

URBAN AND ENVIRONMENTAL SERVICES PROJECT
Contract No 608-C-00-96-00000

**IMPROVED MUNICIPAL FINANCIAL MANAGEMENT:
TRAINING NEEDS ASSESSMENT**

Final Proposal

Prepared For

**United States Agency for
International Development**
Rabat, Morocco

The Office of Environment and Urban Programs

Par

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BEST AVAILABLE

INTRODUCTION

Sound financial management at the municipal level is an essential foundation for undertaking the financial commitment related to the development of infrastructure. Even the best-managed municipalities lack sufficient reserves to finance large-scale expansions and improvements of water and sewerage systems or the installation of wastewater treatment facilities. Few have adequate resources to permit the development of drainage and solid waste projects of any significant scale. This situation requires effective strategic planning at the municipal level in combination with training directed at strengthening local financial management capacity and technical assistance related to infrastructure finance and development.

In most local governments, current municipal services could be provided and maintained more efficiently with higher rates of cost recovery, improved performance of billing and collection systems, and more cost-effective repair and maintenance programs. To devise these, greater levels of internal information are required along with an ability to identify and share best practices among local governments. Current accounting and financial management systems, which lack cost accounting methods and capital budgeting capacity, are inadequate to enable local officials to maximize their resources and to raise and manage revenues optimally.

In this context, this note proposes a training needs assessment and associated priority training plan to be implemented under the Urban and Environmental Services (UES) Project that will lay the groundwork for future development of financial management capacity while providing interventions of immediate use to target municipalities. The proposed activities will lead municipal officials to design a set of achievable objectives that include provision of improved environmental infrastructure and municipal services, and implement sound managerial and information systems and practices which will enhance both the accomplishment of concrete objectives and the optimal utilization of limited local resources.

The initial basis for this training needs assessment and training plan is the diagnostic study conducted by Jeanine Kleimo and Mohamed Sbihi in May 1997 and finalized in October 1997, *Improved Municipal Financial Management: Current Practices and Lessons Learned*. This report proposed a wide-ranging and extensive action plan for implementation by the UES Project.

Specific training and dissemination activities were selected from the list proposed in the Kleimo/Sbihi report based on the consultant's own experiences and knowledge of the situation faced by Moroccan local governments. These selected activities and actions were presented to local government and national officials during the recent Seminar on Municipal Management which took place in Setrou on May 14-15, 1998. The need, relevance and practicality of the proposed activities were discussed in further detail during the working group on municipal planification and resource management.

Following comments to the activities included in the draft proposal of June 1998, this final proposal has prioritized the selected activities based on comments from USAID and TSS. The action plan is divided into three priority areas.

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- Revenue collection
- Cost accounting
- Economic development and long-range planning

This proposed training plan consists of five activities, including direct technical assistance, seminars and preparation of best practice manuals. These activities will improve management capacity in the target municipalities for both administrative personnel and elected officials. Many of the activities can be replicated and the techniques and knowledge can be disseminated to other local governments, as models of best practice.

The following information is provided for each of the activities proposed below: an indication of the need assessment, a description of the specific activity, the expected results of implementation, the target audience, the potential and means of replicability and dissemination to a wider audience, the level of effort required, the estimated cost and the proposed timing.

For direct technical assistance involving close work and cooperation with municipal officials, a proposed TSS pilot city is indicated for each of the activities, depending on the specific needs and interests of each of the pilot municipalities. For workshops and seminars, the target audience should be extended to other municipalities that TSS and USAID have worked with, such as those who participated in the Municipal Management Seminar in Setrou. Further workshops to replicate the assistance and training could then be addressed to a wider group of municipalities.

REVENUE COLLECTION

I Activity #1 Organization of a seminar for municipal revenue collection officers

Objective

- To discuss the revenue collection cycle and tax and fee collection problems and make proposals for their improvement
- To encourage the exchange of experiences, ideas and best practices among local governments, including experiences related to use of the software application Regie

Assessment of need

Improved revenue collection and management is one of the keys to reinforcing municipal financial capacity. In the local government organization, the *regie municipale* is the key office which assesses and collects own local revenues, such as rents, local taxes, and local fees for municipal services.

