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المملكة المغربية
رئيس الحكومة

Kingdom of Morocco
The Head of Government

IMPLEMENTATION OF THE GOVERNMENT PROGRAM FOR THE FIRST YEAR

April 2017 – April 2018

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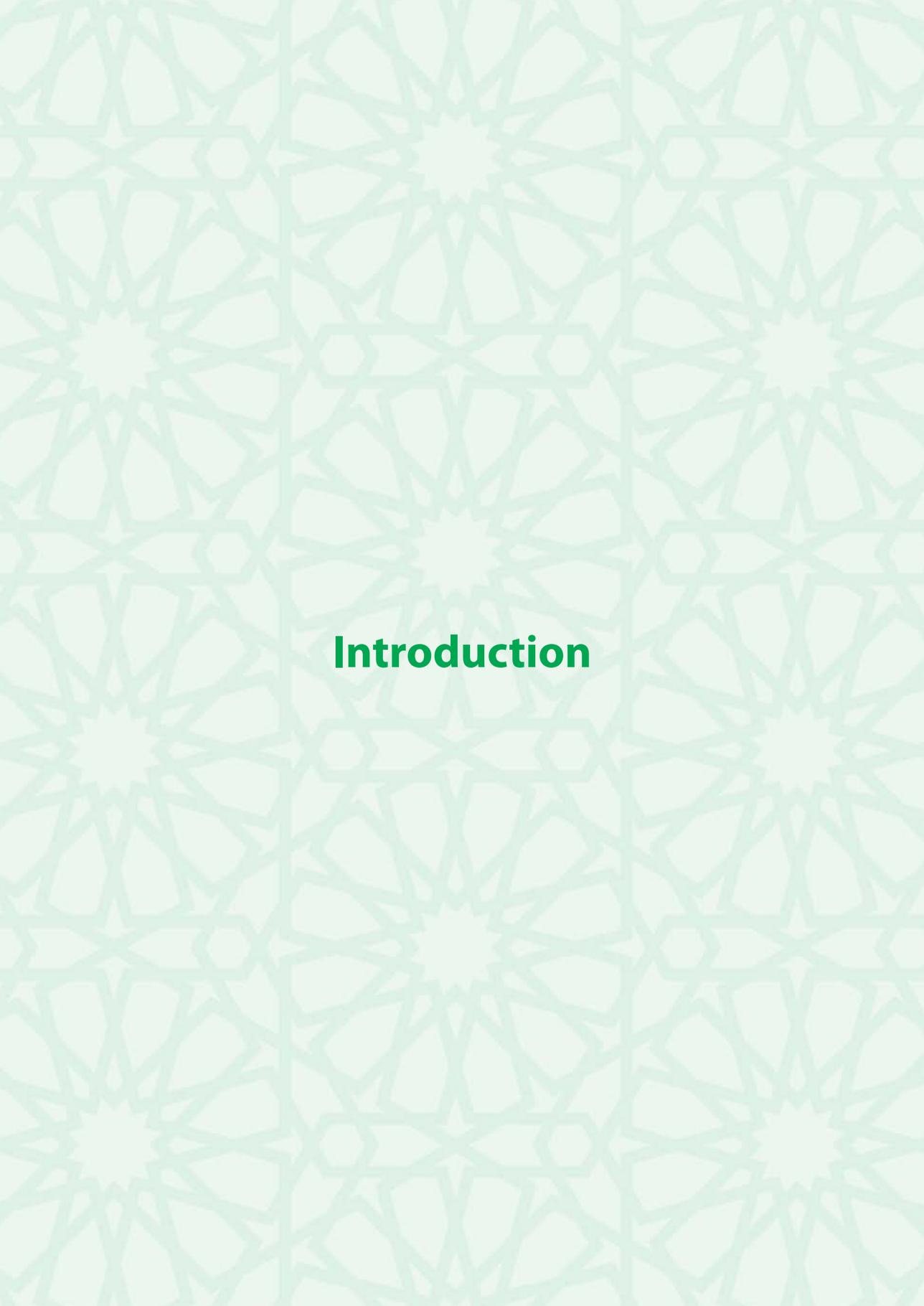
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Introduction

The Government has opted for communicating directly with citizens, and with all economic and social partners and actors, by issuing its work report for the first year

Collective drafting of the Government's record, based on monitoring the achievements of the Government Program implementation plan, through the involvement of government departments in this process, prior to presenting the record to the Ministerial Committee

A rich annual record, organized around three focus areas:

- **Giving special emphasis to the social services intended for citizens, and reducing disparities**
- **Supporting the enterprise, stimulating employment, and increasing the competitiveness of the national economy**
- **Continuing and consolidating the major reforms**

Each government sector has its own detailed record, often exceeding the targets initially agreed upon in the Government Program.

