reform process is comprised of five phases (with percentage weights shown) : problem identification (10%), reform proposition (10%), public debate and validation (20%), adoption (20%), and implementation (40%).

2. Policy Matrix and Estimated Percentage of Accomplishments (T=Target, A=Actual):

Reforms	92	93	94	95	96	97 (T)	97(A)	98	99
Policy Emphasis 1: Removing Obstacles to Business Development									
Small business Policy Unit	0	10	20	20	40	60	60	80	80
Private-Public Legal Frmwk	0	10	20	40	40	60	60	80	80
One-stop Registration Proc.	0	0	0	0	40	40	60	80	80
Economic Associations Law	0	0	10	40	40	40	40	60	80
Tax Form Simplification	0	10	20	40	60	80	80	100	100
Policy Emphasis 2: Improving Morocco's Competitiveness									
Uniform Food Safety Stand.	0	10	20	40	40	60	70	100	100
Truck Transport Surcharge	0	20	40	60	80	100	100	100	100
Ag Intellectual Property Rights	0	10	10	20	60	80	80	100	100
Crop Contracts & Arbitration	0	0	0	10	20	60	100	100	100
Red Tomato Initiative	0	0	0	10	20	100	60	100	100
Policy Emphasis 3: Improving Equity									
Housing Finance	0	10	20	40	40	60	60	80	100
Microfinance Associations Law	0	0	0	10	40	60	60	80	100
Liberalized Financial Sector	0	0	10	20	20	60	60	80	100
Competition Law	0	0	10	20	20	40	50	80	100
Privatization	60	60	80	80	80	80	90	100	100
Total	60	140	260	450	640	1000	1040	1320	1420
Actual average of all reforms	4	9	17	30	43	--	69	--	--
Anticipated Average	4	9	17	30	45	67	--	88	95

3. Description of Reform Initiatives:

Policy Emphasis 1: Removing Obstacles to Business Development

Small Business Policy Unit: facilitate informed enterprise policy analyses via linking the Central Business Registry database with related data bases in government offices for social security, taxes and court registers, including business startups/failures, geographic/sector growth, and employment.

Public-Private Legal Framework for Business-Government Relations: will codify a formal process for business-government collaboration on administrative reform concerning enterprises.

One-stop Business Registration Center: to include an official guide for business formalities and a pilot center within chambers of commerce for registering businesses, and eventually a single registration form and a single business identification and tax number.

Economic Associations Law: to accord business and trade associations a special status allowing them more autonomy and flexibility in organization, lobbying, and fund raising.

Business Tax Forms Simplification: reduction from ten to three, to cut management burden on enterprises and generate substantial savings in associated administrative costs for both the private and public sectors.

Policy Emphasis 2: Improving Morocco's Competitiveness

Uniform Food Safety Standards: adoption of HACCP methods and FDA-model food safety regulations for processed domestic and export food products to bring Moroccan standards in line with international requirements, enhance export competitiveness, and improve food safety.

Red Tomato Export Initiative: adoption, implementation, and maintenance of measures by GOM and private sector--including rigorous production, packing and shipping protocols--to secure USDA authorization of Moroccan red tomato imports that are free of Mediterranean fruit fly infestation.

Intellectual Property Rights in Agriculture: promote public awareness, adoption of plant varietal protection legislation, and enforcement measures to assure Morocco's adherence to international standards respecting agricultural IPR, thus enhancing access to improved technologies from abroad and promoting local research.

Contracts and Arbitration Procedures: promote adoption of improved production contracts in the agricultural sector and arbitration to resolve disputes between growers and buyers, thus improving the quality and regularity of raw material supplies.

Truck Transport Surcharge: reduce export surcharge by GOM adoption of simplified inspection, certification, and port clearance procedures for perishable products, thus increasing efficiency of the local trucking industry, reducing costs, and improving the competitive position of Moroccan exports.

Policy Emphasis 3: Improving Equity

Housing Finance: increase access to finance for low-income groups, improve delivery of financial services, open provision of financing to private sector financial institutions, initiate secondary mortgage market, increase resources for mortgage finance, and better target government subsidies.

Microfinance Association Law: adoption of legislation for microfinance associations to accord them 'public utility' status, tax exemptions, and enable them to attract funding and expand lending.

Financial Sector Liberalization: promote public awareness among small businesses, associations, banks, and GOM agencies on how to deal with liberalized financial sector, including market-based interest rates and new savings and lending products aimed at micro and small enterprises.

Competition Law: adoption of legislation to assure protection of small businesses and consumers from illegal commercial practices and level the playing field for all types of businesses.

Privatization: Continue to implement program of privatizing 114 firms, promoting the spread of privatized firms' equity across a larger segment of the population, including their employees, while providing new opportunities to the private sector for the provision of formerly public services.

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 3.2: Creation and expansion of small and microenterprises

INDICATOR 3.2.1: Number of business licenses issued to SMEs

UNIT OF MEASURE: Number of SMEs registered by GOM	YEAR	PLANNED	ACTUAL
SOURCE: USAID project reports (NED)			
INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures			
<p>COMMENTS:</p> <p>Original targets are retained in these tables for comparative purposes, but current projections are for 158,000 SMEs to be registered by 1999, a slight increase over original target of 152,557.</p> <p>1995 -1996 results were corrected upward following publication of official registration statistics in April 1997.</p> <p>Our estimate of 1997 actual results is based on data available for the first six months of the year. We double the data to estimate our achievement over the entire calendar year. The official registration data for 1997 will be available in April 1998.</p> <p>The NED project helps to increase the number of SMEs in Morocco through its organizational and administrative reform efforts, which include: establishing a small business policy unit, instituting a legal framework to codify means of business-government collaboration, establishing a one-stop business registration center, and reducing the number of business tax forms from 10 to 3.</p> <p>In addition, we estimate that an additional 25,000 jobs were created by newly-licensed companies in 1997 and that, cumulatively, just over 107,000 jobs have been created by companies licensed from 1993-97. However, we do not include these numbers in our job-years result (seen in SO indicator table) because we cannot attribute them exclusively to USAID's contributions. Nonetheless, USAID has simplified the business registration process and the job estimates are based on specific experience in Morocco that supports our assumption that 25% of the licensees, each employing four people, actually began business operations.</p>	1993 (B)		16,000 (A) 16,000 (C)
	1994	16,000 (A) 32,000 (C)	20,658 (A) 36,658 (C)
	1995	16,000 (A) 48,000 (C)	22,092 (A) 58,750 (C)
	1996	17,000 (A) 65,000 (C)	23,603 (A) 82,353 (C)
	1997	23,000 (A) 104,557 (C)	24,866 (A) 107,219 (C)
	1998	24,000 (A) 128,557 (C)	
	1999 (T)	24,000 (A) 152,557 (C)	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 3.2: Creation and expansion of small and microenterprises

INDICATOR 3.2.2: SME business licenses issued to women

UNIT OF MEASURE: Percent and number of SME business licenses issued to women annually

SOURCE: USAID project reports (NED)

INDICATOR DESCRIPTION: Both percent of total licenses and number of licenses are in annual terms. Includes individual companies only (no corporations are currently owned by women).

Baseline 1993: 7% (1,120)

COMMENTS:

Original targets are retained in these tables for comparative purposes, but current projections are for 2,300 SMEs (12% of the total number of individual companies) to be registered to women by 1999.

The estimate of 1997 actual results is based on data available for the first six months of the year. The data is doubled to estimate achievement over the entire calendar year. The official registration data for 1997 will be available in April 1998.

SO3 slightly exceeded the 1997 target for business licenses issued to women.

An impact study planned for April 1998 should provide more information on women in business in Morocco.

YEAR	PLANNED	ACTUAL
1993 (B)		7% (1,120)
1994		10% (1,495)
1995		10% (1,599)
1996	10% (1,650)	10 % (1,691)
1997	10% (1,700)	11% (1,984)
1998	10.5% (1,890)	
1999 (T)	10.5% (1,995)	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

SUB-INTERMEDIATE RESULT 3.2.1: Broadened access to financial resources and services

INDICATOR 3.2.3: Number of microenterprises receiving loans and amount loaned through the formal credit system

UNIT OF MEASURE: Cumulative number of microenterprises (N) and cumulative amount loaned (\$)

SOURCE: USAID Microenterprise Finance (MFA) special study, VITA contract reports, and AMSED (Moroccan NGO) reports.

INDICATOR DESCRIPTION: cumulative figures of microenterprises served.

COMMENTS: Results reported for 1993-96 cover only loans provided to microenterprises by a Moroccan NGO, AMSED, which received USAID funding passed through the U.S. NGO, Catholic Relief Services, under a pilot program. From 1997 onward, cumulative figures include MFA and AMSED.

Original targets are retained in these tables for comparative purposes, but current projections are for 39,500 clients to receive loans worth nearly \$35 million under these programs through 2001--of which, 34,500 clients are expected to receive over \$33 million via 112,000 loans through the MFA project.

The Microenterprise Finance project was authorized in September 1995. At the end of calendar year 1997, the project had surpassed all targets identified for Phase I, which ends February 28, 1998. Volunteers in Technical Assistance (VITA), the implementation contractor, has done an excellent job of helping to create and operationalize a new microfinance institution which we have named Al Amana. MFA project lending started in March 1997. By year end, 1880 loans had been accorded, of which 16% went to women.

Three regional offices were opened in 1997. The number of loans and the quality of the portfolio increased steadily after microlending services were formally launched in March by the U.S. Ambassador and Minister of Finance. The project has made a special effort to recruit and hire female loan agents, who have helped effect a steady increase in the number of female clients. Customer feedback has resulted in refinement of loan products and services, the recruitment and training of loan agents, plans for service expansion, and additional service sites.

A microfinance law awaits Prime Minister and parliamentary approval, but the unanticipated delay in passage of the legislation, which grants special status to microfinance institutions, has in no way impeded microlending to date.

Plans for a Phase I evaluation were shelved because results were well known to both USAID and our partner ministries. A special study executed by a joint U.S.-Moroccan team led by G/EG/MD was substituted in place of the evaluation. The study verified Phase I achievements and helped the GOM, VITA, and USAID plan the four-year second phase of the project.

YEAR	PLANNED	ACTUAL
1993 (B)		128 (N) \$6,000
1994		307 (N) \$29,000
1995		421 (N) \$71,000
1996		1,056 (N) \$140,000
1997	2,562 (N) \$490,000	3,520 (N) \$738,000
1998	6,142 (N) \$2,350,000	
1999	11,232 (N) \$7,300,000	
2000 (T)	17,402 (N) \$17,120,000	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 3.3: Increased access to housing for below-median-income households

INDICATOR 3.3.1: Number of housing lots developed for sale to below-median-income households (urban)

UNIT OF MEASURE: Number of new starts	YEAR	PLANNED	ACTUAL
SOURCE: National Shelter Upgrading Agency (ANHI) reports		(P) planned (C) cumulative	(A) annual (C)cumulative
INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures Baseline is 8,400 new starts in 1992.	1993	(P) 9,200 (C) 55,960	(A) 9,500 (C) 56,270 (cr: 56,260)
COMMENTS: An estimated 70% of total new starts are for below-median-income households. It is assumed that the rate of increase in starts will level off near the end of the decade.	1994	(P) 10,000 (C) 65,960	(A) 10,160 (C) 66,420
1996 began a decrease in the number of new urban construction projects. 1997 was significantly worse with ANHI producing 83% below expected targets. This dramatic fall off of production is attributed to major disruption of ANHI management and a national housing policy theme that deflected all parastatals to work on rural social housing regardless of mandate. Under USAID pressure, a reconstruction of ANHI's management team and its recommitment to urban housing occurred in late 1997. ANHI's commitment to decentralization of decision-making to regional offices with improved information management systems and introduction of public-private partnership concepts to broaden financial and land resource opportunities are expected to result in a resurgence of production in 1998. Thus, the objective of developing 12,000 eligible plots remains valid.	1995	(P) 11,500 (C) 77,460	(A) 11,750 (C) 78,170
Correction: Based on trend estimates, the 1996 R4 reported "actual" new starts for 1996 of 11,600 . This figure was revised downward to 9,660 based on the actual ANHI calendar year reporting and separate UES analysis which was not available until February 1997, after the finalization of the 1996 R4. These revised figures are shown as "ar": actual revised, and "cr": cumulative revised in the "actual" column. The actual revised negative impact on ANHI in 1996 due to political problems shows the institution falling off planned annual production targets by 21.5% rather than the 5.6% reported in the 1996 R4.	1996	(P) 12,300 (C) 89,760	(A) 11,600 (ar: 9,660) (C) 89,770 (cr: 87,830)
	1997	(P) 12,000 (C) 101,760 (cr: 101,760)	(A) 2000 (C) 91,770 (cr: 89,830)
	1998	(P) 12,000 (C)113,760 (cr: 113,760)	
	1999 (T)	(P) 12,000 (C)125,770 (cr: 125,760)	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 3.4: Improved competitiveness of USAID-assisted firms which generate employment for below-median-income people

INDICATOR 3.4.1: Export sales attributable to USAID assistance

UNIT OF MEASURE: Dollars

SOURCE: USAID project reports (MAP, AIM)

INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures

COMMENTS:

This table includes data for horticultural, fish and artisanal product export sales directly facilitated by USAID projects. Following the end of the AIM project in mid-1996, only horticultural exports promoted by the MAP project are included. In all instances, only export sales facilitated by project staff are incorporated in these tables. The impact of the projects is underestimated due to the fact that not all sales are reported by commercial contacts, as well as the impossibility of monitoring the impact of public sales lead information published regularly by the MAP project.

Original targets are retained in these tables for comparative purposes, but current projections are for an additional \$24,000,000 in facilitated export sales in CY 1998, bringing the cumulative total to over \$129,000,000. The MAP project exceeded its overall export sales target by 68% in 1997.

The big picture impact of MAP on the horticultural sector goes far beyond these direct sales. MAP has helped add value to Moroccan horticultural products, increase sectoral resilience by diversifying market destinations, and improved the capacity of the sector to enter radically different markets in North America. By focussing on non-traditional markets in Europe and packaged products, **MAP has helped increase the value of Morocco's non-citrus horticultural exports to the EU by 26% from 1992 (\$323.9 million) to 1996 (\$408.6 million)** over a period when the volume of Moroccan exports to the EU declined by 3% because of increasing EU import barriers on many traditional horticultural exports from Morocco. Project leverage on the industry is high because it has opened the doors of new markets with new products, at the same time that it has worked with associations and government to reduce excessive administrative burdens and monopolistic prices of transport.

YEAR	PLANNED	ACTUAL
1992 (B)		\$3,920,000 (A) \$3,920,000 (C)
1993		\$8,346,000 (A) \$12,266,000 (C)
1994		\$16,411,000 (A) \$28,677,000 (C)
1995		\$25,822,000 (A) \$54,499,000 (C)
1996	\$23,000,000 (A) \$77,500,000 (C)	\$25,823,000 (A) \$80,320,000 (C)
1997	\$14,750,000 (A) \$95,070,000 (C)	\$24,745,000 (A) \$105,067,000 (C)
1998 (T)	\$11,450,000 (A) \$106,520,000 (C)	

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

APPROVED: 4/95

COUNTRY/ORGANIZATION: USAID/Morocco

SUB-INTERMEDIATE RESULT 3.4.1: Increased product and market diversification

INDICATOR 3.4.2: Exports to non-traditional markets attributable to USAID assistance

UNIT OF MEASURE: Dollars

SOURCE: USAID project reports (MAP, AIM)

INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures

COMMENTS:

Non-traditional markets are defined as those countries to which less than 10% of the Moroccan export product was shipped in 1992.

This table includes data for horticultural, fish and artisanal product export sales directly facilitated by USAID projects. Following the end of the AIM project in mid-1996, only horticultural exports promoted by the MAP project are included. In all instances, only export sales facilitated by project staff are incorporated in these tables. The impact of the projects is underestimated, as explained in the previous table.

Original targets are retained in these tables for comparative purposes, but current projections are for an additional \$19,000,000 in facilitated export sales to non-traditional markets in CY 1998, bringing the cumulative total to over \$97,000,000. An error caused by double-counting U.S. sales in last year's R4 was corrected in the actual sales figures for 1994-96 presented in the tables this year. To be consistent, planning figures for 1996 and 1997 should also be reduced to \$15.7 million and \$8.75 million, respectively.

MAP's focus on diversification of product exports has been very successful. From the baseline year of 1992, export marketing and sales efforts of the primary contractor's local office, AMI/DAI, have helped generate about a 25% increase in the export of horticultural products other than the traditional exports of fresh citrus, tomatoes, and potatoes. A bigger volume of a more diversified set of products is being shipped. As importantly, by the end of 1996, there were clear signs that the Moroccan growers, shippers and processors were learning how to sustain diversification efforts. AMI/DAI has been able to step back from its role as a trouble shooter in deals between European buyers and Moroccan exporters, with growth in diversified exports continuing, despite increasingly stringent restrictions on Moroccan horticultural products entering the European Union.

Despite greater distances, much more complicated regulations, and a large cultural gulf in business practices, **MAP has helped Morocco grow the value of its non-citrus horticultural exports to the U.S. from \$24.7 million in 1993 to \$39.2 million in 1996, an increase of close to 59%.** On the U.S. market, sales directly aided by the project amounted to over \$7.1 million in 1997 (nearly doubling 1996 sales), and amount to about 14% of Morocco's non-citrus horticultural exports to all destinations.