The *regie municipale* face many constraints to their effective operation. Among these are:

- lack of equipment, materials and well-trained personnel,
- problems of coordination and transfer of information with other State revenue offices or other State services
- difficulties of coordination within the local government because the *regie* depend hierarchically on the Ministry of Finance (MoF),
- outdated forms, documents, and regulations

In addition, in terms of revenue collection, the tax bases of some taxes are difficult to estimate (such as the tax on unbuilt land) and it is difficult to mobilize local citizens to pay their local taxes.

Under the UES program, some of the *regie municipale* offices of pilot local governments have been computerized with the software application Regie. The strengths and weaknesses of this software application should also be analyzed in the context of the general overview of *regie municipale* operations.

A forum to bring together the directors and other personnel from the *regie municipale* offices could be the catalyst for an exchange of experiences, ideas and best practices among local governments.

Brief description

Pie-seminar preparation In preparation of the seminar, an exercise consisting of a thorough diagnostic of the revenue collection cycle for main revenue sources should be carried out in Sefrou, where the *regie municipale* is already using the software application Regie. This exercise should lead to a plan for improving the productivity of revenue collection and a system for monitoring progress and performance.

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Seminar This seminar should bring together heads of regie municipale from the UES Project target cities and the other municipalities which also participated in the municipal management seminar in Setrou. It could be organized over 1 to 1.5 days with the presentation of 3-4 main issues including the sharing of experiences with the software application Regie and the organization of discussion or work groups on the core topics.

One of the presentations should present the results of the diagnostic of the revenue collection cycle, as well as initial proposals for improving the productivity of revenue collection. Other presentations should be prepared and presented by directors of regie municipale, with overall coordination and guidance to be provided by a Moroccan municipal revenue expert preferably someone with experience of the regie municipale or a former official in the MoF or the Treasury.

Officials of the Trésorerie Générale (TG) and the Direction des Finances Locales (DFL) should be closely involved in the preparation of and participate in the seminar.

Expected results

The expected results from the organization of this seminar include:

- 1 exchanges of ideas and experiences to help the regie municipale to optimize their work and increase municipal revenues
- 2 exchanges of ideas and experiences on the use of the software application Regie
- 3 specific recommendations for changes and improvements to the revenue collection cycle and for other areas where existing regulations and forms no longer respond to the current needs and evolution of local municipal revenues
- 4 launching of an occasional dialogue among municipal revenue collection officers

Target Audience

Regisseurs and their staff from the UES Project target municipalities and from the other municipalities that participated in the Setrou Municipal Management Seminar. Officials of the TG and the DFL.

Replicability and Dissemination

Dissemination could be assured through the upgrading of the Regie software application based on recommendations of the workshop, and the dissemination of the new versions of the software to the pilot cities which are using this software.

Based on the results of the first seminar, a second workshop may eventually be organized 6-12 months after the first one, to deepen and extend the dialogue and exchanges among the staff of different regie and to comment on changes brought to the Regie software application.

Timing and Coordination with Other Activities

The timing of the seminar for municipal collection officers does not need to be coordinated directly with other activities proposed in this training plan.

The MoI / DGCL is planning a national seminar on decentralization and deconcentration to take place in November 1998. In order to contribute to the national - local dialogue, the Regie

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seminar should take place in October 1998. This implies that pre-seminar preparation activities should take place in mid- to late-September 1998.

Level of Effort

The pre-seminar preparation would require the services of one international municipal finance/revenue expert and of one Moroccan municipal finance/revenue expert preferably someone with direct experience of the subject or a former official of the MoF. They would carry out the diagnostic of the revenue collection cycle with the Regie municipale in Setiou.

These two experts will present their findings and proposals at the seminar. In addition, the Moroccan expert would prepare the agenda, assist in choosing the other main presenters, coordinate and discuss their presentation topics with them, moderate and lead the seminar and write the seminar evaluation report. At least three current regie municipale officials will need to be identified as presenters and coordinators for the working groups. Overall seminar organization and coordination should be handled by TSS.