Focus Area I : Giving special emphasis to the social services geared towards citizens, and reducing disparities

- 1- Start the implementation of requirements to reform the education system**
- 2- Develop a Health Plan for 2025 and continue improving the health care supply**
- 3- Support vulnerable groups and reduce social disparities**
- 4- Reduce territorial disparities and promote rural development**

1.1. Start the implementation of requirements to reform the education system *Mise en chantier des prérequis de la réforme du système de l'enseignement*

Major Achievements

- **Effective start of resolving the problem of overcrowding, by supporting human resources and improving the teaching environment :**
 - Une augmentation record du budget du secteur de l'éducation, qui est passé en 2018 à 59,29 milliards de Dh, soit une augmentation de 9% par rapport aux dispositions de la loi de finances 2017
 - Bridging the gap in human resources by hiring 55,000 contract teachers for the academic years 2016-17 and 2017-18;
 - Launching a wide-ranging national program to equip and modernize educational institutions.

- **Enhancing the professional dimension and quality of higher education**
 - Enhancing the professional dimension in Moroccan universities, by adopting more than 210 professional streams in 2017-2018;
 - Increasing the number of scholarship students in higher education by 30,000 new ones, reaching thus 360,000 students during the academic year 2017-2018;
 - Raising by 20% the number of new students in university institutions with limited access, in 2017-2018.

- **Establishing vocational training as a strategic choice for youth and the State**
 - Providing about 11,000 vocational trainees with scholarships, within the prospect of reaching 70,000 beneficiaries;
 - Increasing the absorptive capacity of the vocational training system by opening 15 new institutions in 2017 and 6 more in 2018.

Major results

- ◆ Completion of rehabilitation works in 668 institutions and continuing similar works in 1151 institutions out of a total of 1819 units scheduled for 2017;

- ◆ The average number of first year pupils per classroom in primary schools amounted to 25, and 92% of classrooms do not exceed 34 pupils. For the rest of classes, the rate of pupils does not exceed 30 pupils. The enrolment rate in primary schools amounted to 99.1%.

Future priorities

- ❖ Conclusion of program-contracts covering all aspects of the reform (quality, human resources, infrastructure, territorial justice) within the context of adopting and operationalizing the framework law relating to the system of education and training, and scientific research.

1.2. Develop a Health Plan for 2025 and continue improving the health care supply

Major Achievements

■ Working on urgent priorities and addressing shortfalls in human resources:

- Increasing the number of jobs in the health sector under the 2018 Financial Law, by creating 4,000 new positions;
- Settling the financial situation of about 12,000 nurses, involving a total budget of nearly MAD 250 million;
- Expanding hospital care supply, especially in rural and mountainous areas;
- Reducing the prices of 200 new medications in 2017 and 2018.

Results

- ◆ Developing a “2025 National Health Plan”;
- ◆ Recruiting 1,000 physicians to work in the public sector;
- ◆ Opening 9 new hospitals.

Future priorities

- ❖ Starting the implementation of the 2025 National Health Plan, while strengthening the infrastructure with more than 10,000 beds, and providing necessary equipment, especially in rural areas, totaling one billion dirhams per year over a period of three years, in addition to providing the necessary human resources and telemedicine, and upgrading the national drug policy;
- ❖ Expanding health care coverage to include new categories every year.

1.3. Support vulnerable groups and reduce social disparities

Major Achievements

■ Supporting the purchasing power

- Commitment to raise family allowances to an amount ranging between MAD 100 and 600 per month;
- Raising the minimum retirement pension to MAD 1,500 in favour of 74,000 retirees of the pension fund, starting from January 1, 2018;
- Cancellation of penalties and fines for delay, as well as collection fees for both taxes and levies.

