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USAID/MOROCCO

COUNTRY PROGRAM STRATEGY

1995 - 2000

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A

Acronyms and Definitions

Acronyms:

ABEL2	Advancing Basic Education and Literacy
AIDS	Acquired Immune Deficiency Syndrome
AIM	Accessing International Markets (USAID project)
AMIDEAST	America-Mideast Educational & Training Services, Inc.
AMSED	Association Marocaine de Solidarité et de Développement
ANE	Asia and Near East
ANHI	Agence Nationale de Lutte Contre l'Habitat Insalubre
ARI	Acute Respiratory Infection
AVSC	Association for Voluntary Surgical Contraception
BASICS	Basic Support for Institutionalizing Child Survival
CEM	Centre de l'Entreprise Marocaine (USAID project)
CID	Consortium for International Development
CPS	Country Program Strategy
CRS	Catholic Relief Service
DHS	Demographic and Health Survey
DSTS	Development Studies and Technical Services (USAID Project)
DWG	Democracy Working Group in Morocco (Embassy chaired)
ECP	Enhanced Credit Program
EDM	Energy Demand Management (USAID project)
EU	European Union
EXO	Executive Office
FEC	Fonds d'Equipement Communal
FF	French Franc
FP/MCH	Family Planning/Maternal and Child Health
FPLM	Family Planning Logistics Management
FSN	Foreign Service National
FTE	Full-time Equivalent
FY	Fiscal Year
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GOM	Government of Morocco
HFS	Health Care Financing and Sustainability
HG	Housing Guaranty (USAID project)
HIV	Human Immuno-deficiency Virus
IBRD	International Bank for Reconstruction and Development (World Bank)
IDI	International Development Intern
IEC	Information, Education and Communication
IMF	International Monetary Fund
JHPIEGO	John Hopkins Program for International Education in Gynecology & Obstetrics
LOP	Life of Project
MAP	Morocco Agribusiness Project (USAID project)
ME	Ministry of Environment
MIC	Middle Income Countries
MOPH	Ministry of Public Health
NAD	New Activity Description
NED	New Enterprise Development (USAID Project)
NGO	Non-Governmental Organization
OE	Operating Expenses
OECD	Organization for Economic Cooperation and Development
OMNI	Opportunities for Micronutrient Interventions
OYB	Operating Year Budget
PACD	Project Activity Completion Date
PAGI	Programme d'Aménagement de la Grande Irrigation (World Bank project)
PO	Program Outcome
PRIDE	Project In Development and the Environment
PRISM	Program Performance Information for Strategic Management
RCC	Registre Central du Commerce
SME	Small and Medium Enterprises
SO	Strategic Objective
SOMARC	Social Marketing
STD	Sexually Transmitted Diseases
TAACS	Technical Advisors in Aids & Child Survival
TO	Target of Opportunity
TRM	Tadla Resource Management (USAID Project)
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Education, Science and Cultural Organization
UNFPA	United Nation Fund for Population Activities
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development
USDH	United States Direct Hire
WID	Women In Development

Definitions:

Medinas: Old urban areas in Moroccan cities
Bidonvilles: Shanty towns or squatter settlements
Clandestine Housing: Illegal residential areas with permanent housing constructions
US$1 = approximately 8.5 Moroccan Dirhams (March 1995)

Abbreviations:

m.	million
b.	billion

PART I: ANALYTICAL FRAMEWORK

A. The Development Context

1. Morocco: "Less Than Meets the Eye"

Morocco is a country of contrasts and dualistic development. The urban concentrations of Casablanca and Rabat impress the casual observer with their white-washed dwellings on distant hillsides, high-rise office buildings, and other modern trappings. In rural areas, olive plantations, orange groves and fields of wheat stretch, in a picturesque fashion, along the rolling hills, against the impressive backdrop of the Atlas mountains.

Yet Morocco offers less than meets the eye. Alongside this apparently developing Morocco coexist serious rural and urban poverty: the urban unemployed crowd medinas and urban slums, which are frequently rife with the stench of industrial waste and raw sewage; river systems are "dead" from industrial pollution; watersheds are losing their soils, which causes siltation behind dams and in irrigation ditches; children suffer and frequently die from diarrheal or respiratory diseases -- and women of childbirth; and remote populations have minimal services, while rural schools may have empty desks because of low enrollment, especially for girls.

Broad-based, equitable economic and social development remains a necessary response to the dualistic development pattern which characterizes Morocco as it approaches the end of the millennium.

2. Social, Economic and Political Trends

Social Trends: Although much progress has been made during the past two decades, social indicators for Morocco compare to low income countries in many respects. For example, life expectancy is 63 years, compared to 62 for low income countries, and literacy, at 52%, is below the low income country average of 60%. Social indicators and quality of life have not kept pace with the modernity which so often is associated with Morocco.

Poverty is a persistent phenomenon in Morocco. A World Bank study estimates that 5.6 million people (22% of the population) lived at or near the poverty level in 1991. This figure probably has grown in absolute terms since 1991, owing to two drought years with negative economic growth rates. Two-thirds of the poor are concentrated in the rural areas, where 50% of the population resides. Unemployment affects nearly 20% of the labor force and is increasing by some 7% annually, with particularly deleterious effects among educated urban youths. The Bank poverty study cites unemployment and underemployment as the primary determinant of

poverty; the second determinant is lack of access to productive resources such as land and credit.

Between 1982 and 1994, urban populations grew at about 3.6% annually. Today, Morocco is more than 51% urban. There now are 48 cities with more than 100,000 inhabitants, compared to only 18 in 1982. Housing settlements, especially on the perimeters of cities, develop so quickly that they elude the control of local authorities. Associated urban public services are not keeping up with growth. Financial systems are not in place for supporting infrastructure or shelter. Environmental protection and mitigation efforts are nonexistent, and local governments are weak. As a result, the percentage of urban households living in substandard housing -- slums and illegal neighborhoods -- has reached 25%, with potentially dangerous impact on social stability.

The distinction between the rural and urban poor is not clear-cut. Some rural families temporarily reside in towns during economically unproductive or untenable times, seasonally or for longer periods. Rural poverty increases rural-urban migration, contributing to urban squalor, as able-bodied family members seek urban employment to help their families. Rapid population growth, especially in rural areas, exacerbates poverty and puts pressure on the economy to meet the needs of the Moroccans in terms of employment, education, health, housing and social services.

Morocco can eliminate poverty only through broad-based sustainable growth. Social and economic development will depend largely upon the political will and ability of the government to create open and competitive conditions which foster individual initiative and private sector-led growth in the economy, including the social services sector. Full economic liberalization, although a politically challenging formula, might truly enable the poorer Moroccan to exercise the individual initiative necessary to meet basic living needs.

Economic Trends: Morocco's economy is relatively diversified, relying primarily on agriculture, fishing, phosphate and its derivatives, light industry, tourism, and worker remittances. But the benefits of this diversification are undermined by persistent unemployment, a declining natural resource base, low levels of educational attainment and health coverage, centralized political decision-making, a large and inefficient state-owned enterprise sector, and heavy external debt. GOM data show an average of 2.7% growth per year over the last 13 years. With population growth at 2.2% a year, per capita income grew a mere 0.5% over this period. After a recovery in growth in 1994, drought-induced negative growth threatens again in 1995.

Recent attempts at structural adjustment, especially those starting in 1991, have succeeded in stabilizing key macroeconomic indicators. However, Morocco has been slow in completing policy

and institutional reforms which strengthen competition in the economy. Commitment has been lacking for lowering trade protection, breaking up monopolies, liberalizing access to credit and implementing other measures to stimulate broad-based growth. Reforms have encountered resistance from diverse interests such as firms with monopoly advantages or which may not survive competition, and from GOM officials who resist displacement of their bureaucratic powers by market forces. The effects of this reluctance to reform have been disproportionately adverse for small farmers and the rural agricultural labor force, the urban unemployed and under-employed, and women.

Political Trends: Morocco has long enjoyed political stability, which rests on the historical legitimacy of the monarchy and the strength and durability of the political, spiritual and social coalitions that support it. The Constitution provides for a monarchy within a pluralistic political system, a representative Parliament and an independent judiciary.

Human Rights

A Ministry of Human Rights, created in late 1993, became operational in January 1994 and has established a thoughtful agenda aimed at:

- broad education and counseling on human and political rights;
- expansion of civic society and Non-governmental organizations (NGOs);
- reviewing new legislation and streamlining past legislation to assure internal consistency and compliance with international standards of human rights;
- attention to the rights of women, children and handicapped; and
- cooperation with the Ministry of Education to assure that schools teach future generations about human rights, including the rights of women and children.

Opposition parties won the direct Parliamentary elections for 222 seats in June 1993, including the first two women elected to Parliament. Those gains were offset by the indirect elections for 111 seats which resulted in a pro-government majority. The skewed indirect election results led the opposition parties in 1993 to refuse to participate in the government.

Nevertheless, Morocco has made progress towards a more democratic system of governance. Recent amendments to the Constitution increased the powers of the Prime Minister and the Parliament. There remains a delicate balance, however, between opening up Morocco's society and maintaining stability. Morocco's political and cultural history attest to the complexity of managing the multiple feudal, political, social and economic interests which characterize the society. Further successful democratization, characterized by opening up political as well as economic participation, is likely to be forged slowly, as political, economic and social groups press for change, while assuring political stability.

B. Overall Development Prospects: The Road Ahead

1. Population and Health

Statement of the Problem: According to the 1992 Demographic and Health Survey (DHS), population is estimated to be growing at 2.2% per annum. If this rate is maintained, *the population will double (to a total of 52 million) in 32 years*. Maternal and child health indicators in Morocco are representative of a lower-income country. Maternal mortality, estimated at 326 deaths per 100,000 births, is among the highest in the Maghreb, and is exacerbated by lack of access to qualified prenatal and delivery care. Only one woman in three has at least one prenatal consultation or an assisted birth; and only one in four gives birth in a medical facility. Infant and child mortality rates are high, at 57/1000 and 20/1000, respectively. These rates result in approximately 50,000 deaths annually. It is estimated that the dehydration associated with diarrheal diseases is the cause of over 50% of infant mortality in Morocco; another 14% is attributable to acute respiratory infections; and 15% might be prevented if women spaced their births more than two years apart. In sum, 79% of child mortality in Morocco, *a total of 39,500 deaths annually, could be averted* through birth-spacing, diarrheal disease control and acute respiratory infection programs.

Poverty and Health

Poverty, combined with limited education, results in poor living conditions and, hence, lower health status of Moroccan women and children, particularly those living in rural areas and overcrowded urban bidonvilles. Only 67% of rural children are fully vaccinated against five major childhood diseases, as compared to 94% of urban children. Rates of child malnutrition are higher in rural than urban areas. Seasonal cholera outbreaks routinely occur in the same overcrowded areas of several cities where residents have no reliable water source. The fertility rate is 2.5 for urban women; it is 5.5 for rural women.

Past Accomplishments and Lessons Learned: USAID initiated support for family planning and maternal child health (FP/MCH) in Morocco beginning in 1971, and since has become the Government of Morocco's principal external partner in this program. U.S.-Moroccan collaboration has resulted in an increase in contraceptive prevalence from 19% in 1979 to 41.5% in 1992, and a concomitant decline in total fertility of 32%, from 5.9 to 4.2 children per woman during that same period. This decline has resulted in 2.8 million fewer people in Morocco today. U.S. assistance in health also supported GOM efforts resulting in reduced infant mortality -- from 89 deaths per 1000 live births in 1979 to 57 in 1992.

The private sector increasingly is participating in family planning activities. Social marketing of oral contraceptives initiated in 1991 has reduced the cost to the consumer by 27%, and has gained outlets throughout the pharmaceutical industry. In 1993, socially marketed contraceptives provided over 300,000 couple-years of protection in Morocco, exceeding targets by 50%.

In its initial years, the family planning and maternal child health (FP/MCH) program was heavily focussed on infrastructure development, local cost and personnel support and provision of commodities. In recent years, as the program has matured, focus has shifted to ensuring access to a broad range of quality, sustainable services targeted to key FP/MCH priorities.

There have been numerous lessons learned during the 24 years of program implementation. First and foremost was the need to gain critical public and political support to ensure program expansion throughout the country. An important innovation, initiated in 1977, was the unprecedented use of nurses to provide contraceptives. The importance of integrated FP/MCH services has been crucial to the program's expansion, demonstrating that combining family planning with child survival made each more effective. Finally, the application of operations research has been a key determinant of program success, with research findings on such topics as client satisfaction, cost recovery and program outreach directing redefinition of program approaches.

Constraints and Opportunities: As more women enter their reproductive years, sustaining and expanding current rates of contraceptive prevalence and family planning and maternal and child health (FP/MCH) service utilization will necessitate serving more clients at existing delivery points, extending FP/MCH services to under-served areas, and ensuring that an expanded range of quality FP/MCH services is available, particularly long-term family planning methods. The 1992 DHS provides a striking picture of current problems: only 16% of children with diarrhea receive oral rehydration preparations; less than one woman in three has prenatal care or a medically supervised delivery; 80% of women using contraceptives rely on the pill, and 37% of these women discontinue use within the first year; one out of four women is not using contraception but wants to, and 37% of these women are former contraceptive users who want no more children.

The potential benefits to successful program implementation are high: if the Moroccan FP/MCH program succeeds in reaching every woman who desires a smaller family, there will be *six million fewer Moroccans in the year 2012*. If the IEC program is successful in expanding the demand for family planning, this number could increase. Addressing the new program priorities and meeting unmet demand will require not only FP/MCH interventions, but basic education and employment opportunities for women, improved women's rights and the involvement of men in family planning.

A significantly altered political environment relative to health and population is emerging. Morocco has long had an unspoken policy of support for family planning. In a recent manifestation of support, the King stated that the choice for Morocco is between contraception and poverty. His statement is indicative of the new

importance being placed on family planning, not only in terms of the health of mothers and children but as a critical demographic and development issue. In February, 1995, the King announced creation of a national Ministry of Population. The Ministry of Public Health strongly advocates that family planning must be a priority program, and insists that, although progress made to date is admirable, it is insufficient to address the critical problem of population growth in Morocco.

These clear policy signals from the highest levels provide an opportunity for USAID to move farther and faster in this sector than has previously been thought possible. The GOM is keenly interested in testing and implementing innovative service-financing models, and in expanding partnerships and coordination with a wider range of both public and private sector institutions. And they are well informed on the urgency of creating a policy and regulatory environment that will encourage sustainable service delivery.

2. Environment

Statement of the problem: Morocco's economic and social development is jeopardized by a wide range of environmental issues which threaten broad-based economic growth, the integrity of critical ecosystems and human health.

As a mainly arid (average rainfall is less than 300 mm/year) and agricultural country, continued economic success depends to a large extent on the prudent management of Morocco's water and soil resources. Irrigated agriculture produces 80% of agricultural exports and a sizable portion of the domestic grain crop.

The Government has invested over 18% of its investment budget over the last three decades in irrigation and hydropower infrastructure. The sustainability of these massive investments now is threatened by siltation resulting from soil erosion, with the result that the useful life of reservoirs and irrigation works may be greatly reduced. Presently used irrigation techniques and agricultural practices are depleting the water resource, causing soil degradation from salinization and waterlogging, polluting groundwater from chemical residues, and polluting water for downstream users, both agricultural and urban.

Rapid urbanization has exacerbated urban environmental problems. Sewerage and waste water treatment remains wholly inadequate, threatening agriculture, coastal fisheries and tourism.

Industrial pollution also is a growing danger to the resource base and continued economic growth. Wasteful use of resources erodes industrial competitiveness and, under ISO standards, even may limit exports to countries (such as the EU) with strict environmental regulations. Industrial effluents pose serious health hazards in

Morocco's most populated watersheds, impacting on worker health and productivity.

Morocco's economically critical ecosystems are in jeopardy because of resource mismanagement and misguided policies. Unless these deficiencies are dealt with systematically and soon, polluted water and air and unsanitary waste disposal will become major threats to human health in Morocco.

Program Accomplishments and Lessons Learned: The Mission has had notable accomplishments in environment areas in the past. Energy and environmental audits carried out on a fee-for-service basis under the Energy Demand Management/Clean Technology (EDM/Clean Tech) activity have reduced energy costs by $10 million to date, and have increased profits for the participating enterprises. EDM has demonstrated that were its "win-win" practices to be implemented nationwide, energy cost and associated savings could amount to as much as $200 m. per year. The Tadla Resources Management (TRM) activity has promoted more economical use of water by upgrading irrigation system management and improving on-farm water use techniques.

Modern sewerage and potable water systems have been brought to 15,000 housing lots purchased by the urban poor, and to 10,000 households in previously unserviced neighborhoods, under the Mission's urban environmental programs. The percentage of the urban population residing in slums has been declining (from 13.2% in 1982 to 6% in 1994), thanks to GOM efforts backed by USAID and other donors. Lessons learned from the Tetouan housing program have been factored into a new $100 m. Housing Guaranty which will replicate a redesigned approach in 10 cities. Lessons learned from EDM and TRM have helped to define our new environmental SO, building on sustainable approaches such as fee-for-service environmental consultations to address industrial pollution.

Constraints and Opportunities: Sustainable environmental practices are seriously constrained by the absence of a transparent and binding policy and regulatory framework which provides reasonable benchmarks and incentives for improving performance. Awareness of, and access to, improved environmental technologies also are limiting factors, which may be compounded by lack of access to credit to make the appropriate investment. Finally, limited public awareness of environmental problems, and limited capacity to mobilize people to address problems within their communities constitute further constraints to sustainable resource use and pollution prevention. Each of these constraints poses opportunities, if creatively addressed.

Perhaps USAID's most unique opportunity, however, is to influence the future direction of Morocco's environment program through our relationship with the new Ministry of the Environment (ME), formed in March, 1995. The ME, which is looking to USAID for leadership,

is mandated to manage and coordinate environmental activities within Morocco, with primary responsibility in the policy and regulatory areas.

3. Economic Growth

Statement of the Problem: Morocco's dualistic development has generated the phenomenon of low growth, low employment and low incomes for the poorer segments of the population. The urban labor force grew at 4.4% per year from 1988 to 1993. This rate of increase exceeds the population growth rate, and reflects rural-urban migration. Job creation, measured as the change in employed work force, increased at only 3.9% on average. In 1994, an estimated 680,100 Moroccans were unemployed. To bring the unemployment rate to a manageable level of 10%, Morocco will need to create 400,000 jobs in urban areas annually. Employment growth from 1988 to 1993 averaged only 128,500 new jobs, which underlines the critical need for sustainably higher economic growth.

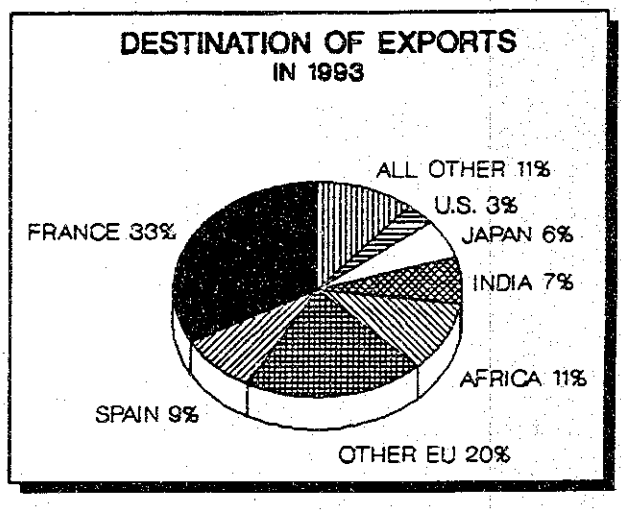
While economic growth has been robust at times, it is volatile -- it slowed to 0.4% per annum from 1991-93, owing to low rainfall. Industry accounts for about 17% of GDP, of which agribusiness contributes one-third. The combined contribution of agriculture and agribusiness to GDP averages about 23% of GDP, 29% of exports, and a disproportionately high 41% of total employment, of which 38% is farm employment.

	Real GDP Growth Rate	Rainfall Deviation*
1981	-2.8	-41.9
1982	9.6	14.3
1983	-6.0	-23.2
1984	4.3	-10.0
1985	6.3	-3.5
1986	8.7	-2.8
1987	-2.6	14.8
1988	10.4	4.9
1989	2.5	28.4
1990	3.9	-6.7
1991	6.8	10.8
1992	-4.4	-23.7
1993	-1.1	3.2
1994	11.8	1.9

(* From period average)

Slowness in implementing economic liberalization measures has limited economic growth prospects. Financial markets are not delivering access to credit in an efficient or equitable manner: lower income groups are crowded out by the demands of established, well-connected private businesses and public enterprises. Access to markets is limited by a variety of factors, including lack of compliance with food standards, environmental standards, truck transport regulations and taxes, and lack of information. On the import/input side, tariffs, quantitative restrictions and access to foreign exchange limit opportunities for non-privileged businesses, and tend to promote inefficient economic behavior. Finally, general over-regulation of business limits economic opportunities for a broad spectrum of the population.

External trade provides an important source of income and employment for Morocco. The agricultural and light manufacturing sectors provide excellent potential for employment generation. Export diversification, of both products and markets, constitutes one of Morocco's best growth potentials: no domestic market-driven growth strategy is likely to achieve a sufficiently high level of



economic growth to absorb the country's growing labor force. During recent years, Morocco has failed to diversify its trading partners: 62% of foreign trade still is with Europe, especially France. Agribusiness and textile exports lead Moroccan external trade, and are the two most labor-intensive sectors. Failure to keep their market shares and further expand them by diversification and increased competitiveness will seriously jeopardize Morocco's capacity to achieve high economic growth, generate crucially needed jobs, and ultimately improve the conditions of the poorer categories of the population.

Program Accomplishments and Lessons Learned: The NED activity has assisted small business associations to become stronger advocates for their members' business interests, as well as to lobby for business reform and market opportunities. It also has established Morocco's only for-profit enterprise development center (the CEM), which has provided small business advisory and information services to more than 3,000 clients. A computerized data-base has been established at the Central Commercial Registry for all enterprises in Morocco, which will facilitate the cumbersome business registration process, and provide data for market research. These activities have provided experience which will be directly helpful for the new microenterprise activity, and which has significantly improved our effectiveness in assisting small-scale entrepreneurs.

In the area of agribusiness exports, USAID assistance has promoted business development, export promotion and U.S.-Moroccan trade. These achievements have generated employment and exports for Moroccans, while providing joint venture opportunities for U.S. businesses. The considerable experience gained under these activities has enabled USAID to target on employment-generation in agribusiness enterprises as a key element of its economic growth strategy.

