

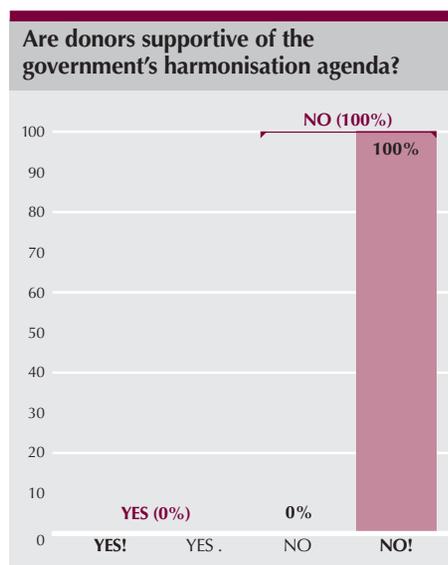
The survey sought to measure objective evidence of progress against 13 key indicators on harmonisation and alignment (see Foreword). A four-point scaling system was used for all of the “Yes/No” questions:

1. “Yes without reservations” represented here as: **YES!**
2. “Yes with reservations”: represented here as: YES
3. “No with reservations” represented here as: NO
4. “No without reservations” represented here as: **NO!**

Specific technical criteria were suggested to guide responses (See Annexes). Respondents were also invited to provide a brief explanation when they expressed reservations (Categories 2 and 3 above). The qualitative information they provided has informed this chapter.

No formal poverty-reduction strategy (PRS) currently exists in Morocco. The Ninth National Economic and Social Development Plan (2000-04) was presented in 1999 but it was limited in that the government department responsible for preparing it was not part of the Ministry of Finance, and therefore had no authority to allocate resources for its execution. It is now considered to be obsolete. In the current circumstances, donors tend only to provide broad thematic alignment. However, they generally use the Moroccan systems much more than in most other countries in this survey and some donors are also involved in budget support. Finally, there is, as yet, no clear harmonisation agenda in Morocco, although the government has recognised the need for one and is in the process of establishing it with the support of donors..

FIGURE 8.1
INDICATOR 1



OWNERSHIP

A CLEAR AGENDA ON HARMONISATION

A clear harmonisation agenda in Morocco is yet to be established, and the government has recognised the need to take the lead on this issue. Donors are committed to supporting this process. Currently, given the lack of a formal government harmonisation agenda, donors report they have nothing to support (see Figure 8.1 – Indicator 1). The government on the other hand reports to take a much stronger lead than the survey results would suggest.

FORMAL GOVERNMENT-LED FRAMEWORK FOR DIALOGUE AND CO-ORDINATION

While the Ministry of Finance (MoF) has indicated a willingness to take the lead, there has been little action to date. In this context, several donor co-ordination meetings have taken place, though they were initiated by the donors and are informal in nature (see Table 8.1 – Indicator 2). In addition, the World Bank is engaged in discussions with the government regarding how a government-led harmonisation process could be established.

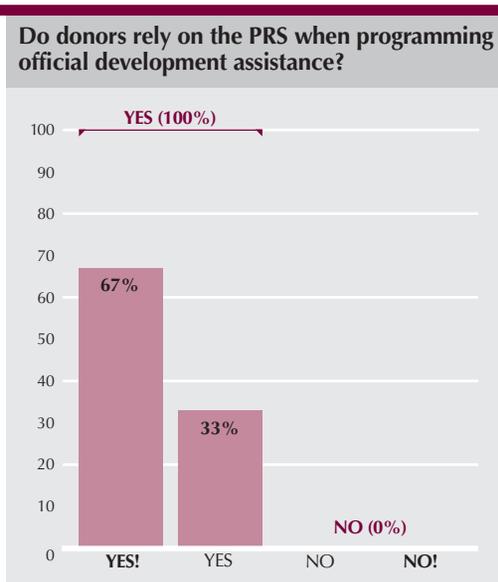
**TABLE 8.1
INDICATOR 2**

Is government co-ordinating aid?		
Is there a formalised process for dialogue?		NO
Is government proactive?		NO
Is government in the driving seat?		NO
Do donors' rules support harmonisation?	YES	
50%		
% of donors who take part in co-ordination		