■ Strengthening support mechanisms for vulnerable groups and implementing new mechanisms

- Increasing the number of beneficiaries from direct support, with a monthly grant of MAD 350 per orphan, and the inclusion of needy and foster mothers;
- Providing more than 24,000 beneficiaries with compensation for loss of employment;
- Adopting two decrees on domestic workers to improve their working conditions;
- Increasing the financial support allocated to people with disabilities by 60% in between 2015 and 2017;
- Exempting people with disabilities from paying import duties applied to electric motor vehicles.

Results

- ◆ Containing the inflation rate within the limit of 0.7%, while avoiding the rise in prices of a large number of basic products for years now;
- ◆ Raising the number of beneficiaries from direct support to more than 82,000 widows (147,000 orphans).

Future priorities

- ❖ Pursuing the reform of the social protection system with a view to expanding the number of beneficiaries of its programs; and starting to develop the Unified Social Register as an effective mechanism for targeting the relevant population groups;
- ❖ Sustaining and operationalizing social dialogue to agree on a comprehensive and qualitative offer to increase wages by an average of MAD 700 per employee, within an amount of up to MAD 1700, while endeavouring to give effect to some measures in the private sector.

1.4. Reduce territorial disparities and promote rural development

Major Achievements

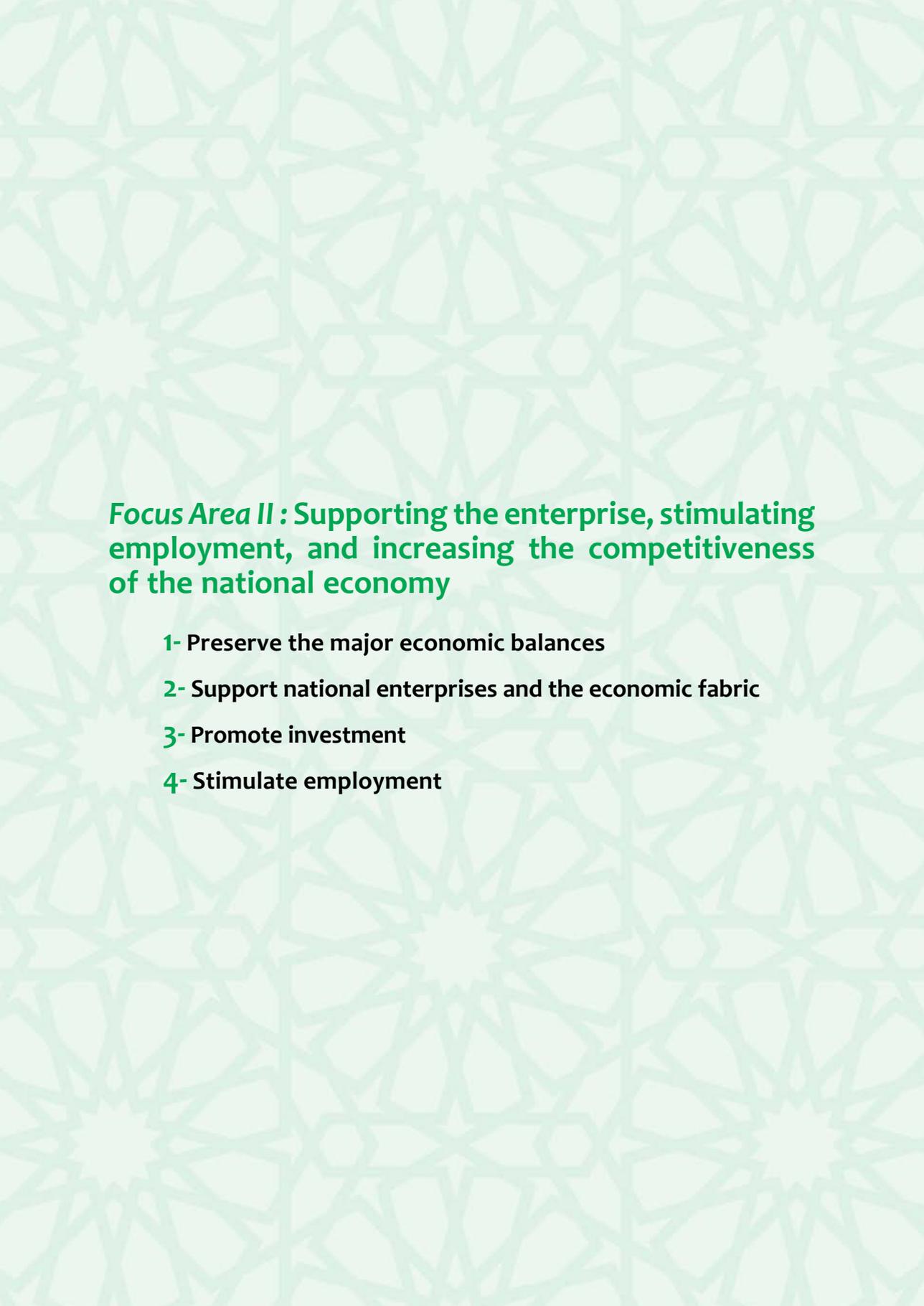
- **Initiating the implementation of the program to reduce territorial and social disparities in rural areas**
 - It involves five crucial sectors : health, education, roads, drinking water, and rural electrification;
 - Adoption of the 2017 Program of Action on 28 July 2017. The budget amounts to MAD 8.31 billion;
 - Mobilization of financial resources related to the 2018 work program, estimated at MAD 6.85 billion.