YEAR	PLANNED	ACTUAL
1992 (B)		\$2,780,000 (A) \$2,780,000 (C)
1993		\$6,546,000 (A) \$9,326,000 (C)
1994		\$12,650,000 (A) \$21,960,000 (C)
1995		\$18,213,000 (A) \$40,173,000 (C)
1996	\$17,000,000 (A) \$59,000,000 (C)	\$18,241,000 (A) \$58,414,000 (C)
1997	\$12,750,000 (A) \$76,600,000 (C)	\$19,996,000 (A) \$78,410,000 (C)
1998 (T)	\$10,450,000 (A) \$87,050,000 (C)	

Special Objective 4

Increased Replicable Attainment of Basic Education Among Girls in Pilot Schools in Selected Rural Areas



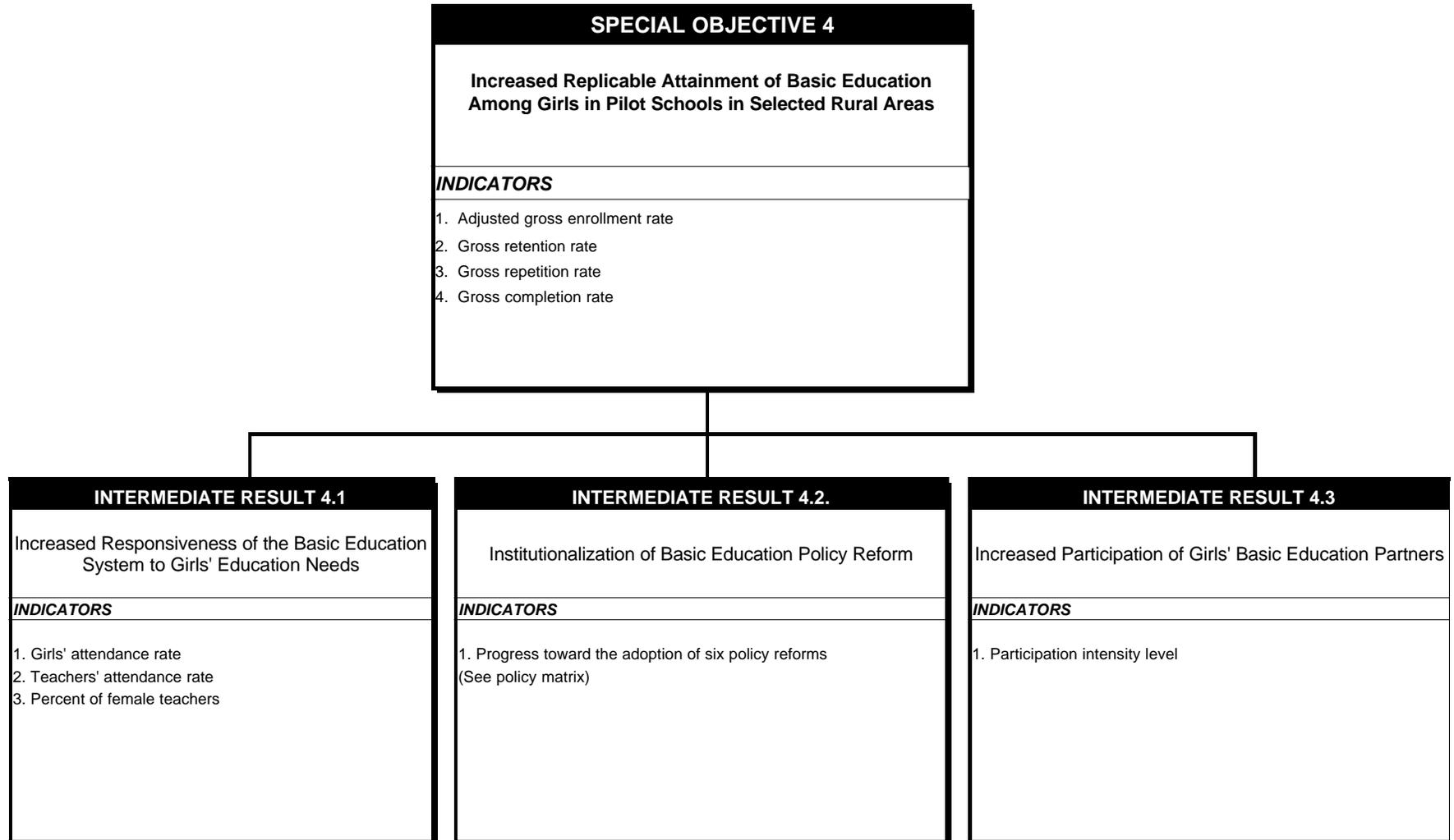
"My older sisters did not go to school, but when my parents realized that girls could make money as boys did, they decided to send me to school." -- Third grade student, Sidi Kacem.

"You've got to change, I was like you before, and I have changed." -- First grade girl in Errachidia to first grade boy who was crying because he did not want to be at school.

"Of my five daughters, only Halima goes to school, Inchallah she will continue." -- Halima's mother. *"I want to continue."* -- Halima, fifth-grade girl, Essaouira.

"There are new teachers who are nice and happy, and we like how they treat us." -- Sixth grade student, Al Hoceima.

"We want the new teachers...." -- Parents in Ouarzazate discussing the pros and cons of the MNE/USAID pilot efforts.



1. Performance Analysis

During 1997, USAID's objective in basic education was changed from a Strategic Objective (SO4) to a Special Objective (SpO4). The Objective was redefined to more accurately reflect the pilot and leveraging nature of the activities which comprise the SpO. As required by the 1997 R4 review, the results framework has been modified by the expanded SpO team. It now differentiates the supply (IR 4.1) and demand (IR 4.3) aspects of primary education and maintains a distinct policy IR (4.2). As part of this revision, SpO indicators were refined, and instruments were developed to collect baseline data in USAID's specific target provinces for IR 4.1 (supply-side) and IR 4.3 (demand-side). The policy agenda (IR 4.2) continues to be relevant and was not changed. SpO progress is now tracked by 9 (including the policy matrix) indicators (7 last year), 4 at the SpO and 5 at the IR levels. Three SpO-level indicators -- to measure enrollment, retention, completion -- were reported last year; the repetition rate indicator was raised from the IR to SpO level this year. The three indicators for the supply-side IR are new, and the one indicator for the demand-side IR -- participation intensity level -- incorporated and expanded upon two of last year's IR indicators. The tool for measuring IR 4.2 is a policy matrix which contains 6 policy objectives. Targets for the "carryover" indicators were **exceeded, without exception**, and new ones were set for the new indicators. As the recently-collected data are further analyzed during the weeks to come, and as data from the control schools are calculated and compared to the pilot sites, targets may be further modified.

Summary of 1997 SpO4 Performance Data

- * The Morocco Education for Girls (MEG) data collection in target rural provinces results in wealth of information to be exploited
- * Girls' Education activity (GEA) identifies NGO partners which develop Action Plans to address constraints in pilot provinces
- * Training For Development (TFD) teacher training model adopted by the World Bank and UNICEF for use in other rural provinces
- * Donor-Ministry of National Education (MNE) task force on primary education policy established and co-chaired by USAID and MNE
- * MNE undertakes to revise promotion criteria to benefit rural teachers

Considerable progress was made in 1997, both at the activity intervention level and with regard to the political and social environment in which SpO4 operates. The institutional contract for the MEG activity, the cornerstone of SpO4, was awarded in September 1997 to Creative Associates International Incorporated (CAII) and its subcontractors Management Systems International (MSI) and Save the Children. The principal product of MEG will be the MEG Model, comprising a set of technical interventions which impact positively and in a quantifiable way on access and retention of girls in selected rural primary schools. The MEG Rabat office opened in October 1997, thus completing the tripartite SpO4 in-country contractor team (CAII/MEG, MSI/GEA, Amideast/TFD).

Among MEG's first interventions in Morocco were the identification and definition of data needed to gauge MEG's impact over time. Data collected by MEG in December 1997 and January 1998 will serve as baseline for the MEG Model and the springboard for subsequent management information

system (MIS) work at the MNE. MEG data will be used henceforth for R-4 reporting purposes and will be complemented by data from the MNE MIS as that system becomes operational over time with MEG assistance.

The TFD activity completed its first full school year of technical assistance for classroom interventions, and the **overall results were so uniformly robust that both the MNE, using funds reserved under the World Bank Social Priorities Project, and UNICEF decided to implement the TFD training model to train MNE staff in other rural schools.** GEA turned the nation's attention to girls' education issues through GEA advocacy efforts, speaking engagements, press interviews and articles, and a highly successful conference to mobilize NGOs.

With regard to progress made in the SpO politico-social environment, the MNE organized a workshop in May 1997 for all partners who actively support its strategy for improved primary education in rural Morocco. Workshop participants included donors, NGOs, and representatives of several other ministries. The purpose was to evaluate progress in implementing the Ministry's rural education strategy which was launched in March 1996. A direct result of the workshop was **the unprecedented creation by MNE of an official donor coordination group**, which USAID had been advocating, to meet on a monthly basis to ensure coordination of respective activities and to provide a forum for discussing and resolving problems encountered in the primary education field. USAID also maintains a continuous dialogue with the World Bank and has negotiated additional assistance for the USAID pilot provinces from partners who had no previous involvement with the MNE, such as the Spanish Cooperation Agency, a Dutch NGO, the Japanese Embassy and the Swedish Government.

Data collection took place between November 1997 and the end of January 1998, shortly after establishment of MEG's in-country office. A wealth of highly reliable data was collected at the 20 pilot schools, not all of which has been analyzed. Nonetheless, certain trends can be noted at this time, while the implications of other data will emerge from further study. Also, due to confusion in the field concerning the designation and role of control schools in the pilot provinces, data collection at these schools was postponed until February-March 1998.

As indicated in the SpO performance tables, precise data on the pilot schools were obtained for enrollment, retention, and repetition rates for the 1996/1997 school year, i.e., the academic year preceding initial MEG interventions. Primary school completion rate data were obtained for a cohort group which entered first grade during the 1988/89 academic year which, if no grades were repeated, should have graduated from sixth grade during the 1993/94 academic year. Given the reportedly high repetition rate in Morocco, this cohort was followed for an additional three years -- to the 1996/97 school year -- to ascertain the completion rate nine years after the cohort entered first grade.

Data for the 1997/98 school year show that 38% of eligible girls in the target provinces are enrolled in school, compared to 56% for boys. Thus, the current **enrollment situation in the target provinces is considerably higher than last year's prediction (30%)**, which was based on 1992 national-level data for girls' enrollment in rural areas (22.3%).

The **average retention rate** for girls in the target provinces was calculated for the academic years 1994/95 through 1996/97. The retention rate here represents the *probability* of a girl being retained in school through the end of the primary cycle, and was calculated by averaging the percent of all girls who were promoted or repeated a grade for a given school year. The rates show that the target

provinces were lower in 1995 (36.39% girls, 24.4% boys) and 1996 (34.5% girls, 32.7% boys) than the 1992 national average for rural areas (39.6%). They also indicate that the situation is improving for girls, as evidenced by a 52.8% rate for 1997 (33.1% for boys). Further analyses will be conducted in 1998 to consider the significance of these statistics in light of total numbers of students, drop-out rates, quality of students' performance, and other factors.

The **actual repetition rate** (9.8%) for the 1996/97 school year **slightly exceeded USAID's target** (10%) and is lower than the 1996 national average for rural areas (12%). However, there are factors -- such as the drop-out rate and the completion rate for repeaters -- which must be analyzed in order to assess the impact of repeating on eventual completion of the cycle. A consideration of the completion rate demonstrates the complexity of the question. Last year's R-4 baseline was 8.8% (1992) for the percentage of girls in rural areas who completed the primary school cycle within six years. Data recently collected in the target provinces show the figures for the 1994/95 school year to be 10.08% for girls and 14.96% for boys -- a slight improvement over the 1992 national average for rural areas. However, when the completion rate is expanded to include children (i.e., repeaters) who eventually complete the primary cycle after 7-9 years of school, the rate jumps to 45.74% for girls and 68.5% for boys. This situation clearly requires further study to ascertain exactly which program strategies and repetition targets would be the most appropriate for realizing completion of the primary cycle, in the short and long run.

Specific progress towards the achievement of the Intermediate Results is as follows:

IR 4.1: Increased Responsiveness of the Basic Education System to Girls' Educational Needs

TFD made considerable headway in training teachers, inspectors and principals from the pilot schools, as well as MNE central staff, in curriculum adaptation, multigrade teaching, gender-sensitive techniques, and classroom and time management. As documented by on-site monitoring and evaluation visits by USAID contractor and MNE staff, **teachers are using participatory approaches** to attract students' interest, and **students are actively engaged** in the learning process. Drab and dirty classrooms have been transformed by teachers and students into colorful, child-friendly environments with children's artwork adorning the classroom walls and student desks physically arranged to facilitate multigrade teaching and proactive learning. MEG began MIS work within a few weeks of contract award. Educators at the regional levels were trained and were actively involved in the data collection as part of the MNE capacity-building component of the MEG Model.

One of the three indicators chosen to evaluate progress toward achieving this IR is girls' attendance rate. The data for Morocco suggest that while girls' enrollment is still low (38%), those girls who do enroll attend school on a regular basis, as attested by attendance rates of 97.65% in 1995, 98.03% in 1996, and 98.51% in 1997. It will be interesting to compare these data with those of the control schools as soon as the data become available. A second indicator, teachers' attendance rate, appears already to have been impacted positively by TFD interventions which began in 1996. The attendance rate for the 1994/95 school year was 85.35%. It was 82.21% in 1995/96, and rose to 95.94% in 1996/97. The third indicator, percentage of female teachers, shows that the situation in the rural areas is slowly improving. During the 1994/95 school year, there was 1 female teacher for every 5.4 male teachers, and currently the ratio is about 1 to 4. USAID continues to encourage the MNE to assign more women to teaching posts in the rural areas.

IR 4.2: Increased Institutionalization of Basic Education Policy Reform

Within the donor coordination group that was formed as an outcome of the MNE strategy evaluation workshop, a task force co-chaired by USAID and MNE was empowered to identify policy constraints and to make recommendations to the Minister of National Education. One such policy matter currently being discussed is the **revision of official MNE regulations that govern promotions for rural teachers**. The revised policy counts one year of teaching in a rural school as being equivalent to two years of service for promotion purposes. Additionally, in lieu of merely duration of service (seniority), other factors -- e.g., merit, performance and training -- will be taken into consideration for teacher promotions to the position of school director.

Turning to the SpO policy matrix, **progress exceeded initial expectations** by 4% as headway was made in two of the three supply-side policy objectives. To further the development of a viable education MIS (policy objective 1), data collection instruments were designed and tested, and MNE regional staff trained in their use. Preliminary work was undertaken to formulate a rural teachers' compensation plan (policy objective 3). The MNE is acutely aware of the urgent need to formulate a plan which takes into account the physical hardships endured by teachers living in the poorest rural areas and which provides "trade-offs" for those hardships. Changing the criteria for promotions is a first step in this direction, along with the MNE's decision to fill vacated teacher slots in the pilot schools with female teachers to the maximum extent possible. Progress also was made in two of the three demand-side policy objectives. Initial discussions on regulatory constraints to girls' education have taken place in local communities (policy objective 4), and a number of NGOs and parent and teacher associations (PTAs) have been working on infrastructure upgrading plans to alleviate parents' concerns about sending their girls to school (policy objective 6).

IR 4.3: Increased Participation of Girls' Basic Education Partners

This IR represents the demand-side of basic education. A "participation intensity level matrix" was conceived by MEG experts to measure progress towards IR achievement (see performance data table). All actual and potential partners at the provincial level are represented in the matrix, and criteria are applied to enable a qualitative appreciation of the impact of partners' actions. The average participation intensity level for 1997 is 1.11/1.03 (out of a total of 4/4) for moral and material support respectively, signifying that community participation in the pilot areas is categorized as having **"emerging partners" which at least discuss girls' education issues**.

Results to date with community partners reflect primarily the impact of GEA interventions. The October 1997 GEA-sponsored workshop for NGO partners resulted in the identification of potential partners in the pilot provinces and at the national level. Joint action plans were developed during the workshop, and follow-on site visits to three provinces were conducted by SpO and MNE staff. Site visits resulted in the development of three comprehensive project proposals and commitments by local groups (NGOs or PTAs) to monitor implementation. **The Japanese and the Canadian Embassies are expected to fund two of the projects, and a third will be funded by the Spanish**. Early efforts by MEG resulted in the elaboration of two proposals by local NGOs in a fourth province.

2. Expected Progress Through 2000 and Management Actions

SpO basic education activities contribute to furthering the Agency's goal of human capacity built

through education and training, and to U.S. national interests in promoting broad-based economic growth, democracy and women's rights, stabilizing world population, and protecting human health. Basic education is a primary means for strengthening a country's human resource base and productivity. USAID's activities are designed to help the GOM to establish a sustainable and equitable education system that will enable its people -- in particular the poor and women -- to lead socially and economically productive lives. Importantly, worldwide studies have identified a further benefit in the form of a strong positive relationship between the level of mothers' education and child survival rates and levels of contraceptive use.

TFD will terminate in FY 1999, and MEG will continue to test and perfect interventions, which were begun under TFD at the local level. Thanks to GEA efforts, different groups (NGOs, voluntary associations, private sector entities, other ministries, the media) will be active and visible partners with the MNE in the task of educating Morocco's girls. By the end of FY 2000, the MEG Model will be completely formulated, thoroughly tested, and ready for replication by the MNE in other schools and other pilot provinces during the final two years of MEG.

IR 4.1: Increased Responsiveness of the Basic Education System to Girls' Educational Needs

The TFD activity will contribute significantly to the identification and testing of culturally appropriate, gender-sensitive and child-centered curricula, classroom management and teaching techniques. CAII will continue work, advanced under TFD, with Morocco's teacher training colleges, with assistance from G/WID's Equity in the Classroom Activity, which recently designated Morocco as one of eight target countries. MEG will provide assistance in program administration and MIS to the MNE regional and national levels. One of MEG's challenges over the next few years will be to devise ways to institutionalize sorely needed improvements in the MNE's inadequate MIS which currently provides neither timely nor reliable information to program-planners and decision-makers. During 1998 and 1999, MEG Model interventions will be tested for impact on girls' enrollment and retention at the pilot schools. By the end of CY 2000, the final Model will be ready for application to other schools in up to an additional nine provinces.

IR 4.2: Increased Institutionalization of Basic Education Policy Reform

About 40% of the total policy reform agenda will be completed by the year 2000 (median LOP of MEG). The donor task force for policy coordination and reform will build up momentum in 1998-99 as USAID continues to play an active role as co-chair with the MNE of this important group. Major progress is expected to be achieved for policy objectives 1, 4 and 6 (see matrix). The MIS (objective 1) will be fully functional at the local level for monitoring and evaluation of MEG Model progress and impact. There will be many examples -- at least two per pilot school -- of successful ventures conducted by NGOs, private sector entities, and other ministries to alleviate if not eradicate, socio-cultural and material barriers to girls' education in the pilot areas.