**TABLE 8.2
INDICATOR 3**

Capacity development		
► Have weaknesses been identified?		
In public financial management	YES!	NO
In budget planning and execution	YES!	
In co-ordination of aid		
► Are weaknesses being addressed?		
In public financial management	YES!	NO
In budget planning and execution	YES!	
In co-ordination of aid		
► Is the level of support appropriate?		
In public financial management	YES	NO! N/A
In budget planning and execution		
In co-ordination of aid		

**FIGURE 8.2
INDICATOR 4**



CAPACITY DEVELOPMENT

Weaknesses have been reported in public financial management, procurement and budget formulation, execution, reporting and review (see Table 8.2 – Indicator 3). The government and donors are working together to build capacity in these areas, though both agree that the level of support provided does not currently match the government's needs. Weaknesses in government capacity to co-ordinate aid are accepted, though not articulated in any official documents, and there is no real support to address these weaknesses at the moment.

ALIGNMENT

RELIANCE ON PARTNERS' NATIONAL DEVELOPMENT STRATEGIES

No formal PRS exists in Morocco. Though the Ninth National Economic and Social Development Plan (2000-04) was presented in 1999, it is now considered to be obsolete. Donors have tended only to align to general themes articulated in the plan (see Figure 8.2 – Indicator 4).

A form of annual performance review exists. However, as one multilateral donor noted, "It is neither systematic nor comprehensive enough to form a sound basis for resource allocation."

Reviews of specific sector strategies also exist; however these are reported to be neither timely nor widely disseminated to the donor community.

Is budget support predictable and aligned?				TABLE 8.3 INDICATOR 5
Are budget support donors making:	YES!	YES	NO	
► multi-annual commitments?	European Commission World Bank	Italy		Japan
► timely commitments?	European Commission World Bank		France	Japan
► timely disbursements?	France World Bank		European Commission	

BUDGET SUPPORT

Indicator 5 measures the extent to which budget support is predictable and aligned with partners' procedures (see Table 8.3).

France, Japan, the European Commission and the World Bank provide some kind of budget support to Morocco. Italy does not make direct budget support; however, it converted USD 100 million of national debt to investments in the period 2000-02 and signed in May 2004 a new agreement cancelling debts of EUR 20 million.

France's economic mission plans multi-annual disbursements to support the private sector but these are conditional on certain external factors, such as sufficient liquidity in the banking structure. The European Commission withheld some disbursements in 2003 due to delays and shortcomings in the reform process.

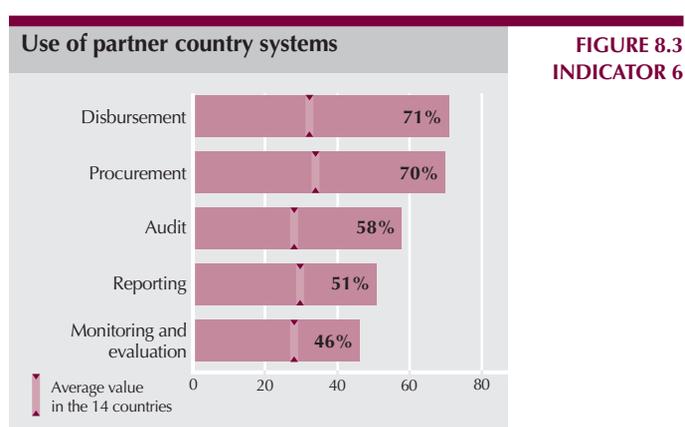


FIGURE 8.3
INDICATOR 6

PROJECT SUPPORT

The Moroccan government systems are used much more than in most other countries reported in this survey (see Figure 8.3 – Indicator 6). The extent to which they are used varies by donor, but often a combination of both government and the donors' own systems are used. For example, the Islamic Development Bank (ISDB) uses its own procurement and disbursement systems, but uses government monitoring and evaluation (M&E) and environmental assessment systems. The United Nations Development Programme (UNDP) uses its own disbursement, reporting and M&E systems, government audit systems and a combination of UNDP and Moroccan systems for procurement.