Results

- ◆ Construction and development of about 2,850 km of roads, rural roads, and engineering works;
- ◆ Providing 330 douars (rural agglomeration) with drinking water in 12 provinces;
- ◆ Connecting 47 douars (rural agglomeration) belonging to 12 rural communes in 7 provinces;
- ◆ Rehabilitation of educational institutions in 340 rural communes, at the level of 48 provinces;
- ◆ Rehabilitation of health care institutions in 208 rural communes at the level of 64 provinces.

Future priorities

- ❖ Adopting the 2019 Program of Action and mobilizing the relevant financial resources.



Focus Area II : Supporting the enterprise, stimulating employment, and increasing the competitiveness of the national economy

- 1- Preserve the major economic balances**
- 2- Support national enterprises and the economic fabric**
- 3- Promote investment**
- 4- Stimulate employment**

2.1. Preserve the major economic balances

Results

- The year 2017 is expected to close with a growth rate of 4.1%, compared to 1.6% in 2016;
- The budget deficit is expected to amount to 3.5% of GDP in 2017, compared to 4.1% in 2016, and to 3% in 2018;
- Inflation remained at a reasonable level of 0.7 percent in 2017, much lower than the figures in many countries of the region;
- Significant increase in foreign currency reserves since the beginning of 2018, thanks to the remittances of Moroccans living abroad (21.1%), tourism receipts (32.3%), and foreign direct investments (53.9%).

2.2. Support national enterprises and the economic fabric

Major Achievements

- **Develop strategic and ad-hoc measures to reduce tax pressure and corporate costs, and enhance the marketing and financing capacity of companies**
 - Reducing tax pressure by adopting a progressive tax system on corporate profits in the Financial Law of 2018;
 - Adoption and promulgation of the law amending the Fifth Book of the Commerce Code, governing companies' difficulties;
 - Launching the operation of reimbursing VAT credits, addressing 340 files for an amount of about MAD 5 billion;
 - Cancellation of penalties and fines for delay, as well as collection fees for both taxes and levies;
 - Expanding the scope of the incentives granted to exporters so as to include units that manufacture export-oriented products;
 - Issuing the regulatory framework for takaful insurance (tontine) to assist the participatory banks and develop the activities of this sector's operators.
- **Developing transparency mechanisms**
 - Establishing a Payment Periods Observatory to meet payment of debts and receivables to enterprises;
 - Establishing the National Commission for Public Purchases, appointing its members, and launching its operation.