Pre-seminar preparation

Municipal finance/revenue expert - International	10 days
Municipal finance/revenue expert - Moroccan	5 days

Seminar

Municipal finance/revenue expert - International	4 days
Municipal finance/revenue expert - Moroccan	8 days

<i>Total Level of Effort</i>	27 days
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COST ACCOUNTING

II Activity #2 Pilot project to develop cost accounting for solid waste collection service

Objective

- To improve internal management and monitoring of service provision

This activity will be conducted by building on the capacities of the software application Fleet management

Assessment of need

Moroccan municipal budgets are presented according to a line-item format where the emphasis is placed on what is bought and not on the services provided. Thus local officials have a good vision of the amount of money spent by the municipality in terms of salaries, utilities, expenses, etc. But the budget format does not permit a clear vision of what were the actual services provided - the efficiency of solid waste collection service, the length of municipal roads maintained or rehabilitated, social assistance services provided, etc.

The Ministry of Finance and the DGCL recognize that the existing accounting system is out of date and inadequate for the management needs of local governments. A new budget classification system has been developed, which includes cost accounting elements, accounting for municipal patrimony and municipal indebtedness. The new classification was tested in 20 local governments in the Rabat area with positive results. However, a country-wide introduction of this system has unfortunately been held up until the introduction of the new national accounting plan.

Brief description

This technical assistance activity would seek to help the municipality of Azloul (or the municipality of Hamrya) prepare a cost accounting for the solid waste collection service and to upgrade the Fleet management software application to cover cost accounting for this service. To the extent possible, an example of the draft accounting classification system should be obtained and used during this assistance so that the results could be directly integrated into the new system when it is applied. This may require cooperation from the MoF and/or the DGCL in carrying out this activity or contacts with one of the pilot municipalities in the Rabat area.

Expected results

The expected results from this technical assistance activity include:

1. better and more detailed management information on the cost and effectiveness of the actual solid waste collection services provided by the municipality of Azloul (or Hamrya)
2. better understanding and clearer presentation of municipal budget information
3. better communication of local government objectives and achievements to the local population and local community or business organizations

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Target Audience

The pilot project to develop cost accounting for the solid waste collection service will be carried out in the municipality of Azrou (or Hamiya) one of the target municipalities of the UES Project. Technical assistance in management and investment in solid waste is being provided to Azrou (or Hamiya) and the municipality is already using the Fleet Management software application.

In Azrou (or Hamiya), the target audience and direct beneficiaries of the cost accounting technical assistance would be the municipal finance and budget personnel directly involved in preparing the budget as well as the directors of the solid waste collection service. One or two municipal councillors including the head of the council Budget / Finance Commission should participate in the technical assistance or at least be actively aware of the results and activities. A representative of the MoF and of the DGCL should also be kept informed.

Replicability and Dissemination

Replicability could be assured through the upgrading of the Fleet Management software application and the dissemination of the new versions of the software to the other pilot cities which are using this software.

Timing and Coordination with Other Activities

This activity does not need to be directly coordinated with other activities included in this proposed work plan. It is proposed that this activity take place between November 1998 and January 1999.

Level of Effort

The cost accounting technical assistance activity would require the services of one Moroccan certified accountant/auditor and one Moroccan computer specialist. To work on the development of cost accounting technical assistance, each consultant should make about 3 trips to the target municipality each lasting about 2 days including one trip to present the modified software application for Fleet Management. The rest of the time would be spent updating and adapting this software for cost accounting requirements.

Certified Accountant / Auditor - Moroccan	9 days
Computer Specialist - Moroccan	9 days

<i>Total Level of Effort</i>	18 days
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ECONOMIC DEVELOPMENT AND LONG-RANGE MULTI-YEAR PLANNING

III Activity #3 Organization of a workshop on strategic planning

Objective

- To introduce the objectives of long-range economic planning and long-term strategic financial planning

Assessment of need

In preparing their future development, many local government officials have general ideas about future trends for their municipality but they have not prepared precise goals and strategies to achieve their development objectives in the medium- to long-term

Brief description

This activity is planned and described in the 1998 Work Plan as the Introduction of Strategic Planning Techniques (sub-activity A 2 3) This task will encompass a strategic planning workshop covering long-range economic planning and long-term strategic financial planning. The workshop will emphasize community-based planning and techniques for institutionalizing long-term plans and shielding their implementation from the political changes inherent to municipalities.