Assistance provided for low-income housing has had a significant unanticipated impact on urban poverty. The sale of nearly 15,000 housing lots to low-income families, including legal titles and basic services, has provided the opportunity for the urban poor to capitalize their savings. The 1992 evaluation found a 20-40% increase in household income for families who purchased lots. The evaluation also found a 10-to-1 ratio of private economic activity per unit of investment in site and service preparation.

The main lessons learned relate to the importance of the policy/regulatory environment for promoting private sector-led growth. Direct project interventions often were impeded by the unfriendly administrative environment, which included initial GOM reluctance to publish information on the steps required to start a small business. The accumulation of recent USAID experience in these programs has provided a better understanding of those sub-sectors which employ the poorer segments of the population, and demonstrates that carefully targeted assistance in fact can generate employment in those sub-sectors.

Constraints and Opportunities: *The most significant constraint to broad-based and equitable economic growth continues to be the policy and regulatory environment.* Its harmful effects impose limits to the performance of the economy across the board, including through the trade regime, the financial sector, the labor market, business start-up and growth incentives, and in training and human resource development.

Especially pernicious is the way the current policy and institutional structures and banking practices allocate investment resources other than in accordance with most efficient uses. Financial services availability must be democratized so that efficient micro- and small-scale enterprises can have improved access to this key resource, so that individuals may save and finance home construction, and so that efficient firms of all sizes may grow and increase their demand for the labor services of the poor and women.

Reducing the constraints imposed generally by the unfriendly business environment, and making financial services more widely and efficiently available, need to be complemented by improvements in the competitiveness of Moroccan businesses, especially agricultural export businesses. Access of Moroccan firms to technologies, quality control and new markets offers benefits for poorer Moroccans through higher levels of primary employment -- particularly female employment -- in these firms, and through strong backward linkages to small farmers and agricultural labor.

4. Education

Despite educational expenditures totaling 22% of the GOM budget, Morocco's performance in education is disappointing. Expenditures are skewed in favor of higher education and urban areas, favoring better off Moroccans. Substantial segments of the population thus have limited opportunities to acquire a basic education. In fact, Morocco's poor performance in education is the major determinant of its low ranking in the UNDP human development index. For example, the average length of schooling hardly reached 3 years in 1992; and *48% of adults are illiterate (70% of women)*. Nationwide, the net

enrollment rate at the primary school level is only 58% (48% for girls and 68% for boys).

There is a vast disparity in educational opportunities between urban and rural populations. Primary school enrollment rates for boys and girls in urban areas is 89.4% and only 36.7% for rural populations. The enrollment rate for rural girls is a dismal 22.3% (50.4% for rural boys). Of the minority of rural girls who enroll in primary school, only four out of ten complete the fifth year of schooling, compared to retention rates through the fifth year for urban children of around 100%.

Morocco's basic education profile is similar to that of many lower income developing countries. Morocco's net primary school enrollment rate, for example, is about 30 percentage points lower than the average rate for lower middle income countries. Only some of the least developed countries have lower enrollment. At the secondary school level, Morocco's 25% enrollment rate (30% for boys and 20% for girls) places it far below the levels of other countries in the region (Algeria's secondary enrollment rate is around 60%) and at about half of the average (49%) for middle income countries.

C. Other Donor Programs

OECD and UNDP data indicate that total donor assistance to Morocco (grants, loans, export or commercial credits, guaranties) totals about $1 billion per year. Based on recent trends, we estimate that key donor shares currently include: IBRD (36%), France (28%), Africa Development Bank (11%), EU (10%), Germany (6%), the U.S. (4%), and other donors including Canada, Belgium, Spain, Netherlands, Scandinavia (5%). About 80% of donor assistance is for infrastructure development (roads, ports, dams, railroads, electricity, water, housing, sewerage, telecommunications) and is drawn down as loans, loan guaranties or commercial credit. Only about 20% of total assistance takes the form of grants.

The U.S. is the fourth largest provider of grant assistance, after France, the EU and Germany. However, the U.S. donor presence is one of the most visible and active. USAID plays a disproportionate role in leveraging other donor resource flows due to: 1) a strong field presence; 2) a conceptual ability to address problems systemically in the context of policy, regulatory and institutional frameworks; 3) the risk-taking and innovative nature of U.S. assistance; and 4) the perception that North America represents world leadership in technical and managerial innovation.

U.S. collaboration with other donors in areas of strategic and tactical interest to the Mission is described more specifically in Parts II and III, below.

D. Other CPS Reporting Requirements

The Accountability Environment: A comprehensive general assessment of the host country accounting environment was conducted in September 1991. The assessment concluded that the Government accounting systems and controls do not justify the direct management of USAID funds and projects by the host government. USAID has developed modalities for assistance which assure the accountability of resources based on the findings of the general assessment.

Evolution of the Bilateral Assistance Program: Morocco is at a point in its development at which it must choose between 1) economic liberalization and the fuller participation of Moroccans in economic and political events; or 2) the *status quo* and the elitism of the past whereby few gained disproportionately. The legal and regulatory structures currently favor the *status quo*.

The course of this national debate is important to the United States. USAID's bilateral assistance program can be an important factor in influencing the outcome: steady focus on liberalization must be maintained and reinforced by progressive empowerment of the poor. U.S. support for economic, social and political choices which lead to equitable and sustainable growth will have important payoffs for the U.S. and for the people of Morocco. A USAID presence is required in Morocco long enough to assure that Morocco will stay the course. USAID believes that this presence, at current Action Plan levels, will be required throughout this strategic plan period. The Mission proposes that the situation be re-assessed in three years. If significant progress has been made, and there is momentum in the right direction, then plans for a phase-out might be reasonably tabled for the next CPS submission in 1998.

PART II: USAID/MOROCCO PROGRAM STRATEGY FOR YEARS 1995 - 2000

A. Overall Program Goal

Today's Morocco in many ways is at an historic crossroads. Recent dramatic changes have included national economic structural reform, brave attempts to liberalize the trading regime -- including the historic signing of the GATT Treaty in Marrakech -- efforts to represent moderate Arab interests in the Middle East Peace Process, and a liberalizing political environment, including an enhanced role for Parliament.

As noted in Part I above, there is an awareness that the distribution of the benefits of these forces of change have remained stubbornly and unacceptably skewed. The economic dualism which still is present in Morocco has the potential to threaten the very stability on which King Hassan II stakes the future of this country.

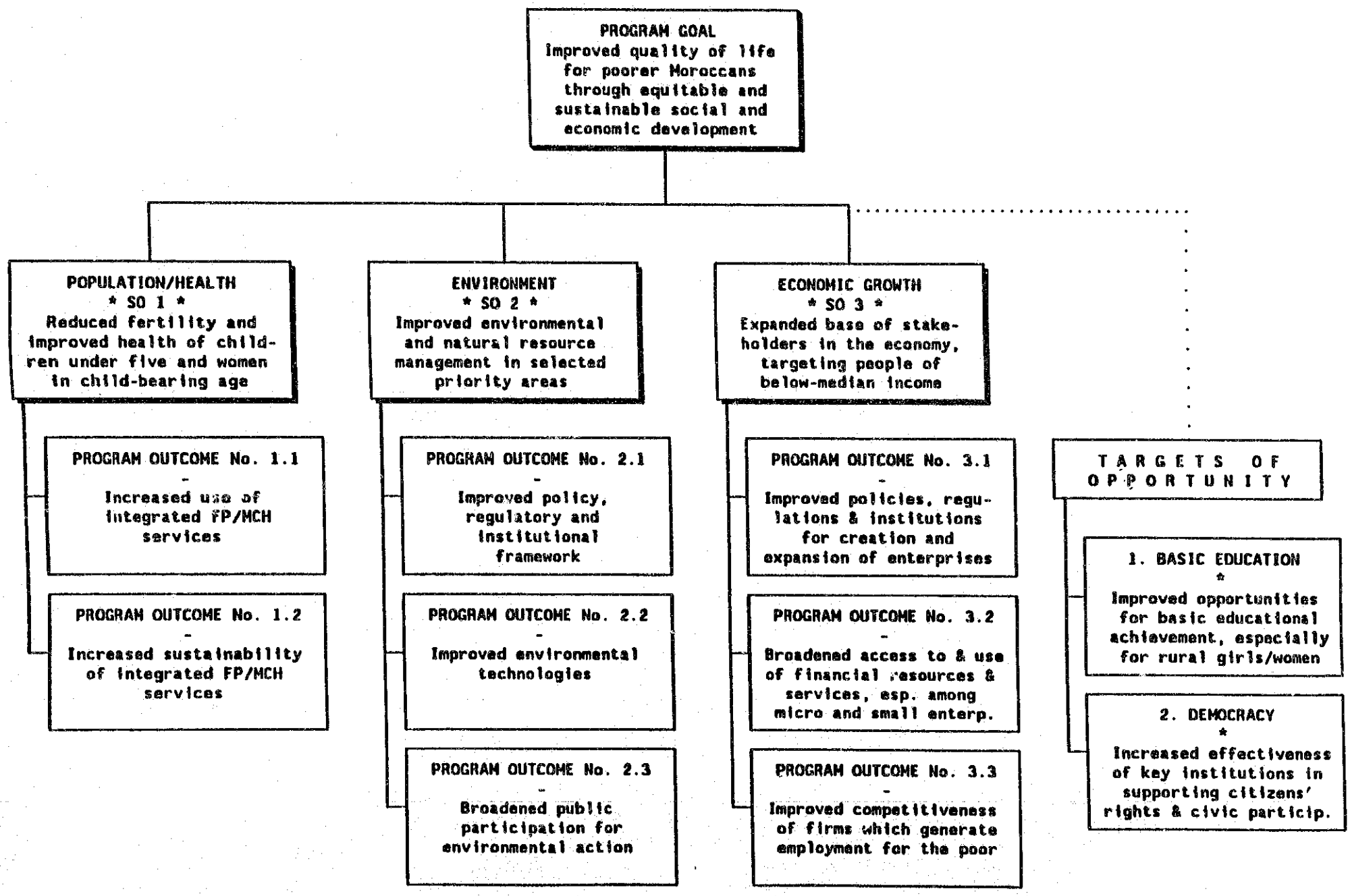
For all of these reasons, our dialogue with the GOM increasingly has featured poverty, equity and the participation of the poor as the organizing themes around which our new program will evolve. The overarching program goal resulting from this collaborative effort with government, private sector, and the NGO community, is defined as **"IMPROVED QUALITY OF LIFE FOR POORER MOROCCANS THROUGH EQUITABLE AND SUSTAINABLE SOCIAL AND ECONOMIC DEVELOPMENT."**

USAID/Morocco has begun implementation of a transition program that remains responsive to Moroccan priority concerns, while addressing Agency guidance in vision and in re-engineering. The program is articulated around the Strategic Objectives and Targets of Opportunity described below, and depicted in the "Program Objectives Tree" on the next page. Mission activities to begin implementing this transition have included the re-structuring of the Mission's organization, creation of an innovative "program committee" system around the SOs/TOs, and a top-to-bottom reformulation of the Mission's PRISM indicator system -- all built to achieve results more clearly measurable in terms of their impacts on the poor.

B. Strategic Objectives (SOs)

To achieve our overall program goal, USAID/Morocco has defined three priority strategic objectives which correspond with the Agency's priority program areas of <u>population/health</u>, <u>environment</u>, and <u>economic growth</u>.

USAID/Morocco: PROGRAM OBJECTIVE TREE



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

Rationale: Large family size and inadequate family health pose burdens which are disproportionately shouldered by the poor. Population is the demand side of the development equation, which establishes the denominator for performance in economic growth, employment, environmental resources management and social services. This SO therefore represents a strategic *sine qua non* in USAID's focus on broad-based, sustainable development targeted to poorer Moroccans. It also supports our objectives in the environment, sustained and equitable economic growth and social stability.

Key Problems to be Addressed: While progress has been made in extending Family Planning/Maternal Child Health (FP/MCH) services, many potential clients still do not use these services, especially in rural areas.

The gap between desired childbearing and use of family planning services persists. Services reflect low user rates for long-term and permanent methods of contraception, underutilization of prenatal and postpartum services, and continued high mortality due to childhood diarrheal disease and acute respiratory infection. If FP/MCH services are to be used effectively, they must be readily accessible when a health care need arises; the quality of services must be high enough to attract and retain clients and promote improved health practices; and the population must be informed and motivated to use services appropriately.

To enhance sustainability of health service delivery, the GOM also must also make progress on several major initiatives, including decentralization, integration of service activities, policy reform to address constraints to expanded private sector participation in health services, strengthening of management and logistics systems, diversification of financing, and assumption of costs for activities which historically have been donor-funded. Delivery of FP/MCH services and products must be expanded in the private sector to reduce the financial burden on the GOM of providing services to those who are able to pay for them.

Program Outcome 1.1: Increased Use of Integrated FP/MCH Services. With a consistent focus on targeting services to poor rural and peri-urban households, the program aims to expand national program coverage to under-served populations for the full range of reproductive health services. As a result of these efforts, USAID expects to achieve the following results: 1) More women correctly using effective contraceptive methods of their choice and appropriate to their profile, as evidenced by an increase in contraceptive prevalence from 41.5 in 1992 to 54.0 in 2000; a more diversified method mix, including a greater percentage of long-term methods; an increase in the use effectiveness rate; and an

increased proportion of demand for family planning satisfied. 2) More women receiving prenatal care and maternity services, as evidenced by an increase from 30% in 1992 to 50% in 2000. 3) More women practicing diarrheal disease prevention and rehydration techniques for their children, as evidenced by an increase in the use of oral rehydration salts from 12% in 1992 to 25% in 2000.

Program Outcome 1.2: Increased Sustainability of Integrated FP/MCH Services. The program seeks to diversify the resource base for integrated FP/MCH service delivery (with particular attention to private sector provision), strengthen the institutional capability of the MOPH to deliver quality, sustainable services, especially to under-served populations, and promote a policy environment favorable to a sustainable national program. The success of these efforts will be measured by: 1) Establishment of licensing regulations, addressing import duties on FP/MCH products and alleviating other constraints which limit the expansion of public and private sector FP/MCH services. 2) An efficient, decentralized national contraceptive logistics management program and management information system; quality training programs offered at Regional Training Centers; an operational Evaluation Unit within the MOPH providing national guidance to program directors in Management for Results; improved staff clinical and counseling skills; and the equipment and vehicles necessary to support outreach programs in rural areas. 3) Increased GOM financing for recurrent costs as donor assistance is scaled down. That is, the GOM maintains its budgetary support to the national immunization program and progressively increases its national budget contribution for commodities and operational costs. 4) An increase in the private sector and NGO share of family planning services from 36% to 50%.

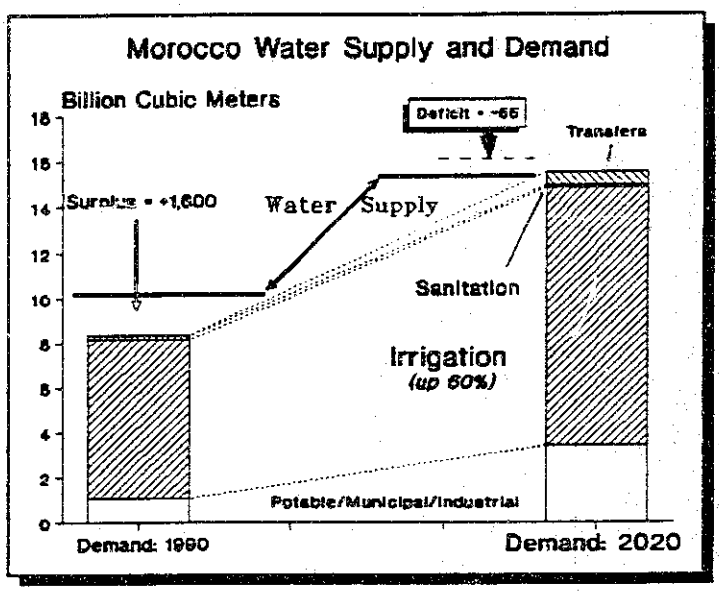
Donor Coordination in Population/Health: As the lead donor in the FP/MCH area (USAID provides about 85% of donor funding), USAID plays a central role in a coordination committee with other donors to work toward joint strategy development and implementation. USAID and UNICEF jointly sponsor a sustainable vaccine procurement system for Morocco's child immunization program; USAID coordinates its work on child diarrheal disease with UNICEF, the leader in this sub-area; USAID collaborates with UNFPA in special demographic data analyses; the EU is coordinating closely with USAID on its safe motherhood program; the WHO complements USAID interventions in HIV/AIDS, sexually-transmitted diseases (STD), public health training, communicable diseases and epidemiology.

SO 2. IMPROVED ENVIRONMENTAL AND NATURAL RESOURCES MANAGEMENT IN SELECTED PRIORITY AREAS

Rationale: Consistent with the Agency's new program priority guidelines, and in light of the increasing importance of sustainable environmental management on Morocco's economic future and especially that of the poor, the Mission has selected environment as a priority focus of its program strategy. Natural

resource degradation and industrial, urban and agricultural pollution threaten present and future economic growth, critical ecosystems and human health and productivity. Indeed, the basis of existence for a majority of the country's poor people is inextricably intertwined with Morocco's environment. USAID's environment program proposes to build upon interventions in selected areas where successful inroads have been established and where leverage on GOM, private sector and donor resources and policies provides unusually promising opportunities.

Key Problems to be Addressed: Like most developing countries, Morocco is beset with a myriad of environmental problems. To focus USAID's activities on the most important problems, and on interventions with the greatest measurable impact, the Mission has undertaken several diagnostic studies over the past two years. The latest of these, the Morocco Environmental Options Analysis, is an innovative and systematic study that provides the Mission a rough-order quantification of environmental problems and possible environmental intervention options.



The theme of water -- the lack of prudent water management and the negative effects of water pollution -- runs throughout the analysis. Water is perhaps the most important of Morocco's natural resources, and a key limiting factor for economic growth and meeting basic human needs. With water demand expected to exceed supply by 2020, the management of water resources is key to Morocco's future economic success. Currently, the quality of the resource base is declining as a result of water pollution from agriculture, urban and industrial sources. Accelerated water erosion of soil caused by deforestation is a major contributor to water supply and quality problems. Water always has been a key part of Morocco's economic and social fabric, and its depletion and degradation provides a focus and organizing principle for USAID's environmental SO.

Program Outcome 2.1: Improved Policy, Regulatory and Institutional Framework. The Mission will focus its activities on strengthening the Ministry for the Environment at the national level, targeting its capacity 1) to formulate and monitor norms and standards for resource management and industrial and urban pollution prevention

and control; and 2) to coordinate environmental activities and assistance programs. At the local level, the Mission will strengthen the ability of municipalities to assess and respond to urban environmental issues. In addition, USAID will focus on selected priority policy issues in the water sector -- such as water quality norms and standards -- and pre-investment urban environmental assessments.

Program Outcome 2.2: Improved Environmental Technologies. USAID assistance will focus on environmental technologies in selected priority areas, and will lead to: 1) a broadened market for environmental services and technologies, building on the success of the EDM/Clean Tech activity, and expanding this work through supply- and demand-side interventions; 2) expanding urban environmental infrastructure in poor neighborhoods through the Housing Guaranty Program; 3) introduction of new technologies through targeted, replicable pilot projects; and 4) promotion, dissemination and adoption of state-of-the-art, cost-effective environmental technologies, which tend to be of U.S. origin.

Program Outcome 2.3: Broadened Public Participation for Environmental Action. Participation will be a central element of USAID's environmental program and will lead to: 1) strengthened local government capacity to work collaboratively with stakeholders to develop urban housing infrastructure; 2) empowered women and men who prudently manage natural resource use, recognizing the pivotal role of women in this area; 3) strengthened Moroccan NGOs focused on environmental issues; 4) empowered water users associations to manage water and other resources at the local level; 5) targeted training and education programs to enhance environmental awareness and encourage activism; and 6) development of protocols through collaborative assessment of industrial and urban pollution problems and of regulatory frameworks for their solution.

Donor Coordination in Environment: USAID's initial feasibility study played a catalytic role in programming the World Bank's $6 million loan designed to strengthen the predecessor agency to the new Ministry for the Environment. This study also led the UN, through UNDP and UNESCO, to provide seed funding for the recently inaugurated National Laboratory and Environmental Institute. USAID's extensive work in urban areas has provided baseline information for the development of a World Bank project for waste-water treatment in six cities. USAID's Tadla Resources Management project will provide the water efficiency and pollution management models for the Bank's $275 million PAGI II project, which will support all nine of Morocco's major irrigation perimeters.

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

Rationale: Many poor Moroccan men and women, both urban and rural, are marginalized from the economic system. They lack secure jobs

and ownership of their homes and/or enterprises, which would give them a viable stake in the economy and provide them with opportunities to improve their standards of living. Targeting Moroccans of below-median income will permit them to become micro- and small business owners and job-holders in industries with secure long-term futures. USAID's experience in this sector enables it to define a targeted strategy which can improve conditions for upward mobility of the poor. The broadened base of stakeholders in the economy will contribute to equity and to social and political stability.

USAID/Morocco has re-shaped its formerly sizable economic growth portfolio to enable it to achieve a more focused strategic objective oriented to an expanded base of stakeholders in the economy, especially among men and women of below-median income. Based on impact studies, USAID is targeting specific sectors and activities in the portfolio which have the greatest potential to increase the demand for labor or otherwise offer enhanced income-generating capability to this population cohort.

Key Problem Areas to be Addressed: The key constraints to economic growth continue to be policy, regulatory and institutional in nature, as discussed in Section B.3 of Part I. USAID is engaged in helping to rationalize the myriad of policy and institutional constraints which generate disincentives, costs and administrative burdens for businesses.

Access to financial resources and services is another major barrier to broad-based economic participation. Credit to start and expand businesses or to finance home construction is critical for poor people to lift themselves out of poverty and increase their participation in the economy.

The lack of competitiveness of Moroccan firms is a final important constraint to maintaining export-led growth, creating jobs, and permanently enhancing the capacity of Moroccans to improve their lives. Competitiveness means efficiency and maximum contribution to economic growth and employment. Competitiveness is required to penetrate existing and new markets, and to maintain existing markets in the critical agribusiness sector. Assistance in product- and market-diversification, accompanied by quality improvement and compliance with food safety standards will expand export sales and boost employment, especially among women, who constitute the majority of workers in key export-oriented industries. It also will boost employment opportunities for backward-linked agricultural workers.

Program Outcome 3.1: Improved Policies, Regulations and Institutions for Creation and Expansion of Enterprises. USAID will continue to engage in policy dialogue to address the following problems: 1) Business licensing for small and medium-sized enterprises: USAID will help to reduce registration delays from the

current nine-month average to a target of two months; 2) Road transport: USAID will target elimination of policies and regulations which result in excessive export surcharges and reduce the competitiveness of Moroccan exports; 3) Food safety regulations: USAID will foster uniform regulations to make Moroccan products more attractive in international markets, while protecting the Moroccan consumer; and 4) Microenterprise: USAID will strengthen institutions which provide business development services to microenterprises. These changes will enable Moroccan firms to compete internationally; to increase market share; to expand; and to generate increased employment, particularly among below-median income women and men.