Results

- ◆ Morocco ranked 69th worldwide in World Bank 'Doing Business', and 3rd in Africa;
- ◆ 41,257 companies were set up in 2017, compared to 5,690 businesses that went bankrupt in the same year, bearing in mind that 40,135 companies were incorporated in 2016, including 5,195 that went bankrupt that year.

Future priorities

- ❖ Reforming and operationalizing the new investment charter;
- ❖ Continuing the regional implementation of the Industrial Acceleration Plan and supporting the major development strategies.

2.3. Promote investment

Major Achievements

■ **New qualitative incentives for private investment**

- Adopting tax exemptions to stimulate private investment under the 2018 Financial Law;
- Enacting a 5-year tax exemption for newly set up industrial companies;
- Integrating the public bodies in charge of supporting and encouraging investments, exports, and product promotion;
- Successful management of the transition to a flexible dirham conversion system, which strengthened confidence in the national economy.

Results

- ◆ The approval by the National Investment Committee of 99 draft investment agreements and addenda, worth a total of MAD 99 billion;
- ◆ Increase in foreign direct investment flows to MAD 24.4 billion in 2017, increasing thus by 15% over the figures of 2016.

Future priorities

- ❖ Operationalizing the reform and upgrade of the Regional Investment Centers within the prospect of strengthening their management capabilities and providing them with new prerogatives to facilitate investment at the regional level.

2.4. Stimulate employment

Major Achievements

■ Exceptional efforts to promote employment in the public sector

- Hiring of 95,000 persons under the finance laws of 2017 and 2018.
- Adopting strong incentives as part of the finance laws of 2017 and 2018
- Raising the number of wage earners whose tax and social obligations are born by the State to 10 instead of 5 in the previous system, for the benefit of newly established companies, associations, and cooperatives, for wages of up to MAD 10,000, in lieu of MAD 6,000;
- Exempting from income tax the allowances paid by companies to PhD researchers, within the limit of MAD 6,000 per month and for a period of 24 months;
- Abolishing the requirement of registration for 6 months in the National Agency for the Promotion of Employment and Skills in order to access exemptions from social and tax burdens in training contracts.

Results

- ◆ The unemployment rate went down from 10.7% to 10.5% during the first third of 2017, compared to the same period of 2018;
- ◆ The number of new registrants in the self-employment system increased to 59,060 in 2017, vs. 32,400 in 2016.

Future priorities

- ❖ Operationalizing the national employment strategy and approving regional programs, while establishing linkages with public investment programs.
- ❖ Raising the level of tax incentives, reforming employment promotion programs, improving the efficiency of the labor inspectorate, and developing the compensation system for loss of employment.

Focus Area III : Continuing and consolidating the major reforms

- 1- Promote human rights**
- 2- Reform the administration, and fight corruption and bribery**
- 3- Progress towards making the advanced regionalisation operational**
- 4- Develop government performance and foster the convergence of public policies**

3.1. Promote human rights

Major Achievements

- **Adopting the National Action Plan for Democracy and Human Rights**
 - Adoption of the regulatory law on determining the conditions to raise the unconstitutionality of law;
 - Adoption of the law setting up the mediator institution;
 - Adoption of the national plan for equality «Ikram 2» to promote women's status.
- **Expanding constitutional rights and the rights of some groups**
 - Adopting urgent measures to teach the Amazigh language in the national higher institutes of administration, judiciary, communication, cinema and theater;
 - Improving the humane treatment of prisoners, completing the abolition of the “basket” system and reducing overcrowding through the opening of three prisons;
 - Implementing the second phase of the integration and regularization of the legal status of migrants residing illegally in Morocco.

Results

- ◆ Significant decrease in number of complaints relating to abuse in prisons, from 25.13% in 2016 to 16.10% in 2017;
- ◆ Approval of about 10,940 applications for the regularization of migrants status by the regional commissions until 31 December 2017.

Future priorities

- ❖ Implementing the National Action Plan for Democracy and Human Rights.

3.2. Reform the administration, and fight corruption and bribery

Major Achievements

■ Implementing structural reforms that were pending from 2011

- Adopting the Law on the Right to Information;
- Establishing a national complaints system and setting up a digital portal (www.chikaya.ma) to ensure complaint tracking and processing;
- Speeding up the national strategy to fight corruption through the creation of the National Commission in charge of following up the strategy and achieving 93 projects;
- Adopting the decree to implement the prior review of the impact and feasibility of laws and major public projects;
- Implementing the contracting system.