IR 4.3: Increased Participation of Girls' Basic Education Partners

GEA and MEG will remain the mechanisms providing assistance for increasing partner participation through the year 2001 and 2003 respectively. Both activities will collaborate and coordinate actions of NGOs and other community associations in the pilot school areas, with GEA also continuing efforts to leverage support for girls' education at the national level and from the private sector. Based on results

of GEA lobbying efforts to date, the media and the banking sector are expected to be the first partners at the national level to actively promote girls' education. By the end of 1998, GEA and MEG will have implemented the first action plans developed with local communities for school equipment and infrastructure assistance and for which financial resources from other donors and NGOs will have been leveraged. During 1998-1999, MEG will undertake new initiatives to encourage and facilitate the creation of PTAs and village education councils to better represent the perceived needs of the local communities.

The SpO staff in FY 2000 will consist of three professional personnel and one support officer. In CY 1998 a WID Fellow will complement the technical staff for nine months. SpO4 would benefit greatly from the assignment of a WID Fellow, or equivalent, each year over the life of the MEG activity.

SPECIAL OBJECTIVE 4: Increased replicable attainment of basic education among girls in pilot schools in selected rural areas.

APPROVED: August 1996

COUNTRY/ORGANIZATION: USAID/Morocco

INDICATOR 4.2: Gross Retention Rate

UNIT OF MEASURE: Average percentage of girls retained for each grade of a given school year.

SOURCE: MEG.

INDICATOR DESCRIPTION: The retention rate represents the *probability* of a girl being retained in school through the end of the primary cycle; it is calculated by multiplying the retention rates for each grade of the cycle (P⁵).

COMMENTS:

Given the short duration and pilot nature of MEG, MEG opted to measure retention by calculating the "survival probability" of girls in each class during a given school year. This approach gives an annual snapshot of the average retention rate for all grades. Note that girls' retention rate is higher than boys:

	Boys	Girls	Total
94/95	24.4% (N=1367)	36.3% (590)	27.6%
95/96	32.7% (N=1238)	34.5% (631)	33.3%
96/97	33.1% (N=1230)	52.8% (643)	39.0%

Data indicate that the launching of the MNE strategy for primary education in rural areas in March 1996, and TFD efforts in the pilot schools, have impacted positively on girls' retention levels.

YEAR	PLANNED	ACTUAL
94/95	-	36.3%
95/96	-	34.5%
96/97	41%	52.8%
97/98	60%	
98/99	65%	
99/00	70%	
00/01	75%	
01/02	80%	
02/03	85%	

SPECIAL OBJECTIVE 4 : Increased replicable attainment of basic education among girls in pilot schools in selected rural areas.

APPROVED: August 1996

COUNTRY/ORGANIZATION: USAID/Morocco

INDICATOR 4.3: Gross Repetition Rate

UNIT OF MEASURE: Percentage of girls who repeat a grade in a given school year.

SOURCE: MEG.

INDICATOR DESCRIPTION: The gross repetition rate measures the number of girls who repeat a grade divided by the total number of girls enrolled in that grade, for all classes (1-6) in a given school year.

COMMENTS:

Students repeat in Morocco due to poor academic attainment, or insufficient places in the next higher grade. Further study is required to ascertain the impact of repetition on completion and drop out rates, as repeating in the Moroccan context seems to lead to a significant increase in the completion rate (see next chart) and probably contributes to lower drop-out rates. Note that while the drop-out rate was not retained as an R-4 indicator, the data are being collected by MEG and will be used for comparative analysis purposes in the months ahead.

This indicator has been moved from the IR to the SpO level this year. The repetition figure listed last year as baseline (12%) was the national average for girls in rural areas for the 1995/96 school year.

YEAR	PLANNED	ACTUAL
95/96	-	9.4%
96/97	10%	9.8%
97/98	9%	
98/99	8%	
99/00	7%	
00/01	6%	
01/02	5%	
02/03	4%	

SPECIAL OBJECTIVE 4: Increased replicable attainment of basic education among girls in pilot schools in selected rural areas.

APPROVED: August 1996

COUNTRY/ORGANIZATION: USAID/Morocco

INDICATOR 4.4: Gross Completion Rate

UNIT OF MEASURE: Percentage of girls completing the primary education cycle (years 1-6).

SOURCE: MEG.

INDICATOR DESCRIPTION: The girls' completion rate measures the degree to which girls successfully complete the entire first cycle (years 1-6) of primary education.

COMMENTS:

The 1993/94 girls' completion rate of 10.08% (cf. boys 14.96%) was measured by following a cohort -- which entered school in 1988/89 -- for 6 years. Given Morocco's high repetition rates, the cohort was followed until the last possible year for completion, that is, up to 9 years. For those who completed after repeating only one year, the completion rate increases by an additional 18.6% for girls and 13.78% for boys. The total completion rates, which includes all who completed the primary cycle within 6-9 years, are 45.74% for girls and 68.5% for boys.

Targets were established for the ideal completion of the cycle within 6 years (although cohorts will continue to be monitored up to 9 years). The first cohort which will have completed the primary cycle under the USAID pilot Activities will complete grade 6 in 2001/02. Nonetheless, MEG will monitor completion progress of all cohorts which follow the new baseline cohort of 1988/89.

(The figure used for reference last year was 8.8% (1992) which represented the completion rate -- primary cycle in 6 years -- for girls in rural areas nation-wide.)

YEAR	PLANNED	ACTUAL
93/94	-	10.08%
94/95	-	
95/96	-	
96/97	16%	
97/98	18%	
98/99	20%	
99/00	22%	
00/01	25%	
01/02	30%	
02/03	35%	

SPECIAL OBJECTIVE 4: Increased replicable attainment of basic education among girls in pilot schools in selected rural areas.

APPROVED: August 1996

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 4.1: Increased Responsiveness of the Basic Education System to Girls' Educational Needs

INDICATOR 4.1.1: Girls' Attendance Rate

UNIT OF MEASURE: Percentage of girls in attendance during a given school year, for all classes 1-6.

SOURCE: MEG and MNE, daily attendance records at pilot schools.

INDICATOR DESCRIPTION: See unit of measure.

COMMENTS:

These rates are impressive. The comparable rates for boys beginning in 1995 were 94.73%, 98.69%, and 98.77%. MEG will compare these rates to rates in the control schools during 1998.

This is a new indicator.

YEAR	PLANNED	ACTUAL
94/95	-	97.65%
95/96	-	98.03%
96/97	-	98.51%
97/98	98%	
98/99	98%	
99/00	98%	
00/01	98%	
01/02	98%	
02/03	98%	

SPECIAL OBJECTIVE 4: Increased replicable attainment of basic education among girls in pilot schools in selected rural areas.

APPROVED: August 1996

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 4.1: Increased Responsiveness of the Basic Education System to Girls' Educational Needs

INDICATOR 4.1.2: Teachers' Attendance Rate

UNIT OF MEASURE: Percentage of teachers in attendance during a given school year, for all classes 1-6.

SOURCE: MEG.

INDICATOR DESCRIPTION: See unit of measure.

COMMENTS:

These figures are the only ones with moderate reliability as attendance records were incomplete at certain sites. Statistics are based on data from about 16 schools.

This is a new indicator.

YEAR	PLANNED	ACTUAL
94/95	-	85.35%
95/96	-	82.21%
96/97	-	95.94%
97/98	98%	
98/99	98%	
99/00	98%	
00/01	98%	
01/02	98%	
02/03	98%	

SPECIAL OBJECTIVE 4: Increased replicable attainment of basic education among girls in pilot schools in selected rural areas.

APPROVED: August 1996

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 4.1: Increased Responsiveness of the Basic Education System to Girls' Educational Needs

INDICATOR 4.1.3: Percent of female teachers

UNIT OF MEASURE: Percentage of female teachers out of total of all teachers in the target schools.

SOURCE: MEG.

INDICATOR DESCRIPTION: Number of female teachers divided by number of male teachers, in target schools.

COMMENTS:

The evolution of the female to male teacher ratio is beyond USAID's direct control; however, USAID will continue to lobby for the filling of vacancies in the pilot schools with female teachers. The MNE has already taken steps in this direction.

This is a new indicator.

YEAR	PLANNED	ACTUAL
94/95	-	18.3%
95/96	-	16.9%
96/97	-	22.4%
97/98	-	25.6%
98/99	29%	
99/00	32%	
00/01	35%	
01/02	38%	
02/03	40%	

SPECIAL OBJECTIVE 4: Increased replicable attainment of basic education among girls in pilot schools in selected rural areas

APPROVED: AUGUST 1996

COUNTRY/ORGANIZATION: Morocco/USAID

INTERMEDIATE RESULT 4.2: Increased institutionalization of basic education policy reform.

INDICATOR 4.2.1: Policies/measures supportive of improved basic education for girls.

UNIT OF MEASURE: Percentage completion of 6 policy objectives explained below. See next page for breakdown of scoring by objective.

SOURCE: MEG, GEA, TFD, USAID, MNE

INDICATOR DESCRIPTION: Advancement in policy dialogue and implementation of measures within and outside the MNE, aimed at improving basic education for girls.

COMMENTS: The policy agenda was defined in 1996 and is based on achievement of reforms or implementation of actions or measures related to 6 key policy objectives. The ambitious agenda addresses critical supply and demand issues whose resolution will greatly facilitate achievement of the SpO.

MNE System Responsiveness (Supply Issues)

*Objective 1 - **Data Collection System:*** MNE to adopt a more efficient data collection system for timely program analysis to ensure, inter alia, that girls' issues are taken into consideration in program planning.

*Objective 2 - **Primary Education Budget:*** Negotiate with MNE and MOF an increase in the amount of GOM funds allocated for primary education, or a re-distribution of current total GOM funding for education (all levels), in favor of a larger percent of funding for primary education and earmarks for rural primary schools to promote development of girl-friendly programs.

*Objective 3 - **Rural Teachers' Package:*** Design and implement a rural teachers' compensation package and measures to build up and maintain a critical mass of competent teachers, including an increased number of women, in rural areas.

Effective Partnership Participation (Demand Issues)

*Objective 4 - **Analysis and Advocacy Skills:*** Assist all partners (e.g., local MNE officials, community leaders, and parents' associations) to analyze various policy issues and develop advocacy skills in favor of girls' education.

*Objective 5 - **Decentralization:*** Advocate for and negotiate, with central MNE, a phased plan to decentralize the decision-making process so that local communities have ownership and accountability for school education in their respective areas.

*Objective 6 - **Forging Partnerships:*** Negotiate with other ministries, donors and local authorities the improvement of school physical environment, infrastructure, latrines, canteen, school transport, etc. to alleviate parents' concerns about sending their girl children to school.

YEAR	PLANNED	ACTUAL
1997	2%	5.9%
1998	12%	
1999	33%	
2000	38%	
2001	50%	
2002	80%	
2003	83%	

SpO4 Policy Matrix Annex

Numbers in the columns indicate the percentage estimate of completion for each reform initiative. The reform process is comprised of five phases (with percentage weights shown) : problem identification (10%), reform proposition (10%), public debate and validation (20%), adoption (20%), and implementation (40%). Anticipated and 1997 actual (in bold) policy achievements under SpO 4 are summarized in the following table:

Reforms		97	98	99	00	01	02	03
Policy Emphasis 1: MNE System Responsiveness (Supply Objectives)								
Data collection system	Planned	10	20	40	60	60	100	100
	Actual	15						
Data collection system	Planned	0	10	20	20	40	40	60
	Actual	0						
Rural teachers' package	Planned	0	10	20	40	60	100	100
	Actual	5						
Policy Emphasis 2: Effective Partner Participation (Demand Objectives)								
Analysis and advocacy skills	Planned	0	20	60	60	60	100	100
	Actual	5						
Decentralization	Planned	0	0	10	10	20	40	40
	Actual	0						
Forging partnerships	Planned	0	20	60	60	60	100	100
	Actual	10						
TOTAL	Planned	10	70	200	230	300	480	500
	Actual	35						
Average of all reforms	Planned	2	12	33	38	50	80	83
	Actual	5.9						

The salient policy-related accomplishments during CY 1997 include: the creation of a donor/MNE special task force to specifically address rural education policy objectives; the assessment of the MNE data collection system and subsequent development of a plan to obtain actual (new baseline) data for the SpO indicators in the 5 pilot provinces; elements of a rural teachers' incentive package were proposed by the MNE; nongovernmental associations and other ministries have made a concerted effort in support of girls' education in rural areas.

SPECIAL OBJECTIVE 4: Increased replicable attainment of basic education among girls in pilot schools in selected rural areas.

APPROVED: August 1996

COUNTRY/ORGANIZATION: USAID/Morocco

INTERMEDIATE RESULT 4.3: Increased Participation of Girls' Basic Education Partners

INDICATOR 4.3.1: Participation Intensity Level

UNIT OF MEASURE: Mean number of participatory activities as defined below (see description).

SOURCE: MEG, TFD and GEA.

INDICATOR DESCRIPTION: A participation intensity level matrix was conceived by MEG experts to measure progress towards IR achievement. All actual and potential partners, at the provincial level, are represented in the matrix as well as the criteria which were established to enable a qualitative appreciation of the impact of partners' actions. The stages of community participation are categorized as having either nonexistent or inactive partners (0 points), emerging partners which at least discuss girls' education issues (1 point), partners beginning ad hoc actions in favor of girls' education (2), expanding partners with clear plans and ongoing actions (3), or mature participating partners which also have plans for expanding actions in the future (4). A perfect score would be 4/4 for moral and material support respectively.

COMMENTS:

The average score of 1 indicates that the partner exists and is discussing moral or material support for girls' basic education, but no actions have been taken. A score of 2 indicates that 1 action has been taken, or that actions have begun.

YEAR	PLANNED	ACTUAL
96/97	-	1.11/1.03
97/98	2/1.5	
98/99	2.5/2	
99/00	3/2.5	
00/01	3.5/3	
01/02	4/3.5	
02/03	4/4	

Table 9:						Preliminary
SO4: Girls' Education						
Donor	Program	Recipient Agency	Objective/Region	Output	Dates	Budget (\$ Million)
World Bank	Basic Rural Education	Ministry of National Education	Expand rural education	- School construction, maintenance, utilities - School furniture/materials - TA/teacher training	1993-1998	145.00
World Bank	Social Priorities Program (BAJ)	Min. of National Education; Ministry of Employment and Social Affairs	Expand educational attainment in 20 poorest rural provinces (BAJ provinces)	- School construction, maintenance, utilities - School furniture/materials - TA/teacher training	1996-2002	54.00
EU	Basic Education in rural Zones (proposed)	Ministry of National Education	Support rural schools and school administration: propose to work in 7-8 BAJ provinces	- Improved policy/administrative framework - School rehabilitation - School utilities (water, electricity) - Materials/furniture	1998-2001	18.00
World Food Program	Improve Basic Education for Rural Girls	Ministry of National Education	- Increase girls' enrollment in rural areas (80% of funds) - Support school feeding (20%) - 14 BAJ provinces	- Food distributed to families of enrolled girls - Equipment - Food for school canteens	1996-2000	16.00
France Cultural, Sci. & Cooperation Service	Rural Education	Ministry of National Education	Support World Bank PSS (BAJ)	- Training of Trainers - Teacher Training - Materials	Annual 1996-2000	1.20
France Cultural, Sci. & Cooperation Service	Rural Education	Ministry of National Education: Centre de de Documentation Pédagogique	Develop teaching materials	- Text books - Teaching materials - Pedagogic material	Annual 1996-2000	0.12
Spain	Basic Education Infrastructure	Ministry of National Education	- Al Hoceima Province - Improve Material and Buildings	- Renovation, solar panels, water pumps, furniture, teaching materials - Community association for care/maintenance of schools	1998-2000	0.30

Table 9 (Cont'd):

Donor	Program	Recipient Agency	Objective/Region	Output	Dates	Budget (\$ Million)
UNDP	Reenforce national capacities to eliminate poverty and achieve sustainable human devt.	Ministries of Employment, Health, Education, Social Affairs, Environment	- Within education expand enrollment of rural girls in one BAJ province: [Kalaees Sraghna]	- 13 pilot schools - Materials/supplies - Renovation coordinated - Teacher training	1997-2001	5.56 (entire program)
UNICEF	Support for Girls Education	Ministry of National Education	To increase girls' educational attainment in 20 rural communities	- 80% of girls enroll - 80% complete primary education - Community monitoring committee	1997-2001	2.80
UNESCO/ African Dev. Bank	Support for Basic and Secondary Education	Ministry of National Education	- Standardize construction and equipment nationwide - School building maintenance - Feasibility for wells and toilets	- Improved school buildings	1997-2000	1.10
UNESCO/ World Bank	Basic Rural Education Support	Ministry of National Education	- Improve access - Increase school enrollment for girls - Improve quality of education - Improve planning capacity	- Develop primary school programs - Teacher training - Action research	1997-98	2.50
AGFUND/ UNESCO	Education of girls in rural areas	Ministry of National Education	- Promote rural girl's education/ retention - Keep girls in school until age 16 - Promote literacy among uneducated girls	- Rehabilitation of schools - Curriculum development - Training in informal education	1997-99	0.15
UNESCO/ ILO/World Bank	Teacher Training by Interactive television	Ministry of National Education	- 3 provinces: Essaouira, Kalaees Sraghna, Ouarzazate - Global training plan	- Improve knowledge and pedagogy - New skills for teachers (new pedagogic approach)	Pending	Pending
UNFPA	Advocacy, Education, Analysis	Ministries of Public Health, Population, Education and NGOs	- Advocacy for women and population issues, through NGOs, schools, etc.	- Population in school curriculum - Gender analysis - Environment protection	1997-2001	11.00
Japan	Aid to Local projects (APL)	Local associations, institutions, schools	To respond to local grassroots requests (non-governmental)	- Rehabilitate shools (Erfoud, Errachidia, Larache) - Install water/electricity/canteens, sports fields - Construct dorm for girls	Annual upon request	0.25/year

Part III:

Status of Management Contract

Part III: Status of Management Contract

USAID/Morocco has addressed all seventeen of the actions requested in the Management Contract. Many of them relate to the future program strategy and therefore will be fully dealt with as part of the 2000-2004 Country Program Strategy, to be submitted to USAID/Washington in autumn 1998. Details on the actions taken are presented in the table on the following pages. There are some points that merit highlighting:

Transition to Limited Presence Mission

USAID/Morocco continued to prepare for becoming a Limited Presence Mission in FY 2000. The number of activities, workforce and program levels continued to decline. By FY 2000 there will be ten fewer activities than in 1996. USDH workforce will be at six (plus RUDO), down from 23 USDH in FY 1994. And the FY 2000 program budget is proposed to level off at \$8.5 million. One of the Mission's four Strategic Objectives became an SpO in FY 1998, and SO1 (Population/Health) is proposed to become an SpO in FY 2000.