This workshop will

- Sensitize mayors and other local officials to the need for planning
- Provide the audience with a methodology for preparing social and economic development plans,
- Explain the relationships between the development plan, the capital budget, long-term financial forecasts and annual budgets

Expected results

The expected results from this workshop include

- Enable local government officials to prepare and adopt long-range economic development plans
- Establish a base for officials to participate in more detailed technical assistance on multi-year budget forecasting (Activity #4) and preparation of multi-year investment plans (Activity #5)

Target Audience

Elected officials, municipal finance and budget and technical personnel of the LES Project target municipalities

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Replicability and Dissemination

Once the presentation documents have been prepared for the first workshop this documentation can be used for further dissemination seminars to a wider audience of local governments

Timing and Coordination with Other Activities

This activity should take place before work on budget forecasting and preparation of multi-year investment plans

The workshop should take place in late 1998 or early 1999

Level of Effort

The preparation of the seminar documentation and carrying out the seminar would require the services of one international municipal manager (for example a former city manager) and one Moroccan municipal finance expert. In preparing seminar documents, the consultants could hold discussions with the municipality of Azloul.

Municipal manager - International	12 days	
Municipal finance expert - Moroccan	5 days	
	<i>Total Level of Effort</i>	17 days

IV Activity #4 Technical assistance to municipal finance and budget staff in budget projections (revenues and expenditures)

Objective

- To create the skills for better municipal financial management and planning

Note This activity will be conducted at the same time as and in parallel with Activity #5

Assessment of need

Budget preparation by local governments is viewed mostly on an annual basis. Although local governments take account of past trends when preparing their budgets for the next fiscal year (the 33-month rule) they do not prepare forward looking multi-year forecasts particularly to estimate the impact of future changes in service needs and operating costs, the affordability of future debt payments and of the additional costs resulting from the implementation of new investment projects.

As local financial resources are limited the options for action by municipalities are necessarily limited and it is not possible for a local government to respond to all its needs. However, each funding decision which is made will restrict municipal ability to act in other domains. Use of budget forecasting techniques will aid local decision-makers to have a better understanding of the implications and trade-offs inherent in each funding decision and should lead to a more efficient allocation of scarce resources.

Brief description

The technical assistance will be carried out in the municipality of Azloul by two municipal finance specialists, one international and one Moroccan. The first phase will begin by collecting and analyzing, in close collaboration with the target municipality local government budget data for the current year and previous three (3) years. Information will be gathered on expected future service needs and the expected revenue and expenditure evolution estimated for revenues and expenditures. Three scenarios will be integrated into the model: probable, best-case and worst-case. Results of work from the development of a capital investment plan (Activity #5) and use of the Program Authorization / Payment Credit (AP/CP in French) to integrate the investment plan into the budget process will also be entered into the budget forecasting model.

Each phase will require close collaboration between local officials and administrative staff and the municipal finance specialists, as well as with the specialists carrying out Activity #5. The forecasting model and techniques introduced can only be effective to the extent that the municipality feels ownership over the product and is comfortable in continuing to use the model in managing its budget and finance decisions and to test different scenarios. It is expected that the pilot municipality will participate in dissemination activities and information exchanges with other local governments.

Expected results

The expected results from this technical assistance activity include

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- 1 increased accuracy in budget forecasting and preparation,
- 2 improved management and allocation of municipal resources,
- 3 better understanding of local financial and debt repayment capacity, and
- 4 improved capacity to arbitrate between competing investment projects and to integrate their future costs (or savings) into budget plans (in conjunction with Activity #5)

Upon completion of the technical assistance a simple budget forecasting model on spreadsheet software will be left with the municipality

Target Audience

The budget forecasting training and technical assistance will be provided to the municipality of Azloul. In order to have the greatest impact the municipality should have a computer in the budget office as well as a spreadsheet software

The target audience and direct beneficiaries of the budget forecasting technical assistance and training would be the municipal finance and budget personnel directly involved in preparing the budget as well as an official from the municipal collection office (regie municipale). One or two municipal councillors including the head of the council Budget / Finance Commission should be actively aware of the activities and results