Program Outcome 3.2: Broadened Access to and Use of Financial Resources and Services, Especially Among Micro- and Small Enterprises. Through restructuring of its existing projects and the design of a new micro-finance activity, USAID will 1) Increase micro and small enterprise access to financial services such as credit and savings; 2) Provide priority developmental services (counseling, training and information) to small enterprises; and 3) Expand access to land titles for low-income housing through site and service preparation, through which access to sustainable credit for prospective low-income land- and home-owners will be addressed.

Program Outcome 3.3: Improved Competitiveness of Firms Which Generate Employment for Below Median Income People. As a complement to policy dialogue, direct technical assistance will aim at developing new products and markets and facilitating productivity-enhancing technology transfer. USAID activities will provide technical assistance to improve efficiency and to facilitate business linkages to expand market access and share. USAID studies indicate that the poor, and women in particular, are the prime beneficiaries of employment generated in certain export industries. The sectors and types of firms selected for assistance will be those with maximum impact on employment of the poor, especially poor women, either directly in the assisted firms, or through backward and forward linkages.

Donor Coordination in Economic Growth: USAID coordinates its program closely with the activities of the IBRD, EU, France and other key donors which support policy reform and private sector development. The most important relationships are with the World Bank -- in privatization, the transport sector, financial market development, small and microenterprise development, and housing and urban infrastructure. The new Microenterprise Finance activity has been coordinated with Catholic Relief Service, the only entity in Morocco engaged in micro-credit, and the World Bank, which is exploring means to support microenterprise in the context of the overall financial sector reforms they are promoting. Donors have agreed to set up a clearinghouse of information on donor activities and financial support to economic associations through the NED Project. USAID/Morocco places a high priority on continued policy

dialogue and coordination with the World Bank in the preparation of the Private Sector Loan and the Agro-Industry Loan, both of which will provide considerable resources in 1996.

C. Targets of Opportunity (TOs)

The Mission currently is pursuing two modest targets of opportunity in basic education and in democracy. Addressing these constraints will reinforce USAID's ability to achieve its three SOs.

TO 1: INCREASED OPPORTUNITIES FOR EDUCATIONAL ATTAINMENT, ESPECIALLY AMONG RURAL GIRLS/WOMEN. In basic education, the Mission will support efforts to increase access to primary and secondary schooling, especially for girls in the rural areas, and to increase school completion rates. At the request of the Minister of Education, USAID will explore options which "reflect a U.S. perspective" in expanding and improving basic education. In addition, the USAID-funded experience internationally in basic education will be applied to intervention options for basic education in Morocco.

Rationale: Several factors convinced USAID of the pressing need to address basic education constraints for rural girls and women in Morocco: 1) the marked disparity between male/female educational attainment, especially for rural girls and women; 2) the GOM's recently-launched effort to reform the entire national education system -- an undertaking which provides a rare opportunity for donors to influence education policy and to address real basic education needs; 3) the ability for USAID resources to closely complement the assistance of other donors, such as the World Bank (which also is preparing to assist the GOM in basic education); 4) USAID's successful experience and expertise in other predominantly Islamic countries where educational opportunities for rural girls and women were severely limited; and 5) the role of basic education in helping to achieve USAID's strategic objectives.

> **Population, Education and Women**
>
> Beyond providing access to family planning services, far greater efforts are needed to reduce the poverty and gender inequalities that help preserve high birthrates. Women need access to educational opportunities and the kind of economic and political empowerment that will allow them to put into effect decisions they make for themselves -- including decisions about childbearing. In Morocco, for instance, the fertility rate among women with no education is 4.9, as compared to a fertility rate of 2.0 for women with a secondary or higher education.

Areas of Activity: Specific interventions may include: 1) developing basic education curricula and instructional materials, both in public and private sectors; 2) improving skills of teachers and school administrators; 3) exploring new educational technologies; and 4) supporting limited operational research to improve educational retention rates for girls. USAID also will explore improved literacy training for adolescent girls and young women.

TO 2: INCREASED EFFECTIVENESS OF KEY INSTITUTIONS IN SUPPORTING CITIZENS' RIGHTS AND CIVIC PARTICIPATION. USAID's democracy program has been developed in the context of an Embassy-wide Democracy Working Group (DWG), which coordinates all USG resources in this potentially sensitive area. The long-term objective of USAID involvement is to support an enabling environment for all Moroccans to participate fully and freely in social, economic and political activities.

Rationale: This TO will reinforce promising new developments in Morocco in democracy and governance. USAID's rationale for involvement is specifically drawn from: 1) the King's encouragement of greater pluralistic political participation, economic liberalization and increased civic participation; 2) the fact that increased participation of Morocco's citizens constitutes an integral component of USAID's program strategy; and 3) the relative certainty that failure to succeed in political democratization and economic liberalization could result in political instability fueled by unemployment among urban youth and the threat of Islamic fundamentalism.

Areas of activity: Consistent with the DWG's democracy/governance program, specific interventions are likely to include 1) carefully targeted support to Parliament to strengthen its capacity to formulate legislation in an objective, participatory manner, and to provide oversight and accountability, especially in areas relevant to USAID's strategy agenda; and 2) strengthening democratic participation and civic society through support to NGOs and community groups, and enhancing municipal government capacity to address community needs in a participatory manner. USAID will work in close cooperation with the Country Team, Parliament, the appropriate Ministries, other donors, and Moroccan and US NGOs to define and implement these activities.

D. Special Considerations

1. Cross-cutting Themes

Several common themes are threaded throughout the Mission's program strategy. These themes include 1) targeting of poorer Moroccans, especially those below median income levels; 2) emphasis on "enabling environment," e.g., the policy, regulatory and institutional framework; 3) integration and empowerment of women, and maximal gender-disaggregation for each desired result; 4) broad-based participation to ensure effective partnerships and the involvement of beneficiaries and key actors in the design and implementation of activities; and 5) emphasis on private initiative and expansion of civil society, NGOs, and private associations. *These themes are integrated into each SO and TO.*

A sixth common theme, human capacity development, constitutes an integral ingredient for attaining all USAID objectives. The Training for Development (TFD) Project currently is being amended to strengthen its contribution to human capacity building within each strategic area. The amended activity will provide support for both short and long-term training for SOs and TOs as appropriate, and will seek to strengthen indigenous training capacity in select areas which address key constraints to development.

The Development Studies and Technical Support (DSTS) project provides a mechanism to support cross-cutting themes. Importantly, with the completion of the former Economic Policy Analysis project, DSTS provides support for the Mission's non-project-specific policy, regulatory and institutional reform work. DSTS targets "cutting edge" areas that are identified as the next level of constraints for achieving our strategic objectives, and provides an invaluable mechanism to allow USAID to continually focus the GOM and other donors on the next generation of issues in our SO areas.

2. Assumptions

Key assumptions at the goal level are:

1. No major drought or natural disaster
2. No major external economic shock
3. Political stability is maintained
4. Continued GOM commitment to democratic participation and economic liberalization

The first three assumptions address major factors which would derail Morocco from the fundamental economic and political stability required for continued economic growth and social development. The final assumption relates to the GOM's commitment to support economic and political liberalization, which is necessary for expanded participation of Moroccans in economic and political processes, enabling them to contribute fully to economic growth and social development (and to meeting their basic economic and social needs) in an environment of economic and democratic pluralism. These assumptions are relevant to the achievement of each of our strategic objectives. Assumptions at the SO and PO levels are included in Annex D of the Action Plan.

PART III: USAID/MOROCCO ACTION PLAN FOR 1995-1997

A. Overview

During late 1994 and into early 1995, USAID/Morocco has taken a hard look at its existing portfolio commitments. We have evaluated which among them remain compelling -- both for the country's needs and in relation to USAID/W's new strategy -- and which require re-focusing or curtailment. The Mission has made important changes in its program, many of which were not easy: reformulating of the private sector portfolio to target benefits to poorer Moroccans; a new start in microenterprise; an exciting new activity in the environment, in cooperation with a newly-elevated Ministry for the Environment; restructuring of the human resource portfolio, including the TFD Project; and bringing forward women's education and democracy as targets of opportunity.

During the 1995-1997 time frame, and based on the Action Plan resource request, the Mission expects to significantly streamline its operations and reduce its portfolio to twelve active projects, as opposed to fifteen at the beginning of the period.

These decisions are reflected in the strategy described previously in Part II. In this Action Plan, USAID/Morocco lays out the tactical detail of its program priorities and objectives, its resource requirements, and what it expects to achieve for the coming three-year period.

B. Strategic Objective (SO) and Target of Opportunity (TO) Narratives

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

1. Tactics: The Family Planning and Maternal Child Health (FP/MCH) program is composed of a comprehensive, bilateral project and a series of complementary efforts housed within central projects in the Global Bureau. Together, this program supports the full range of priority FP/MCH interventions outlined in Part II of the CPS. During the period covered by this Action Plan, attention will be focussed on institutional development for large commodity purchases, in-country managerial and technical training, and systems and strategy development.

Both the FP/MCH project and its performance-based institutional contract are part of the SO1 objective tree and performance measurement system, resulting in obvious advantages for strategic program management from the bottom (i.e., individual activities in the annual workplan) to the top, the SO level.

Finally, important additional activities with other donors during the Action Plan are noted below in paragraph 5.

2. Performance to Date: Although many of the USAID/Morocco FP/MCH indicators rely on periodic Demographic and Health Surveys (DHS) for reporting data, several indicators are measured annually, using data from other statistical sources. The program met or surpassed all annual targets for 1993 as summarized below:

Indicator	Target for 1993	Actually Achieved	% Target Achieved
Couple-years of protection (public sector)	250,747	298,128	118%
Couple-years of protection (private sector)	463,834	464,000	100%
Couple-years of protection (USAID social marketing program)	75,000	95,238	127%
No. of new diarrhea cases treated at MOPH facilities	800,000	948,639	119%
No. of serious diarrhea cases treated at MOPH facilities (declining target)	2,500	2,188	113%
Estimated proportion of operating costs associated with USAID program financed by GOM	40	40	100%

An interim DHS survey currently is underway, with preliminary results expected in July, 1995. USAID will be able to report progress against 16 of the program's 17 indicators once these data become available. In addition, a trend analysis and evaluation of program impact over the period 1980-1995 currently is underway and should be completed by the end of 1995.

3. Expected Impact: If all program activities, including the policy agenda, move forward as planned over the coming three years, the Morocco FP/MCH program will be well on its way to offering quality, integrated, decentralized services to approximately 90% (about 70% today) of the population nationally. A strong cadre of health professionals, working from standard protocols, will offer the full range of priority family planning and maternal/child health services. The GOM will be financing approximately 70% of FP/MCH program contraceptive and operating costs, as compared to approximately 45% today. Finally, a larger percentage of the population will seek services and products from private sector

providers who have been trained and equipped with program resources, thus freeing up GOM resources for those unable to pay.

4. Resource Needs: Activities under this SO were designed for rapid start-up (FYs 94-96), with a leveling off in FY 97, and a gradual phase-down commencing in 1998. Maintaining planned resource levels in FYs 95-96 is critical to ensuring that planned commodities acquisitions, IEC, strategy development, and training take place in the short-term. Bilateral funding levels of $10.3 million in FY 95 and $8.5 million in FYs 96-97 will be required to develop and carry forward critical start-up momentum and to carry activities through to an orderly conclusion late in the decade.

Program support in the form of funding for centrally-managed projects that offer highly specialized technical assistance in key program areas complements the bilaterally-funded program and is essential to achievement of USAID/Morocco's program objectives. In FY 95, central program support totalling approximately $5 million is anticipated in support of clinical services (AVSC, JHPIEGO), program evaluation and impact measurement (Evaluation, DHS), social marketing (SOMARC), contraceptives and logistics management (FPLM), sustainability (HFS, Policy), child survival (OMNI, Basics) and program management (TAACS). Central resources are essential for ensuring that state-of-the-art technical assistance is available to the Morocco program in a timely fashion, and have been selected to complement USAID's bilateral program. Requests for central resource levels of $4 million in FYs 96 and 97 are planned.

5. Other Donors: During FY 95, several endeavors with other donors are planned or underway: 1) USAID, UNFPA and the EU will jointly sponsor with the MOPH an assessment to forecast long-term contraceptive requirements and develop procurement recommendations; 2) All donors will develop common standards for payment and reimbursement of costs associated with project implementation; 3) USAID and the EU are collaborating closely on strategy development and program design for safe motherhood and HIV/AIDS/STDs; 4) UNICEF and USAID are collaborating on acute respiratory infection (ARI) and implementation of the 1995 polio eradication campaign; and 5) The World Bank has invited USAID participation in the design of the Bank's planned health sector financing project.

SO 2: IMPROVED ENVIRONMENTAL AND NATURAL RESOURCE MANAGEMENT IN SELECTED PRIORITY AREAS

1. Tactics: USAID/Morocco currently is building its program objectives around the design of its new Water Resources Sustainability activity (see Annex C), which will be obligated in August, 1995. Once fully developed, the Mission program strategy in the environment area will fully integrate large parts of our current Tadla Resources Management and Urban Environmental Services activities. Specifically, the Mission is organizing its tactical

thinking around the three program outcomes it expects to implement during the Action Plan period.

a. An improved policy, regulatory and institutional framework: On the policy and regulatory side, USAID will focus on selected priority issues (e.g., water quality norms and standards, water pricing policy, industrial and domestic effluent norms and standards, and urban environmental impact guidelines) which will become explicit upon completion of the new activity design before August, 1995. Based upon the proven EDM/Clean Tech collaborative approach to industrial pollution problem-solving (bringing together industry, government and stakeholder groups), the FY95-96 time frame will be utilized to assess problems and to develop appropriate norms and standards for each targeted resource or pollution issue.

Building upon USAID's strong working relationship with the new Ministry of the Environment, developed with its predecessor agency through the regional/central bureau PRIDE activity, USAID will provide senior-level U.S. environmental expertise in FY96-97 to assist the new Minister of Environment to maintain a progressive agenda in the management of Morocco's environment in water resource-related areas. This support will be supplemented by additional institutional development activities, including training and short- or long-term technical assistance, as needed.

Under USAID's continuing Urban and Environmental Services activity, the capabilities of selected municipalities to provide shelter-related infrastructure and deliver environmental services to the urban poor will be strengthened throughout the Action Plan time period by a contractor to be selected before July, 1995.

b. Improved environmental technologies: The EDM/Clean Tech activity successfully promoted energy efficiency-enhancing practices and environmental audits, and the demand for such activities. Assuming that the Mission's new environmental activity will be able to develop and enforce realistic environmental standards over the 1995-1997 Action Plan period, considerable technology transfer will take place in the FY96-97 time frame. Specific examples already identified include: recycling of chrome in tanneries, integrated pest management, and new sewerage and potable water technologies for poor, urban neighborhoods.

c. Broadened public participation for environmental action: Participation will be a key feature of the environment SO, ranging from industry participation in assessing problems and identifying appropriate achievable standards (est. FY95-96), to NGO and community participation in addressing environmental problems (after FY95). The Mission also will provide assistance to strengthen the capabilities of local environmental NGOs and other community groups throughout the Action Plan period, in order to elevate their importance in the environmental decision-making process. Water

user associations receiving assistance through the TRM activity are of particular interest to the Mission in the Action Plan period (analytical work currently underway), since they are a key element in successful water management. The Mission also expects to support the development of a pilot basic education curriculum in the environment, and public and private sector environmental training in FY96-97.

2. Performance to Date: Although this strategic focus is new to the USAID/Morocco program, prior activities provide some indication of Mission performance in areas directly related to the new SO.

--Under the Mission's urban environmental programs, modern sewerage and potable water systems have been brought to some 90,000 people, and indirectly benefited some 200,000 people over the last decade. These beneficiaries, who came from the ranks of the urban poor, have increased their incomes as well as gained a healthier environment. (In Tetouan, for example, previously frequent outbreaks of cholera practically disappeared after sewerage and potable water systems were installed). Local government capacity to deal with environmental needs has been strengthened greatly in the municipality of Tetouan, and will serve as a useful model for the ten additional municipalities targeted for the Urban Environmental Services activity.

--Energy and environmental audits under the EDM/Clean Tech activity have led to savings of more than $10 million to date for the companies involved, and have resulted in reductions of emissions into the atmosphere of 200 tons of SO_2, 288 tons of NO_x, 58 tons of dust and 66,125 tons of CO_2.

--The TRM activity has shown the potential for considerable water savings through more efficient irrigation system management and improved on-farm water use. This year, water conveyance efficiency in the Tadla system will improve by eight percent.

3. Expected Impact: The Mission's environmental program will have significant impacts during the Action Plan period. Water management work will be well underway, with substantial (13%) increases in water conveyance efficiency predicted in new targeted areas. The number of poor, urban households with access to solid waste removal, sewerage and potable water systems will increase by ten percent.

--USAID assistance will contribute to a smoother functioning, more efficient Ministry for the Environment, able to direct donor assistance both in substance and in geographic focus, and to coordinate the GOM's environmental programs, which are located in several ministries. Environmental services delivery systems should be improved in six target municipalities as a result of USAID interventions.

--With regard to the policy and regulatory framework, the time is right for enactment of norms and standards and clear regulations for pollution prevention. The U.S. Pollution Prevention Act of 1990 can become a model for this initiative, incorporating, as it does, command and control mechanisms as well as economic incentives. Water policy reform is a high priority. By the end of the Action Plan period, negotiations will have been completed for the first set of norms.

--New environmental technologies will be introduced, including a tannery chrome recycling pilot effort, resulting in a sharp reduction of toxic chrome effluents into Morocco's river lifelines. By the end of FY97, USAID estimates that 20% of the tanners in target areas will adopt chrome recycling technologies. Integrated pest management practices will become significantly more widespread -- with 25% of farmers in target areas adopting the new technology -- and will result in the reduction of pesticide residues in ground and surface water. Many poor, urban neighborhoods will become markedly cleaner and healthier, with approximately 10,000 new households connected to sewerage and potable water systems.

4. Resource Needs: The environment strategic objective will require $6 million annually in bilateral funds during the FY96-97 period. These resources are needed a) to fund the Mission's centerpiece environment activity, which will be obligated with minimal funding (est. $1.3 million) late in FY95; and b) to provide additional resources for the Urban and Environmental Services activity.

Finally, an assessment late in FY95 will address the feasibility of an Enhanced Credit Program (ECP) initiative in urban waste water treatment, for which ECP "subsidy" resources of $5-8 million may be required beginning in FY96, as well as possible bilateral technical assistance support, at a level to be determined.

5. Other Donors: The Tadla Resources Management activity is well advanced in working on water use efficiency, agricultural resource management and pollution prevention in one of the nine large irrigation perimeters in Morocco. At a coordination workshop in May, 1994, the GOM and World Bank described TRM as a model, and plans currently are being formulated to link this activity with the other perimeters through the large irrigation rehabilitation project funded by the World Bank (PAGI II). Similarly, the GOM is looking for USAID assistance to carry out a pilot urban sanitation activity in 1995-96, before it will accept the first phase of a large World Bank loan to finance sewerage.

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

1. Tactics: In the course of 1994 and through the present, USAID/Morocco has invested significant effort in the refocusing of its former private sector activities, to put this part of its portfolio in sync with latest Agency program priorities. This effort will continue throughout 1995, and will include the following three key actions in support of that effort: final design of the new microenterprise finance activity (June, 1995); amendment of the TFD training activity to make it more directly supportive of the whole Mission strategy (May, 1995); and impact evaluations and modification as necessary of both the MAP and AIM activities (June, 1995). USAID/Morocco's tactical approach for this Action Plan is organized around our three program outcomes:

a. Improved policies, regulations and institutions for creation and expansion of enterprises: Four parallel project interventions will address this sub-area: 1) the NED project, working from its well-thought out and prioritized SME policy reform agenda, will engage relevant ministries (FY95) to complete the agenda by end FY97; 2) the NED project will strengthen SME business associations over the FY95-97 time frame, while also taking higher-level actions (completion FY96) leading to creation of a coordinating body for all associations, and reform of the 1958 Associative Law; 3) MAP/AIM projects will support business associations within their interest sectors; and 4) the new microenterprise activity will complete contracting (FY96) to provide support to nascent Moroccan micro-finance organizations.

b. Broadened access to and use of financial resources and services, especially among micro- and small enterprises: Three parallel project interventions are central to this sub-area: 1) the NED project will pursue its "credit relais" pilot credit scheme to completion by FY96, the model for which may be used by other interested groups (private banks, GOM, donors); 2) the UES project will initiate feasibility studies in FY95 on techniques to expand access to mortgages for low-income groups, the results of which will be implemented throughout Morocco by the UES project in FY96-97; and 3) the new microenterprise activity will begin testing and development of viable micro-credit schemes soon after contractor selection in FY96, and will implement lending and savings operations throughout the FY96-97 period.

c. Improved competitiveness of firms which generate employment for below-median-income people: This program outcome will be addressed by three activities: MAP's sectoral approach, AIM's transactional approach, and NED's SME business service approach. The above-mentioned May 1995 evaluation of MAP/AIM will refocus the content and extent of operations of these projects, the results of which will govern tactics over the remainder of the Action Plan period.

Also, the NED activity will focus its attention on strengthening the cost-recovery capacity of the Moroccan Enterprise Center (CEM) by June 1996, which will assure the survival of this unique source of advice and support for thousands of Moroccan small enterpreneurs into the future.

2. Performance to Date: While this SO only recently has been reformulated, significant performance of relevance to the intent of the SO can be reported. Examples are noted below.

-- Creation of Morocco's only for-profit, consulting and training center (CEM), servicing the needs of small business. To date, services have included 320 consultancies, 531 employees trained, and 3,280 clients have received information.

-- Computerization (using a small enterprise sub-contractor), of the Central Business Registry's database (the only complete database of all Moroccan enterprises and exporters), which will vastly speed up business registration procedures and facilitate market research.

-- Over 25 viable small business associations have been strengthened as advocates for their members' interests and as lobbies for business reforms and new market opportunities.

-- Working in eleven new market destinations, sales volumes of horticultural products increased by an estimated $5 million in 1994 alone.

-- Adoption of productivity-enhancing technology/management by over 50 firms, including 1) a modified atmosphere packaging to keep tomatoes competitive internationally, which saved $1 million in export costs in 1994/95; 2) marketing assistance which initiated a boom in frozen strawberry exports in FY94 and led to a doubling of strawberry surface area -- resulting in thousands of additional workdays for rural women; 3) direct assistance to a new woman-led group to establish a $1.1 million strawberry enterprise, increasing labor use by about 17,000 workdays per annum.