The Mission's reengineering efforts will continue, with further emphasis on customer service, team-building, and activity management. The Mission's organizational structure and position descriptions are being revised to better reflect the Results Framework. Further restructuring will be considered as part of the strategy development process.

Country Program Strategy

In December 1997, during the ANE review of proposed initiatives for SO2 and SO3, ANE requested that the Mission prepare a strategy for FY 2000-2004 to be submitted in November 1998. At that time, the projected budget levels seemed to allow for developing two "deepening initiatives," with a total budget of approximately \$20 million over four or five years. The reductions in FY 1998 budget level and projections for out-years which subsequently were advised to the Mission, however, make that scenario less feasible. A more likely portfolio structure in FY 2000 will be one robust SO supported by three SpOs. However, consistent with the R4 guidance, the Mission believes this strategic decision should not be part of this R4. USAID/Morocco plans to conduct thorough analyses over the coming months in preparing the Country Program Strategy for a November 1998 submission. The strategy will describe a focussed program based on inter-SO and donor cooperation synergies designed to maximize results within the expected budget constraints.

Morocco

Ref: State 116290

Date: February 12, 1998

**STATUS OF ANE
STRATEGY/R4
AGREEMENTS**

Ref	ACTION REQUESTED	Cable Ref	RESPONSIBLE ACTOR(S)	DUE DATE	STATUS
1	HEALTH & FAMILY PLANNING (SO 1) Next year's R4 will reflect which activities are most critical to USAID's role in Health/ FP based on an assessment by new PHN officer with support from G and ANE for transition out of the PHN sector.	p 02 #4	Mission ANE/SEA G	ongoing	Mission PHN and G/PHN Officers conducted SO1 assessment of transition plan. Timeline developed for Program Transition priorities through 9/99. Post-transition concept paper developed with PPC/PHD assistance 1/98. ANE and G/PHN TDY will further the planning 2/98. Full proposal to be included in the Country Program Strategy 11/98.
2	Mission reassesses feasibility of targets on indicators for which performance has been below planned levels.	p 6/7, #14	Mission	by next R4	Indicators revised.
3	Policy agenda shown on pg A-13 of the R4 will be further elaborated.	p 6/7, #14	Mission	by next R4	Completed.
4	Future R4s clearly explain type of survey cited and degree of confidence that should be placed in findings.	p 6/7, #15	Mission	by next R4	Completed.
5	Mission report on commercial and social marketing program total sales.	p 6/7, #16	Mission	by next R4	Completed.
6	WATER (SO2) AND ECONOMIC GROWTH (SO3) ANE/SEA and Global will provide TA to support Mission efforts in planning strategies beyond 2000.	p 3/4, # 6	Mission ANE/SEA Global	FY98	ANE/SEA and G/ENV TDY assisted SO2 and SO3 Team Leaders 9/97. Vision papers developed and reviewed with ANE 12/97. Agreement reached: Strategy submission scheduled for ANE review in 11/98.

Morocco
 Ref: State 116290
 Date: February 12, 1998

**STATUS OF ANE
 STRATEGY/R4
 AGREEMENTS**

Ref	ACTION REQUESTED	Cable Ref	RESPONSIBLE ACTOR(S)	DUE DATE	STATUS
7	WATER RESOURCES MGM'T (SO 2) Mission, ANE & G will collaborate on refinement of SO2 indicators.	p 8/9, #20	Mission ANE G	mid-1997	Discussions between the Mission and USAID/W have taken place. Refined SO2 indicators included in R4.
8	Policy Agenda Matrix may require further consultation.	p 9, #21	Mission ANE	unspecified	Consultations concluded the scoring should be maintained in order to maintain standardized scoring system for all SOs.
9	ANE will work with Mission to develop Mission's vision for SO2 after yr. 2000.	p 9, #22	Mission ANE	unspecified	See #6 above.
10	ECONOMIC GROWTH (SO 3) Future R4s include brief economic overview on relationship of EG SO to Morocco's structural reforms, EG performance, labor force participation/ job creation for men and women and other donor activities.	p 11, #28	Mission	1998 R4	Completed.
11	ANE will work with Mission to further develop vision post 2000 and to refine SO level indicators consistent with the vision, to be reported in next year's R4.	p 11, #29	Mission ANE	1998 R4	See #6 above regarding vision. ANE/SEA provided TDY in December to review performance reporting. Indicators revised accordingly in R4.
12	GIRL's EDUCATION (SO 4) Mission and ANE/SEA will change SO4 to an SpO.	p 13, #35	Mission ANE/SEA	unspecified	Completed.

Morocco
 Ref: State 116290
 Date: February 12, 1998

**STATUS OF ANE
 STRATEGY/R4
 AGREEMENTS**

Ref	ACTION REQUESTED	Cable Ref	RESPONSIBLE ACTOR(S)	DUE DATE	STATUS
13	The Mission will report on the inputs and contributions of other donors to policy change.	p 13, #36	Mission	unspecified	Completed.
14	Mission submits its baselines; early submission will allow for reporting of performance against baselines by the next R4.	p 13, 37	Mission	1998 R4	Due to November arrival of contract team, data surveys were not completed until late January. Baseline data are included in R4.
15	Mission add one or two indicators at the IR level on IR 4.2 to better capture impact of community involvement at the national level and the involvement of the private sector, with ANE and G assistance if requested.	p 13, #38	Mission ANE G	unspecified	Results Framework and indicators revised according to IR reformulation and submitted in R4.
16	R4 Budget request tables need to be redone in the prescribed R4 format.	p 14, #40	Mission	unspecified	Completed.
17	R4 In general, the bureau believes that the resources requested during the R4 period will allow each SO to achieve its objectives and targets. The Mission must be at six USDH, by Sept. 30, 1998, excluding the RHUDO position. As discussed during R4 week, Mission's OYB will decline in the out years and SOs should be focused and structured accordingly.	p 14, #41	Mission	30 Sept 98	Revised USDH levels provided by ANE (1/98) maintain 7 USDH through 9/30/99, and 6 USDH in following years. Mission budget request in R4 indicates declining OYB. Country Program Strategy to be submitted 11/98 will emphasize a narrowly focused and limited program.

Part IV:

Resource Request

Part IV: Resource Request

A. Financial Plan

Development Assistance levels given for FY 1998, and those requested for FY 1999 and FY 2000, allow for a Limited Presence program in Morocco that is focussed and effective. However, the lower-than-anticipated FY 1998 level has required USAID/Morocco to consider which activities may not be fully funded, to accelerate efforts to develop co-financing opportunities, and to recognize the unlikelihood of initiating "deepening initiatives" in both SO2 and SO3 as proposed and approved in December. The necessary strategic planning expected to occur over the coming months will lead to a clearer vision of what USAID/Morocco's program will be able to address in its Country Program Strategy for FY 2000-2004. The requested FY 1999 and FY 2000 program budget levels are at a threshold which may require decisions on which activities not to complete in SOs that are priorities for both the Mission and the GOM. This point will be further discussed in the "threshold of pain" document to be submitted to USAID/W prior to the R4 review.

With program resources of \$12.5 million in FY 1998, \$9.2 million in FY 1999 and \$8.5 million in FY 2000, USAID/Morocco will have the resources to achieve the anticipated results for FYs 1998-2000. USAID/Morocco should be able to meet requirements of existing activities, but will be able to begin only one "deepening initiative" in late FY 1999. The following paragraphs discuss the implications SO-by-SO.

Strategic Objective 1: Reduced Fertility and Improved Health of Children under Five and Women of Child-bearing Age.

With ANE, G, and PPC assistance, the SO Team has made substantial progress in developing a post-bilateral program proposal. The budget request will allow for the final bilateral commitments, including the last contraceptive procurement, to be fully met in FY 1999. The FY 2000 request of \$2.5 million in Field Support is based on initial concept paper estimates for implementing a post-bilateral program which sustains USAID's impact in certain limited but critical areas.

Strategic Objective 2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors.

In addition to current work in the Tadla Resources Management and Urban Environmental Services activities, three pilot projects under the Water Resources Sustainability activity (WRS) are to be implemented in FY 1998, and will require the obligation of \$1.2 million of FY 1998 funds into WRS. Combined with the pipeline, this obligation will allow for the three pilots to be implemented. It does not, however, allow for fulfilling the mortgage of the Urban and Environmental Services (UES) activity in FY 1998 as had been planned. The performance of the UES activities in FY 1998 will be a major factor determining the SO2 obligations in FY 1999. If successful, the UES activities will provide important inputs for the "deepening initiative." However, given WRS's excellent performance to date and the expectation that the outcomes are directly applicable to the new activity, completing WRS funding is the priority. During FY 1998 and 1999, the concept and design of the new initiative will be completed, and an initial obligation of \$500,000 is anticipated in late FY 1999.

Strategic Objective 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income.

SO3 will see two of its three activities completed in the FY 1998-2000 period. The limited obligations planned for SO3 will be directed to the Microenterprise Finance activity, with priority given to financing its technical assistance component. The currently large pipeline has developed due to earmarking requirements, but with the significant expansion of operations and large lending increases expected in MFA's Phase II, the pipeline problem will diminish. Nonetheless, the current pipeline allows for the SO3 obligations to be spread over a period longer than originally planned.

Special Objective 4: Increased Replicable Attainment of Basic Education Among Girls in Pilot Schools in Selected Rural Areas.

SpO4 expenditure rates will accelerate in FY 1998-1999 as all three contractors will be fully operational. The FY 1998 OYB of \$1.8 million is slightly lower than anticipated and will need to be higher in the near-years. Beginning in FY 2000, the Global Field Support for GEA activity will be funded out of the Mission's bilateral OYB, further stretching limited USAID/M bilateral resources. An obligation rate lower than \$2.0 million in FY 1999 or FY 2000 might force a slowing of implementation.

B. Prioritization of Objectives

Over the next three fiscal years, USAID/Morocco will complete its transformation to Limited Presence Mission status. Programmatic priorities during this period emphasize short-term transition and establishing the foundation for USAID/Morocco's new strategy and "deepening initiative." At currently projected OYB levels, the Mission does not believe it feasible to maintain two separate "deepening initiatives" as proposed during last year's R4, and will be looking for the maximum possible synergies to develop one robust Strategic Objective, linked to perhaps three Special Objectives.

In FY 1998 and FY 1999, high priority must be given to SO1 to assure completion of the bilateral activities by December 1999 and to assure that Global Field Support mechanisms are in place by FY 2000 to sustain USAID's 30-year investment in the family planning/health sector. In FY 2000, USAID/Morocco proposes that SO1 be converted to a Special Objective.

SO2's three activities will continue to receive high priority as they are expected to provide the cornerstones for the water resources management "deepening initiative." Implementation emphasis will be on current pilot/demonstration activities that will test and develop best practices.

SO3 will complete two enterprise-promotion activities and continue the broadening of the microfinance initiative. Continuing critical policy and institutional constraints to the private sector expansion of growth will be identified for inclusion in the FY 2000-2004 Country Program Strategy, depending on resource availability. The GOM places high priority on microfinance; therefore USAID/Morocco believes it critical to address this area even in a limited manner, perhaps transformed to a Special Objective.

Consistent with last year's prioritization, the Basic Education Strategic Objective was converted to a

Special Objective, with a limited time-frame for completion by FY 2003. One of SpO4's three activities, Training for Development, will be completed in FY 1999. With the MEG activity's work in pilot schools just beginning in FY 1998, this SpO is a lower priority because of the limited USAID investment at this point.

C. Linkages with Centrally Funded Mechanisms and Global Field Support

USAID/Morocco aims to maximize the use of all possible resources to achieve its objectives, be they from other donors (see donor report in Annex), from Mission-funded Global Field Support mechanisms, or from opportunities to use centrally funded programs. As a Limited Presence Mission, these linkages assume increasing importance.

In FY 1998, SO1 is the sole SO to use Mission funding for Field Support. Each Field Support partner carries out important aspects of the Family Planning/Maternal-Child Health program, and is essential for full achievement of the SO. Included are the following centrally-managed activities:

- * Contraceptive Social Marketing III (936-3051): Marketing and promotion of contraceptive products through private sector commercial channels.
- * Contraceptive Procurement (936-3057): U.S. procurement and shipping of contraceptive products.
- * Family Planning Management Development (936-3055): Develop institutional and managerial capacity-building to enhance MOPH services.
- * Primary Providers' Education and Training in Reproductive Health (936-3072): Strategic and program planning for reproductive health training of a wide spectrum of service providers.
- * Training in Reproductive Health (936-3069): Develop and introduce into the Faculty of Medicine's sixth year curriculum, training in family planning and obstetrics with clinical practice for all medical students.
- * Basic Support for Institutionalizing Child Survival (936-6006): Design and implementation of integrated management of childhood illnesses program.
- * Partnerships for Health Reform (936-5974): Assist with policy review, formulation, and implementation.
- * Measure Project (936-3083): Support national and local level data collection and analysis for program management.
- * Policy Project (936-3078): Assist with selected studies and policy reform, particularly related to increasing the role of the private sector in health care delivery.
- * TAACS/CDC PASA (936-5970): Support placement of a technical advisor who serves as a key member of the SO Team contributing to program strategy development, implementation and monitoring.

- * Western Consortium for Public Health (3070-A-004014): Support placement of a senior population fellow to work with the SO Team on activity implementation and monitoring with a special focus on service delivery.

Beginning in FY 2000, SpO4 will finance GEA from the Mission's bilateral OYB. While other SOs do not use Mission-funding to access central programs, they do benefit from some centrally-funded activities as reported in the "All Resources" table in Part I.

D. Workforce Levels

The latest USDH workforce level allotted by USAID/W through FY 1999 is adequate to administer and support the Mission's three Strategic Objectives and one Special Objective, to perform the necessary administrative and management functions, and to continue to down-size to a Limited Presence Mission in FY 2000 without creating unmanageable vulnerabilities.

The planned decrease in USDH levels corresponds to projected reductions in program levels. By the end of FY 2000, two USDH will replace the current four USDH in managing the Mission's four objectives. The reduced USDH oversight makes it imperative that an adequate FSN workforce be maintained and that the Mission receive OE resources sufficient to cover discretionary costs, such as TDY assistance from USAID/W and private consultants -- two areas expected to require increased expenditure as the Mission becomes a Limited Presence Mission.

This request reflects a decrease in the Mission's overall workforce from sixty-one at the end of FY 1997 to fifty-one by the end of FY 2000. However, since the Mission's efforts in prior years to convert program support personnel to program-funding were successful, the planned reductions will not materially result in a reduction in OE requirements. A further reduction in OE-funded administrative employees could be achieved only through additional participation in ICASS. After a careful analysis of benefits and costs related to changing the balance between Mission-provided and ICASS-provided services, the Mission has determined that the current mix of USAID and ICASS services is the most cost-effective in the short-term. The Mission will monitor ICASS service and cost structures to assure the continued validity of this determination.

E. Operating Expense Levels

The Mission's current FY 1998 OE level (excluding ICASS) of \$2,665,300 will allow the Mission to adequately cover its operating costs for the remainder of the fiscal year. The FY 1999 request reflects reductions due to a decrease of one USDH at end-of-FY 1998. The potential advantages the Mission could realize from such a staff reduction and from the moderate increase in the FY 1999 OE budget will be more than offset by obligatory cost-of-living and inflation increases in the FSN payroll, the costs of two scheduled USDH transfer/replacements, and an unavoidable rent increase for the office space. The Mission's Management Office has invested considerable energy over the past year-and-a-half trying to locate new office space that would better accommodate the reduced Mission requirements and cost less. This effort involved looking at more than 40 different buildings, which, for the most part, were found unsuitable due to size, location, and/or security inadequacies. One suitable location was found, but a decision ultimately was made to remain in the current space due to the impossible burden it would have placed on the Mission to fully absorb the moving costs within the current OE budget. A second attractive solution for less-costly office space was to co-locate in the Embassy Chancery, which was expected to undergo a major renovation. Unfortunately, FBO did not receive sufficient funds and has cancelled the renovation plan. The Mission will continue to search for a more cost-effective alternative to the current office space. At the projected FY 1999 OE level, the Mission will be able to cover its operating costs, but with an increasing level of potential vulnerability to unforeseen circumstances and with pressure to reduce much of its discretionary spending.

In FY 2000, the Mission will have to bear the full brunt of the rent increase which is programmed to occur late in FY 1999. Inflationary effects of the FSN salary increases will exacerbate the pressure on discretionary spending, but with diligent management, the Mission will be able to meet its requirements within the assumed target level.

With the planned reductions in USAID/Morocco's program activities, the Mission will make some cuts in workforce and spending levels, but, as noted in Section D above, not in direct proportion to the size of the program reductions. Certain minimum levels of support staff are necessary to maintain the basic services a functioning Mission requires, and to comply with separation of duties requirements. Without finding a less-costly solution to the office space requirements, USAID/Morocco will be forced to continue paying for office space suitable for a larger staff. Similarly, in order to avoid paying the higher unit costs associated with services obtained through ICASS, the Mission will have no alternative but to maintain the current administrative staff levels. Further cuts in the OE levels would greatly increase the Mission's vulnerability to unforeseen circumstances and would place the Mission in the position of having to cut its administrative support staff and services to cover those likelihoods, thereby jeopardizing the Mission's ability to adequately manage its program.

F. Environmental Compliance

In FY 1997, three Initial Environmental Examinations (IEE) and one full Environmental Assessment (EA) were completed for WRS pilot activities (608-0222), and two IEEs were completed for the MAP activity (608-0210). In FY 1998, a second EA will be completed for WRS, and eight IEEs are planned for FY 1998 and 1999 -- two under the MAP activity, five under the UES activity (608-0221), and one under the "deepening initiative" to be designed in FY 1998.