Replicability and Dissemination

Replicability and dissemination would be coordinated with and carried out at the same time as replicability and dissemination of Activity #5 (see below)

Timing and Coordination with Other Activities

Activity #4 should be linked with and proceed at the same time as Activity #5 (preparation of multi-year investment plans). The multi-year investment plan and investment decisions will have a direct impact on the municipal budget and should therefore be linked to and coordinated with the work on budget forecasting assistance

This activity could take place between March and June, 1999, at the same time as Activity #5

Level of Effort

The budget forecasting training activity would require the services of two municipal financial specialists: one international and one Moroccan. To work on budget forecasting technical assistance and training each consultant should make about 2 trips to the target municipality each lasting about 3-4 days. Additional work for preparation and setting up the model would require about 3 days for the Moroccan specialist and 5 days by the international specialist. Preparation of the manual of best practice would require 7 days for the Moroccan specialist including time to coordinate the manual with the municipality and 5 days for the international specialist.

Municipal Finance Specialist - International	18 days
Municipal Finance/Investment Specialist - Moroccan	16 days

Total Level of Effort 34 days

V Activity #5 Technical assistance to municipal finance and budget staff to establish multi-year investment plans

Objective

- To introduce use of specific and transparent criteria to prioritize projects
- To encourage the use of Program Authorization - Payment Credit mechanism (AP-CP)

Note This activity will be conducted at the same time as and in parallel with Activity #4

Assessment of need

Preparation and implementation of municipal investment projects take place on a case by case basis as project studies are finalized and some kind of financing becomes available. However, municipal investment needs are quite extensive and local governments are unable to finance all potential projects. Thus, when one project is financed, the opportunity to resolve another more pressing need may be delayed given limited municipal financial capacity.

Preparation of a multi-year municipal investment plan emphasizing the establishment of priority projects based on clear and transparent criteria would enable local governments to better allocate scarce resources to projects which have demonstrated priority based on financial, economic, public health, quality of life, and other criteria. In addition, this plan would enable local governments to better manage project implementation over a multi-year period. A multi-year investment plan would also enable local governments to better manage and integrate the Program Authorization - Payment Credit (AP-CP) techniques into their budget process.

Brief description

The technical assistance will be carried out in Azrou by two municipal finance and investment planning specialists, one international and one Moroccan. The Moroccan specialist should be the same as used in Activity #4 to ensure coordination among the two activities and for the simple spreadsheet forecast model which will be developed. The first phase will begin by collecting and analyzing information on the process followed for the implementation of recent investments. Information on the existing list of current, proposed, and wished-for investment projects will also be collected. The consultants will develop a set of clear criteria and a simple scoring system to determine the list of priority projects. The municipal counterparts, with the assistance of the consultants, will apply the project scoring system to the list of investments identified and will rank investments in order of priority. From this ranked list, a simple multi-year capital budget will be prepared based on estimated costs, estimated financing available, etc.

The results of this work and use of AP/CP to integrate the investment plan into the budget process will be entered into the budget forecasting model. Each phase will require close collaboration between local officials and administrative staff and the municipal investment planning specialists, as well as with the specialists carrying out Activity #4. The criteria, and multi-year investment model and techniques introduced can only be effective to the extent that Azrou feels ownership over the product and is comfortable in continuing to use the model to manage the implementation of its investment plan. It is expected that Azrou will participate in dissemination activities and information exchanges with other local governments.

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Expected results

The expected results from this technical assistance activity include

- 1 improved capacity to arbitrate between competing investment projects and to integrate their future costs (or savings) into budget plans (in conjunction with Activity #4)
- 2 measurable outputs or benefits from the outlays of the investment budget
- 3 acceptance financing and implementation of projects which maximize local development
- 4 optimization in the use of budget resources

Upon completion of the technical assistance a simple multi-year capital improvement plan model on spreadsheet software will be left with the municipality. This model will be integrated with the budget forecasting model.

Target Audience

The multi-year investment plan training and technical assistance will be provided to the municipality of Azio. In order to have the greatest impact the municipality should have a computer in the budget office as well as a spreadsheet software.