-- Contributions to an estimated $30-$40 million increase in Moroccan trade with the U.S

-- Establishment of U.S. franchises valued at $3 million which will employ over 120 workers over a five-year period. Six other franchises are awaiting approval.

-- Major responsibility for the privatization of 27 firms valued at $700 million; catalyzed stock market growth and development of secondary financial market reforms; 147,000 first-time subscribers of shares in privatized firms; 1,159 workers purchased shares in their own companies.

3. Expected Impact: All program activities are now being re-focused on targeting people of below-median income. More specific impact expectations during this Action Plan are noted in the Performance Monitoring Plan indicators (Annex D), a summary of which is provided below.

Policies, Regulations, and Institutions: 1) The average time required to obtain a business license will be reduced from nine months to two months; 2) the average value of export risk surcharges on truck transport due to administrative delays will be reduced from 18,000 FF to 10,000 FF; 3) the Moroccan export regulatory authority will have adopted and begun to enforce new food safety regulations in line with those of the USFDA; and 3) micro-finance institution performance will improve in terms of recovered operating costs.

Financial Resources and Services: 1) An increased number of microenterprises -- and increased percentages of female recipients -- will receive loans through the formal credit system; 2) the percentage of total private sector financing going to SMEs will be increased from 2.7% in 1994 to 15% by 1997; and 3) increased financing will be obtained by the private sector for below-median-income housing.

Competitiveness (Efficiency): 1) Moroccan horticultural export market share in North American and EU marketplaces will increase by 3% per year, and sales to other markets by 5% per year, beginning in FY95; 2) product sales by USAID-assisted firms in sectors of concentration will increase; 3) Moroccan horticultural exports to non-traditional markets will increase by 3% annually beginning in FY95; and 4) a number of firms will adopt USAID-promoted technology and the value of savings resulting from adoption will be estimated.

4. Resource Needs: This SO will require approximately $18 million over the Action Plan period. With the 1995 actual level already set at $1.5 million for initial funding of a new microenterprise activity, about $6 million per year in 1996 and 1997 will be needed to support Economic Growth activities, including MAP, NED, Micro-finance, and TFD.

5. Other Donors: USAID will coordinate closely with the World Bank in the preparation of its Private Sector Loan and the Agro-Industry Loan, both of which will provide considerable resources to these two areas in 1996. USAID cooperation will continue with British, French and Canadian bilaterals to develop new transport linkages, source products, and technology transfer, respectively. USAID is coordinating actively with the World Bank and the EU in the development of the microenterprise results package and in activities targeting small and medium enterprises.

TO 1: IMPROVED OPPORTUNITIES FOR BASIC EDUCATIONAL ACHIEVEMENT, ESPECIALLY FOR RURAL GIRLS AND WOMEN

Tactics: The GOM's reform of its education system has identified rural primary education (particularly for young girls) as a priority problem area. Targeting efforts already are underway within the GOM to select those predominantly rural provinces with the greatest needs for improvements in basic education. The Mission will concentrate its basic education interventions within these priority provinces. Through the Global Bureau's ABEL2 Project, a basic education sector assessment (scheduled for April 1995) will identify the most promising areas for assistance which offer the greatest potential impact on rural girls.

The Mission is working to develop a joint donor assistance package (with the World Bank) which would focus synergistic donor support within priority provinces. To begin supporting initiatives in FY 95, the Mission has asked that Morocco be designated as an emphasis country in the Agency's Women's and Girls' Education Initiative. In addition, the Mission plans to authorize a new bilateral basic education project (in FY 96) to complement this initiative in Morocco and to further the Mission's TO1 objectives.

Performance to Date: Building upon TDY assistance from the Global Bureau at the end of 1994, reviews of available sector statistics and a continuing dialogue with other donors, a possible policy dialogue agenda already is emerging. In March, 1995, the GOM created a new ministry for primary and secondary education -- an event which offers unprecedented opportunities for new emphases in primary education.

Expected Impact: Basic education interventions will be selected which have the potential of contributing, within target provinces, to: an increase in girls' enrollment in primary school; an increase in the rates of completion for girls through the fifth year; and increased literacy within targeted age groups. A major constraint to achieving progress towards these objectives appears to be the low priority that some rural households place on educating girls. There may be interventions which could ameliorate this constraint (through both infrastructure improvements with other donor financing and communication campaigns that may motivate parents). However, even if retention rates alone are improved for those rural girls who actually enroll, there will be a substantial improvement in primary educational attainment for girls.

Resource Needs: For FY 95, the Mission has requested $2 million of unallocated basic education funds to be used for Morocco under the Agency's Women's and Girls' Education Initiative. Of this amount, the Mission proposes to obligate $500,000 bilaterally (for training) and designate $1.5 million for Global/Human Capacity Development support, probably ABEL2, to finance technical assistance (long- and short-term), needs assessments, curriculum

development and other costs. Part of the funding for technical assistance will support a resident basic education advisor. In FY 96, the Mission will require between $1.5 - $2 million for basic education. This amount may be obligated as the first tranche of a proposed bilateral basic education activity estimated at a total LOP funding level of $12 - $15 million over six years.

Other Donors: As mentioned above, USAID is working with other donors, primarily the World Bank, to develop a joint donor approach to assist the GOM in its effort to improve basic education. A combination of donor resources is required to address the wide range of constraints facing the GOM. To concentrate the effort, the GOM has identified a tentative list of twenty of the poorest provinces where primary education and illiteracy needs are the most pronounced. In collaboration with the World Bank, the Mission will focus its assistance within these same twenty provinces. Those interventions that offer synergies between Bank loans and USAID grant funds will receive the highest priority.

TO 2: INCREASED EFFECTIVENESS OF KEY INSTITUTIONS IN SUPPORTING CITIZENS' RIGHTS AND CIVIC PARTICIPATION

Tactics: The U.S. Mission's Democracy Working Group (DWG) strategy of 1994 identifies areas for USG support. Two areas are targeted for modest USAID assistance:

1. Parliament: USAID is supporting a study tour to the U.S. for Parliamentary staff (4/95). Returned participants will help define a modest program of assistance, probably including: training and targeted technical assistance to improve management of information systems and accounting oversight, and training to strengthen legislative capacity in USAID priority program strategy areas.

2. Civil Society and Municipal Government: 1) USAID will build capacity in NGOs (health, environment, business associations, women's groups) in order to strengthen community participation and coordination with municipal governments. USAID will carry out an assessment, with Global/DG (6/95), to provide an assessment of NGOs in Morocco. The assessment will identify appropriate activities for USAID support. 2) Global/DG will assist in carrying out an assessment of municipal government and community participation, and the extent to which municipalities are responsive to citizen needs. We will draw on our considerable experience in this area already developed under our housing program. This assessment should lead to a modest activity in FY96.

Performance to Date: USAID has provided some support to NGOs through WID activities, including NGO participation in preparatory activities for the UN Women's Conference in Beijing, at which a declaration will be presented recommending reform of Moroccan legal statutes governing women's rights to work, to education, and to

participate in the decision-making process. The Mission has supported two US PVOs, AMIDEAST and Catholic Relief Service, in implementing income generating activities, community development activities, micro-credit activities, and water and health programs.

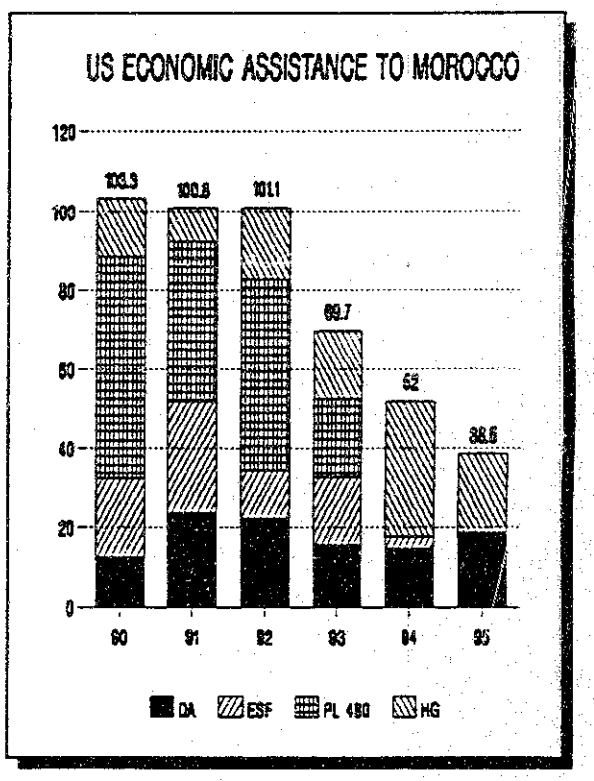
Expected Impact: The assessments of NGOs and of municipal government will highlight policy and capacity limitations. Specific program outcomes will be further defined by the end of FY95. Results should become evident (see Annex D) beginning in FY96-97.

Resource Needs: The Mission requires $1.3 million in FY96 from bilateral and Global resources. In subsequent years, similar resource requirements are anticipated.

Other Donors: The UNDP is the self-designated coordinator of activities in NGO and civil society development. USAID coordinates its activities with UNDP, the EU, the Ebert Foundation, and several European bilateral donors.

C. Resource Requirements

USAID/Morocco's program has experienced dramatic resource shifts over the last ten years, from the $100 million-plus level (all sources) in the early 1990s, to the FY95 level of $38.5 million (of which $20 million was HG). The high-water mark registered around the Gulf War was intended to reward Morocco for its support of U.S. foreign policy in the Middle East, and to demonstrate U.S. recognition of the importance of the future growth of this stable voice of moderation in the Arab world. In a similar fashion, Mission staffing levels have declined from 28 USDH in FY90 to the current level of 17.



This recent sharp decline in overall resources, when combined with an increase in earmarks (population, child survival) and recent fundamental shifts in Agency program priorities, has prompted the Mission to substantially re-examine its priorities. In this process, we believe we have brought balance to our aspirations in relation to anticipated resource levels, and, not unrelatedly, have re-affirmed the importance of cooperating with other donors and the private sector in order to leverage other resources.

1. Programmatic Resource Requirements

Current OYB levels of $18.5 million[1] for FY 1995, and planned levels of $27.8 million and $27.8 million for FY96 and FY97, respectively, represent a total of $74.1 million over the Action Plan period. This level will allow the Mission to achieve its Action Plan objectives as proposed earlier in this document.

Based on this scenario, our population/health SO1 will absorb some 54% of expected OYB resources over the Action Plan time frame. The environment SO2, and the economic growth SO3, each will account for 18.5 percent. Remaining resources (10%) will be devoted to TOs in basic education and democracy.

The **FY 1995** OYB level of $18.5 million is adequate to support current expectations of the population/health SO1, which will absorb approximately 82% of bilateral and central resources. Funds for the environment SO2 are similarly adequate since, while small, they mainly are needed for the late-FY new start of our Water Resources Sustainability activity. Finally, the Mission has made a rigorous attempt to reduce SO3 (economic growth) funding in FY95 to a strict minimum, given the shift in priorities away from this program priority and the limited funds which were allocated to us in this category. To this end, the Mission will be programming all of its FY95 bilateral economic growth funds for the new micro-finance activity, an obvious high priority.

For **FYs 1996-97**, indicative levels of $27.8 million in each year will meet expectations in our three strategic objective areas, will permit the Mission to undertake a new activity in basic education (TO1), and will provide reasonable funding for our modest democracy program (TO2). Similarly, resources will be sufficient for final funding of the existing Morocco Agribusiness Promotion and New Enterprise Development activities, which we consider strategically critical to maintain.

Pipeline, currently estimated at $70 million, will be reduced dramatically during FY95 -- to around $50 million. Disbursements will be made 1) for the remaining $10 million of program assistance owed under the Privatization Sector Assistance project (upon expected compliance with conditionalities); for major commodities and equipment purchases ($12.5 million) scheduled to arrive under the Pop/Health project; and for the TRM, MAP, NED and AIM projects, all of which currently are at that point in their life-cycles where burn-rates are at a maximum.

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[1]Does not include $20 million in HG for FY95, 96, and 97.

2. Sensitivity Analysis (required)

a. **10% Funding Increase:** Additional funding in the neighborhood of $3.0 million would be utilized first to expand our efforts in environment and economic growth (SO2 and SO3), two areas which could be expanded easily based on current program planning. Secondarily, funds would be directed toward basic education (TO1), where our scarce grant monies could undoubtedly be rapidly programmed to complement the large World Bank investment anticipated during CY95.

b. **20% Funding Decrease:** The Mission will make every attempt to absorb decreases in resource levels portfolio-wide so as to have minimal negative impact on attainment of our strategic objectives. A 20% reduction (from $28 to $22 million) would force some reordering of priorities within the non-earmarked areas. Given that our economic growth SO3 already is pared back to a minimum level, reductions in funding most likely would be applied first in democracy and basic education, then in the environment SO2.

3. Program Management Requirements

As noted previously, in connection with the development of the new strategy, the Mission recently reorganized its operating units around program priorities. The Mission now has offices built around programs in (1) population, health and human resources, (2) environment, and (3) economic growth. Democracy/governance initiatives are managed in the program office. This reorganization has taken into account projected OYB, OE, and FTE levels, implementation requirements at those levels, and the need for greater efficiency in overall operations.

At these projected levels, and given current portfolio size ($278 million in LOP, plus $100 million for the HG program), to phase-out activities outside strategic emphasis areas, and to design and manage new activities, the Mission will need to maintain an FTE level of 17 USDH (plus the regional housing advisor for a total of 18) during the Action Plan period. This level is down from 24 only two years ago, and has been paralleled by a nearly 15% decrease in FSN and PSC staff levels.

Following are the amounts of funds to be managed by USDH and FSNs over the next three FYs:

- SO1 has three major activities with LOP funding levels of $104 million, plus responsibilities for TO1 in basic education. These programs will be managed by 2 USDH, 1 TAACS, and three senior FSNs.

- SO2 has six activities with an aggregate LOP funding level of $84 million (plus $100 million in HG). This program will be managed by 3 USDH, 1 IDI, and three senior FSNs.

- SO3 has five (soon-to-be six) activities with an LOP funding level of $80 million. This program will be managed by 3 USDH and 2 junior FSNs.

- TO2 (democracy) and one cross-cutting project (DSTS, with a LOP funding level of $10 million) will be managed by the program office, with three USDH, one senior and one junior FSN.

The Management Office provides support functions to the Mission and has 1 USDH and 1 senior FSN. The Office of Financial Management has 2 USDH and one senior FSN. The Regional Contract Office is staffed by 1 USDH and 2 junior FSNs (RCO also has responsibilities for Tunisia).

At present, USAID/Morocco has a core portfolio of fifteen active bilateral projects. Factoring in new starts and planned PACDs, the Mission expects that by the end of FY97, the portfolio and staffing will level off at twelve active projects, with a total LOP of approximately $200 million and 17 USDH.

The Mission believes that the current staffing configuration is the minimum level acceptable for effective management of the portfolio at projected levels. Through implementation of our reorganization plan, which includes downsizing, the Mission has better positioned itself to manage its program in an era of declining OE availabilities. Any further staffing cuts would require a reassessment of priorities and the Mission's capacity to manage for results and plan for new activities.

ANNEXES

Annex A: Figures

F1: Program Objective Tree
F2: Program Activity Tree
F3: Portfolio Timeframe
F4: All Resources Table
F5: Funding Breakout By Strategic Objective

Annex B: Monitoring and Evaluation Tracking System

Annex C: New Activity Description (NAD)

1. Morocco Water Resources Sustainability
2. Microenterprise NAD Approval Cable

Annex D: Performance Monitoring Plan (PRISM)

ANNEX A

FIGURES

Figure 1: Program Objective Tree

Figure 2: Program Activity Tree

Figure 3: Protfolio Timeframe

Figure 4: All Resources Table

Figure 5: Funding Breakout By Strategic Objective

Figure 1

USAID/MROOCCO PROGRAM OBJECTIVE TREE

AGENCY GOALS

- Stabilizing world population growth and protecting human health
- Protecting the environment
- Encouraging broad-based economic growth
- Democracy

MISSION STRATEGIC OBJECTIVES

- Reduced fertility and improved health of children under five and women of child-bearing age
- Improved environmental and natural resource management in selected priority areas
- Expanded base of stakeholders in the economy, targeting people of below-median income
- Targets of Opportunity
  1. Education
  2. Democracy

Program Outcome 1.1: Increased use of integrated FP/MCH services	Program Outcome 2.1: Improved policy, regulatory, and institutional framework	Program Outcome 3.1: Improved policies, reg's, and institutions for creation and expansion of enterprises	Target of Opportunity 1: Improved opportunities for basic educational achievement, especially for rural girls/women
Program Outcome 1.2: Increased sustainability of integrated FP/MCH services	Program Outcome 2.2: Improved environmental technologies	Program Outcome 3.2: Broadened access to and use of financial resources and services, esp. among micro and small enterprises.	Target of Opportunity 2: Increased effectiveness of key institutions in supporting citizens' rights and civic participation
	Program Outcome 2.3: Broadened public participation for environmental action	Program Outcome 3.3: Improved competitiveness of firms which generate employment for below-median-income people	

Figure 2

Strategic Objective 1

Reduced fertility and improved health of children under five and women of child bearing age

Pogram Outcome 1.1

Increased use of integrated FP/MCH services

Program Outcome 1.2

Increased sustainability of integrated FP/MCH services

Supporting (Projects):

Supporting Activities (Projects):

Activ

Family Planning and Child Survival IV Project

Family Planning and Maternal and Child Health (FP/MCH) V Project

- Improved access availability to FP/MCH services
- Improved quality of FP/MCH services
- IEC programs

- Policy reform
- Institution building
- Promotion of delivery of private sector preventive goods and services

Global Support

1. BASICS
2. JHPIEGO
3. PCS
4. AVSC
5. DHS
6. Central Contraceptive Procurement
7. Population Information Project

1. Health Finance and Sustainability
2. OMNI
3. FPLM
4. OPTIONS
5. SOMARC

- FP Evaluation Project
- TAACS

Figure 2

Strategic Objective 2

Improved environemental and natural resource management in selected priority areas

Program Outcome 2.1

Improved policy, regulatory, and institutional framework

Supporting Activities (Projects):

1. Energy Demand Management
2. Environmental New Start
3. Urban Environmental Services
4. Development Studies and Technical Support

Program Outcome 2.2

Improved environmental technologies

Supporting Activities (Projects):

1. Energy Demand Management
2. Environmental New Start
3. Tadla Resources Management
4. ANHI Low Cost Housing Dev.
5. Tetouan Urban Development
6. Dryland Applied Agricultural Research

Program Outcome 2.3

Broadened public participation for environmental action

Supporting Activities (Projects):

1. Energy Demand Management
2. Environmental New Start
3. Urban Environmental Services
4. ANHI Low Cost Housing Dev.
5. Tetouan Urban Development
6. Training for Development

Global/Regional Support

1. PRIDE
2. MERC

Figure 2

Strategic Objective 3

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

Program Outcome 3.1

Improved policies, regulations, and institutions for creation and expansion of enterprises

Supporting Activities (Projects):

1. Agribusiness Promotion
2. New Enterprise Dev.
3. Microenterprise Finance
4. Accessing International Markets
5. Development Studies and Technical Support

Program Outcome 3.2

Broadened access to and use of financial resources and services, especially among micro and small enterprises

Supporting Activities (Projects):

1. Agribusiness Promotion
2. New Enterprise Dev.
3. Microenterprise Finance
4. Loan Guarntee Fund
5. Training for Development
6. Urban Environmental Services
7. Economic Policy Analysis Support

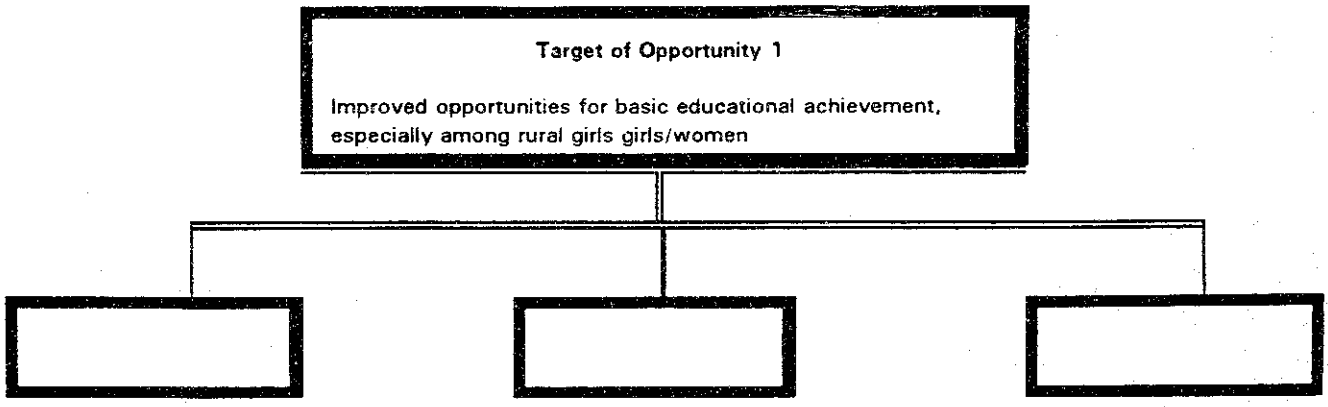
Program Outcome 3.3

Improved competitiveness of firms which generate employment for below-median-income people

Supporting Activities (Projects)

1. Agribusiness Promotion
2. Privatization Sector Assistance
3. Private Sector Export Promotion
4. Accessing International Markets
5. Training for Development

Figure 2



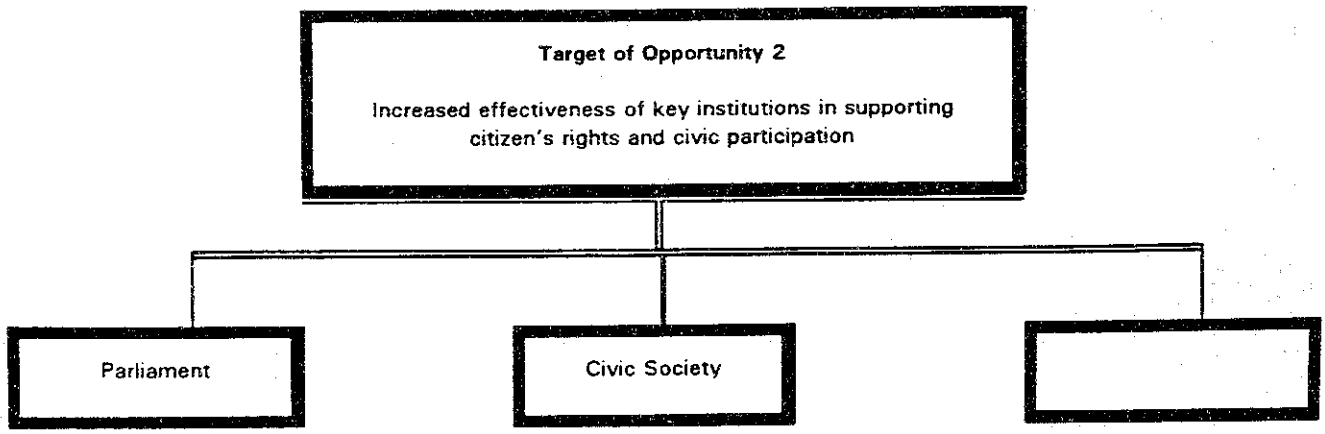
Supporting
Activities (Projects):