No additional requirements are envisioned for the FY 1998-2000 period.

USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

23-Sep-98
12:40 PM

Country/Program: MOROCCO
Scenario: Base Level

S.O. # , Title	FY 2000														Future Cost (POST 2000)	Year of Final Oblig.			
	Approp. Acct	Bilateral/ Field Support	Est. SO Pipeline End of FY 99	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G			Est. Expend. FY 00	Est. Total Cost life of SO	
SO 1: Reduced Fertility and Improved Health for Children Under Five and Women of Child-bearing Age																			
	Bilateral		1,097	0													0	99	
	Field Spt		0	0				0									0		
	Total		1,097	0	0	0	0	0	0	0	0	0	0	0	1,097	0	0	0	
SO 2: Improved Water Resources Management in the Agricultural, Industrial and Urban Sectors																			
	Bilateral		3,286	1,500									1,500					300	01
	Field Spt		0	0														0	
	Total		3,286	1,500	0	0	0	0	0	0	0	0	1,500	0	1,355	12,000	300	0	
SO 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income																			
	Bilateral		5,056	1,000														1,000	01
	Field Spt		0	0														0	
	Total		5,056	1,000	0	0	0	0	0	0	0	0	0	0	2,800	51,500	1,000	0	
SpO4: Increased Replicable Attainment of Basic Education Among Girls in Pilot Schools in Selected Rural Areas																			
	Bilateral		3,604	1,500	1,500								0					2,921	03
	Field Spt		0	500	500													0	
	Total		3,604	2,000	2,000	0	0	0	0	0	0	0	0	0	1,500	26,000	2,921	0	
Cross-cutting Activity																			
	Bilateral		117	0														0	96
	Field Spt		0	0														0	
	Total		117	0	0	0	0	0	0	0	0	0	0	0	200	10,000	0	0	
New Deepening Initiative (Environment - Economic Growth)																			
	Bilateral		200	1,500									1,500					18,000	04
	Field Spt		0	0														0	
	Total		200	1,500	0	0	0	0	0	0	0	0	1,500	0	1,500	20,000	18,000	0	
Health/Population Special Objective																			
	Bilateral		0	100														6,500	04
	Field Spt		0	2,400				2,000	400									0	
	Total		0	2,500	0	0	0	2,000	500	0	0	0	0	0	2,500	8,000	6,500	0	
	Bilateral		0	0														0	
	Field Spt		0	0														0	
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total Bilateral		13,360	5,600	1,500	0	100	0	0	0	0	3,000	0						
	Total Field Support		0	2,900	500	0	2,000	400	0	0	0	0	0						
	TOTAL PROGRAM		13,360	8,500	2,000	1,000	2,000	500	0	0	3,000	0	10,952	127,500	28,721				

FY 2000 Request Sector Totals -- DA	
Econ Growth	1,000
[Of which Microenterpris	1,000
HCD	2,000
PHN	2,500
Environment	3,000
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2000 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	8,000
FY 2002 Target Program Level	8,000
FY 2003 Target Program Level	8,000

HG/DCA Authorization: 10,000

USAID FY 1999 Budget Request by Program/Country

23-Sep-98
12:40 PM

Country/Program: MOROCCO
Scenario: Base Level

S.O. #, Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	Estimated Total	FY 1999										Est. Expend. FY 99	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G				
SO 1: Reduced Fertility and Improved Health for Children Under Five and Women of Child-bearing Age																		
		Bilateral	7,297	1,300					1,300								0	99
		Field Spt		3,700					2,500	1,200								
		Total	7,297	5,000	0	0	0	3,800	1,200	0	0	0	0	7,500	52,000	0		
SO 2: Improved Water Resources Management in the Agricultural, Industrial and Urban Sectors																		
		Bilateral	5,088	1,674								1,674					300	01
		Field Spt		0														
		Total	5,088	1,674	0	0	0	0	0	0	0	1,674	0	3,576	29,825	300		
SO 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income																		
		Bilateral	9,562	0			0										1,000	01
		Field Spt		0													0	
		Total	9,562	0	0	0	0	0	0	0	0	0	0	4,506	51,500	1,000		
SpO4: Increased Replicable Attainment of Basic Education Among Girls in Pilot Schools in Selected Rural Areas																		
		Bilateral	6,362	2,026	2,026							0					2,921	03
		Field Spt		0													0	
		Total	6,362	2,026	2,026	0	0	0	0	0	0	0	0	4,784	26,000	2,921		
Cross-cutting Activity																		
		Bilateral	447	0													0	96
		Field Spt		0													0	
		Total	447	0	0	0	0	0	0	0	0	0	0	330	10,000	0		
New Deepening Initiative (Environment - Economic Growth)																		
		Bilateral		500								500					18,000	04
		Field Spt		0													0	
		Total	0	500	0	0	0	0	0	0	0	500	0	300	10,000	18,000		
		Bilateral		0													0	
		Field Spt		0													0	
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		Bilateral		0													0	
		Field Spt		0													0	
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		Bilateral		0													0	
		Field Spt		0													0	
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		Total Bilateral	28,756	5,500	2,026	0	0	1,300	0	0	0	2,174	0					
		Total Field Support	0	3,700	0	0	0	2,500	1,200	0	0	0	0					
		TOTAL PROGRAM	28,756	9,200	2,026	0	0	3,800	1,200	0	0	2,174	0	20,996	179,325	22,221		

FY 1999 Request Sector Totals -- DA	
Econ Growth	0
[Of which Microenterpris	0
HCD	2,026
PHN	5,000
Environment	2,174
[Of which Biodiversity]	[]
Democracy	0
Humanitarian	0

FY 1999 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise	[]
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	[]
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	8,000
FY 2002 Target Program Level	8,000
FY 2003 Target Program Level	8,000

HG/DCA Authorization: 10,000

USAID FY 1998 Budget Request by Program/Country

23-Sep-98
12:40 PM

Country/Program: MOROCCO
Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/ Field Support	Est. SO Pipeline End of FY 97 *	Estimated Total	FY 1998										Est. Expend. FY 98	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G				
SO 1: Reduced Fertility and Improved Health for Children Under Five and Women of Child-bearing Age																		
	Bilateral		13,559	6,800				4,500	2,000	300							0	99
	Field Spt			1,700				1,700									0	
	Total		13,559	8,500	0	0	6,200	2,000	300	0	0	0	0	13,062	52,000		0	
SO 2: Improved Water Resources Management in the Agricultural, Industrial and Urban Sectors																		
	Bilateral		12,567	1,200								1,200					300	01
	Field Spt		0	0													0	
	Total		12,567	1,200	0	0	0	0	0	0	0	1,200	0	8,437	29,825		300	
SO 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income																		
	Bilateral		15,494	1,000					1,000								1,000	01
	Field Spt		0	0													0	
	Total		15,494	1,000	0	0	1,000	0	0	0	0	0	0	6,300	51,500		1,000	
Sp04: Increased Replicable Attainment of Basic Education Among Girls in Pilot Schools in Selected Rural Areas																		
	Bilateral		8,062	1,800	1,800							0					2,921	03
	Field Spt		0	0													0	
	Total		8,062	1,800	1,800	0	0	0	0	0	0	0	0	3,500	26,000		2,921	
Cross-cutting Activity																		
	Bilateral		947	0													0	96
	Field Spt		0	0													0	
	Total		947	0	0	0	0	0	0	0	0	0	0	500	10,000		0	
	Bilateral			0													0	XX
	Field Spt			0													0	
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0		0	
	Bilateral			0													0	
	Field Spt			0													0	
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0		0	
Total Bilateral			50,630	10,800	1,800		1,000	4,500	2,000	300	0	0	1,200	0				
Total Field Support			0	1,700	0		0	1,700	0	0	0	0	0					
TOTAL PROGRAM			50,630	12,500	1,800		1,000	6,200	2,000	300	0	0	1,200	0	31,799	169,325		4,221

* Includes \$2.7 million in FY 97 Population Metered Funds, to be obligated by 2/98.

FY 1998 Request Sector Totals -- DA	
Econ Growth	1,000
[Of which Microenterpris	1,000
HCD	1,800
PHN	8,500
Environment	1,200
[Of which Biodiversity]	[]
Democracy	0
Humanitarian	0

FY 1998 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterpris	[]
HCD	
PHN	0
Environment	0
[Of which Biodiversity]	[]
Democracy	0
Humanitarian	0

FY 2001 Target Program Level 8,000
 FY 2002 Target Program Level 8,000
 FY 2003 Target Program Level 8,000

HG/DCA Authorization: 0

TABLE 2

URBAN ENVIRONMENTAL CREDIT PROGRAM
 (Formerly the Housing Guaranty Program)
 The Urban Infrastructure and Land Management Program

Morocco 608-HG-004: Program Agreement Signed May 1994

(\$000,000 - Auth: authorized or Disb :disbursed)

	1994		1995		1996		1997		1998		<i>Planned</i>		Total Auth.	LOP Planned
	Auth.	Disb.	Auth.	Disb.	Auth.	Disb.	Auth.	Disb.	Auth.	Disb.	1999 Auth.	2000 Auth.		
ANHI*	20	20	0	0	15	15	10	0	0	10	10	10	65	80
FEC**	0	0	0	0	15	15	5	0	0	5	0	0	20	20
Total	20	20	0	0	30	30	15	0	0	15	10	10	85	100

* *Agence Nationale de Lutte contre L'Habitat Insalubre*
 National Shelter Upgrading Agency

** *Fonds d'Equipement Communal*
 Municipal Infrastructure Bank

Field Support

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1998		FY 1999		FY 2000	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO1 FP/MCH	Contraceptive Procurement 936-3057	High	1998-1999		1,000		2,300		
	PRIME Project 936-3072	Medium	1998-1999		200		200		
	Partnerships for Health Reform 936-5974	Medium	1998-1999		200		200		
	Population Leaders Program 936-3070	High	1998-1999		100				
	TAACS 936-5970	High	1998-2000		100		200		300
	Measure 936-3083	High	1998-2005		100		300		1,200
	Developing Market Initiatives (SOMARC follow-on)	High	1998-2004				500		1,000
	TBD - Program Support	High	2000-2004					100	
SpO4	Girls' Education Activity 936-5848	Medium	1996-2002						500
GRAND TOTAL					1,700		3,700	100	3,000

* For Priorities use high, medium-high, medium, medium-low, low

Workforce

USAID/Morocco FY 1998 On-Board Estimate	SO/SpO Staff				Total SO/SpO Staff	Management Staff					Total Mgmt.	Grand Total Staff	
	SO 1: Pop/Health	SO 2: Environment	SO 3: Econ.Growth	SpO 4: Basic Educ.		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal			All Other
U.S. Direct Hire	1	1	1		3	2	1	1				4	7
Other U.S. Citizens: 1/ OE Internationally Recruited					0							0	0
OE Locally Recruited Program					0			1	1			2	2
					0							0	0
FSN/TCN Direct Hire: OE Internationally Recruited					0							0	0
OE Locally Recruited	1	1		2	4	1	2	3				6	10
FSN/TCN Non-Direct Hire: OE Internationally Recruited					0			1				1	1
OE Locally Recruited	1	1	1	1	4	3	3	17	1			24	28
Program	2		3	1	6		3					3	9
Total Staff Levels	5	3	5	4	17	6	9	23	2	0	0	40	57
TAACS	1				1							0	1
Fellows	1				1							0	1

1/ Excluding TAACS and Fellows

Workforce

USAID/Morocco FY 1999 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1: Pop/Health	Environmen t	SO 3: Econ.Growth	SpO 4: Basic Educ.	Org. Mgmt.	Con- troller	AMS/ EXO		Con- tract	Legal	All Other						
U.S. Direct Hire	1	1	1					3	2	1	1					4	7
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0					1			0 1 0	0 1 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 4								0 6	0 10
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 4 6								1 23 3	1 27 9
Total Staff Levels	5	3	5	4	0	0	0	17	6	9	21	2	0	0		38	55
TAACS Fellows	1 1							1 1								0 0	1 1

1/ Excluding TAACS and Fellows

USAID/Morocco FY 1999 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1: Pop/Health	Environmen t	SO 3: Econ.Growth	SpO 4: Basic Educ.	Org. Mgmt.	Con- troller	AMS/ EXO		Con- tract	Legal	All Other						
U.S. Direct Hire	1	1	1					3	2	1	1					4	7
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0					1			0 1 0	0 1 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 4								0 6	0 10
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 4 6								1 23 3	1 27 9
Total Staff Levels	5	3	5	4	0	0	0	17	6	9	21	2	0	0		38	55
TAACS Fellows	1 1							1 1								0 0	1 1

1/ Excluding TAACS and Fellows

Workforce

USAID/Morocco FY 2000 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff					Total Mgmt.	Grand Total Staff	
	SO 1: Pop/Health	Environmen t	SO 3: Econ.Growth	SpO 4: Basic Educ.	Org. Mgmt.	Con- troller	AMS/ EXO		Con- tract	Legal	All Other					
U.S. Direct Hire		1	1					2	2	1	1				4	6
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0				1			0 1 0	0 1 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited	1	1		2				0 4	1	2	3				0 6	0 10
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program	1 1	0.5	0.5	1 1				0 3 4	3	3 3	1 16	1			1 23 3	1 26 7
Total Staff Levels	3	2.5	3.5	4	0	0	0	13	6	9	21	2	0	0	38	51
TAACS	1							1							0	1
Fellows	1							1							0	1

1/ Excluding TAACS and Fellows

USAID/Morocco FY 2000 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff					Total Mgmt.	Grand Total Staff	
	SO 1: Pop/Health	Environmen t	SO 3: Econ.Growth	SpO 4: Basic Educ.	Org. Mgmt.	Con- troller	AMS/ EXO		Con- tract	Legal	All Other					
U.S. Direct Hire		1	1					2	2	1					3	5
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0			1	1			1 1 0	1 1 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited	1	1		2				0 4	1	2	3				0 6	0 10
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program	1 1	0.5	0.5	1 1				0 3 4	3	3 3	1 16	1			1 23 3	1 26 7
Total Staff Levels	3	2.5	3.5	4	0	0	0	13	6	9	21	2	0	0	38	51
TAACS	1							1							0	1
Fellows	1							1							0	1

1/ Excluding TAACS and Fellows

Workforce

USAID/Morocco FY 2001 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1: Pop/Health	Environmen t	Econ.Growt h	SpO 4: Basic Educ.					Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire		1	1				2	2	1	1					4	6
Other U.S. Citizens: 1/ OE Internationally Recruited							0								0	0
OE Locally Recruited Program							0				1				1	1
							0								0	0
FSN/TCN Direct Hire: OE Internationally Recruited							0								0	0
OE Locally Recruited	1	1				2	4	1	2	3					6	10
FSN/TCN Non-Direct Hire: OE Internationally Recruited							0			1					1	1
OE Locally Recruited	1	0.5	0.5	1			3	3	3	16	1				23	26
Program	1		2	1			4		3						3	7
Total Staff Levels	3	2.5	3.5	4	0	0	13	6	9	21	2	0	0		38	51
TAACS	1						1								0	1
Fellows	1						1								0	1

1/ Excluding TAACS and Fellows

Workforce

USAID/Morocco Summary On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1: Pop/Health	Environmen t	Econ.Growt h	SO/SpO 4: Basic Educ.					Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
FY 1998:																
U.S. Direct Hire	1	1	1	0	0	0	0	3	2	1	1	0	0	0	4	7
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
OE Locally Recruited	2	2	1	3	0	0	0	8	4	5	21	2	0	0	32	40
Total OE Funded Staff	3	3	2	3	0	0	0	11	6	6	23	2	0	0	37	48
Program Funded	2	0	3	1	0	0	0	6	0	3	0	0	0	0	3	9
Total FY 1998	5	3	5	4	0	0	0	17	6	9	23	2	0	0	40	57

FY 1999 Target:																
U.S. Direct Hire	1	1	1	0	0	0	0	3	2	1	1	0	0	0	4	7
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
OE Locally Recruited	2	2	1	3	0	0	0	8	4	5	19	2	0	0	30	38
Total OE Funded Staff	3	3	2	3	0	0	0	11	6	6	21	2	0	0	35	46
Program Funded	2	0	3	1	0	0	0	6	0	3	0	0	0	0	3	9
Total FY 1999 Target	5	3	5	4	0	0	0	17	6	9	21	2	0	0	38	55

FY 1999 Request:																
U.S. Direct Hire	1	1	1	0	0	0	0	3	2	1	1	0	0	0	4	7
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
OE Locally Recruited	2	2	1	3	0	0	0	8	4	5	19	2	0	0	30	38
Total OE Funded Staff	3	3	2	3	0	0	0	11	6	6	21	2	0	0	35	46
Program Funded	2	0	3	1	0	0	0	6	0	3	0	0	0	0	3	9
Total FY 1999 Request	5	3	5	4	0	0	0	17	6	9	21	2	0	0	38	55

FY 2000 Target:																
U.S. Direct Hire	0	1	1	0	0	0	0	2	2	1	1	0	0	0	4	6
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
OE Locally Recruited	2	1.5	0.5	3	0	0	0	7	4	5	19	2	0	0	30	37
Total OE Funded Staff	2	2.5	1.5	3	0	0	0	9	6	6	21	2	0	0	35	44
Program Funded	1	0	2	1	0	0	0	4	0	3	0	0	0	0	3	7
Total FY 2000 Target	3	2.5	3.5	4	0	0	0	13	6	9	21	2	0	0	38	51

FY 2000 Request:																
U.S. Direct Hire	0	1	1	0	0	0	0	2	2	1	0	0	0	0	3	5
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2	2
OE Locally Recruited	2	1.5	0.5	3	0	0	0	7	4	5	19	2	0	0	30	37
Total OE Funded Staff	2	2.5	1.5	3	0	0	0	9	6	6	21	2	0	0	35	44
Program Funded	1	0	2	1	0	0	0	4	0	3	0	0	0	0	3	7
Total FY 2000 Request	3	2.5	3.5	4	0	0	0	13	6	9	21	2	0	0	38	51