The target audience and direct beneficiaries of the multi-year investment plan technical assistance and training would be the technical personnel directly involved in preparing investment projects and municipal finance and budget personnel directly involved in preparing the budget. One or two municipal councillors including the heads of the local council Commissions which analyze investment proposals should be actively aware of the activities and results.

Replicability and Dissemination

The model and techniques which are developed through the budget forecasting training and the multi-year investment plan training will be explained and illustrated in an investment preparation manual. This manual should be prepared in collaboration with the beneficiary municipality. Once the manual is completed dissemination seminars to explain the multi-year investment preparation techniques and model to other pilot municipalities of the UES program and then to a wider audience of local governments can be held. The technical and finance staff that has participated in the technical assistance should be actively included in the dissemination seminars.

Timing and Coordination with Other Activities

Activity #5 should be linked with and proceed at the same time as Activity #4 (budget forecasting and projections). Once a capital improvements plan has been prepared, the investment decisions will have a direct impact on the municipal budget, and should therefore be linked to and coordinated with the work on budget forecasting assistance.

This activity could take place between March and June 1999, at the same time as Activity #4.

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Level of Effort

The preparation of a multi-year investment plan activity would require the services of two municipal finance/investment planning specialists one international and one Moroccan. To work on multi-year investment budgeting technical assistance and training, the international consultant should make about 2 trips to the target municipality, lasting about 2-3 days. (The Moroccan consultant could combine one trip with Activity #4). Additional work for preparation and setting up the model would require about 3 days for the Moroccan specialist and 3 days for the international specialist. Preparation of the manual of best practice would require 5 days for the Moroccan specialist including time to coordinate the manual with the municipality and 3 days of review for the international specialist.

Municipal Investment Planning Specialist - International	12 days
Municipal Investment Planning Specialist - Moroccan	12 days
<i>Total Level of Effort</i>	24 days

ACTIVITIES FOR A DISSEMINATION STRATEGY

These activities would help to reinforce previous assistance carried out under the UES program. It is not expected that the Project will have sufficient LOE to carry out these additional dissemination activities.

VI Activity A Training activities and workshops specifically for elected officials, covering a wide range of subjects, such as budget and finances, decision-making skills, preparation and choice of investments, management of implications of computerization, human resources

Assessment of need

Many elected officials lack certain skills and background knowledge to enable effective management and decision-making. In addition, they also appear to micro-manage all details of municipal operations and are reluctant or do not know how to rely on their administrative staff to provide the information to form the basis of council decisions. A targeted series of workshops to address the training and information needs of elected officials would be a start to addressing these issues.

Brief description

This activity would consist of a one-day retreat for local elected officials and two training workshops. The one-day retreat would serve to focus and identify the specific issues and areas for assistance which are priority concerns for these officials in the target municipalities. The results and conclusions of the retreat would serve as the base to prepare the specific topics for the training workshops. Each workshop could last about two (2) days. One workshop could focus on general management issues, such as decision-making skills, general organization and management and human resources management. The second workshop could focus on more specific technical issues, such as budget and finances, investment planning and preparation, economic development and establishing public-private partnerships.

Expected results

The expected results from this technical assistance activity include:

1. improved understanding by elected officials of their role and their capacity to fulfill this role in a more efficient and results-oriented manner,
2. understanding of key concepts in general management issues,
3. encouragement of exchanges of experiences among local elected officials on management and technical issues.

Target Audience

Elected officials (Presidents, Vice-Presidents and municipal councillors) of the target municipalities of the UES Project.

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Replicability and Dissemination

The formats and subjects covered by these workshops and seminars could be adapted and used for additional workshops to replicate this training for elected officials in a wider group of local governments

Timing and Coordination with Other Activities

The one-day retreat and the workshop on general organization and management would not need to be directly coordinated with the other activities in this training plan. The workshop on more technical issues should be organized after completion of activities related to cost accounting, budget forecasting, and preparing a multi-year investment plan.

Level of Effort

The one-day retreat should be conducted with TSS and USAID staff as well as with a high level Moroccan consultant recognized as a peer by the participating elected officials who would lead the discussions and summarize the conclusions of the retreat, as the base for preparing the two seminars.

Preparation of the seminar on general management issues would require the services of one Moroccan Organization Specialist, one Moroccan Human Resources Specialist and one International Consultant (specialist area to be determined by the agenda and topics for the workshop). Preparation and participation in this workshop may require 5 days for each specialist.