■ Simplifying many major procedures

- Enabling citizens to obtain the certification of duplicate copies of documents at the various departments involved;
- Creating a bunch of electronic applications and expanding application platforms through the Internet to facilitate access to services.

Results

- ◆ Morocco improved by nine places in the International Corruption Perception Index (from 89 in 2016 to 80 in 2017).

Future priorities

- ❖ Strengthening the implementation of the national anti-corruption strategy;
- ❖ Continuing the implementation of the administration reform program;
- ❖ Expanding the use of e-government.

3.3. Progress towards making the advanced regionalization operational

Major Achievements

- Completion of the legal and regulatory arsenal to operationalize the contents of the organic laws related to territorial communities;
- Promulgating a decree to operationalize the Social Rehabilitation Fund and the Inter-Region Solidarity Fund;
- Mobilizing financial resources of Regions to reach MAD 7 billion;
- Launching the program of the Government contacts with the Councils of Regions and elected officials in order to keep up with the projects of advanced regionalization;
- Launching the outreach and sensitization campaign on the mechanisms of participatory democracy;
- Establishing a new and proactive approach that enables the most effective implementation of regional and local development programs: field visits, holding of sessions by follow-up committees on time ...

Results

- ◆ Mobilization of financial resources for Regions, amounting to MAD 7 billion;
- ◆ 5 visits of important government delegations until now.

Future priorities

- ❖ Speeding up the implementation of advanced regionalization (transfer of competencies) and establishing the contracting system with the Regions;
- ❖ Adopting the charter of administrative decentralization.

3.4. Develop government performance and foster the convergence of public policies

Major Achievements

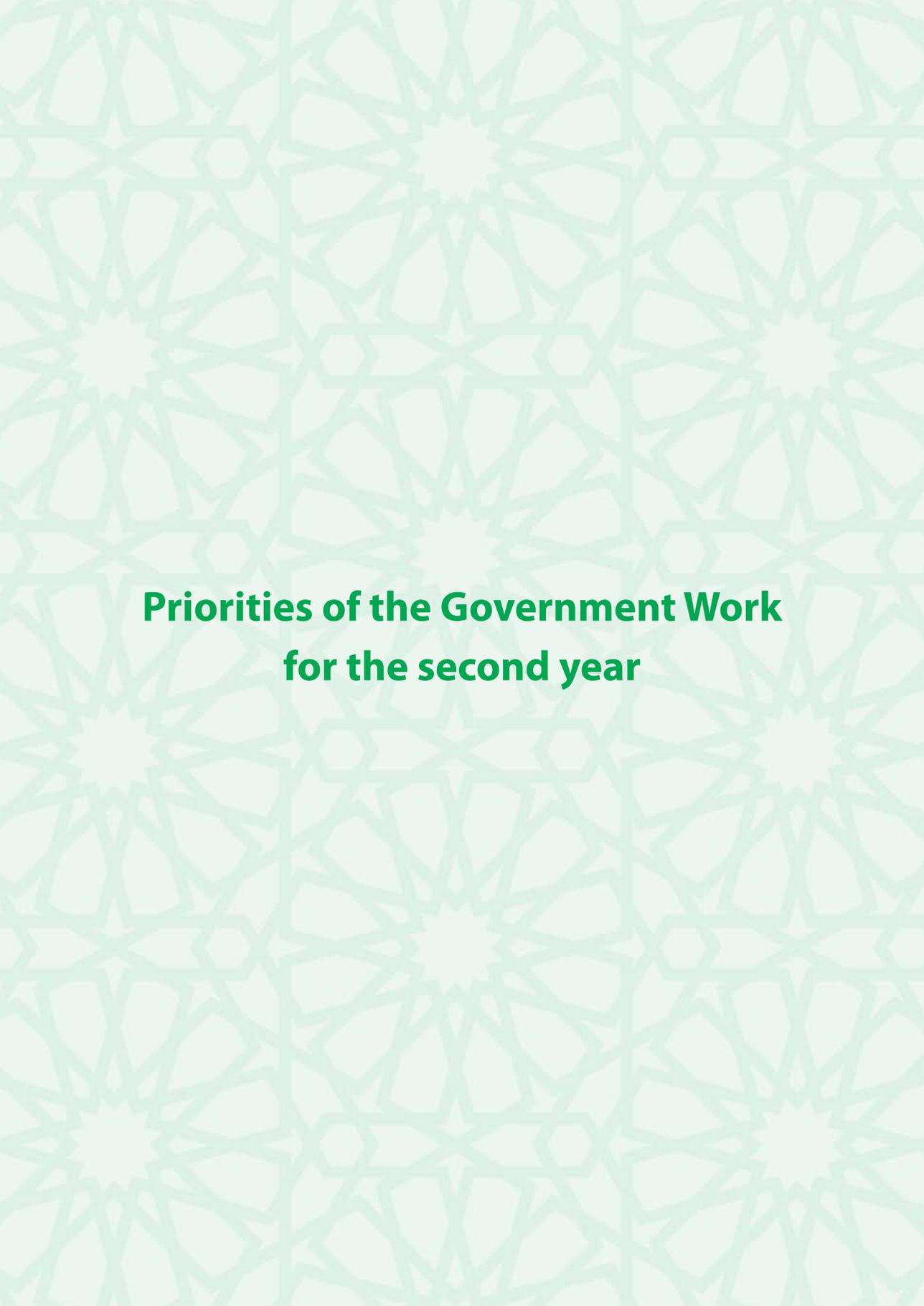
- **Implementing coordination mechanisms at the level of the Government and the Regions**
 - Strengthening the role of the inter-ministerial committees and organizing their meetings on a regular basis;
 - Establishing a Ministerial Committee in charge of the follow-up and implementation of the Government Program, and strengthening its relevant roles;
 - Operationalizing the communication program with the Regions;
- **Transparency and communication with public opinion**
 - Presenting the Government's record for the first 120 days;
 - Presenting the record for the first year in office.