FY 2001 Estimate:																
U.S. Direct Hire	0	1	1	0	0	0	0	2	2	1	1	0	0	0	4	6
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
OE Locally Recruited	2	1.5	0.5	3	0	0	0	7	4	5	19	2	0	0	30	37
Total OE Funded Staff	2	2.5	1.5	3	0	0	0	9	6	6	21	2	0	0	35	44
Program Funded	1	0	2	1	0	0	0	4	0	3	0	0	0	0	3	7
Total FY 2000 Target	3	2.5	3.5	4	0	0	0	13	6	9	21	2	0	0	38	51

Workforce

MISSION :

USAID/Morocco (Requested Levels)

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 98	NO. OF USDH EMPLOYEES IN BACKSTOP FY 99	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001
01 SMG	1	1	1	1
02 Program Off.	1	1	1	1
03 EXO	1	1	1	1
04 Controller	1	1	1	1
05/06/07 Secretary				
10 Agriculture.				
11 Economics				
12 GDO		2	2	2
13 Democracy				
14 Rural Dev.				
15 Food for Peace				
21 Private Ent.	1			
25 Engineering				
40 Environ	1			
50 Health/Pop.	1	1		
60 Education				
75 Physical Sci.				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other*				
TOTAL	7	7	6	6

*please list occupations covered by other if there are any

Org. Title: USAID/Morocco Org. No: 23608 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent															
11.1	Base Pay & pymt. for annual leave balances - FNDH	235	50	285	304		304	304		304	324		324	324		324
	Subtotal OC 11.1	235	50	285	304	0	304	304	0	304	324	0	324	324	0	324
11.3	Personnel comp. - other than full-time permanent															
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation															
11.5	USDH			0			0			0			0			0
11.5	FNDH	8		8	8		8	8		8	8		8	8		8
	Subtotal OC 11.5	8	0	8	8	0	8	8	0	8	8	0	8	8	0	8
11.8	Special personal services payments															
11.8	USPSC Salaries	80		80	84		84	84		84	55		55	55		55
11.8	FN PSC Salaries	426		426	435		435	435		435	466		466	466		466
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	506	0	506	519	0	519	519	0	519	521	0	521	521	0	521
12.1	Personnel benefits															
12.1	USDH benefits															
12.1	Educational Allowances	130		130	151		151	151		151	137		137	137		137
12.1	Cost of Living Allowances			0			0			0			0			0
12.1	Home Service Transfer Allowances			0			0			0			0			0
12.1	Quarters Allowances			0			0			0			0			0
12.1	Other Misc. USDH Benefits	4		4	1		1	1		1			0			0
12.1	FNDH Benefits															
12.1	Payments to the FSN Separation Fund - FNDH			0			0			0			0			0
12.1	Other FNDH Benefits	154		154	165		165	165		165	175		175	175		175
12.1	US PSC Benefits			0			0			0			0			0
12.1	FN PSC Benefits															
12.1	Payments to the FSN Separation Fund - FN PSC			0			0			0			0			0
12.1	Other FN PSC Benefits	246		246	250		250	250		250	268		268	268		268
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	534	0	534	567	0	567	567	0	567	580	0	580	580	0	580

Org. Title: USAID/Morocco Org. No: 23608 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13	Benefits for former personnel															
13	FNDH															
13	Severance Payments for FNDH			0		0		0		0		0		0		
13	Other Benefits for Former Personnel - FNDH			0		0		0		0		0		0		
13	FN PSCs															
13	Severance Payments for FN PSCs			0		0		0		0		0		0		
13	Other Benefits for Former Personnel - FN PSCs			0		0		0		0		0		0		
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	Travel and transportation of persons															
21	Training Travel	10		10	10	10	10	10	10	10	10	10	10	10	10	
21	Mandatory/Statutory Travel															
21	Post Assignment Travel - to field	12		12	13	13	13	13			0			0		
21	Assignment to Washington Travel			0	13	13	13	13	5	5	5	5	5	5	5	
21	Home Leave Travel	13		13	21	21	21	21	14	14	14	14	14	14	14	
21	R & R Travel	5	23	28	12	12	12	12	26	26	26	26	26	26	26	
21	Education Travel	3	5	8	6	6	6	6	6	6	6	6	6	6	6	
21	Evacuation Travel	43.3	6	49.3	20	20	20	20	20	20	20	20	20	20	20	
21	Retirement Travel			0		0		0		0		0		0		
21	Pre-Employment Invitational Travel			0		0		0		0		0		0		
21	Other Mandatory/Statutory Travel		1	1		0		0		0		0		0		
21	Operational Travel															
21	Site Visits - Headquarters Personnel	20		20	25	25	25	25	30	30	30	30	30	30	30	
21	Site Visits - Mission Personnel	20		20	18	18	18	18	18	18	18	18	18	18	18	
21	Conferences/Seminars/Meetings/Retreats	9		9	9	9	9	9	9	9	9	9	9	9	9	
21	Assessment Travel			0		0		0		0		0		0		
21	Impact Evaluation Travel			0		0		0		0		0		0		
21	Disaster Travel (to respond to specific disasters)			0		0		0		0		0		0		
21	Recruitment Travel			0		0		0		0		0		0		
21	Other Operational Travel	5	15	20	25	25	25	25	25	25	25	25	25	25	25	
	Subtotal OC 21.0	140.3	50	190.3	172	0	172	172	0	172	163	0	163	163	0	163
22	Transportation of things															
22	Post assignment freight	60		60	126	126	126	126	35	35	35	35	35	35	35	
22	Home Leave Freight	7		7	11	11	11	11	8	8	8	8	8	8	8	
22	Retirement Freight			0		0		0		0		0		0		
22	Transportation/Freight for Office Furniture/Equip.	22		22	17	17	17	17	18	18	18	18	18	18	18	
22	Transportation/Freight for Res. Furniture/Equip.	25		25	20	20	20	20	21	21	21	21	21	21	21	
	Subtotal OC 22.0	114	0	114	174	0	174	174	0	174	82	0	82	82	0	82
23.2	Rental payments to others															
23.2	Rental Payments to Others - Office Space	104		104	112	112	112	112	135	135	135	135	135	135	135	
23.2	Rental Payments to Others - Warehouse Space	23		23	25	25	25	25	30	30	30	30	30	30	30	
23.2	Rental Payments to Others - Residences	128		128	117	117	117	117	124	124	124	124	124	124	124	

Org. Title: USAID/Morocco Org. No: 23608 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 23.2		255	0	255	254	0	254	254	0	254	289	0	289	289	0	289
23.3	Communications, utilities, and miscellaneous charges															
23.3	Office Utilities	51		51	54		54	54		54	57		57	57		57
23.3	Residential Utilities	72		72	66		66	66		66	70		70	70		70
23.3	Telephone Costs	30		30	32		32	32		32	33		33	33		33
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)	15		15	10		10	10		10	11		11	11		11
23.3	Other Mail Service Costs	2		2	2		2	2		2	2		2	2		2
23.3	Courier Services			0			0			0			0			0
Subtotal OC 23.3		170	0	170	164	0	164	164	0	164	173	0	173	173	0	173
24	Printing and Reproduction	10		10	11		11	11		11	11		11	11		11
Subtotal OC 24.0		10	0	10	11	0	11	11	0	11	11	0	11	11	0	11
25.1	Advisory and assistance services															
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0
25.1	Management & Professional Support Services	38		38	45		45	45		45	47		47	47		47
25.1	Engineering & Technical Services			0			0			0			0			0
Subtotal OC 25.1		38	0	38	45	0	45	45	0	45	47	0	47	47	0	47

Org. Title: USAID/Morocco Org. No: 23608 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Other services															
25.2	Office Security Guards	17		17	18		18	18	18	19		19	19		19	
25.2	Residential Security Guard Services	23		23	21		21	21	21	22		22	22		22	
25.2	Official Residential Expenses	2		2	2		2	2	2	2		2	2		2	
25.2	Representation Allowances	1		1	1		1	1	1	1		1	1		1	
25.2	Non-Federal Audits			0			0		0			0			0	
25.2	Grievances/Investigations			0			0		0			0			0	
25.2	Insurance and Vehicle Registration Fees	5		5	5		5	5	5	6		6	6		6	
25.2	Vehicle Rental	1		1			0		0			0			0	
25.2	Manpower Contracts			0			0		0			0			0	
25.2	Records Declassification & Other Records Services			0			0		0			0			0	
25.2	Recruiting activities			0			0		0			0			0	
25.2	Penalty Interest Payments			0			0		0			0			0	
25.2	Other Miscellaneous Services	6		6	6		6	6	6	6		6	6		6	
25.2	Staff training contracts	25		25			0		0			0			0	
25.2	ADP related contracts			0			0		0			0			0	
	Subtotal OC 25.2	80	0	80	53	0	53	53	0	53	56	0	56	56	0	56
25.3	Purchase of goods and services from Gov't accounts															
25.3	ICASS	214		214	214		214	214	214	214		214	214		214	
25.3	All Other Services from Other Gov't. accounts			0			0		0			0			0	
	Subtotal OC 25.3	214	0	214	214	0	214	214	0	214	214	0	214	214	0	214
25.4	Operation and maintenance of facilities															
25.4	Office building Maintenance	60		60	62		62	62	62	65		65	65		65	
25.4	Residential Building Maintenance	100		100	90		90	90	90	90		90	90		90	
	Subtotal OC 25.4	160	0	160	152	0	152	152	0	152	155	0	155	155	0	155
25.7	Operation/maintenance of Equip. & storage of goods															
25.7	ADP and telephone operation and maintenance costs	45		45	49		49	49	49	54		54	54		54	
25.7	Storage Services			0			0		0			0			0	
25.7	Office Furniture/Equip. Repair and Maintenance	16		16	17		17	17	17	18		18	18		18	
25.7	Vehicle Repair and Maintenance	15		15	18		18	18	18	12		12	12		12	
25.7	Residential Furniture/Equip. Repair and Maintenance	10		10	10		10	10	10	6		6	6		6	
	Subtotal OC 25.7	86	0	86	94	0	94	94	0	94	90	0	90	90	0	90
25.8	Subsistence & support of persons (by contract or Gov't.)			0			0		0			0			0	
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26	Supplies and materials	70		70	65		65	65	65	65		65	65		65	
	Subtotal OC 26.0	70	0	70	65	0	65	65	0	65	65	0	65	65	0	65
31	Equipment															

Org. Title: USAID/Morocco Org. No: 23608		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
31	Purchase of Residential Furniture/Equip.	83		83	63		63	63		63	61		61	61		61
31	Purchase of Office Furniture/Equip.	25		25	10		10	10		10	10		10	10		10
31	Purchase of Vehicles			0			0			0	25		25	25		25
31	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31	ADP Hardware purchases	51		51	45		45	45		45	40		40	40		40
	Subtotal OC 31.0	159	0	159	118	0	118	118	0	118	136	0	136	136	0	136
32	Lands and structures															
32	Purchase of Land & Bldgs. (& construction of bldgs.)			0			0			0			0			0
32	Purchase of fixed equipment for buildings			0			0			0			0			0
32	Building Renovations/Alterations - Office			0			0			0			0			0
32	Building Renovations/Alterations - Residential			0			0			0			0			0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		2779.3	100	2879.3	2914	0	2914	2914	0	2914	2914	0	2914	2914	0	2914
	Dollars Used for Local Currency Purchases	<u>1947.5</u>			<u>2022</u>			<u>2022</u>			<u>2138</u>			<u>2138</u>		
	Exchange Rate Used in Computations	2	<u>9.5975</u>		2			2			2			2		
	ICASS Target/Request - Program-funded FNPSCs	14			14			14			14			14		

OVERSEAS MISSION BUDGET REQUEST

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Org. Title: USAID/MOROCCO
 Org. No: 23608
 OC

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1 Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1 Base Pay & pymt. for annual leave balances - FNDH	214.6	51.8	266.4	267.8		267.8	285.2		285.2	257.4		257.4
Subtotal OC 11.1	214.6	51.8	266.4	267.8	0.0	267.8	285.2	0.0	285.2	257.4	0.0	257.4
11.3 Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3 Base Pay & pymt. for annual leave balances - FNDH			0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5 Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5 USDH	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
11.5 FNDH	9.8	0.2	10.0	6.7		6.7	6.8		6.8	6.7		6.7
Subtotal OC 11.5	9.8	0.2	10.0	6.7	0.0	6.7	6.8	0.0	6.8	6.7	0.0	6.7
11.8 Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8 USPSC Salaries	75.3		75.3	83.1		83.1	32.1		32.1	32.1		32.1
11.8 FN PSC Salaries	397.6		397.6	408.9		408.9	441.2		441.2	466.3		466.3
11.8 IPA/Details-In/PASAs/RSSAs Salaries	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 11.8	472.9	0.0	472.9	492.0	0.0	492.0	473.3	0.0	473.3	498.4	0.0	498.4
12.1 Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Educational Allowances	123.6		123.6	101.3		101.3	123.1		123.1	123.1		123.1
12.1 Cost of Living Allowances	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1 Home Service Transfer Allowances	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1 Quarters Allowances	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1 Other Misc. USDH Benefits	2.1		2.1	0.7		0.7	1.9		1.9	1.9		1.9
12.1 FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Payments to the FSN Separation Fund - FNDH	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1 Other FNDH Benefits	124.7	18.0	142.7	139.6		139.6	148.1		148.1	134.7		134.7
12.1 US PSC Benefits	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1 FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Payments to the FSN Separation Fund - FN PSC	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1 Other FN PSC Benefits	229.6		229.6	210.1		210.1	226.1		226.1	269.7		269.7
12.1 IPA/Detail-In/PASA/RSSA Benefits	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 12.1	480.0	18.0	498.0	451.7	0.0	451.7	499.2	0.0	499.2	529.4	0.0	529.4
13.0 Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 Severance Payments for FNDH	25.3		25.3	47.8		47.8	0.0		0.0	0.0		0.0
13.0 Other Benefits for Former Personnel - FNDH	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
13.0 FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 Severance Payments for FN PSCs	21.9		21.9	4.1		4.1	0.0		0.0	0.0		0.0
13.0 Other Benefits for Former Personnel - FN PSCs	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 13.0	47.2	0.0	47.2	51.9	0.0	51.9	0.0	0.0	0.0	0.0	0.0	0.0

OVERSEAS MISSION BUDGET REQUEST

OE-23608.wk4

Org. Title: USAID/MOROCCO
 Org. No: 23608
 OC

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total									
21.0 Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Training Travel	7.4	1.2	8.6	5.0		5.0	5.0		5.0		5.0	
21.0 Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Post Assignment Travel - to field	18.2		18.2	6.0		6.0	12.8		12.8	12.8		12.8
21.0 Assignment to Washington Travel	6.2		6.2	18.0		18.0	20.8		20.8	14.4		14.4
21.0 Home Leave Travel	8.0		8.0	0.0		0.0	15.3		15.3	15.3		15.3
21.0 R & R Travel	20.1		20.1	25.2		25.2	6.0		6.0	6.0		6.0
21.0 Education Travel	6.0		6.0	2.0		2.0	11.0		11.0	2.7		2.7
21.0 Evacuation Travel	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Retirement Travel	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Pre-Employment Invitational Travel	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Other Mandatory/Statutory Travel	18.2		18.2	5.0		5.0	5.0		5.0	5.0		5.0
21.0 Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Site Visits - Headquarters Personnel	0.0		0.0	2.5		2.5	2.5		2.5	2.5		2.5
21.0 Site Visits - Mission Personnel	21.8		21.8	20.0		20.0	18.0		18.0	18.0		18.0
21.0 Conferences/Seminars/Meetings/Retreats	5.0		5.0	5.0		5.0	5.0		5.0	5.0		5.0
21.0 Assessment Travel	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Impact Evaluation Travel	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Disaster Travel (to respond to specific disasters)	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Recruitment Travel	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Other Operational Travel	15.5		15.5	15.0		15.0	15.0		15.0	15.0		15.0
Subtotal OC 21.0	126.4	1.2	127.6	103.7	0.0	103.7	116.4	0.0	116.4	101.7	0.0	101.7
22.0 Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0 Post assignment freight	86.0		86.0	100.0		100.0	156.0		156.0	130.0		130.0
22.0 Home Leave Freight	5.5		5.5	0.0		0.0	7.4		7.4	7.4		7.4
22.0 Retirement Freight	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
22.0 Transportation/Freight for Office Furniture/Equip.	1.7		1.7	14.2		14.2	25.2		25.2	25.2		25.2
22.0 Transportation/Freight for Res. Furniture/Equip.	4.2		4.2	20.7		20.7	19.2		19.2	19.2		19.2
Subtotal OC 22.0	97.4	0.0	97.4	134.9	0.0	134.9	207.8	0.0	207.8	181.8	0.0	181.8
23.2 Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2 Rental Payments to Others - Office Space	110.0		110.0	110.0		110.0	110.0		110.0	110.0		110.0
23.2 Rental Payments to Others - Warehouse Space	25.0		25.0	25.0		25.0	29.3		29.3	29.3		29.3
23.2 Rental Payments to Others - Residences	160.7		160.7	151.4		151.4	113.5		113.5	93.0		93.0
Subtotal OC 23.2	295.7	0.0	295.7	286.4	0.0	286.4	252.8	0.0	252.8	232.3	0.0	232.3
23.3 Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3 Office Utilities	44.5		44.5	44.6		44.6	46.8		46.8	46.8		46.8
23.3 Residential Utilities	106.0		106.0	88.8		88.8	69.1		69.1	59.2		59.2
23.3 Telephone Costs	66.0		66.0	69.3		69.3	72.8		72.8	72.8		72.8
23.3 ADP Software Leases	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
23.3 ADP Hardware Lease	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
23.3 Commercial Time Sharing	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
23.3 Postal Fees (Other than APO Mail)	24.0		24.0	25.2		25.2	26.5		26.5	26.5		26.5
23.3 Other Mail Service Costs	1.5		1.5	1.6		1.6	1.7		1.7	1.7		1.7
23.3 Courier Services	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 23.3	242.0	0.0	242.0	229.5	0.0	229.5	216.9	0.0	216.9	207.0	0.0	207.0