Development Studies and Technical Support Project

Training for Development Project

ABEL2 (central)

Figure 2



Supporting activities

Development Studies and Technical Support Project

Training for Development Project

1. Parliamentary Support

2. Support to NGOs and municipal community groups

Figure 3

USAID/ MOROCCO PORTFOLIO TIMELINE

Number	Strategic Objective/ Activity Name	FY 1994				FY 1995				FY 1996				FY 1997			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
	Strategic Objective 1: Reduced fertility and improved health of children under five and women in child-bearing age																
608-0198	Family Planning and Child Survival IV																
608-0223	Family Planning and Maternal and Child Health (FP/MCH) V																

Blank boxes indicate a proposed PACD extension
Shaded boxes indicate activities under the current PACD

5

Figure 3

USAID/ MOROCCO PORTFOLIO TIMELINE

lumber	Strategic Objective/ Activity Name	FY 1994				FY 1995				FY 1996				FY 1997			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
	Strategic Objective 2: Improved environmental and natural resource management in selected priority areas																
8-0193	Energy Demand Management																
8-0213	Tadla Resources Management																
8-0194	Tetouan Urban Development																
8-0200	ANHI Development																
8-0221	Urban and Environmental Services																
8-0136	Dryland Applied Agricultural Research																
8-0222	Water Resources Sustainability																

k boxes indicate a proposed PACD extension

led boxes indicate activities under the current PACD

Figure 3

USAID/ MOROCCO PORTFOLIO TIMELINE

Number	Strategic Objective/ Activity Name	FY 1994				FY 1995				FY 1996				FY 1997			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
	Strategic Objective 3: Expanded base of stakeholders in the economy, targeting people of below-median income.																
608-0210	Morocco Agribusiness Promotion																
608-0219	Accessing International Markets																
608-0191	Economic Policy Analysis and Support																
608-0215	Privatization Sector Assistance																
608-0204	New Enterprise Development																
608-0224	Microenterprise Finance																

Blank boxes indicate a proposed PACD Extension
Shaded boxes indicate activities under the current PACD

Figure 3

USAID/MOROCCO PORTFOLIO TIMELINE

Number	Strategic Objective/ Activity Name	FY 1994				FY 1995				FY 1996				FY 1997			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
	Target of Opportunity 1: Improved opportunities for basic educational achievement, especially among rural girls/women																
608-0214	Development Studies and Technical Support																
608-227	Basic Education																
	Target of Opportunity 2: Increased effectiveness of key institutions in supporting citizens' rights and civic participation																
608-0214	Development Studies and Technical Support																
608-0208	Training for Development																

Blank boxes indicate a proposed PACD extension

Shaded boxes indicate activities under the current PACD

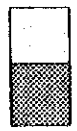


Figure 4

ALL RESOURCES TABLE
USAID/MOROCCO
($000)

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development:			
Economic Growth	4,120	11,350	10,500
Population	12,638	9,600	9,600
Environment	1,650	5,624	6,474
Democracy	100	1,290	1,290
Sub-Total	18,508	27,864	27,864
Economic Support Funds	0	0	0
PL 480			
Title II	0	0	0
Title III	0	0	0
Housing Guarantee (HG) Program	20,000	20,000	20,000
Grand Total	38,508	47,864	47,864

Figure 5

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/MOROCCO
($000)

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

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development Account:			
Economic Growth	2,620	2,800	2,800
Population	12,638	9,600	9,600
Environment	0	0	0
Democracy	0	0	0
Economic Support Funds	0	0	0
PL 480			
Title II	0	0	0
Title III	0	0	0
Other (e.g., HG)	0	0	0
Grand Total	15,258	12,400	12,400

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/MOROCCO
($000)

Strategic Objective 2:
Improved Environmental and Natural
Resource Management in Selected Priority Areas

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development Account:			
Economic Growth	0	0	0
Population	0	0	0
Environment	1,650	5,624	6,474
Democracy	0	0	0
Sub-Total	1,650	5,624	6,474
Economic Support Funds	0	0	0
PL 480			
Title II	0	0	0
Title III	0	0	0
Housing Guarantee (HG) Program	20,000	20,000	20,000
Grand Total	21,650	25,624	26,474

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/MOROCCO
($000)

Strategic Objective 3:
Expand Base of Stakeholders in the Economy,
Especially Targeting People of Below-Median Income

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development Account:			
Economic Growth	1,500	6,550	5,700
Population	0	0	0
Environment	0	0	0
Democracy	0	0	0
Economic Support Funds	0	0	0
PL 480			
Title II	0	0	0
Title III	0	0	0
Other (e.g., HG)	0	0	0
Grand Total	1,500	6,550	5,700

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/MOROCCO
($000)

Target of Opportunity 1:
Increased Effectiveness of Key Institutions
in Supporting Citizens' Rights and Civic Participation

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development Account:			
Economic Growth	0	0	0
Population	0	0	0
Environment	0	0	0
Democracy	100	1,290	1,290
Economic Support Funds	0	0	0
PL 480			
Title II	0	0	0
Title III	0	0	0
Other (e.g., HG)	0	0	0
Grand Total	100	1,290	1,290

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/MOROCCO
($000)

Target of Opportunity 2:
Improved Opportunities for Basic Educational Attainment, Especially Among Rural Girls/Women

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development Account:			
Economic Growth	0	2,000	2,000
Population	0	0	0
Environment	0	0	0
Democracy	0	0	0
Economic Support Funds	0	0	0
PL 480			
Title II	0	0	0
Title III	0	0	0
Other (e.g., HG)	0	0	0
Grand Total	0	2,000	2,000

ANNEX B

MONITORING AND EVALUATION TRACKING SYSTEM

(To Be Provided At A Later Date Pending Issuance Of Guidance)

ANNEX C

NEW ACTIVITY DESCRIPTION

WATER RESOURCES SUSTAINABILITY

ACTIVITY NUMBER (608-0222)

NEW ACTIVITY DESCRIPTION
WATER RESOURCES SUSTAINABILITY
ACTIVITY NUMBER (608-0222)

Background: USAID/Morocco's new environmental start in Fiscal Year 1995, the Water Resources Sustainability (WRS) activity, will have a seven-year implementation period and an estimated USAID contribution of $12 million.

The new activity builds upon work done in the irrigation, industrial, and urban sectors by the Mission's Tadla Resources Management (TRM), Energy Demand Management/Clean Technology (EDM) and Urban Environmental Services (UES) activities, as well as the linkages established with the newly formed, cabinet-level environmental agency, the Ministry of the Environment (ME). Because of its strong relationship with the ME, the Mission is in an excellent position to influence the GOM's environmental strategies and plans.

Strategic Objective: The proposed WRS activity will become the centerpiece of the Mission's environmental effort. As such, it fits squarely within the Mission's strategic approach to tackling the most pressing environmental problems. Like most developing countries, Morocco is beset with a myriad of environmental concerns. To help focus USAID's activities on the most important problems, and on interventions with the greatest likelihood of having measurable impact, the Mission systematically undertook several analytical studies over the past two years. The latest of these, the Morocco Environmental Options Analysis, provides the Mission with a rough-order quantification of environmental problems in the country and several possible environmental project options.

The theme of water -- the lack of prudent water management and the negative effects of water pollution -- runs throughout the Options analysis. Water thus provides the common and unifying theme for all activities under the WRS project. Water is undoubtedly the most important of Morocco's natural resources, and its mismanagement is a pressing concern. The quality of this key resource is declining as a result of water pollution from agriculture, urban, and industrial sources, posing a threat to economic, ecosystem and human health. Accelerated water erosion of soil caused by deforestation is also a major contributor to water supply and quality problems. Water has always been a vital factor in Morocco's economic and social development and its depletion and degradation is clearly the principal problem to be addressed to achieve the Mission's environmental strategic objective.

Building on the close relationship that it has developed with the Ministry of the Environment, the Mission has a tremendous opportunity to leverage its funding resources to advance the objectives and envisaged outcomes of Strategic Objective Number 2, "improved environmental and natural resource management in selected priority areas." USAID will focus on pilot activities which can be

replicated by the Government or private sector, once innovative and successful approaches have been demonstrated. The new Ministry of the Environment is looking to USAID to provide ideas and tested interventions which can be the basis for activities under very large environmental loans from international, regional and bilateral lending institutions.

Purpose: to improve water management and address pollution problems by identifying and implementing pilot projects which focus on the policy/regulatory and institutional framework, technology, and community participation.

Activity Impacts: an improved capability on the part of the ME to coordinate environmental activities in the country, with emphasis on water-related issues; declines in the amounts of pollutants entering the water-table, reservoirs, rivers, and the sea; improved management of water by men and women, and by industry and local government authorities; increased involvement of NGOs and other community groups in the identification of environmental problems, and their enhanced ability to design and implement activities to solve these problems; and a legal, regulatory framework that is acceptable and enforceable.

Much of the impact will be through leveraging funds -- pilot interventions will be developed in close collaboration with a more efficient and stronger ME. In addition to solving a local or regional problem (such as decreasing outflow of industrial effluents into the Sebou River in Fez), pilot projects will be designed with replicability in mind. In the policy arena, the WRS activity will support the ME to develop national reference regulations and a legal framework for water management and use. At the end of this seven-year activity, USAID expects to leave in place a dynamic and effective public and private sector environmental establishment which is able to sustainably manage water and other important resources.

Activity Description: State-of-the-art assistance, particularly where the U.S. has a comparative advantage, will be based on improvements in the policy, regulatory and institutional framework, the introduction of new environmental technologies, and increased public participation for environmental action.

The WRS activity will have four basic components:

-Institutional strengthening and a policy/regulatory component: WRS will strengthen the ability of the ME to carry out its mandate -- the management and coordination of environmental activities within Morocco. It will provide technical assistance to build up the ME's capacity to serve as the GOM's lead organization for environmental management. WRS will continue to support current USAID-funded work on the development of norms and standards for effluent discharge; and will help to identify and initiate other relevant regulations and environmental policies. It also will assist

in the development of new ME partnerships with local governments in pursuit of environmental objectives.

-Pilot field projects: WRS will be an advocate for the introduction and use of new and improved environmental technologies -- in the areas of pollution prevention, low cost and innovative liquid waste disposal and recycling and erosion control, among others.

-NGO/community groups: WRS will work with local environmental NGOs and other community organizations -- increasing their ability to identify and solve local environmental problems. The Mission currently is initiating a complementary "target of opportunity" in the democracy area which seeks to increase local groups' capacity to work together and act in the community interest.

-Education and training: WRS activities will include close collaboration with the Ministry of Education, through the ME, to develop educational programs to increase public awareness of environmental management and problems. In addition, working with the Mission's Training for Development activity, WRS will provide public and private sector people with training courses, both in Morocco and the U.S.

GOM and Other Donor Programs: With modest support from UNDP and the World Bank, the ME was able to get up and running. Its mandate is clear -- to articulate the national environmental strategy, to coordinate donor assistance, and to coordinate environmental activities undertaken by other Ministries. The ME is currently completing in-depth studies of Morocco's seven regions which will result in an analysis of environmental problems followed by a national environmental strategy.

USAID/Morocco is in an excellent position to influence the newly formed ME and the country's environmental strategy. For the past two years, the ME has looked to USAID to help it develop as an institution, and to jointly design a high-impact environmental project. Expectations and enthusiasm on the part of the ME are high, based upon its willingness to cooperate with USAID, to provide input to project design and implementation, and to extend local successes to the national level. ME staff, for the most part, are young and enthusiastic, but lack operational experience. The WRS activity can give them the positive experience they need.

USAID has developed excellent working relationships with all of the major donors in the environment -- IBRD, the UN, the EU, the Germans and the French. The Mission supported the feasibility study for the World Bank's loan for the establishment of the ME in 1991. We also worked with the EU to ensure that their olive oil industry intervention in Fez would likely complement potential USAID work there. USAID will continue to coordinate with other donors to assure that our efforts are complementary.

Implementation: The Mission believes that this new activity lends itself perfectly to task order contracting, the preference for which is prescribed by the Federal Acquisition Streamlining Act of 1994. It is our intention to award a performance-based Task Order Contract through full and open competition. Under such a contracting mode, we will have the flexibility to fund results-oriented delivery orders that will provide technical assistance, pilot projects, studies, study tours, and new technologies for discrete activities.

In partnership with the ME, local governments, NGOs, and others, the contractor will provide the terms of reference and inputs needed to develop solutions for targeted interventions. The delivery orders will require minimum Mission management to review the terms of reference, ensure that the budget is adequate, and issue an order for the activity. Individual delivery orders can be issued for activities anywhere within Morocco, with specific partners, i.e., local governments, NGO's, ME, etc., for the activities.

We anticipate that the contractor will have one expatriate, as Chief of Party, who will work with all partners to identify those interventions that the activity will fund. In addition, the Task Order Contract will allow for long- and short-term technical assistance accessible through delivery orders.

In addition to the Task Order Contract, a second innovation is that the Activity Authority Document will be written such that it will be used as the statement of work for the contractor and as Annex 1 of the Agreement with the Government. This expedited procedure will increase the efficiency of design and implementation formalities because separate PIO/Ts and PROAGS will not need to be written.

Project Design Schedule: The Mission already has completed the Environmental Options Analysis. This innovative report's analysis of Moroccan environmental problems and potential interventions guided the Mission in focusing this activity. In addition, earlier USAID project experience and in-depth, systematic analyses, provided the Mission with extensive background information on many aspects of environmental problems in the country.

The Mission requests delegation to the field of authority for obligation of funds. After NAD approval and granting of redelegation of authority to the field, the Mission will begin to prepare the Activity Authorization Document, for approval in the field. The Document will be completed by the end of June, and the authorization completed during August. The PROAG will be signed by the Ministry of the Environment acting on behalf of the GOM by the end of August, 1995. Some local technical assistance may be needed to further refine certain technical aspects of the activity design.

Management Requirements: Overall guidance and quality control for this activity will be provided by USAID/Morocco's Environmental

Program Committee. Under direction of this Committee, a USDH environmental officer will be charged with the day-to-day responsibility for managing the WRS activity. Other Mission staff will have direct roles to play in the implementation of the project -- particularly the Regional Contracting Officer and the Mission Controller. Other technical offices also will be involved in the project -- especially the Mission's Office of Environmental and Urban Programs.

INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Morocco

Project Title: Water Resources Sustainability

Project Number: 608-0222

IEE Prepared by: Rick Scott, USAID/Morocco/MEO

Recommended Environmental Threshold Decision: Negative Environmental Determination, pursuant to 22 CFR 216(a)(3)(iii)

It is considered that the proposed project will not have a significant negative effect on the environment and no further pre-authorization assessment is required.

Michael Farbman, Director

March 7, 1995

Clearance: James Hradsky, D/DIR
Alan Hurdus, Chief/ENR

Initial Environmental Examination

Morocco Water Resource Sustainability (WRS)

608-0222

I. Introduction

In accordance with USAID Environmental Regulations, 22 CFR Part 216, this Initial Environmental Examination has been prepared in support of the New Activity Description (NAD) for the Water Resources Sustainability Activity transmitted to USAID/W on 3/10/95 as part of the USAID/Morocco Country Program Strategy and Action Plan for the period 1995-2000.

USAID/Morocco proposes to design an activity that will address environmental problems in the country. The activity is216 part of the Mission's approach to addressing environmental problems in Morocco and it fits within Strategic Objective #2, "improved environmental and natural resource management in selected priority areas."

For reasons described below, this IEE recommends a Negative Environmental Determination for this activity on the grounds that it will not have a significant negative effect on the environment. As envisaged, the activity will:

1. Provide technical assistance for public and private sector institution strengthening, training, and education - all of which, pursuant to 22 CFR 216.2(c)(i), (v), (vii), and (xiv), are categorically excluded from Initial Environmental Examinations, and,

2. Implement pilot field activities which will have a significant beneficial environmental impact.

II. Existing Situation:

Many of Morocco's critically important ecosystems are in jeopardy because of resource mismanagement. Irrigated agricultural ecosystems are at risk due to unsustainable water management practices and agricultural pollution. Industrial waste from processing and manufacturing activities is so serious on the Sebou River below the city of Fez, for example, that a 35-km stretch of the waterway is virtually "dead" during certain seasons of the year. Massive effluent discharges from Morocco's phosphate processing plants into the Atlantic are thought to have caused the migration of the sardine fishery significantly to the south.

Polluted water and air and unsanitary waste disposal are major threats to human health. Other industrial processes spew toxic emissions and effluents into the air and water. Unplanned urban

squatter settlements are the principal source of the garbage problems which directly impact human health. The problem is compounded by the dumping of raw sewage into rivers and the seas. The Fez area has a local reputation as a center for cholera because of urban and agricultural wastes polluting Sebou tributaries.

Wasteful use of resources erode industrial competitiveness and endanger exports to countries with strict environmental regulations. Moreover, industrial effluents pose serious health hazards in Morocco's most populated watersheds and downstream areas, impacting on worker productivity.

Demand for fuelwood is also contributing to erosion and siltation problems and to the growing problem of desertification.

On the institutional side, Morocco has a history of few, if any, reasonable and enforceable regulations concerning any aspect of the environment and public awareness of the problem is very low.

Indications are, however, that environmental problems are being taken more seriously than they were just two years ago. At that time, with a loan from the World Bank, the GOM set up the Undersecretariat of the Environment (USE). The USE was a cabinet level agency charged with the responsibility of coordinating Morocco's analysis of and strategy for dealing with environmental problems. The USE used a grant from UNDP and support from GTZ to launch a series of regional "monographs" or series of in-depth studies of the environmental situation in each region. This will soon result in a comprehensive national strategy on the environment. Coupled with this work, the German GTZ established an environmental laboratory to provide state-of-the-art analyses to back up field testing of soil, water, air and other environmental resources.

As a much-welcomed and stronger indication of its commitment to environmental mitigation, the GOM, at the beginning of March, 1995 created a separate Ministry of the Environment (ME), which essentially folds in the USE.

The new ME is staffed by highly qualified, but inexperienced professional staff. Few, if any, comprehensive, acceptable, and enforceable rules and regulations for the environment exist. National laws regulating new investments (such a environmental impact assessments) are not yet finalized, nor are staff available to carry them out. Increasingly, also, international donors are taking an interest in Morocco's environmental problems, and the ME is having problems directing these funds.

Finally, although consciousness of environmental problems is growing, and new community organizations and NGOs are appearing, much needs to be done to educate people and to facilitate strengthening of these NGOs.

As described below, the WRS activity will: directly deal with

strengthening Morocco's institutional ability to identify and solve environmental problems, implement pilot projects to mitigate already identified problems, support NGO and other community groups' attempts to respond to environmental problems, and help increase citizens' awareness through pilot education and training activities.

III. Project Description:

USAID/Morocco, with its counterpart GOM agency, the Ministry of Environment, has undertaken several environmental studies over the past two years to determine where USAID can achieve the highest positive impact in the environmental arena. The Mission has used these studies and the recently completed Environmental Options Analysis to conclude that the issue of water -- its quality and its quantity -- makes the most sense for a USAID intervention. The Ministry of Environment, which has participated in several of the studies and, most importantly, in the Options Analysis, is fully supportive of this conclusion.

In continued close collaboration with the ME, WRS will address selected environmental problems, with water as a unifying theme. The activity will have four components:

- ✓ **Institution strengthening:** USAID support will go to the receptive and enthusiastic Ministry of Environment to help streamline management and make it more efficient. Support will be targeted towards mutually identified inefficiencies. Telecommunications and computer hardware and software may be part of the assistance package. This component will also include working with the ME on the development of national environmental rules, regulations and laws, including norms and standards for industrial effluent discharge into rivers, as an example. A requirement for an environmental assessment framework for new investment projects is being considered. The ME has discussed with the Mission the possibility of using the USAID model for Morocco. If so, USAID will provide training to both public and private sector in the IEE, EA, and EIS process.

- ✓ **Pilot Field Projects:** USAID, with the ME, will identify targets of opportunity where state-of-the-art, cost-effective US assistance can help remedy identifiable water-related problems, such as toxic emissions into the Sebou River in Fez. This component will have a direct positive effect on the environment. A major objective of the field project component is to provide examples of strategies that work to the GOM and the donor community.

- ✓ **NGO/community groups:** USAID, with the ME, will

identify NGOs, other community groups, and industry associations already involved in or showing interest in the environment. Assistance will be provided to selected organizations, with the objective to enhance community participation in both problem identification and solution. WRS will build upon the experiences of USAID's continuing Energy Demand Management/Clean Technology Project which has formed a cement industry association that focusses on mitigation of environmental problems caused by the industry.

✓ **Education/training:** WRS will sponsor in-country and US training and study tours for both public and private sector representatives. With water as the theme, the project will also work with the Ministry of Education to develop a pilot "environmental" school curriculum to be replicated throughout the country.

IV. Recommendations for USAID Design:

USAID/Morocco should assure that the positive and mitigatory nature of all project activities is stressed throughout the activity, by keeping in mind the following points:

WRS should work with the new Ministry of Environment to increase its managerial efficiency and to develop new and workable rules and regulations concerning the environment in the country.

WRS pilot field projects should be designed to be replicable and, to the extent possible, be implemented nationally by the GOM or other donors.

USAID should work with the ME to increase its ability to prioritize environmental activities, to collect and make sense out of environmental data, and to direct donor assistance.

USAID should work with the ME to developing appropriate training courses for the women and men who work there. This will include training ME and private sector staff in the implementation of Initial Environmental Examinations, Environmental Assessments and Environmental Impact Statements for investment projects by local and foreign entities. Should any identified field activity be identified as requiring environmental assessments or an Environmental Impact Statement, it will be used as a practical training session for GOM and private sector counterparts.

V. Conclusion

The WRS in itself will be an ongoing environmental assessment. USAID, with the ME, will keep abreast of all environmental activity in the country and USAID assistance will help the ME react efficiently to mitigate problems as is possible and appropriate.