Preparation of the seminar on technical and finance issues will follow on activities carried out for budget forecasting, cost accounting, multi-year investment plans and municipal assets evaluation.

Retreat

Moroccan Consultant	3 days
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General Management Seminar

Organization Specialist - Moroccan	5 days
Human Resources Specialist - Moroccan	5 days
Other Specialist (tbd)- International	5 days

Technical and Finance Issues Seminar

Municipal Finance/Investment Specialist - Moroccan	6 days
Accountant / Auditor - Moroccan	4 days

<i>Total Level of Effort</i>	28 days
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VII Activity B Seminar on developing the dissemination and transmission of information to elected officials for assistance in decision-making

Assessment of need

Decisions taken by elected officials depend in part on the quality and timeliness of information and analysis presented to them by administrative officials. Training for elected officials in use of such information is planned under Activity A. The purpose of this activity is to use the results from work on cost accounting, budget forecasting, and preparation of multi-year investment plans to assist local administrative staff in preparing and presenting clear, timely, and relevant information on the municipal budget, finance, and investment situation, and to use analytical tools to estimate the impact of different scenarios for council decisions.

Brief description

The consultants who worked on technical assistance activities for cost accounting, budget forecasting, and preparation of multi-year investment plans would jointly prepare a workshop on using and presenting the information developed from these new techniques.

Expected results

The expected results from this technical assistance activity include:

1. reinforce techniques and knowledge gained from technical assistance activities for budget forecasting, cost accounting and preparation of multi-year investment plans
2. emphasize analytical use of data produced
3. develop analytical skills and capacity to prepare succinct and relevant information briefs for use by elected officials

Target Audience

Municipal budget and finance personnel, regular municipal personnel and technical personnel of the LES Project target municipalities. At least one elected official from each target municipality could also participate in the seminar.

Replicability and Dissemination

Once reporting formats, tools and information standards have been prepared for the first workshop, this documentation can be used for further dissemination seminars to a wider audience of local governments. As with the first workshop, it should be held after the target audience has already been introduced to the dissemination workshops covering in detail techniques of budget forecasting, cost accounting and multi-year investment plans.

Timing and Coordination with Other Activities

This workshop cannot be carried out until the results and conclusions, as well as the first dissemination workshops of the following activities have been completed: budget forecasting, cost accounting, capital budgeting.

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Level of Effort

A large part of the effort to carry out this activity will have been achieved by carrying out the above-mentioned activities. The consultants who would present this workshop would consolidate the information prepared and propose reporting formats, tools and information standards which would be useful / essential to communicate to elected officials as aids to decision-making. This would require about 5 days of each consultant, including preparation, participation in the first workshop and workshop evaluation.

Municipal Finance / Investment Specialist - Moroccan	7 days
Accountant / Auditor - Moroccan	5 days
<i>Total Level of Effort</i>	12 days

ACTIVITIES FOR DISCUSSION WITH WORLD BANK OR OTHER DONORS

The activities below would help to build on and extend the priority activities planned for implementation through the UES Project. As there are not sufficient funds to implement these activities, it is proposed to discuss them with other donors, such as the World Bank.

VIII Activity C Identify and develop revenue-generating activities and encourage partnerships between the local authority and other economic agents to provide such services

Assessment of need

Few activities carried out by local governments enable them to earn additional revenues or to even cover the costs of operation of the facilities. In the past decade, and in many countries in the world, many activities previously carried out by public authorities have been either privatized, contracted out to private operators, or been the target of the establishment of public-private partnerships. These new forms of management and privatization in many cases have led to service efficiencies, cost savings, and improved service delivery. It has only been a recent development in Morocco for local governments to begin to think of contracting out certain municipal services, such as solid waste.

Brief description

There are two possible ways to conduct the activity on identifying and developing revenue-generating activities and encouraging partnerships between the local authority and other economic agents to provide such services:

Option 1 would involve the development of a case study of an existing partnership for revenue-generating activities. This case study would identify the process by which the local government determined that a partnership would better provide a service, how the partners were contacted, the agreements concluded, and how the partnership has worked out to date. The case study would identify the elements and keys to the success of the partnership activity, or, as the experience may be, the reasons for failure or poor performance of the partnership. On the basis of the case study, a workshop can be presented to other municipalities; the workshop would only be successful if the case study municipality takes an active part in its preparation and presentation.