Results

- ◆ Positive and qualitative interaction of most ministerial departments with the new approach;
- ◆ About 90% of government program actions were completed or are underway (over 380 out of 435).

Future priorities

- ❖ Regularity in the work of political and governmental mechanisms to coordinate and track the Government Program;
- ❖ Completing the Communication Program with the Regions.



**Priorities of the Government Work
for the second year**

□ Support investment and strengthen national economy

- Launching the reform process of the regional investment centers;
- Adopting the new investment charter;
- Continuing the regional implementation of the Industrial Acceleration Plan;
- Keeping pace with the major development strategies: agriculture, fisheries, water, renewable energies, tourism, handicrafts, environment and sustainable development, infrastructure and logistics;
- Endeavouring for the preservation of the macroeconomic balances (deficit, inflation).

□ Strengthen social protection and reduce disparities

- Continuing the reform of the social protection system and expanding the number of beneficiaries from its programs;
- Implementing the procedures proposed as part of the social dialogue, which is aimed at increasing the purchasing power;
- Initiating the generalization of universal health coverage to independent professions and workers;
- Launching consultations and preparation for the comprehensive reform of the pension system;
- Preparing and implementing the second annual program to reduce territorial disparities.

□ Enhance citizens' dignity through education, health, and employment

- Adopting and operationalizing the framework law relating to the system of education, training, and scientific research, by concluding program-contracts that cover all reform aspects (Quality, human resources, infrastructure);
- Fighting unemployment by implementing the national employment plan, especially at the regional level;
- Making operational the National 2025 Health Plan and adopting a national charter for health services;
- Implementing the National Integrated Youth Strategy;
- Drawing up a national culture plan.

❑ **Reform the administration and achieve good governance**

- Strengthening the implementation of the anti-corruption strategy;
- Continuing the implementation of the administration reform program;
- Speeding up the implementation of advanced regionalization and establishing the contracting system with Regions;
- Adopting the charter of administrative decentralization;
- Expanding the adoption of e-government.

❑ **Promote human rights & consolidate participatory democracy**

- Starting the implementation of the National Human Rights Plan;
- Strengthening the path of participatory democracy.