Much of the project activities will be devoted to training, policy development, and institution building- activities which are all subject to Categorical Exclusion from Initial Environmental Examinations, pursuant to 22 CFR 216.2(c)(i),(v),(vii), and (vix).

One of the four project components will have a direct effect on the environment - but the effect will be positive.

Therefore, pursuant to 22 CFR 216(a)(3)(iii), USAID/Morocco recommends a Negative Environmental Threshold Decision for the WRS.

ANNEX A

WATER RESOURCES SUSTAINABILITY ACTIVITY (608-0222)
PRELIMINARY LOGICAL FRAMEWORK

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Strategic Objective: Improved environment and natural resource management in selected areas.	Measures of Goal Achievement: - reductions in the amount of harmful residues in water - improved water management strategies - increased national and local capacity to identify environmental problems and take appropriate action	World Bank figures GOM figures Industry records USAID research	- GOM continues to support environmental activities. - Political will present at local and national levels to develop and enforce standards.
Activity Purpose: To improve water management and address pollution problems by identifying and implementing appropriate pilot projects which focus on the policy/regulatory and institutional framework, technology, and community participation.	End of Activity Status: - Sustainable market in place for the provision of environmental technologies and services after PACD - NGOs and local community organizations increasingly more visible and active in environmental matters and demonstrating the ability to assess local problems and take appropriate action - Reduced toxic emissions into rivers - GOM emission and effluent norms and standards and other appropriate policies and regulations in place	Independent review GOM figures USAID research	- industry continues to demand reasonable regulations -GOM continues to support environmental activities
Impacts: Strengthened and efficiently operating Ministry of Environment. Increased numbers of NGO and other community organizations able to identify environmental problems and design and implement solutions. Training in environmental management and engineering to private sector and public sector representatives. Pilot environmental basic education course offered in Moroccan schools. Relevant policies and regulations drafted and promulgated as appropriate. New, pollution prevention/clean technology solutions adopted in selected industries. Increased knowledge base for the GOM in environmental matters.	Magnitude of Impacts: - yearly meetings of National Environmental Council with actionable recommendations planned and run by the Ministry for the Environment - at least three industry associations functioning with environmental technology transfer as their focus/ at least 4 NGOs demonstrating ability to assess local environmental problems and take community oriented action to solve them - Curriculum upgraded at 3 engineering institutions; 30 p/m U.S. short courses and internships - pilot basic education curriculum in the environment developed and implemented. 60 pm of environmental training provided to public and private sector representatives, especially women - policies and regulations drafted for water quality norms and standards, fuelwood use for industrial and commercial enterprises, industrial effluent norms and standards - 25% reduction in toxic emissions to Moroccan rivers - at least 10 studies completed with the objective of better equipping the GOM to analyse and make prudent decisions about environmental activities	USAID research GOM reports/figures World Bank reports/studies	- GOM committed to internal coordination of policies and activities - Users amenable to audits, demonstration projects, and special projects - Ministry of Education willing to try pilot project

TABLE 1.b: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 1.2

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COST OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Strategic Objective No.1 : Improved Health of Children Under Five and Women of Child Bearing Age Program Outcome 1.2 : Increased Sustainability of FP/MCH Services						
1. Increased Proportion of Operating Costs (Including Contraceptives) Associated with USAID FP/MCH Program Financed by the GOM	Annual calculation of host country contribution to USAID/Morocco FP/MCH program	MOPH Annual detailed budget and records of MOPH expenditures for contraceptives.	Annual review of MOPH budget projections (future year) and expenditures (current year).	Annual.	Cost: 10 staff days p.a. to collect and report information.	Office of Population, Health and Human Resources (PHHR).
2. Increased Percentage of FP Users Getting Contraceptives in the Private Sector	FP users getting contraceptives in the private market as a percentage of total FP users	DHS - data of good quality.	One way to increase sustainability is to have the private sector pick up a larger share of service provision.	1992, 1995 and 1997	Cost: 1992 - $500,000; 1995 - $300,000; 1997 - $600,000 Source: Buy-in	Office of Population, Health and Human Resources (PHHR)

TABLE 1.b: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 1.2

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Proxy 2.1 Increased Private Sector Share of the Condom and Oral Contraceptives Market	Ratio of commercially distributed pills and condoms to MOPH-provided pills and condoms, translated into CYP	IMS data through SOMARC, MOPH service statistics.	This is a proxy for the indicator above because data can be collected annually. The DHS can be expected to provide a more accurate picture of the private sector share.	Annual, by calendar year	SOMARC purchases and provides at no cost	Office of Population, Health and Human Resources (PHHR)
3. Increased Percentage of Target Population Completely Vaccinated by MOPH Under GOM-Financed Program	Percentage of target population completely vaccinated with 3 DPT, 1 measles, 1 Polio, 1 BCG	MOPH service statistics - of reasonably good quality; DHS for two years. The two sources could differ so MOPH data will be collected each year and DHS data will be used to confirm Ministry data. Discrepancies will be analyzed.	Donor support is being withdrawn from immunization, and the MOPH has developed a vaccine capitalization fund in order to buy vaccines from its own resources. If current high levels of vaccination are maintained, this is a sign that the Ministry has sustained its vaccination program.	Ministry service statistics are annual, reported on a calendar year basis; DHS done in 1992, 1995 and 1997	Cost: DHS $500,000 in 1992; 1995- $300,000; 1997- $600,000	Office of Population, Health and Human Resources (PHHR)
Comments/Notes:						

TABLE 2: BASELINE AND PERFORMANCE TARGETS FOR STATEGIC OBJECTIVE 1.

STRATEGIC OBJECTIVE, PROGRAM OUTCOMES/SPECIFIC RESULTS	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS							CRITICAL ASSUMPTIONS
			1993	1994	1995	1996	1997	1998	1999	
Strategic Objective No. 1: Reduced Fertility and Improved Health in Children Under Five and Women of Child Bearing Age										
Indicators:										
1. Total Fertility Rate *	1. The average number of children that would be born alive to a woman during her lifetime if she were to pass through all her childbearing years conforming to the age-specific fertility rates of a given year	1992 (4.2) Targets= Measured=	4.1	4.0	3.9	3.8	3.7	3.6	3.5	Socio-political environment remains favorable toward family planning. There are no major epidemics or natural disasters. Economic conditions continue to improve.
2. Infant Mortality Rate *	2. Annual number of deaths of infants under the age of one per thousand live births	1992 (57) Targets= Measured=	55.5	54	52.5	51	50	49	48	
3. Child Mortality Rate *	3. Annual number of deaths of children aged one through four years per total population of the same age	1992 (20) Targets= Measured=	19.5	19	18.5	18	17	16.5	16	
4. Maternal Mortality Rate *	4. Annual number of deaths of women per 100,000 live births	1992 (326) Targets= Measured=	-	-	-	-	-	-	245	

Note:
1. Demographic and Health Survey (DHS) required to measure performance. Interim DHS scheduled early CY 95. Prelim. results will be available June 1995. Note that methodology for measuring maternal mortality permits statistically significant analysis only once per 5 years or more.

TABLE 2.a: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 1.1

STRATEGIC OBJECTIVE, PROGRAM OUTCOMES/SPECIFIC RESULTS	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS							CRITICAL ASSUMPTIONS
			1993	1994	1995	1996	1997	1998	1999	
Program Outcome No.1.1: Increased Use of FP/MCH Services										
1. Increase in the Contraceptive Prevalence Rate *	1. Percent of married women of child-bearing age (15-49) currently using contraceptives, disaggregated by long-term/short-term modern methods	1992 (41,5) (LT=6) (ST=30) Total Targets= LT ST Measured=	 43 7 30	 44.5 8 31	 46 9 32	 47.5 11 33	 49 11 34	 51.5 12 35	 54 13 36	No major reorganizations of the MOPH, disrupting services
1.1. Increase in Couple Years of Protection-Public Sector	1.1. Measured using MOPH service statistics, converting long-term/short-term products distributed to CYP: sterilization=10cyp; 1 Norplant=3.5 CYP; 1 IUD=3.8 CYP; 15 cycles of pills=1 CYP; 150 condoms=1 CYP	1991 LT=208,956 Targets= Measured=	 250,747 298,128	 309,896	 361,075	 433,291	 519,949	 623,938	 748,726	20%/Year
		ST=448,149 Targets= Measured=	 463,834 463,834	 480,068	 496,075	 514,261	 532,260	 550,889	 570,170	3.5%/Year
1.2. Increase in Couple Years of Protection- Private Sector	1.2. Measured as in 1.1 for pills and condoms only, sold by wholesalers to retailers, using sales statistics	1991= 243,278 Targets= Measured=	 200,001 300,086	 303,352	 316,800	 330,253	 343,704	 358,483	 372,822	Use of LT methods increases relative to orals.
	1.3 Couple years of Protection-USAID Social Marketing Program	1992= 33,982 Targets= Measured=	 75,000 95,238	 90,000	 100,000	 105,000	 110,000	 115,000	 120,000	
2. Improved Contraceptive Use Effectiveness Rate *	2. One minus the probability that a woman would get pregnant while using contraceptives	1992(89%)	89.0	89.5	89.5	90.0	90.5	91.0	91.5	
3. Increased Percentage of Demand for Family Planning Satisfied	3. Married women currently using a contraceptive method as a % of total demand for family planning where total demand=unmet need + current users, including method failures.	1992 Total=69 Spacing=67 Limiting=72 Targets= Measured=	T=70 S=70 L=72	T=71.5 S=69 L=73	T=73 S=71 L=74	T=74.5 S=73 L=75	T=76 S=75 L=76	T=77.5 S=77 L=77	T=79 S=79 L=78	

TABLE 2.a: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 1.1

STRATEGIC OBJECTIVE, PROGRAM OUTCOMES/SPECIFIC RESULTS	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS							CRITICAL ASSUMPTIONS
			1993	1994	1995	1996	1997	1998	1999	
4. Increased Percentage of Pregnant Women Receiving Qualified Pre-natal Care*	4. Percentage of women seeing an MD, nurse or midwife at least once for pre-natal care and receiving one tetanus toxoid injection	1992=32 Targets= Measured=	36.5	35	38	41	44	47	50	
5. Increased Percent[illegible] Diarrheal Disease Cases P[illegible]vided with ORS*	5. Percent of children under five who had diarrhea in the previous two weeks and who were treated with ORS sachet or home solution	1992=16.5 Targets= Measured=	18	19.5	21.5	23.5	25.5	27.5	30	
5.1. Increased Number of New Diarrhea Cases Treated at MOPH Facilities	5.1. MOPH service statistics reporting of new and serious diarrheal disease cases	New cases 1992 615,955								
		Targets= Measured=	800,000 948,639	1,000,000	1,200,000	1,400,000	1,600,000	1,800,000	2,000,000	
5.2. Decreased Number of Serious (Class C) Cases Treated at MOPH Facilities		Serious cases 1992=2755								
		Targets= Measured=	2500 2188	2300	2100	1900	1700	1600	1500	

* Requires DHS

TABLE 2.b: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 1.2

STRATEGIC OBJECTIVE, PROGRAM OUTCOMES/SPECIFIC RESULTS	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS							CRITICAL ASSUMPTIONS
			1993	1994	1995	1996	1997	1998	1999	
Program Outcome No.1.2 : Increased Sustainability of MCH/FP Services										Government will continue to support private sector provision of services.
Indicators: 1. Increased Proportion of Operating Costs (Including Contraceptives) Associated with USAID FP/MCH Program Financed by GOM.	1. Annual calculation of host country contribution to USAID/Morocco FP/MCH Program	1993 = 40% Targets = Measured =	40 40	47	54	61	68	75	83	Government continues to buy vaccines. 1998 - 75 1999 - 82
2. Increased Percentage of FP Users Getting Contraceptives in the Private Sector*	2. FP users getting contraceptive in the private market as a percentage of total FP users	1992 = 37 Targets = Measured =	39	41	43	45	47	49	50	
2.1. Increased Private Sector Share of the Condom and Oral Contraceptives Market.	2.1. Ratio of commercially distributed pills and condoms to MOPH-provided pills and condoms, translated into CYP	1991 = 26 Targets = Measured	28	29	30	31	32	33	34	
3. Increased Percentage of Target Population Completely Vaccinated by MOPH Under GOM-Financed Program.*	3. Percentage of target population completely vaccinated with 3 DPT, 1 measles, 1 Polio, 1 BCG	1992 = 77.5 Targets = Measured =	77.5	77.5	77.5	77.5	77.5	77.5	77.5	

NB: DHS baseline data for 1992 represent an annual average for the period 1987 to 1992

TABLE 1: PERFORMANCE MONITORING PLAN FOR STRATEGIC OBJECTIVE 2

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Strategic Objective No. 2: Improved Environmental and Natural Resource Management in Selected Priority Areas						
1. Reductions in the amount of harmful residues in water (e.g., industrial, urban and agricultural pollutants).	1.a) Measured as reduction (25%) in amount of chrome released by tanneries into target Moroccan rivers.	Ministry of the Environment (ME) Environmental Observatory and Laboratory. High quality data.	Part of annual data provided by ME.	Annual	GOM -ME	ENR
	1.b) Measured as reduction (25%) in the amount of nitrate in the ground water in targeted areas of the Tadla Perimeter.	Tadla Resources Management (TRM) Project water quality monitoring system. High quality data.	Part of normal project monitoring.	Monthly	Minimal once GIS system in place.	ENR
2. Increased percentage of poor, urban families living in areas with access to sanitary waste removal (sewers, garbage) and potable water systems.	2. Measured as a percentage increase (35%) of the total number of poor urban households.	Administrative records/surveys of regional utility companies and the National Housing Agency (ANHI). High quality data.	Site surveys and beneficiary files.	Annual	No dollar cost. Staff time to collect data and make analyses.	EUP
3. Increased water conveyance efficiency.	3. Measured as increased percentage of the water released into irrigation systems which is delivered to outlets for use by crops.	TRM flow monitoring system. High quality data.	Part of normal project monitoring. Automatic flow measurement devices will transmit real time data of water flows from selected sites.	Real time measurements summarized on weekly basis.	Minimal once flow monitoring system installed.	ENR
4. Reduction in the rate of erosion.	4. Reduced amount of soil erosion in target areas measured by sediment inflow. Measured in grams soil/liter of water and extrapolated to tons soil/km2/year.	Project monitoring system installed in selected locations. High quality data.	Sampling water for sediment content in gauging stations.	Monthly	As above.	ENR
Comments/Notes:						

Table 1.a: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 2.1

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Strategic objective No. 2: Improved Environmental and Natural Resource Management in Selected Priority Areas Program Outcome 2.1: Improved Policy, Regulatory, and Institutional Framework						
1. National capacity increased to assess and respond to environmental issues.	1.a) ME convenes semi-annual meetings of the National Council of the Environment.	ME/USAID.	USAID attends and monitors quality of meetings.	Semi-annual	Nil	ENR
	1.b) ME directs and manages donor assistance in the environment sector.	ME/USAID.	USAID monitoring.	Semi-annual	Nil	ENR
2. Policies and regulations adopted for: - water quality norms and standards - water pricing fuelwood use for industrial and commercial enterprises	- Existence of norms in regulation or other official, written form; enforcement of regulation or law.	GOM official rules and regulations journal. ME statistics.	USAID monitoring	Annual	Nil	ENR
- urban environmental assessments.	- Adoption and use of environmental checklists prior to investment in public works for lower income neighborhoods.	Checklists and issues identified. Reliable.	Interviews, surveys.	Annual	Local IQC under Project 608-0221.	EUP
- industrial and domestic effluent norms and standards.	- Existence of norms in regulation or other official, written form; enforcement of regulation or law.	GOM official rules and regulations journal.	Work with individual firms and tanners associations; comparison with international standards/practices; phased approach following performance targets.	Annual	Project	ENR
3. Local capacity increased to assess and respond to urban/municipal environmental issues.	3. Increase in the number of USAID target cities with improved environmental services delivery systems. Population benefitting will increase from 300,000 to 2.1 million.	Municipalities, ANHI, Municipal Development Fund (FEC). Reliable.	Studies; project monitoring; annual activity reports.	Annual	Local IQC and project contractor.	EUP
Comments/Notes:						

Table 1.b: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 2.2

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Strategic Objective No. 2: Improved Environmental and Natural Resource Management in Selected Priority Areas Program Outcome 2.2: Improved Environmental Technologies						
1. Broadened market for environmental services (e.g., pollution prevention audits, soil tests, chemical residue analyses, etc.).	1. Measured as increase in the number of firms or in amount of business of the environmental services industry.	Industry groups and government statistics.	In addition to industry group and governments statistics. USAID project surveys will be conducted.	Annual	Moderate amount of project funds will be required.	ENR
2. Increased number of household units in poor neighborhoods connected to sewerage and potable water.	2. a) Measured as increased number of poor, urban households connected to sewerage and potable water through USAID programs.	Administrative records and surveys; regional utility companies.	Site surveys and beneficiary files.	Annual	No dollar costs. Staff time to collect data and do analyses.	EUP
	2.b) Measured as increased number of cities with improved garbage collection, landfill and recycling systems.	Urban community and municipality services; FEC. Data reliable.	Records; municipal park surveys; sampling.	Semi-annual	Project funds. Staff time to collect data and do analyses.	EUP
3. Integrated pest management (IPM) practices adopted.	3. Percentage of farmers adopting IPM practices in target areas.	ORMVAT and TRM project monitoring. Good quality.	Surveys.	Semi-annual	Minimal. Subsumed under other surveys.	
4. Increased recycling of chrome in tanneries.	4. 50% of tanners in target areas adopt chrome recycling technologies.	Project monitoring system. High quality.	Questionnaires and surveys.	Annual	Minimal. Project funds.	ENR
5. Increased promotion, dissemination and adoption of state-of-the-art, cost effective environmental technology (especially American).	5. Measured as increase in sales ($) of advanced environmental technologies in Morocco.	Project generated studies and surveys.	Surveys of the envivonmental technology sector.	Annual	Moderate amount of project funds will be required.	ENR/EUP
Comments/Notes:						

Table 1.c: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 2.3

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Strategic Objective No. 2. Improved Environmental and Natural Resource Management in Selected Priority Areas Program Outcome 2.3: Broadened Public Participation for Environmental Action						
1. Strengthened local government capacity to address environmental needs in a collaborative manner with stakeholders.	1. Measured as increased number of municipalities which hold public information sessions prior to investment in environmental infrastructure services.	Municipal governments, ANHI, NGO's and ME.	Meetings attended and studies	Variable	Project funds.	EUP
2. Strengthened local environmental NGOs and other community groups.	2. Measured as increased number of local grassroots NGO's and other community groups effectively assessing environmental problems, advocating solutions and implementing activities.	NGO reports: site visits by USAID and contractor staff: UNDP reports and national NGO meetings	Number of activities through reports; quality of activities through site visits.	Yearly	Three field trips per year (about $5000). From existing projects.	ENR
3. Increased number of viable water users associations managing water resources at the local level.	3. Number of viable water users associations managing water resources and maintaining distribution systems.	TRM project monitoring system; ORMVAT and water users association group data.	Field visits to exisiting associations and ORMVAT reports.	Semi-annual	Low cost.	ENR
4. Environmental training and education programs established.	4.a) Pilot basic education curriculum in the environment developed and implemented. 4.b) Environmental training provided to public and private sector representatives, especially women.	Ministry of Education reports. ME data.	Review of reports; discussion with participants.	Annual	Routine project monitoring.	ENR
Comments/Notes:						

TABLE 2: BASELINE AND PERFORMANCE TARGETS FOR STRATEGIC OBJECTIVE 2

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
Strategic Objective No.2: Improved Environmental and Natural Resource Management in Selected Priority Areas									
Specific Results:									
1. Reductions in the amount of harmful residues in water (e.g., industrial, urban and agricultural pollutants).	1.a) Measured as reduction (25%) in amount of chrome released by tanneries into Moroccan rivers.	1994 100%	100%	95%	90%	85%	80%	75%	- Political will present at local and national levels to develop and enforce standards; tanners adopt pollution prevention practices.
	1.b) Measured as reduction (25%) in the amount of nitrate in the ground water in targeted areas of the Tadla perimeter.	1994 100%	100%	95%	90%	85%	80%	75%	- On-farm water use efficiency improves; over-fertilization of crops is reduced.
2. Increased percentage of poor, urban families living in areas with access to sanitary water removal (sewers, garbage) and potable water systems.	2. Measured as a percentage increase (35%) of the total number of poor urban households.*	1994 60%	60%		70%		80%		GOM maintains commitment to urban infrastructure development and improvement of poor-neighborhoods; financial recources available for local government investment.
3. Increased water conveyance efficiency.	3. Measured as increased percentage of the water released into irrigation systems which is delivered to outlets for use by crops.	1994 72%	72%	72%	80%	85%	90%	90%	ORMVAT (Tadla) makes necessary changes to improve conveyance efficiency. Results are extended to other irrigation perimeters.
4. Reduction in the rate of erosion.	4. Reduced amount of soil erosion in target areas measured by sediment inflow. Measured in grams of soil/liter of water and extrapolated to tons. soil/km2/year.	1994 740 tons/km2/year	740	700	630	580	510	540	Economically and technically feasible practices adopted by farmers.

Comments:

*** Includes slums and clandistine neighborhoods**

TABLE 2.a: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 2.1

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
Strategic objective No. 2: Improved Environmental and Natural Resource Management in Selected Priority Areas Program Outcome No. 2.1: Improved Policy, Regulatory, and Institutional Framework									
Specific Results: 1. National capacity increased to assess and respond to environmental issues.	1.a) ME convenes semi-annual meetings of the National Council of the Environment.	1994 0	0	1	2	2	2	2	ME serves as GOM environmental coordination body.
	1.b) ME directs and manages donor assistance in the environment sector.	1994 No system in place.	No system.	System for vetting and prioritizing donor proposals established.	System tested.	System upgraded.	System in place.		Donor assistance in environment continues and is channeled through the ME.
2. Policies and regulations adopted for: - water quality norms and standards - water pricing - fuelwood use for industrial and commercial enterprises	- Existence of norms in regulation or other official, written form: enforcement of regulation or law.	1994	Baseline	Work with groups involved.	Database completed.	Negotiations and adoption of norms.	Introduction of new regulations	Enforcement of regulations	Political will to enact and enforce regulations exists.
- urban environmental assessments	- Adoption and use of environmental checklists prior to investment in public works for lower income neighborhoods.	1993 system designed.	System tested. 20 sites.	System used on 15 new sites.	System used on 15% of new sites.	System used on 70% of new sites.	System used on 85% of new sites.	System used on 100% of new sites.	Checklist is effective way to assure environmental protection/ mitigation.
- industrial and domestic effluent norms and standards.	- Existence of norms in regulation or other official, written form: enforcement of regulation or law.	1994	Baseline	Work with individual tanners.	Database completed; facilitating sessions between ME and tanners.	Negotiation and adoption of norms. Introduction of new regulations.	Enforcement of regulations.		Political will present in local and national authorities. Tanners willing to adopt clean technology practices.
3. Local capacity increased to assess and respond to urban/municipal environmental issues.	3. Increase in number of USAID target cities with improved environmental services delivery systems. Population benefitting will increase from 300,000 to 2.1 million.	1994 1	1	2	4	7	9	11	Cities have financial and human capacity to improve services measurably.