OVERSEAS MISSION BUDGET REQUEST

OE-23608.wk4

Org. Title: USAID/MOROCCO
 Org. No: 23608
 OC

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
24.0 Printing and Reproduction	1.4		1.4	1.5		1.5	1.6		1.6	1.6		1.6
Subtotal OC 24.0	1.4	0.0	1.4	1.5	0.0	1.5	1.6	0.0	1.6	1.6	0.0	1.6
25.1 Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1 Studies, Analyses, & Evaluations	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.1 Management & Professional Support Services	21.5	28.8	50.3	54.7		54.7	57.6		57.6	57.6		57.6
25.1 Engineering & Technical Services	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 25.1	21.5	28.8	50.3	54.7	0.0	54.7	57.6	0.0	57.6	57.6	0.0	57.6
25.2 Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2 Office Security Guards	24.0		24.0	24.0		24.0	26.4		26.4	26.4		26.4
25.2 Residential Security Guard Services	61.0		61.0	55.9		55.9	51.0		51.0	45.9		45.9
25.2 Official Residential Expenses	1.8		1.8	1.8		1.8	1.8		1.8	1.8		1.8
25.2 Representation Allowances	1.1		1.1	1.1		1.1	1.1		1.1	1.1		1.1
25.2 Non-Federal Audits	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Grievances/Investigations	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Insurance and Vehicle Registration Fees	4.5		4.5	5.0		5.0	5.5		5.5	5.5		5.5
25.2 Vehicle Rental	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Manpower Contracts	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Records Declassification & Other Records Services	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Recruiting activities	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Penalty Interest Payments	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Other Miscellaneous Services	5.0		5.0	5.2		5.2	5.5		5.5	5.5		5.5
25.2 Staff training contracts	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.2 ADP related contracts	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 25.2	97.4	0.0	97.4	93.0	0.0	93.0	91.3	0.0	91.3	86.2	0.0	86.2
25.3 Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3 ICASS	0.0		0.0	214.0		214.0	235.4		235.4	486.5		486.5
25.3 All Other Services from Other Gov't. accounts	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 25.3	0.0	0.0	0.0	214.0	0.0	214.0	235.4	0.0	235.4	486.5	0.0	486.5
25.4 Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4 Office building Maintenance	65.7		65.7	123.7		123.7	135.8		135.8	135.8		135.8
25.4 Residential Building Maintenance	108.0		108.0	120.0		120.0	132.0		132.0	132.0		132.0
Subtotal OC 25.4	173.7	0.0	173.7	243.7	0.0	243.7	267.8	0.0	267.8	267.8	0.0	267.8
25.6 Medical Care	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7 Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7 ADP and telephone operation and maintenance costs	45.0		45.0	45.0		45.0	49.5		49.5	49.5		49.5
25.7 Storage Services	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
25.7 Office Furniture/Equip. Repair and Maintenance	21.3		21.3	21.9		21.9	23.0		23.0	23.0		23.0
25.7 Vehicle Repair and Maintenance	12.4		12.4	13.0		13.0	9.9		9.9	9.9		9.9
25.7 Residential Furniture/Equip. Repair and Maintenance	6.4		6.4	6.7		6.7	7.0		7.0	7.0		7.0
Subtotal OC 25.7	85.1	0.0	85.1	86.6	0.0	86.6	89.4	0.0	89.4	89.4	0.0	89.4

OVERSEAS MISSION BUDGET REQUEST

OE-23608.wk4

Org. Title: USAID/MOROCCO
 Org. No: 23608
 OC

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.8 Subsistence and support of persons (by contract or Gov't.)	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0 Supplies and materials	32.5		32.5	62.2		62.2	44.3		44.3	44.3		44.3
Subtotal OC 26.0	32.5	0.0	32.5	62.2	0.0	62.2	44.3	0.0	44.3	44.3	0.0	44.3
31.0 Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0 Purchase of Residential Furniture/Equip.	16.8		16.8	83.3		83.3	76.9		76.9	76.9		76.9
31.0 Purchase of Office Furniture/Equip.	3.3		3.3	14.1		14.1	3.2		3.2	3.2		3.2
31.0 Purchase of Vehicles	0.0		0.0	0.0		0.0	44.0		44.0	44.0		44.0
31.0 Purchase of Printing/Graphics Equipment	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
31.0 ADP Hardware purchases	0.0		0.0	30.6		30.6	30.6		30.6	30.6		30.6
31.0 ADP Software purchases	0.0		0.0	21.0		21.0	7.0		7.0	7.0		7.0
Subtotal OC 31.0	20.1	0.0	20.1	149.0	0.0	149.0	161.7	0.0	161.7	161.7	0.0	161.7
32.0 Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0 Purchase of Land & Buildings (& construction of bldgs.)	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
32.0 Purchase of fixed equipment for buildings	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
32.0 Building Renovations/Alterations - Office	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
32.0 Building Renovations/Alterations - Residential	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0 Claims and indemnities	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BUDGET	2,417.7	100.0	2,517.7	2,929.3	0.0	2,929.3	3,007.5	0.0	3,007.5	3,209.8	0.0	3,209.8

The following line is to be used to show your estimate of FY 98 and FY 99 Program Funded ICASS costs.

Enter dollars in thousands - same format as above.

FY 98 FY 99
 Est. Est.

ICASS - Program Funded

Org. Title: USAID/Morocco Org. No: 23608 OC		Controller Breakout Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent															
11.1	Base Pay & pymt. for annual leave balances - FNDH	26	7	33	35		35	35		35	37		37	37		37
	Subtotal OC 11.1	26	7	33	35	0	35	35	0	35	37	0	37	37	0	37
11.3	Personnel comp. - other than full-time permanent															
11.3	Base Pay & pymt. for annual leave balances - FNDH	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation															
11.5	USDH	0		0	0		0	0		0	0		0	0		0
11.5	FNDH	1		1	1		1	1		1	1		1	1		1
	Subtotal OC 11.5	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1
11.8	Special personal services payments															
11.8	USPSC Salaries	0		0	0		0	0		0	0		0	0		0
11.8	FN PSC Salaries	81		81	74		74	74		74	80		80	80		80
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	81	0	81	74	0	74	74	0	74	80	0	80	80	0	80
12.1	Personnel benefits															
12.1	USDH benefits															
12.1	Educational Allowances	18		18	22		22	22		22	22		22	22		22
12.1	Cost of Living Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Home Service Transfer Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Quarters Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Other Misc. USDH Benefits	2.2		2.2	0		0	0		0	0		0	0		0
12.1	FNDH Benefits															
12.1	Payments to the FSN Separation Fund - FNDH	0		0	0		0	0		0	0		0	0		0
12.1	Other FNDH Benefits	16	4	20	21		21	21		21	22		22	22		22
12.1	US PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	FN PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	Payments to the FSN Separation Fund - FN PSC	0		0	0		0	0		0	0		0	0		0
12.1	Other FN PSC Benefits	53		53	47		47	47		47	50		50	50		50
12.1	IPA/Detail-In/PASA/RSSA Benefits	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 12.1	89.2	4	93.2	90	0	90	90	0	90	94	0	94	94	0	94

Org. Title: USAID/Morocco Org. No: 23608 OC		Controller Breakout Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13	Benefits for former personnel															
13	FNDH															
13	Severance Payments for FNDH	0		0	0		0	0		0	0		0	0		0
13	Other Benefits for Former Personnel - FNDH	0		0	0		0	0		0	0		0	0		0
13	FN PSCs															
13	Severance Payments for FN PSCs	0		0	0		0	0		0	0		0	0		0
13	Other Benefits for Former Personnel - FN PSCs	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Travel and transportation of persons															
21	Travel	1		1	1		1	1		1	1		1	1		1
21	Mandatory/Statutory Travel															
21	Post Assignment Travel - to field	0		0	0		0	0		0	0		0	0		0
21	Assignment to Washington Travel	0		0	0		0	0		0	0		0	0		0
21	Home Leave Travel	0		0	7		7	7		7	7		7	7		7
21	R & R Travel	6.3		6.3	0		0	0		7	7		7	7		7
21	Education Travel	0		0	0		0	0		0	0		0	0		0
21	Evacuation Travel	6		6	3		3	3		3	2		2	2		2
21	Retirement Travel	0		0	0		0	0		0	0		0	0		0
21	Pre-Employment Invitational Travel	0		0	0		0	0		0	0		0	0		0
21	Other Mandatory/Statutory Travel	0		0	0		0	0		0	0		0	0		0
21	Operational Travel													0		
21	Site Visits - Headquarters Personnel	0		0	0		0	0		0	0		0	0		0
21	Site Visits - Mission Personnel	2		2	2		2	2		2	2		2	2		2
21	Conferences/Seminars/Meetings/Retreats	3		3	3		3	3		3	3		3	3		3
21	Assessment Travel	0		0	0		0	0		0	0		0	0		0
21	Impact Evaluation Travel	0		0	0		0	0		0	0		0	0		0
21	Disaster Travel (to respond to specific disasters)	0		0	0		0	0		0	0		0	0		0
21	Recruitment Travel	0		0	0		0	0		0	0		0	0		0
21	Other Operational Travel	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 21.0	18.3	0	18.3	16	0	16	16	0	16	15	0	15	15	0	15
22	Transportation of things															
22	Post assignment freight	0.8		0.8	0		0	0		0	0		0	0		0
22	Home Leave Freight	0		0	4		4	4		4	0		0	0		0
22	Retirement Freight	0		0	0		0	0		0	0		0	0		0
22	Transportation/Freight for Office Furniture/Equip.	2		2	2		2	2		2	2		2	2		2
22	Transportation/Freight for Res. Furniture/Equip.	3		3	3		3	3		2	2		2	2		2
	Subtotal OC 22.0	5.8	0	5.8	9	0	9	9	0	9	4	0	4	4	0	4
23.2	Rental payments to others															
23.2	Rental Payments to Others - Office Space	15		15	16		16	16		16	19		19	19		19
23.2	Rental Payments to Others - Warehouse Space	3		3	4		4	4		4	4		4	4		4
23.2	Rental Payments to Others - Residences	0		0	0		0	0		0	0		0	0		0

Org. Title: USAID/Morocco Org. No: 23608 OC		Controller Breakout Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 23.2		18	0	18	20	0	20	20	0	20	23	0	23	23	0	23
23.3	Communications, utilities, and miscellaneous charges															
23.3	Office Utilities	7		7	8		8	8		8	8		8	8		8
23.3	Residential Utilities	9		9	9		9	9		9	10		10	10		10
23.3	Telephone Costs	4		4	5		5	5		5	5		5	5		5
23.3	ADP Software Leases	0		0	0		0	0		0	0		0	0		0
23.3	ADP Hardware Lease	0		0	0		0	0		0	0		0	0		0
23.3	Commercial Time Sharing	0		0	0		0	0		0	0		0	0		0
23.3	Postal Fees (Other than APO Mail)	2		2	1		1	1		1	2		2	2		2
23.3	Other Mail Service Costs	0.3		0.3	0.3		0.3	0.3		0.3	0.3		0.3	0.3		0.3
23.3	Courier Services	0		0	0		0	0		0	0		0	0		0
Subtotal OC 23.3		22.3	0	22.3	23.3	0	23.3	23.3	0	23.3	25.3	0	25.3	25.3	0	25.3
24	Printing and Reproduction	1		1	1		1	1		1	1		1	1		1
Subtotal OC 24.0		1	0	1	1	0	1	1	0	1	1	0	1	1	0	1
25.1	Advisory and assistance services															
25.1	Studies, Analyses, & Evaluations	0		0	0		0	0		0	0		0	0		0
25.1	Management & Professional Support Services	6		6	8		8	8		8	9		9	9		9
25.1	Engineering & Technical Services	0		0	0		0	0		0	0		0	0		0
Subtotal OC 25.1		6	0	6	8	0	8	8	0	8	9	0	9	9	0	9

Org. Title: USAID/Morocco Org. No: 23608 OC		Controller Breakout Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Other services															
25.2	Office Security Guards	2		2	3		3		3	3		3		3		3
25.2	Residential Security Guard Services	3		3	3		3		3	3		3		3		3
25.2	Official Residential Expenses	0		0	0		0		0	0		0		0		0
25.2	Representation Allowances	0		0	0		0		0	0		0		0		0
25.2	Non-Federal Audits	0		0	0		0		0	0		0		0		0
25.2	Grievances/Investigations	0		0	0		0		0	0		0		0		0
25.2	Insurance and Vehicle Registration Fees	0.5		0.5	0.8		0.8		0.8	0.7		0.7		0.7		0.7
25.2	Vehicle Rental	0.1		0.1	0		0		0	0		0		0		0
25.2	Manpower Contracts	0		0	0		0		0	0		0		0		0
25.2	Records Declassification & Other Records Services	0		0	0		0		0	0		0		0		0
25.2	Recruiting activities	0		0	0		0		0	0		0		0		0
25.2	Penalty Interest Payments	0		0	0		0		0	0		0		0		0
25.2	Other Miscellaneous Services	1		1	1		1		1	1		1		1		1
25.2	Staff training contracts	3		3	0		0		0	0		0		0		0
25.2	ADP related contracts	0		0	0		0		0	0		0		0		0
	Subtotal OC 25.2	9.6	0	9.6	7.8	0	7.8	7.8	0	7.8	7.7	0	7.7	7.7	0	7.7
25.3	Purchase of goods and services from Gov't accounts															
25.3	ICASS	31		31	31		31		31	31		31		31		31
25.3	All Other Services from Other Gov't. accounts	0		0	0		0		0	0		0		0		0
	Subtotal OC 25.3	31	0	31	31	0	31	31	0	31	31	0	31	31	0	31
25.4	Operation and maintenance of facilities															
25.4	Office building Maintenance	9		9	9		9		9	9		9		9		9
25.4	Residential Building Maintenance	13		13	13		13		13	13		13		13		13
	Subtotal OC 25.4	22	0	22	22	0	22	22	0	22	22	0	22	22	0	22
25.7	Operation/maintenance of Equip. & storage of goods															
25.7	ADP and telephone operation and maintenance costs	6		6	7		7		7	8		8		8		8
25.7	Storage Services	0		0	0		0		0	0		0		0		0
25.7	Office Furniture/Equip. Repair and Maintenance	2		2	2		2		2	2		2		2		2
25.7	Vehicle Repair and Maintenance	2		2	3		3		3	2		2		2		2
25.7	Residential Furniture/Equip. Repair and Maintenance	1		1	1		1		1	1		1		1		1
	Subtotal OC 25.7	11	0	11	13	0	13	13	0	13	13	0	13	13	0	13
25.8	Subsistence & support of persons (by contract or Gov't.)			0	0		0		0	0		0		0		0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Supplies and materials	7		7	9		9		9	9		9		9		9
	Subtotal OC 26.0	7	0	7	9	0	9	9	0	9	9	0	9	9	0	9
31	Equipment															

Org. Title: USAID/Morocco Org. No: 23608		Controller Breakout Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
31	Purchase of Residential Furniture/Equip.	10		10	9		9	9		9	9		9	9		9
31	Purchase of Office Furniture/Equip.	4		4	1		1	1		1	1		1	1		1
31	Purchase of Vehicles	0		0	0		0	0		0	4		4	4		4
31	Purchase of Printing/Graphics Equipment	0		0	0		0	0		0	0		0	0		0
31	ADP Hardware purchases	7		7	6		6	6		6	6		6	6		6
	Subtotal OC 31.0	21	0	21	16	0	16	16	0	16	20	0	20	20	0	20
32	Lands and structures															
32	Purchase of Land & Bldgs. (& construction of bldgs.)	0		0	0		0	0		0	0		0	0		0
32	Purchase of fixed equipment for buildings	0		0	0		0	0		0	0		0	0		0
32	Building Renovations/Alterations - Office	0		0	0		0	0		0	0		0	0		0
32	Building Renovations/Alterations - Residential	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		370.2	11	381.2	376.1	0	376.1	376.1	0	376.1	392	0	392	392	0	392
	Dollars Used for Local Currency Purchases	<u>280.2</u>			<u>287.8</u>			<u>287.8</u>			<u>304.3</u>			<u>304.3</u>		
	Exchange Rate Used in Computations	2	9.5975		2			2			2			2		

TRUST FUNDS & FSN SEPARATION FUND

Orgno: 23608
 Org. Title: USAID/MOROCCO

Foreign National Voluntary Separation Account

Action	FY 97			FY 98			FY 99		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits			0.0			0.0			0.0
Withdrawals			0.0			0.0			0.0

Unfunded Liability (if any)
 at the end of each FY.

Local Currency Trust Funds - Regular (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year	100.0	0.0	100.0
Obligations	100.0	100.0	0.0
Deposits	0.0	200.0	0.0
Balance End of Year	0.0	100.0	100.0

Exchange Rate(s) Used 8.6 9.6

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

Local Currency Trust Funds - Real Property (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year	0.0	0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

Annex A

Donor Collaboration

The need to assure collaboration between USAID/Morocco and other donors in Morocco was cited during the R4 review in 1997 and incorporated into the Management Contract with USAID/M. Throughout this R4 report, donor synergies have been highlighted in each of the Strategic Objective areas. In order to systematically capture the full picture of donor activity in Morocco and to identify further possibilities for USAID and other donors to work together in support of common agendas, USAID/Morocco contracted locally for a comprehensive assessment of donor activities in Morocco.

This preliminary report is one component of the final report which will provide a broad picture of where USAID, with its limited resources and comparative advantages, can best fit into the Moroccan donor landscape. The survey, initiated in early January, was more complicated to conduct than expected, as not all donors have in-country representation and each has a different method of reporting. For example, the French have three different agencies providing distinct forms of development assistance. The World Bank is to open its office in Rabat in March 1998, which will facilitate coordination with this major donor. At the same time, simply executing the study and promoting donor dialogue already has precipitated unanticipated benefits: the Japanese Embassy has offered in principle to co-finance activities with SO1, SO2 and SpO4 starting in 1998. Specific proposals are currently under discussion.

The following text summarizes the commitments of other major donors in USAID's four strategic focus areas. The tables detail projects by SO and donor, providing the level of effort and period of implementation. Given the early R4 submission date, the data will be updated as the consultant continues to collect information. The consultant also will assess donor activity in areas where USAID no longer is active.

The report will portray the landscape of donor activity in Morocco and will be a valuable reference as USAID/Morocco develops its country strategy for FY 2000-2004. By aggressively seeking synergies with other donors, USAID/Morocco will multiply the impact of its limited resources.