Option 2 would be to identify any interest or opportunities among a municipality to focus on establishing a partnership for a specific activity. Direct technical assistance would be provided in helping the municipality to analyze the best opportunities, to identify potential partners, and to help the municipality analyze proposals from financial, economic, technical standpoints on how they would increase municipal financial capacity and provide better services to the community. A partnership best practice manual would be developed from this experience.

Expected results

The expected results from this technical assistance activity include:

1. a new collaboration between municipal government and other economic agents leading to more efficient service production and delivery and improved municipal financial situation.

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- 2 an understanding of the key elements for establishing successful partnerships which provide real added-value to the municipality

Target Audience

If Option 1 the case study would be carried out with a municipality with the experience of a partnership for a revenue-generating service. The workshop to present the results of the case study would be targeted to other interested municipalities.

If Option 2 the direct technical assistance in preparing the ground work for a partnership would be provided to one municipality. The workshop to present the results of the direct technical assistance and best practice manual would be targeted to the other interested municipalities.

The target audience are municipal elected officials and their finance and technical staff.

Replicability and Dissemination

Under Option 1 the workshop presenting the results of the case study and approaches to establishing partnerships for certain municipal activities could be replicated to a wider target audience.

Under Option 2 the best practice manual stemming from the direct technical assistance would be the basis for workshops replicated to reach a wider target audience.

*Level of Effort*Option 1

One local Moroccan management consultant specialized in economic development to carry out the case study and prepare the training / information workshop. This effort should include 15-18 days to prepare on the case study, and 5-6 days to prepare and carry out the workshop.

Management Consultant - Moroccan 20 - 24 days

Option 2

One international management consultant and one Moroccan management consultant specialist in economic development. Both would work directly with the target municipality. This effort could involve 2-3 trips to the municipality with about 4-5 days at each time (each consultant should make at least two trips). Writing the best practice manual would require 10 days for the Moroccan consultant and 3 days for the international consultant. Preparation of the information / dissemination seminar would require 3-4 days for each consultant.

Management Consultant - International 14 - 17 days

Management Consultant - Moroccan 21 - 24 days

Total Level of Effort

35 - 41 days

IX Activity D Set up a pilot project to identify, evaluate and re-evaluate municipal property and assets (patrimoine municipal)

Assessment of need

The notion of municipal property management and accounting has not been fully integrated into the current accounting and budgeting system. Valuation and recording of major fixed assets and municipal property (patrimoine) has not been carried out and local governments are unable to depreciate these assets to plan for future replacement.

The new budget classification and accounting system will include an accounting for municipal patrimony. For the moment there do not appear to be clear policies and guidance for evaluation and re-evaluation of fixed assets and municipal property.

Brief description

This pilot project would seek to carry out an exercise to identify, evaluate and re-evaluate municipal property in a small- to medium-size municipality. This activity should be carried out in close coordination with officials from the appropriate Ministries.

Before carrying out the exercise, current Moroccan law regarding evaluation of municipal property should be analyzed, as well as the proposed changes which would result from introduction of the new budget classification system. A methodology and a pilot database system should be proposed and discussed with municipal officials and MoF and DGCL officials to come to a consensus for a pilot test of the evaluation methodology. (Note: coordination with other services of Ministries may also be needed.)

Expected results

The expected results from the pilot municipal property evaluation exercise include:

- 1 pilot development and test of a simple evaluation methodology for municipal property
- 2 improved knowledge by the local government of its assets and their current condition

Target Audience

The pilot project to set up an evaluation of municipal assets and property could be carried out in one of the UES Project target cities, or in another municipality which would be interested in this exercise.

The target audience and direct beneficiaries of the pilot project are elected officials, municipal finance officers, the service responsible for management of municipal property. Through coordination and consultation, representatives of MoF, DGCL and other Government services will also benefit from this activity.

Replicability and Dissemination

The evaluation methodology and proposed database format which are developed through the