TABLE 2.b: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 2.2

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
Strategic objective No. 2: Improved Environmental and Natural Resource Management in Selected Priority Areas Program Outcome No. 2.2: Improved Environmental Technologies									
Specific Results:									
1. Broadened market for environmental services (e.g., pollution prevention audits, soil tests, chemical residue analyses, etc.).	1. Measured as increase in the number of firms or in amount of business of the environmental services industry.	1993 100 companies	110	120	140	190	230	300	GOM will introduce environmental protection measures (norms and standards) that will spur demand. Foreign market environmental regulations will get stricter.
2. Increased number of household units in poor neighborhoods connected to sewerage and potable water.	2.a) Measured as increased number of poor urban households connected to sewarage and potable water through USAID programs.	1992 16,200	25,400		35,400		45,400		Financial resources available for local government investment.
	2.b) Measured as increased number of cities with improved garbage collection, landfill and recycling systems.	1994 1	1	2	4	7	9	11	Financial resources available for local government investment.
3. Integrated pest management practices adopted.	3. Percentage of farmers adopting IPM practices in target areas increases.	1994 10%	10%	15%	20%	25%	30%		Cost-effective IPM practices available for most crops.
4. Increased recycling of chrome in tanneries.	4. 50% of tanners in target areas adopt chrome recycling technologies.	1994 0%	0%	5%	10%	20%	35%	50%	Quality of leather maintained or improved in process. Tanners adopt new practices.
5. Increased promotion, dissemination and adoption of state-of-the-art, cost effective environmental technology (especially American).	5. Measured as increase in sales ($) of advanced environmental technologies in Morocco.	1993 $60 million	60	80	100	200	300	400	GOM will introduce environmental norms and standards that will spur the sector. GOM policies will continue to encourage foreign investmentment.

TABLE 2.c: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 2.3

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
Strategic objective No. 2: Improved Environmental and Natural Resource Management in Selected Priority Areas Program Outcome No. 2.3: Broadened Public Participation for Environmental Action									
1. Strengthened local government capacity to address environmental needs in a collaborative manner with stakeholders.	1. Measured as increased number of municipalities which hold public information sessions prior to investment in environmental infrastructure services.	1994 0	0	2	4	7	9	11	Public information is a base for collaborative action.
2. Strengthened local environmental NGOs and other community groups.	2. Measured as increased number of local grassroots NGOs and other community groups effectively assessing environmental problems; advocating solutions and implementing activities.	1994 0	0	0	5	10	15	20	GOM liberalizes approach to NGOs. NGOs continue interest in the environment.
3. Increased number of viable water users associations managing water resources at the local level.	3. Number of viable water users associations managing water resources and maintaining distribution systems.	1994 1	1	2	2	3	3	4	Commitment of the GOM to solve financial autonomy issues.
4. Environmental training and education programs established.	4.a) Pilot basic education curriculum in the environment developed and implemented.	1994 0	0	0	0	1	0	0	ME and Ministry of National Education continue interest.
	4.b) Environmental training provided to public and private sector representatives, especially women.	1994 0	0	5	10	15	20	25	Relevant training programs available in U.S. and Morocco.

TABLE 1: PERFORMANCE MONITORING PLAN FOR STRATEGIC OBJECTIVE 3

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
STRATEGIC OBJECTIVE NO.3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-Median Income						
1. Increased Number of Below-Median-Income Households Owning Homes (urban only, disaggregated by male/female)	1.a. Number of serviced plots made available through ANHI [1] to below-median-income households 1.b. % of plots bought by women in above category	1. ANHI Annual Report. Project Implementation Plan. Reliability of data is adequate.	1. ANHI beneficiary lists.	1. Annually	1. Two days' staff time to retrieve and analyze data	1. Office of Environmental and Urban Programs.
2. Increased Number of Business Licenses Issued to Small and Medium-Sized Enterprises (disaggregated by size of firm, male/female-owned)	2.a. Number of SME's registered annually 2.b. % of business licenses issued to women	2. Monthly reports of the Registre de Commerce. [2] Reliability of data is good.	2. Information to be collected through NED project.	2. Annually beginning FY 95	2. $24,000 annually. Source: NED project	2. Office of Economic Growth
3. Increased Number of Jobs for Below-Median-Income People Created Through Program Activities (disaggregated by program activity, male/female)	3.a. Number of net new jobs for below-median-income people generated through project assistance 3.b. % of new jobs held by women	3. Annual reports from MAP, AIM and CEM (NED) project contractors.	3. Survey to be undertaken by MAP and AIM project contractors, supplemented by data gathered by CEM (NED), to measure jobs at firm level, including downstream and upstream jobs resulting from project assistance.	3. Annually beginning FY 95	3. $100,000 annually. Source: MAP project, AIM project	3. Office of Economic Growth

Comments/Notes:

[1] ANHI is the National Housing Agency.

[2] Registre de Commerce is the Central Business Registry of formal sector enterprises.

The principal USAID activities addressing Strategic Objective #3, with start/end dates, are: ●New Enterprise Development (1991-1997); ●Small/Medium Enterprise Credit/Loan Guarantee Programs; ● Training for Development (1991-1998); ● Development Studies & Technical Support (1991-1997); ● Accessing International Markets (1992-1997); ●Moroccan Agribusiness Project (1991-1998); ● Urban and Environmental Service Project (1994-1999); and Micro-Enterprise Project (new start FY 95).

TABLE 1.a: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 3.1

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
STRATEGIC OBJECTIVE NO. 3: Expanded Base of Stakeholders in the Economy Targeting People of Below-Median Income PROGRAM OUTCOME NO. 3.1: Improved Policies, Regulations and Institutions for Creation and Expansion of Enterprises						
1. Reduced Average Amount of Time Required for Small and Medium firms to Obtain Business Licenses	1. Average amount of time required to obtain a business license	1. Data sources include published business set-up procedures. Reliability of data is good.	1. NED project analyses and project reports.	1. Annually, beginning FY 95	1. Negligible	1. Office of Economic Growth
2. Reduced Export Surcharges on Truck Transport	2. Average value of risk surcharge due to administrative delays for trucks entering Morocco	2. MAP project data sources. Moroccan shippers, National Transport Office and international road transport companies.	2. MAP project informal survey of data sources.	2. Annually, beginning FY 95	2. Included in MAP institutional contract through FY 97	2. Office of Economic Growth
3. Adoption/Implementation of Uniform Food Safety Regulations by the Moroccan Export Regulatory Authority	3. Adoption and enforcement of food safety regulations for canned foods with greatest risks of food poisoning	3. EACCE [1] documents and notices; listing of Moroccan companies on the USFDA [2] automatic detention list.	3. MAP project monitoring of food safety regulations in the course of its work with EACCE.	3. Annually, begun in FY 94	3. Included in MAP institutional contract through FY 97	3. Office of Economic Growth
4. Increased Percentage of Annual Operating Costs Recovered by the Newly Established Microfinance Institution	4. Percentage of operating costs being recovered by loan repayment	4. Microfinance institution. Data reliable.	4. Microenterprise project reporting and microfinance institution periodic reporting.	4. Annually	4. Negligible	4. Office of Economic Growth
5. Increased Strength of Business Associations, as Measured by Increased Number of Dues-Paying Members	5. Number of dues paying members of business associations	5. Federation of Associations of Young Entrepreneurs, other professional associations, CNJA [3]. Reliable data.	5. NED project sample of associations.	5. Annually, beginning FY 95	5. Negligible	5. Office of Economic Growth

Comments/Notes:
[1] Moroccan Export Regulatory Authority (EACCE)
[2] U.S. Food and Drug Administration (USFDA)
[3] Conseil National de la Jeunesse et de l'Avenir (CNJA)

TABLE 1. b: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 3.2

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
STRATEGIC OBJECTIVE NO. 3: Expanded Base of Stakeholders in the Economy Targeting People of Below-Median Income **PROGRAM OUTCOME NO. 3.2:** Broadened Access to and Use of Financial Resources and Services, Especially Among Micro- and Small Enterprises						
1. Increased Number of Micro-Entrepreneurs in the Formal Credit System-Number (m/f/total) receiving loans worth (a) $300 or less; (b) more than $300 but less than $1500	1. Number of microenterprises receiving loans through the formal credit system 1.a. $300 or less 1.a.1. % female recipients 1.b. $301 to $1500 1.b.1. % female recipients	1. Data sources-project reports. Reliability of data is good.	1. Mission's economic growth monitoring system.	1. Annual reports from USAID economic growth monitoring system	1. Negligible	1. Office of Economic Growth
2. Increased Number of Small and Medium Enterprises Receiving Credit or Equity Financing Through USAID-Assisted Programs	2. Percentage of value of total bank formal credit and equity financing to private sector that goes to SME's versus large enterprises	2. CEM (NED)project reports. MADI [2], and national aggregate data from public sources. Reliability of data is good.	2. Mission's economic growth monitoring system: assemble, analyze and report on data.	2. Annual reports from USAID economic growth monitoring system	2. Negligible to moderate amount of staff time	2. Office of Economic Growth
3. Increased Financing Obtained by Private Sector for Below-Median-Income Group Housing	3.a. Multiplier of private sector (including individual) financing leveraged for below-median-income housing through USAID programs (ANHI)	3.a. Ministry of Housing statistical report on housing. Data is reliable.	3.a. Uses statistical survey of various projects' sites.	3.a. Annual MOH [4] report	3. Two days staff time to retrieve and analyze data	3. Office of Environmental and Urban Programs
	3.b. Amount of financing provided by CIH [1] to private developers and owners for below-median-income housing	3.b. CIH annual activity report. Ministry of housing annual report: "Habitat en Chiffres." Data is reliable.	3.b. Data collated from CIH and BCP [3] loan requests.	3.b. Annual CIH and MOH reports		

Comments/Notes:
[1] Crédit Immobilier et Hôtelier (CIH) (Moroccan housing and hotel financing institution)
[2] Maghreb Développement et Investissement (MADI, small equity finance company)
[3] Banque Centrale Populaire (BCP)
[4] Ministry of Housing (MOH)

TABLE 1.c : PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 3.3

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
STRATEGIC OBJECTIVE NO. 3: Expanded Base of Stakeholders in the Economy, targeting People of Below-Median Income **PROGRAM OUTCOME NO. 3.3:** Improved Competitiveness of Firms Which Generate Employment for Below-Median-Income People						
1. Increased Market Share in USAID-Assisted Sectors and Firms: (a) Increased sectors' market shares, as %'s of estimated total markets (by sectors & by geographical markets); (b) Increased sales through USAID assistance	1.a. Moroccan horticultural exports as a % of value of these products entering: 1.a.1. North American market 1.a.2. EU market 1.a.3. Other markets (total value)	1.a. Eurostat [2], BMCE [3], NTDB/FAS [4]. Data of good quality.	1. Data assembled by MAP project on major export products.	1.a. Annually in August-September	1. 5 days staff time plus $500 subscription fee	1. Office of Economic Growth
	1.b. Export sales attributable to 1.b.1. USAID assistance Horticulturally-based products. 1.b.2. Fish and artisanal products.	1.b MAP and AIM project files.	1.b. Data captured by projects and reported in annual reports.	1.b. Project data compiled annually in February		
	1.c. Increase in annual sales of USAID-assisted small-and micro-enterprises (% over previous year)	1.c MAP, AIM and CEM (NED) Project files	1.c Data captured by projects and reported in annual reports	1.c Project data compiled annually in February		
2. New Export Markets for USAID-Assisted Firms & sectors: (a) Increased sectors' total exports to non-traditional markets, as %'s of total markets: (b) Increased $ value of firms' export sales to non-traditional markets.	2.a. Moroccan horticultural exports to non-traditional markets, [1] as a % of total horticultural exports.	2.a. BMCE. Data of good quality.	2.a. Figures to be disaggregated from BMCE annual report on Moroccan exports.	2.a. Annually in September	2. Costs borne by projects until PACDs	2. Office of Economic Growth
	2.b. Export sales to non-traditional markets attributable to USAID assistance. 2.b.1. Exports to the U.S. 2.b.2. Exports to other new markets.	2.b. AIM and MAP project files.	2.b. Data captured by projects and reported in annual reports.	2.b. Project data compiled annually in February		

Comments/Notes:

[1] Non-traditional markets are defined as those to which less than 10% of Moroccan exports (by product) are destined.
[2] Eurostat, EU Official Statistical Service
[3] Banque Marocaine pour le Commerce Extérieur (BMCE).
[4] U.S. National Trade Data Base/USDA Foreign Agricultural Service (NTDB/FAS).

TABLE 1.c (cont'd): PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 3.3

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
STRATEGIC OBJECTIVE NO. 3: Expanded Base of Stakeholders in the economy, especially targeting people of below-median income **PROGRAM OUTCOME NO. 3.3:** Improved competitiveness of firms which generate employment for below-median-income people						
3. New products in USAID-Assisted Sectors and Firms: (a) Increased % of sectors' total exports attributable to new products; (b) Increased # of new value-added product introductions on the domestic or export markets; (c) Increased $ value of new products sold by firms	3.a. Moroccan exports of new horticultural products,[1] as a % of total horticultural exports 3.b. Number of new horticultural, value-added product introductions on domestic or export markets through USAID assistance 3.c. Export sales of new products attributable to USAID assistance	3.a. BMCE and EACCE. Data of good quality. 3.b. MAP and AIM Project files/reports. 3.c. MAP and AIM Project files/reports.	3.a. Figures to be disaggregated from BMCE annual reports on Moroccan exports. 3.b. Data captured by projects and reported in annual reports. 3.c. Data captured by projects and reported in annual reports.	3.a. Annually in September 3.b. Project data compiled annually in February. 3.c. Project data compiled annually in February	3. Costs borne by projects until PACDs	3. Office of Economic Growth
4. Increased Number of Firms Adopting USAID-Promoted/Introduced Production, Processing, Packaging, Transport or Management Technologies	4. Number of firms adopting USAID-promoted or introduced technology	4. Project files and reports: MAP, AIM and CEM (NED).	4. Projects to continuously monitor and summarize in annual reports.	4 Project data compiled annually in February	4. Monitoring costs borne by projects through PACDs. Minimal USAID staff time to compile.	4. Office of Economic Growth
5. Increased Efficiency of Operations from USAID-Promoted Technology Transfers.	5. Dollar value of savings attributable to new USAID-promoted technology	5. Project files and analyses: MAP, AIM and CEM (NED)	5. Analyses of cost reductions attributable to each new technology, extrapolated based on the number of firms adopting new technologies	5. Data collected as technologies are introduced. Analyzed and summarized annually.	5. Data collection/analysis costs borne by project through PACDs. Minimal USAID staff time to compile.	5. Office of Economic Growth

Comments/Notes:

[1] A "new product" may be globally defined as one for which Morocco has not exported more than $25,000 in any one of the three previous years.

TABLE 2.: BASELINE AND PERFORMANCE TARGETS FOR STRATEGIC OBJECTIVE 3

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
STRATEGIC OBJECTIVE NO. 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-Median Income									
Specific Results:									
1. Increased Number of Below-Median-Income households Owning Homes (urban only, disaggregated by male/female)	1.a. Number of serviced plots made available through ANHI to below-median-income households	1.a. 1993 25,500 cumulative	33,500	46,800	58,800	70,800	82,000	94,000	Financial market makes resources available for housing investment
	1.b. % of plots bought by women in above category	1.b. 1993 16%	16%	17%	17%	18%	18%	20%	General economy remains healthy
2. Increased Number of Business Licenses Issued to Small and Medium-Sized Enterprises (disaggregated by size of firm, male/female-owned)	2.a. Number of SME's registered annually	2.a. 1991 16,000	16,000	16,000	17,000	18,000	19,000	20,000	Number of businesses created is reflected in additional sustainable employment
	2.b. % of business licenses issued to women	2.b. 1992 1%	1%	1%	2%	3%	5 %	7 %	
3. Increased Number of Jobs for Below-Median-Income People Created Through Program Activities (disaggregated by program activity, male/female)	3. a. Number of net new jobs for below-median-income people generated annually through project assistance	3. TBD [1]							
	3.b. % of new jobs held by women								

Comments/Notes:

[1] Data will be assembled by projects in FY 95 and consolidated to establish baseline and performance targets.

TABLE 2.a: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 3.1

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
PROGRAM OUTCOME NO.: 3.1 Improved Policies, Regulations and Institutions for Creation and Expansion of Enterprises									
Specific Results:									
1. Reduced Average Amount of Time Required for Small and Medium Firms to Obtain Business Licenses	1. Average amount of time required to obtain a business license	1. 1993, 9 months	9 mos	9 mos	9 mos	2 mos	2 mos	2 mos	
2. Reduced Export Surcharge on Truck Transport	2. Average value of risk surcharge due to administrative delays for trucks entering Morocco	2. 1994, 18,000 FF	18,000 FF	18,000 FF	14,000 FF	10,000 FF	10,000 FF	10,000 FF	Ministries commit to single point of physical inspection of loads and documentary control
3. Adoption/Implementation of Uniform Food Safety Regulations by the Moroccan Export Regulatory Authority.	3. Adoption and enforcement of food safety regulations for canned foods with greatest risks of food poisoning	3. 1995, regulations not yet adopted.	N/A	See below[2]	See below[2]	See below[2]	com-pleted	com-pleted	
4. Increased Percentage of Annual Operating Costs Recovered by the Newly Established Micro-Finance Institution	4. Measured as % of operating costs being recovered by the institution	4. TBD[1]							U.S. and Canada remain a major focus of Moroccan export market development. EU continues to tighten regulations on canned food imports
5. Increased Strength of Business Associations, As Measured By Increased Number of Dues-Paying Members	5. Number of dues paying members of business associations	5. TBD[1]							

Comments/Notes:

[1] Baseline data and performance targets to be available by May 1995.

[2] 1995: (a) Moroccan export regulatory authority (EACCE) translates relevant USFDA Code of Federal Regulations (CFRS); (b) EACCE drafts regulations and circulates.
1996: (a) Industry provides comments on regulations; (b) Food safety regulations adopted; (c) EACCE enforcement training completed.
1997: EACCE enforces regulations.

[3] Baseline data and performance targets to be established during project design, June 1995

TABLE 2.b: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 3.2

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
PROGRAM OUTCOME 3.2: Broadened Access to and Use of Financial Resources and Services, Especially Among Micro- and Small Enterprises									
Specific Results:									
1. Increased Number of Micro-Entrepreneurs in the Formal Credit System--number (m/f/total) receiving loans worth (a) $300 or less; (b) more than $300 but less than $1500	1. Number of microenterprises receiving loans through the formal credit system 1.a. $300 or less 1.a.1. % female recipients 1.b. $301 to $1500 1.b.1. % female recipients	1. 1995 [2]				500	1,000	3,000	Economic growth in Morocco and continued adherence to structural adjustment program
2. Increased Number of Small and Medium Enterprises Receiving Credit or Equity Financing Through AID-Assisted Programs.	2. Percentage of value of total bank formal credit and equity financing to private sector that goes to SME's versus large enterprises	2. 1992: 4.09% 1993: 2.6% [1]	2.7% [1]	5% [1]	10% [1]	15% [1]	20% [1]	30% [1]	
3. Increased Financing Obtained by Private Sector for Below-Median-Income Group Housing.	3.a. Multiplier of private sector (including individual) financing leveraged for below-median-income housing through USAID programs (ANHI).	3.a. 1991: 1.91	2.83			3.79		5	
	3.b. Amount of financing provided by CIH to private developers and owners for below-median-income housing.	3.b.: 1993 152 mil. Dh.	TBD	TBD	TBD	TBD	TBD	TBD	Availability of liquidity for private investment. Sufficient interest by private sector developers in low-to-median-income housing market

Comments/Notes:

[1] Data provided by the Central Bank.

[2] Baseline of Zero and performance targets are initial projections for new USAID microenterprise activity only

TABLE 2. c.: BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 3.3

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
PROGRAM OUTCOME NO. 3.3: Improved Competitiveness of Firms Which Generated Employment for Below-Median-Income People									
Specific Results:									
1. Increased Market Share in USAID-Assisted Sectors and Firms: (a) Increased sectors' market shares, as %'s of estimated total markets (by sectors & by geographical markets); (b) Increased sales through USAID assistance.	1.a. Moroccan horticultural exports as a % of value of these products entering: 1.a.1. North American market	1.a.1. 1993: 2.09%	2.15%	2.22%	2.28%	2.35%	2.42%	2.49%	1.a.1. Annual 3% increase.
	1.a.2. EU market	1.a.2. 1992: 3.05%	3.24%	3.33%	3.43%	3.54%	3.65%	3.76%	1.a.2. Annual 3% increase
	1.a.3. Other markets (total value)	1.a.3. 1992: $21.4 mil.	$22.5 mil.	$23.6 mil.	$24.7 mil.	$26.0 mil.	$27.3 mil.	$28.67 mil.	1.a.3. Annual 5% increase
	1.b. Export sales attributable to USAID assistance								
	1.b.1. Horticulturally-based products	1.b.1. TBD[1]							
	1.b.2. Fish and artisanal products	1.b.2. 1992: $1.72 mil.	$5.16 mil.	$6.45 mil.	$9.46 mil.	$10.75 mil.			
	1.c. Increase in annual sales of USAID-assisted small and microenterprises (% over previous year)	1.c TBD[2]							
2. New Export Markets for USAID-Assisted Firms & Sectors: (a) Increased sectors' total exports to non-traditional markets, as %'s of total markets; (b) Increased $ value of firms' export sales to non-traditional markets.	2.a. Moroccan horticultural exports to non-traditional markets,[1] as a % of total horticultural exports	2.a. 1993: 33.4%	34.4%	35.4%	36.5%	37.6%	38.7%	39.9%	2.a. Annual 3% increase
	2.b. Export sales to non-traditional markets attributable to USAID assistance								
	2.b.1. Exports to the U.S	2.b.1. TBD[1]							
	2.b.2. Exports to other new markets	2.b.2. TBD[1]							

Comments/Notes:

[1] Baseline data and performance targets to be established by June 1995, using data collected by MAP and AIM projects.