DONOR COLLABORATION AND THE ROLE OF USAID

Overall donor assistance levels for Morocco are collected by two sources, the OECD and UNDP. OECD data for net disbursements of official development assistance (ODA), other official flows (OOF) and private capital flows, show a net annual level of \$440 million in 1995, increasing to \$816 million in 1996 (Table 1.A). Official flows fluctuate by year and by country, and are roughly evenly divided between bilateral and multilateral sources.

Donor assistance to Morocco is more accurately assessed through new commitments of ODA. New commitments totalled \$721 million for loans and grants in 1995 and \$889 million in 1996 (Table 1.B). Nearly half of new commitments in 1995 were loans, declining in 1996 to less than one-third. Multilateral loan commitments appear to be low at \$48 million in 1995 and \$28 million in 1996. Multilateral grants increased from \$83 million in 1995 to \$213 million in 1996, partly through the European Union (EU) as it initiated its MEDA program of increased assistance to Morocco.

The United Nations Development Program's (UNDP) annual report on donor assistance provides only disbursement data. During the period 1992-94, the UNDP reported an average annual disbursement level of \$290 million, or about \$12 per capita. Approximately 48% of this amount was grant assistance. Of the total, 58% was allocated to agriculture, education, health, natural resources and water. Disbursements of all donors doubled to \$635 million in 1995 and dropped slightly to \$541 million in 1996.

A. STRATEGIC OBJECTIVE 1: REDUCED FERTILITY AND IMPROVED HEALTH OF CHILDREN UNDER FIVE AND WOMEN OF CHILD-BEARING AGE

USAID has been the predominant donor in family planning and maternal child health (FP/MCH) for nearly 30 years in Morocco. USAID's approach has been to integrate FP into health service delivery, and to build sustainability into the delivery system. National public and private systems for FP, reproductive health (including safe motherhood and AIDS/STD), and child survival were heavily influenced by USAID.

A donor coordination committee for the health sector was formed five years ago, consisting of representatives from the European Union (EU), UNFPA, UNICEF and USAID. JICA joined the group in 1996. The donors meet approximately once a quarter to share information and respective experiences, discuss current and planned activities, and address specific program concerns that require urgent decisions or consensus-building. Donors take turns hosting the meeting. USAID has used this forum to engage donors to continue activities which are likely to require continued external assistance upon USAID's withdrawal from bilateral health activities at the end of 1999.

Donor assistance in the SO1 area is summarized in Table 2. USAID coordinates with the key active donors in health: UNFPA, UNICEF, the EU and the World Bank. The UNFPA supports population policy, strategy and demographic censuses, as well as related objectives that complement USAID's pop/health priorities such as education, women's rights and employment. UNICEF has adopted a highly decentralized focus for the current planning period, retreating from national-level policy and support in favor of focusing its efforts to improve integrated services in five priority provinces.

The EU supports the implementation of USAID-type activities through the GOM and private sector. Since 1993, the EU has supported FP activities based on models developed by the MOPH with USAID support. With a growing program, the EU has been expanding its support in FP/MCH service

delivery, building on USAID pilot experiences in AIDS/STD, FP/MCH and post-partum services. The EU recently completed a program featuring these services in the north of Morocco, and is now expanding nation-wide. The EU will likely move into some (not all) areas from which USAID withdraws, specifically Safe Motherhood, integrated child health, AIDS/STD, and expansion of integrated rural services.

The World Bank supports policy and institutional reform, public and private investment in improved health service delivery and infrastructure. The Bank's Social Priorities Program (SPP), signed in 1996 for \$68 million in health services oriented to the poor in rural and urban areas, was designed to complement USAID assistance.

Other donors provide various types of support for the health sector. The African Development Bank provides loans for the purchase of drugs, vaccines, equipment, and construction. Germany supports a FP program in Essaouira. The French provide assistance for drugs, medical equipment, construction and other support. The Arab League supports the PAPCHILD demographic survey, with other donors and the GOM.

Several donors support small programs in health, generally responding to NGO and institutional requests for grants for equipment and construction. This group of donors includes Japan, Spain, Canada and Belgium. Assistance from each of these countries averages less than \$300,000 per year. These grants generally operate as sub-units of larger grant programs to the public and/or private sectors. Activities funded by Japan and Spain include equipment and construction for clinics and hospital laboratories, support for rural clinics including ambulances, and support for NGOs and other activities.

In summary, USAID continues as a preeminent donor in population and health. USAID's Population/health transition focuses first on GOM and private sustainability of interventions, and second, on assuring appropriate support through other donors.

As USAID phases out of its large bilateral mode of operation in FP/MCH, the EU, World Bank and African Development Bank remain the key donors on a comparable large scale. UNFPA appears destined to replace USAID in supporting the FP policy, strategy and demography/census areas. The EU is likely to become the predominant donor in national health service delivery. Other donors are likely to continue to play their current roles in policy conditionality, infrastructure and supply provision. The lack of a donor to support funding for contraceptive procurement remains a concern -- this year, the GOM has funded this requirement through a World Bank loan.

B. STRATEGIC OBJECTIVE 2: IMPROVED WATER RESOURCES MANAGEMENT IN THE AGRICULTURAL, URBAN AND INDUSTRIAL SECTORS

Several donors are active in the water sector, with the World Bank, the Germans, the French, the Japanese, the EU and the UNDP chief among them. And new donors are coming in, such as the European Investment Bank (see Tables 2, 3, 4). USAID's water program is small in comparison with the others, but its cross-sectoral and integrated water resources management approach is strategic to, and therefore valued by, the GOM. Partly because USAID resources have declined substantially during recent years, the SOT found it useful and necessary to adopt a pilot project approach for its interventions, meant to demonstrate successful approaches which then can be replicated by others. For this reason, SO2 has accorded high priority to pursuing a strategy of close cooperation and coordination with other donors in the sector.

USAID's program views water as a unitary resource which must be managed across the rural agricultural and urban residential, commercial and industrial sectors. Water quality and water quantity are viewed as two sides of the same coin, with pollution ultimately leading to scarcity, as well as serious health problems. The Mission's program is predicated upon the paradigm that sustainable water resources management in Morocco requires first, an improved policy, regulatory and institutional framework; second, improved environmental technologies; and third, broadened public participation.

In the agriculture sector, SO2's Tadla Resources Management (TRM) activity is working on water use efficiency (water savings) at the main system level and also at the farm level, as well as water quality improvements. The GOM views the significant successes achieved to-date as an input into the activities of other donor-funded projects, such as the GOM/World Bank PAGI II, which is rehabilitating much of the large-scale irrigation sector. One such innovation developed under TRM -- a new, better way to construct tertiary canal members, thereby significantly increasing their useful life and reducing leakage -- has been extended widely through the PAGI II project. Similarly, water user associations, developed in Tadla with TRM assistance, have been extended as a model to French and German-supported irrigation projects. The SO's work in the dryland agriculture sector -- reducing erosion in the northern Rif Mountain watershed of Nakhla -- is being funded jointly by the *Agence du Nord*, which receives resources from the GOM and from donors, primarily the European Union.

In the peri-urban, urban and industrial sectors, SO2 is working with several Moroccan institutions as well as with other donors to leverage resources for USAID pilot projects and their wide-scale replication. In Fes, the SO's chromium recycling work in the industrial zone of Dokkarat is a crucial piece in the larger sanitation system development being undertaken by the City of Fes through its public utility, *Régie Autonome de Gestion d'Eau et d'Electricité de Fès* (RADEEF), the World Bank and the *Caisse Française de Développement* (CFD). USAID's \$1.5 million investment in chromium recycling enhances the viability of the \$95 million investment in the overall sanitation system for Fes.

In Drarga, a peri-urban community outside of Agadir in the south, USAID's \$1.2 million investment has leveraged \$470,000 from a French-supported regional housing developer, \$220,000 from the local water users association, and will likely lead to replication by a neighboring community with about \$400,000 of German (KfW) assistance.

In the urban sector, USAID was the first donor to work in municipal urban infrastructure with the Municipal Infrastructure Bank (FEC). USAID work with the FEC, reinforced with the World Bank's conditionality, transformed it legally and administratively from a parastatal to a bank. Organizational restructuring has included the integration of environmental criteria into lending decisions based on a team approach with municipalities. The restructuring has enabled the FEC to attract \$160 million from the World Bank, a new \$60 million environmental fund from the European Investment Bank, and additional funds from the German KfW and the French CFD.

Similarly, USAID work with the National Shelter Upgrading Agency (ANHI) established an integrated model at the city level to improve housing conditions for populations living in slums and unserved areas. This model has been used by the World Bank to carry out a \$60 million program in conjunction with the Ministry of Housing and other parastatal agencies. ANHI currently is cooperating with the CFD on a \$20 million program loan using the same model.

The SO also is working with the Embassy of Japan and its Economic Cooperation Program to structure co-financing arrangements with USAID for pilot projects currently in planning stages with several municipalities, with particular focus on introduction of low cost, neighborhood-scale environmental technologies for liquid waste management.

C. STRATEGIC OBJECTIVE 3: EXPANDED BASE OF STAKEHOLDERS IN THE ECONOMY, TARGETING PEOPLE OF BELOW-MEDIAN INCOME

USAID's innovative private sector strategic approaches have influenced the evolution of Morocco's private sector. Although U.S. assistance levels are declining, USAID continues to be an innovator and developer of pilot approaches. The key concepts and objectives which currently dominate private sector development in Morocco grew out of USAID's work. Over the last decade, USAID has initiated strategic reflections and material interventions touching a range of private sector development priorities -- financial markets including the Casablanca Stock Exchange, privatization, loan guaranty funds, agribusiness exports, small and medium enterprise development, and microenterprise development. Current developments in each of these fields continue to bear the mark of USAID leadership, information dissemination, and select interventions. Where USAID did not formulate and finance project interventions -- e.g. financial market development -- other donors such as the World Bank and EU have integrated the key findings and recommendations of USAID-developed studies and designs into their programs. Tables 6, 7 and 8 provide a summary of donor assistance in areas which USAID supports under SO3.

USAID's policy analysis and proposals for conditionality often are sought by the large multilateral donors, notably the World Bank and the European Union. Some donors are influenced by USAID analytic and strategic studies indirectly through adoption of these findings by the World Bank or European Union, by GOM officials and policy, and by exposure to USAID concepts in seminars or the media. Policy work related to SME and agribusiness development have defined the debate for key aspects of policy conditionality which the World Bank has promoted, and the evolution of institutions in these areas.

USAID's agribusiness export program, funded through the Morocco Agribusiness Promotion (MAP) activity, has influenced the Ministry of Agriculture with respect to the design of the World Bank's new agro-industrial investment loan. The EU studied MAP initiatives to develop its food industry modernization program and support to a new national industry federation. A new Danish investment to establish export "agro-pole" centers drew on MAP expertise with respect to the design of wholesale markets comprising transport facilities, cold storage plants and slaughter houses. UNDP's regional cooperative development project has utilized MAP expertise to identify appropriate export-oriented cooperatives, to define the area focus of the program, and to adopt a problem-solving support role.

USAID was the first donor to be involved systematically in small and medium enterprise (SME) development. The key business advisory concepts developed with Moroccan businesses and the GOM through USAID's most important SME program, the New Enterprise Development (NED) activity, have been successfully transferred to the EU. The EU-funded Euro-center business advisory service was modeled on USAID's experience, incorporating the best features of the concept and lessons learned, and has even incorporated former USAID project staff to work at the EU office and the Casablanca advisory service. Three Guaranty Funds have been established recently in Moroccan banks, modeled on USAID experience and studies. The Guaranty Fund established at the *Caisse Centrale de Garantie* supports business upgrading. Two Guaranty Funds at *Dar Damane* assist young entrepreneurs to establish new businesses, and provide working capital for existing businesses, respectively. *Dar Damane's* Working Capital Loan Guaranty Fund is an innovation for developing countries, and was established to support Moroccan firms which risk failing due to inadequate access to, and poor management capacity to utilize, working capital.

Similarly, USAID has put microenterprise finance on the map in Morocco, by carrying out seminal studies and encouraging CRS to pilot the concept through a Moroccan NGO. A new law sanctioning

microenterprise finance, actively promoted by USAID, is likely to be passed by July 1998, permitting high effective interest rates on microenterprise loans, a concept which was both illegal and considered beyond the realm of the possible. USAID's Microfinance activity has created a specialized NGO -- *Association Al Amana* -- which has supported the diffusion nation-wide of microenterprise lending services. Several other donors are now seeking to invest in microenterprise finance, notably the EU and CFD. The World Bank's proposal for a project in this field was rejected by the GOM, which prefers grant funding or softer terms for microenterprise finance. Despite its reduced resources, USAID remains a leader among donors in these sectors, by virtue of its innovative and systemic approach to sustainable private sector development, and its willingness to promote policy approaches based on a broad assessment of policy constraints.

D. SPECIAL OBJECTIVE 4: INCREASED REPLICABLE ATTAINMENT OF BASIC EDUCATION AMONG GIRLS IN PILOT SCHOOLS IN SELECTED RURAL AREAS

Donor assistance for basic education is summarized in Table 9. Coordination of donors in basic education is conducted through monthly meetings. These meetings are unique in the realm of donor coordination, because they are chaired by the Ministry of National Education.

The World Bank is the largest donor for basic education in terms of funding, with two major loans -- one ending, and one starting. The World Bank's new loan is the Basic Education component of the new Social Priorities Program (SPP), which was designed concurrently with USAID's basic education activities. The SPP, also known by its Arabic acronym *BAJ*, provides resources for school construction, maintenance (repairs, electricity, etc.), furniture, textbooks, teacher training and technical assistance. The *BAJ* is experiencing implementation delays, as the GOM and World Bank have not fully developed criteria for the allocation and use of funds. The gap caused by this delay has required USAID and others to expend considerable effort to mobilize small amounts of funding for urgent renovation and material requirements. The urgent need for the Bank's resources to provide systematic and broad coverage of these basic educational needs continues to constrain USAID and other donor activities in this sector. The EU is the second significant donor, and is initiating design for a major 1999 intervention. The French provide support for the World Bank/GOM Social Sector Priorities in the realm of teacher training, textbooks and pedagogic materials.

The World Food Program provides \$16 million in food aid (inclusive of USG contributions) to compensate rural families who enroll their daughters in school (thereby losing the girls' contributions to managing the household), and to support school canteens. UNICEF, UNESCO (with World Bank, ADB and Arab funds), UNDP, France and USAID are key actors in selected rural provinces, developing pilot activities for eventual replication. UNFPA contributes to these efforts through providing materials for training in "population" matters, such as reproductive health, family planning and a woman's right to have choices with respect to issues which affect her body.

France and UNESCO, with ILO and World Bank support, are developing distance training of teachers through interactive television. Numerous donors respond with modest support to targeted requests for school construction and renovation, furnishings and teaching materials. These donors include Japan, Spain, Canada, Britain, Holland and Sweden, with potential additional donors such as Belgium showing interest.

Table 1.A: OFFICIAL DEVELOPMENT ASSISTANCE (ODA), OTHER OFFICIAL FLOWS (OOF) and PRIVATE

TOTAL NET RECEIPTS/TRANSFERS (ODA+OOF+Private)		
	<u>1995</u>	<u>1996</u>
<u>DAC COUNTRIES</u>		
Austria	0.7	0.6
Belgium	15.5	29.9
Canada	-5.3	-3.4
Denmark	-1.2	-0.9
Finland	-1.7	-0.1
France	153.8	278.2
Germany	56.4	90.9
Ireland	-	0.1
Italy	78.8	-159.1
Japan	-12.9	16.2
Luxembourg	-	0.0
Netherlands	-8.0	27.0
Norway	-0.1	-0.1
Portugal	0.5	82.1
Spain	-12.9	61.9
Sweden	-6.0	-22.7
Switzerland	6.9	7.3
United Kingdom	-11.6	-11.1
United States	-49.0	-5.0
SUB-TOTAL DAC COUNTRIES	203.9	391.8
<u>MULTILATERAL</u>		
AFDB	117.6	82.3
AIDF	3.0	5.7
CEC	138.6	307.5
IBRD	77.5	39.1
IDA	-1.3	-1.4
IFAD	1.5	-2.6
IFC	-139.7	-47.7
UNDP	2.7	3.8
UNTA	4.2	2.1
UNICEF	3.3	2.3
UNHCR	0.2	0.2
WFP	2.0	0.7
Other Multilateral	7.1	6.1
SUB-TOTAL MULTILATERAL	216.7	398.1
Arab Countries	19.4	25.6
TOTAL ODA/OOF/PRIVATE	440.0	815.5

Source: OECD

TABLE 1.B: OFFICIAL DEVELOPMENT ASSISTANCE - New Commitments

	<u>1995</u>	<u>1996</u>
<u>LOANS GROSS</u>		
Canada	0.1	-
France	98.5	100.8
Germany	41.4	26.8
Italy	82.9	18.6
Japan	24.1	34.2
Spain	13.5	18.8
SUB-TOTAL DAC COUNTRIES	260.5	199.2
Multilateral	48.2	27.8
Arab Countries	46.7	56.1
TOTAL LOANS	355.4	283.1
<u>GRANTS</u>		
Austria	0.5	0.6
Belgium	6.0	9.5
Canada	6.9	5.0
Denmark	0.4	0.1
Finland	0.3	0.1
France	159.3	252.0
Germany	49.4	41.3
Ireland	-	0.1
Italy	1.3	0.7
Japan	20.7	28.3
Netherlands	0.3	0.6
Norway	-	0.1
Portugal	0.4	0.1
Spain	8.7	14.9
Sweden	0.9	0.7
Switzerland	0.4	0.2
United Kingdom	1.0	0.5
United States*	18.0	35.0
SUB-TOTAL DAC COUNTRIES	274.5	389.8
Multilateral	82.7	213.3
Arab Countries	8.9	2.8
TOTAL GRANTS	365.7	605.9
GRAND TOTAL (Loans + Grants)	721.1	889.0

* The USAID HG commitments appear to have been categorized as grants.

Source: OECD

1. The 1997 PAPCHILD survey covered 45,000 households using DHS modules, and is considered highly reliable. The results are deemed preliminary because they have not been officially presented to the GOM and analyses have yet to be completed.