[2] Baseline data and performance targets to be established by June 1995, using data collected by MAP, AIM, and CEM (NED) projects

TABLE 2.c. (cont'd): BASELINE AND PERFORMANCE TARGETS FOR PROGRAM OUTCOME 3.3

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR & UNIT OF MEASUREMENT	BASELINE YEAR & VALUE	PERFORMANCE TARGETS						CRITICAL ASSUMPTIONS
			1994	1995	1996	1997	1998	1999	
PROGRAM OUTCOME NO.3.3: Improved Competitiveness of Firms Which Generated Employment for Below-Median-Income People									
3. New Products in USAID-Assisted Sectors and Firms: (a) Increased % of sectors' total exports attributable to new products; (b) Increased # of new value-added product introductions on the domestic or export markets; (c) Increased $ value of new products sold by firms	3.a. Moroccan exports of new horticultural products [1] as a % of total horticultural exports.	3.a. TBD [2]							
	3.b. Number of new horticultural, value-added product introductions on the domestic or export markets through USAID assistance.	3.b. TBD [3]							
	3.c. Export sales of new products attributable to USAID assistance.	3.c. TBD [3]							
4. Increased Number of Firms Adopting USAID-Promoted/ Introduced Production, Processing, Packaging, Transport or Management Technologies	4. Number of firms adopting USAID-promoted or introduced technology	4. TBD [4]							
5. Increased Efficiency of Operations from USAID-Promoted Technology Transfers	5. Dollar value of savings attributable to new USAID-promoted technology	5. TBD [4]							

Comments/Notes :

[1] A "new product" maybe globally defined as one for which Morocco has not exported more than $25,000 in any one of the three previous years.

[2] Data to be collected by MAP project by June 1995

[3] Data to be collected by MAP and AIM projects by June 1995

[4] Data to be collected by MAP, AIM and CEM (NED) projects by June 1995

TABLE 1: ILLUSTRATIVE PERFORMANCE MONITORING PLAN FOR TARGET OF OPPORTUNITY (TO) I

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COST OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Target of opportunity No. 1: Improved Opportunities for Basic Educational Achievement for Rural Girls/Women						
Increase in primary school enrollment rates	1. Increased percentage of total number of rural girls (of eligible age) who enroll in primary school.	Ministry of National Education Statistics	Actual reported enrollment	Annual	No cost for GOM data Project funds for surveys	Office of Population, Health and Human Resources
	2. Increased percentage of total number of rural children enrolled in primary school who are girls	National Statistics	GOM data	As above	As above	Office of Population, Health and Human Resources
Increase in primary school retention rates	1. Increased percentage of all rural girls enrolled who complete the fifth year		GOM data	As above	As above	As above
	2. Increase percentage of all rural children completing the fifth year who are girls		GOM data	As above	As above	As above
Increased number of literate females	Increase in absolute member of literate females (11-20 years old) in target areas	- Target area survey/project data - DHS survey - GOM statistics	- Application of standard literacy definition in use in Morocco	As above	As above	As above
Comments/Notes:						

TABLE 1: ILLUSTRATIVE PERFORMANCE MONITORING PLAN FOR TARGET OF OPPORTUNITY (TO) 2

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
TARGET OF OPPORTUNITY NO.2: Increased Effectiveness of Key Institutions in Supporting Citizen's Rights and Civic Participation						
. Parliament:						
1. Increased laws based on access to state of the art information	1. # of laws developed with benefit of Internet access, improved libraries and information systems	Project reports (proposed project)	Track incidences	Quarterly	Minimal	Office of Program and Democratic Initiatives (PDI)
2. Increased legislation which benefits from public debate and transparency of legislative process	2. # of laws discussed through public debate, press and media coverage, or workshops/seminars	Project reports	Track incidences	Quarterly	Minimal	PDI
3. Increased accountability, transparency and efficiency of auditing techniques of the Parliament and Ministry of Finance	3. # of GOM entities performing modern anglo-saxon audits	- Min. of Finance (MOF) records. Reliable data - Parliament records	# of audits approved by MOF Quality Control Unit	Semi-annual	None	Office of Financial Management (OFM)
II. Civic Society and Municipal Government:						
1. Increased activities initiated by municipal community action	1. # of activities	Project reports	Track incidences	Quarterly	Minimal	PDI
2. Increased popular participation in municipal activities	2. # of participants	Project reports	Track incidences	Quarterly	Minimal	PDI
3. Increased activities (including advocacy) implemented by USAID - supported NGOs	1. # activities	Project reports	Track incidences	Quarterly	Minimal	PDI
4. Increased membership of USAID-supported NGOs	2. # of members	Project reports	Track incidences	Quarterly	Minimal	PDI
5. Selected legal and administrative reforms researched, enacted and implemented to promote civic participation and women's rights	1. # of reforms a) researched b) enacted c) implemented (gender disaggregated)	Project reports	Track incidences	Quarterly	Minimal	PDI
Comments/Notes:						

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ANNEX A

WATER RESOURCES SUSTAINABILITY ACTIVITY (608-0222)
PRELIMINARY LOGICAL FRAMEWORK

Illustrative Budget:
(In $ 000's)

	USAID	Host Country
Technical Assistance		
Long-term	3,000	500
Short term	2,500	500
Equipment/commodities	3,000	1,000
Training	3,000	500
Audit/Evaluation	500	[illegible]
	12,000	3,000

ACTION: AID-1
INFO: JAO-0 ECON-0

DISTRIBUTION: AIDM
CHARGE: AID

VZCZCTRO253RBO604
RR RUEHRB
DE RUEHC #6238/01 3281928
ZNR UUUUU ZZH
R 241927Z NOV 94
FM SECSTATE WASHDC
TO AMEMBASSY RABAT 3036
BT
UNCLAS SECTION 01 OF 02 STATE 316238

INFO COPY

ACTION: PSD
DUE DATE: 12/01
INFO: FD - PPPD - OFM - CHRON

ADM AID

E.O. 12356: N/A
TAGS:
SUBJECT: MOROCCO MICROENTERPRISE FINANCE 608-0218

1. THE ANE BUREAU PROJECT REVIEW COMMITTEE MET ON NOVEMBER 11, 1994 TO REVIEW USAID/MOROCCO'S MICROENTERPRISE FINANCE NEW ACTIVITY DESCRIPTION. THE MEETING WAS CHAIRED BY ANE/ORA, FRANK YOUNG. PARTICIPANTS FROM THE FOLLOWING OFFICES, ANE/ORA, ANE/ENC, ANE/SEA, G/EG, GC/ANE, AND G/WID REACHED THE FOLLOWING AGREEMENTS.

2. USAID/MOROCCO MAY PROCEED WITH DEVELOPMENT OF THE MICROENTERPRISE FINANCE PROJECT. HOWEVER, AA/ANE APPROVAL TO AUTHORIZE THE PROJECT IS WITHHELD, PENDING BUREAU REVIEW AND APPROVAL OF USAID/MOROCCO'S REVISED ECONOMIC GROWTH STRATEGIC OBJECTIVES.

3. AS THE AGENCY MOVES TOWARD IMPLEMENTING QUOTE MANAGING FOR RESULTS UNQUOTE, GREATER EMPHASIS IS BEING PLACED ON LINKING THE SUBMISSION OF NEW ACTIVITY DESCRIPTIONS WITH THE ACTION PLAN/STRATEGY REVIEW PROCESS. AS A RESULT, ALL NADS ARE EVALUATED TO DETERMINE HOW THEY FIT INTO THE EXISTING MISSION STRATEGY AND TO ASSESS WHETHER THE PROPOSED ACTIVITIES CAN ATTAIN THE PROGRAM OUTCOMES THEY ARE SUPPOSED TO SUPPORT. THE REVIEW COMMITTEE NOTED THAT

USAID/MOROCCO IS STILL REWORKING ITS ECONOMIC GROWTH STRATEGIC FRAMEWORK, CLARIFYING STRATEGIC OBJECTIVES, PROGRAM OUTCOMES AND INDICATORS TO WHICH MICROENTERPRISE ACTIVITIES WILL BE ATTRIBUTED. UNTIL THIS FRAMEWORK IS APPROVED, THE MICROENTERPRISE FINANCE PROJECT CANNOT BE AUTHORIZED.

4. THE BUREAU RECOGNIZES THAT A SIGNIFICANT AMOUNT OF DESIGN WORK STILL NEEDS TO BE COMPLETED IF THE MICRO-

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ENTERPRISE PROJECT IS TO BE AUTHORIZED IN FY 95. THE REVIEW COMMITTEE ALSO NOTED THAT THE PROJECT DESIGN WORK WILL PROVIDE MUCH OF THE INPUT NECESSARY FOR DEFINING THE ECONOMIC GROWTH STRATEGY FOR USAID/MOROCCO. GIVEN THE LINKAGE BETWEEN THESE TWO ACTIVITIES, THE MISSION IS AUTHORIZED TO UNDERTAKE THE PP DESIGN. HOWEVER, THE BUREAU WILL REVIEW THE ACTION PLAN AND REVISED ECONOMIC GROWTH STRATEGIC OBJECTIVES PRIOR TO GIVING APPROVAL TO AUTHORIZE THE PROJECT. CURRENTLY, THE BUREAU PLANS TO REVIEW THE ACTION PLAN AND REVISED STRATEGIC OBJECTIVES DURING THE COUNTRY PROGRAM STRATEGY AND ACTION PLAN REVIEW IN EARLY 1995. IT IS EXPECTED THAT THE MISSION WILL HAVE COMPLETED ALL OF THE NECESSARY PROJECT DESIGN WORK. ADDITIONAL GUIDANCE, IF NECESSARY, WILL BE PROVIDED TO THE MISSION AT THAT TIME.

5. CREDIT INSTITUTIONS: THE REVIEW COMMITTEE EXPRESSED CONCERN ABOUT THE MISSION'S PLANS TO CREATE TWO CREDIT INSTITUTIONS AND QUESTIONED WHETHER THESE INSTITUTIONS COULD ACHIEVE PROFITABILITY AND THUS SUSTAINABILITY, WITHIN THE LIFE OF THE PROJECT AS SUGGESTED. THE COMMITTEE RECOMMENDED THAT THE FEASIBILITY STUDY SHOULD THOROUGHLY ASSESS THE ISSUE OF PROFITABILITY OF THE PROPOSED INSTITUTIONS. ANY MICRO-FINANCE INSTITUTION CREATED SHOULD BE EXPECTED TO COVER ITS NON-FINANCIAL COSTS FROM CLIENTS WITHIN THE PROJECT PERIOD--PROBABLY WITHIN 3 TO 5 YEARS. IT MAY NOT BE IN USAID'S MANAGEABLE INTEREST TO TIE ITSELF TO A PROMISE OF FULL PROFITABILITY IN 8 YEARS.

6. IT IS ALSO HIGHLY RECOMMENDED THAT THESE INSTITUTIONS HAVE A STRATEGY FOR MOBILIZING COMMERCIAL SOURCES OF FUNDING FOR ANY MICRO-ENTERPRISE CREDIT ACTIVITY, E.G. THROUGH SAVINGS MOBILIZATION OR THROUGH BORROWING FROM COMMERCIAL BANKS. SUCH A STRATEGY SHOULD BEGIN TO BE PUT INTO OPERATION AS CLOSE TO STARTUP AS FEASIBLE. AN EXAMINATION OF THE INDONESIA MODEL WILL SHOW THE EXTENT TO WHICH SMALL BORROWERS WOULD SUBSTITUTE THE FINANCIAL SERVICE OF A GOOD DEPOSIT FACILITY FOR THE FINANCIAL SERVICE OF CREDIT. THIS IS AN EXCELLENT MODEL OF A SUSTAINABLE FINANCIAL INSTITUTION. ANE/SEA CAN PROVIDE THE

MISSION WITH FURTHER INFORMATION.

7. THERE ARE NEW QUESTIONS WITHIN THE AGENCY ON WHETHER "EMPLOYMENT" IS A DESIRABLE INDICATOR OF IMPACT. SINCE ONLY A SMALL PERCENT OF MICROENTERPRISES ACTUALLY HIRE MORE EMPLOYEES OVER TIME, THE MISSION MAY WISH TO CONSIDER OTHER INDICATORS AS WELL. THE HOUSEHOLD SURVEYS THE MISSION PLANS TO UNDERTAKE (FOR WHICH YOU SHOULD BE COMMENDED) COULD FOCUS ON OTHER INDICATORS SUCH AS DIVERSIFICATION OF THE MICRO-BUSINESS PERSON'S PORTFOLIO OF INVESTMENTS. NOTE, FAMILY INCOME IS A DIFFICULT

INDICATOR TO MEASURE DIRECTLY. THE MISSION SHOULD STATE SOME REASONABLE PROXIES INSTEAD.

8. POLICY ANALYSIS: THE POLICY ANALYSIS WORK OF THE PROJECT NEEDS TO BE GUIDED BY A CLEAR AND FOCUSED SET OF

GOALS. THESE SHOULD BE SHARPLY ARTICULATED IN THE PROJECT PAPER. THE REVIEW COMMITTEE RECOMMENDED THAT THE POLICY COMPONENT BE MORE DIRECTLY RELATED TO THE EFFECTIVE FUNCTIONING OF THE SECTOR. SPECIAL ATTENTION SHOULD BE DIRECTED TO WHETHER THE EXISTING LEGAL AND INSTITUTIONAL FRAMEWORK SUPPORTS THE CREATION, MANAGEMENT AND SUSTAINABILITY OF THE PROPOSED CREDIT INSTITUTIONS AND WHAT FORM SUCH INSTITUTIONS SHOULD TAKE, E.G., CREDIT UNIONS, PRIVATE EQUITY INSTITUTIONS OR NON-PROFIT BANKING INSTITUTIONS. THE COMMITTEE SUGGESTS THAT RESEARCH IS DEVELOPED USING A DEMAND DRIVEN APPROACH, E.G., MARKET SURVEYS FOR THE CLIENT ORGANIZATION, OR FEASIBILITY STUDIES FOR THE CREATION OF A NEW INSTITUTION, RATHER THAN A MORE GENERAL ACADEMIC SURVEY APPROACH. THE REVIEW COMMITTEE ALSO RECOMMENDED THAT BASELINE DATA BE GATHERED ON SPECIFIC POLICY CONSTRAINTS TO MICROENTERPRISE DEVELOPMENT SO THAT IMPACT ON REFORMS OR CHANGES IN THOSE CONSTRAINTS OVER TIME CAN BE MEASURED AND THEIR LINK TO THE PROJECT PURPOSE LEVEL OBJECTIVES ASSESSED.

9. THE PROJECT DESIGN SHOULD ENSURE THE PARTICIPATION OF WOMEN AS AGENTS AND CLIENTS OF THE MICRO-ENTERPRISE INSTITUTIONS TO THE EXTENT POSSIBLE. SUGGESTED WAYS IN ALYTICAL
WORK ON THE INFORMAL SECTOR TO INCLUDE A STRONG GENDER COMPONENT AIMED AT IDENTIFYING THE LEVEL AND TYPE OF WOMEN'S PARTICIPATION IN THE NONFORMAL ECONOMY SUCH AS HOME-BASED ENTERPRISES; (B) EXAMINATION OF THE LEGAL AND REGULATORY FRAMEWORK TO ASSESS MAJOR CONSTRAINTS TO WOMEN ACCESS TO CREDIT; (C) SEMINARS TO SENSITIZE POLICY MAKERS AND THE GENERAL PUBLIC TO THE IMPORTANCE OF WOMENS ROLE IN THE NONFORMAL AND FORMAL SECTORS OF THE ECONOMY; AND (D) WORKING WITH MOROCCAN WOMENS NGOS TO INCREASE WOMENS ACCESS TO CREDIT AND THEIR PARTICIPATION IN THE NONFORMAL

ECONOMY.

10. THE BUREAU ENVIRONMENTAL OFFICER CONCURS WITH (1) REG 216 ACTION MEMORANDUM AND (2) RECORD OF CATEGORICAL EXCLUSION, AND WILL SIGN BOTH DOCUMENTS UPON RECEIPT OF FAX COPIES SHOWING MISSION SIGNATURES. PLEASE FAX AS SOON AS PRACTICAL TO (202) 736-4921.
CHRISTOPHER
BT
#6238

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ANNEX D

PERFORMANCE MONITORING PLAN

(PRISM)

TABLE 1: PERFORMANCE MONITORING PLAN FOR STRATEGIC OBJECTIVE 1.

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COST OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Strategic Objective No.1: Reduced Fertility and Improved Health of Children Under Five and Women of Child Bearing Age						
1. Decrease in Total Fertility Rate	The average number of children that would be born per woman if she were to pass through the child-bearing years bearing childrem according to a current schedule of age-specific fertility rates	Demographic and Health Surveys. 1992 data were of high quality, but the DHS does have a margin of error. However, no better and more timely source exists.	Standard indicator for measuring program impact on fertility.	Baseline in 1992; measurement in 1995 and 1997 (data represent annual averages for the previous five years)	Cost: $500,000 in 1992; $300,000 in 1995; $600,000 in 1997. This covers the cost of data collection and analysis for several indicators. Source: Buy-in	Office of Population, Health and Human Resources-(PHHR).
2. Decrease in Infant Mortality Rate	Annual number of deaths of infants under the age of one per thousand live births	DHS (as above)	Standard indicator along with child mortality rate for measuring improvements in the health of children under five.	As above	Cost and source: As above	Office of Population, Health and Human Resources-M(PHHR)
3. Decrease in Child Mortality Rate	Annual number of deaths of children aged one through four years per total population of the same age	DHS (as above)	As above	As above	Cost and source: As above	As above
4. Decrease in Maternal Mortality Rate	Annual number of deaths of women per 100,000 live births	DHS (as above)	Standard indicator for measuring maternal health.	Baseline in 1992; re-measurement in 1997	Cost and source: As above	As above
Comments/Notes:						

TABLE 1.a: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 1.1

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COST OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Strategic Objective No. 1: Reduced Fertility and Improved Health of Children Under Five and Women of Child Bearing Age Program Outcome 1.1: Increased Use of Family Planning and Maternal and Child Health (FP/MCH) Services						
1. Increase in the Contraceptive Prevalence Rate (CPR) (Long-term/short-term)	Percent of married women of child-bearing age (15-49) currently using contraceptives, disaggregated by long-term/short-term modern methods	DHS - data quality good in Morocco; processed data available.	Standard measure for increased use of family planning services	1992, 1995, 1997 available the same year	Cost: 1992- $500,000; 1995- $300,000; 1997- $600,000	Office of Population, Health and Human Resources - (PHHR)
Proxy 1.1. Increase in Couple Years of Protection (CYP) Provided by the Public Sector	Measured using MOPH service statistics, converting long-term/short-term products distributed to CYP: sterilization = 10CYP; 1 Norplant = 3.5 CYP; 1 IUD = 3.8 CYP; 15 cycles of pills = 1 CYP; 150 condoms = 1 CYP	MOPH service statistics - MIS of Sante Maternale Infantile/Planification Familiale Data quality reasonably good (USAID has invested in improving this MIS over the past several years), calculation of CYP will need to be made.	This is a proxy indicator for CPR, since CPR data will only be available in 1992 and 1997. If CYP is increasing, more women should be practicing family planning and/or they are selecting longer-term methods. This captures public sector data only. This indicator needs to be analyzed in conjunction with the indicator recording private sector distribution of short-term methods below.	Annual, by calendar year	Cost: 2 days of staff time to collect data and make calculations	As above

TABLE 1.a: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 1.1

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROCH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Proxy 1.2. Increase in Couple Years of Protection (CYP) Provided by the Private Sector	Measured as in 1.1 for pills and condoms only, sold by wholesalers, using sales statistics (International Marketing Services Data)	IMS through SOMARC, because data count wholesaler sales, and losses at the retailer level cannot be caculated. Data are accurate for wholesaler sales to retailers. Processed data available.	This is a proxy indicator for CPR, since CPR data will only be available in 1992 and 1997. This captures private sector data for short-term methods. If CYP goes up more rapidly in the private sector, this might be a sign that the private sector is beginning to assume a larger share of the service delivery burden.	Annual, by calendar year	SOMARC purchases and provides at no cost	Office of Population, Health and Human Resources. - (PHHR)
2. Improved Contraceptive Use Effectiveness Rate	One minus the probability that a woman would get pregnant while using contraceptives	DHS - data of good quality. Processed data available.	Standard measure of whether methods are being used properly - if use effectiveness improves, then more effective methods are being selected and/or women are using methods appropriately.	1992, 1995 and 1997	Cost: 1992- $500,000; 1995- $300,000; 1997- $600,000	As above
3. Increased Percentage of Demand for Family Planning Satisfied	Married women currently using a contraceptive method as a % of total demand for family planning where total demand = unmet need + current users, including method failures	DHS - data of good quality. Processed data available.	An indicator that measures increased use of effective MCH services.	1992, 1995 and 1997	Available from National MIS. One staff day annually to estimate.	Office of Population, Health and Human Resources (PHHR)
4. Increased Percentage of Pregnant Women Receiving Qualified Pre-natal Care	Percentage of women seeing an MD, nurse or midwife at least once for pre-natal care and receiving one tetanus toxoid injection	MOPH service statistics - MIS of Sante Maternale Infantile/Planification Familiale.	This measure is based on MOPH service statistics and estimates. The numerator is the number of women receiving prenatal care/tetanus toxoid. The denominator is an estimate of total annual pregnancies.	Annual	Available from National MIS. One staff day annually to estimate.	As above

* **Comments/Notes:**
USAID's Global Center of Excellence for HPN is currently finalizing recommended indicators for safe motherhood. USAID/Morocco is considering the adoption of one indicator under discussion: Met need for emergency obstetric care (EMQC) defined as the percentage of women estimated to have serious obstetrical complications managed in EMOC facilities.

TABLE 1.a: PERFORMANCE MONITORING PLAN FOR PROGRAM OUTCOME 1.1

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH TO DATA COLLECTION	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COST OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
5. Increased Percent of Diarrheal Disease Cases Provided with Oral Rehydration Salts (ORS)	Percent of all children under five who had diarrhea in the previous two weeks and who were treated with ORS sachet or home solution	DHS- data of good quality.	Ibid	1992, 1995 and 1997	Cost: 1992-$500,000; 1995-$300,000; 1997-$600,000	As above
5.1. Increased Number of New Diarrhea Cases Treated at MOPH Facilities*	MOPH service statistics reporting new and serious diarrheal disease cases	MOPH Service Statistics	Ibid	Annual	Available from National MIS. One staff day annually to estimate.	As above
5.2 Decreased Number of Serious (Class C) Diarrhea Cases Treated at MOPH Facilities				Annual	Available from National MIS. One staff day annually to estimate.	

* MOPH - Ministry of Public Health