TABLE 8.4
INDICATOR 8

Alignment with sector programmes					
► Are sector systems in place?	Health	Education	Water	Transport	Agriculture
Is government leading in the sector?	YES!	YES!	YES!	YES!	YES!
Does a clear sector policy exist?	YES	YES	YES	YES!	YES
Is a sector medium-term expenditure framework (MTEF) in place?	NO!	NO	NO	YES	NO
Is there sector co-ordination?	NO	NO	NO	NO	NO
Is a sector monitoring system in place?	YES	YES	YES	YES	YES
Are systems being harmonised?	NO!	NO!	NO!	NO!	NO!
► Are donors supporting the sector systems?					
Are the systems aligned with government policies?	YES!	YES!	YES!	YES!	YES!
Are funds integrated into the MTEF?	NO!	NO	NO	NO	NO
Are donors using the government monitoring system?	NO	NO	NO	NO	NO

SECTOR SUPPORT

Indicator 8 measures donor support to sectors in key policy areas (see Table 8.4).

Health sector

A health sector strategy has been presented, but it is neither costed nor linked to budget priorities. Donors and government disagree over the extent to which a formal donor co-ordination process exists in the sector: donors feel there is none, and the government feels that efforts are being made, at least amongst the main donors. Government performance monitoring systems (PMSs) exist, but are weak, and there is no sector medium-term expenditure framework (MTEF).

Education sector

A high-level education sector strategy exists, although an action plan is yet to be developed. The Ministry of Education is in the process of implementing an MTEF on a pilot basis. The government is also setting up a donor co-ordination process, in which Belgium, Canada, Italy, Japan, Spain and the United States are participating. Basic sector PMSs exist, and are being used by 40% of donors active in the sector.

Water sector

A water sector strategy has been presented, and whilst it is neither costed nor linked to budget priorities, 82% of donors rely on it. A sector MTEF is expected to be implemented shortly. France is the lead donor in the sector and is responsible for organising the informal donor co-ordination process, in which 75% of sector donors are involved. The survey shows that 44% of donors use the government PMS.

Transport sector

A clear transport sector policy exists and 60% of donors are reported to be active. A meeting has been scheduled at which the government will present a medium-term action and expenditure plan for the sector. Some sector co-ordination is expected to be in place shortly, focussing on rural roads.

Rural development

No clear agriculture sector policy exists; however, non-agricultural rural strategies are in place, although these lack clear expenditure schedules. All donors are active to some extent in the sector. According to one bilateral donor, this “is about the only sector where there is no periodic organisation of co-ordination meetings”.

Other sectors

Other sectors receiving donor support include power, mining, environment, housing, governance, gender, private sector and small and medium-sized enterprise (SME) development. A co-ordination framework and monitoring system is being established in the housing and environment sectors.

HARMONISATION

Harmonisation appears to be at a very early stage and the formal and informal mechanisms for co-ordination, communication and capacity development have yet to be properly established. Joint donor activity, information exchange and sound monitoring and implementation measurements need to be set up. The government’s capacity to lead, manage and own the harmonisation process needs to be jointly supported.

The government noted that the survey methodology is more appropriate for measuring progress towards harmonisation and alignment in countries that are heavily dependent on aid; consequently progress in Morocco is reflected more negatively than is in fact the case. The government reported that it is “fully engaged in the process of harmonisation”.

STREAMLINING CONDITIONALITY

No streamlining of conditions is currently reported in any sector or modality at the present time (see Table 8.5).

Are donors streamlining conditionality?			TABLE 8.5 INDICATOR 7
Direct budget support		NO!	
Health sector		NO!	
Education sector		NO!	
Water sector		NO!	
Transport/road sector		NO!	
Rural development agriculture		NO!	

Who is delegating co-operation?				TABLE 8.6 INDICATOR 9
YES!	YES	NO	NO!	
Canada	France	Italy	Belgium	
World Bank			Germany	
			Japan	
			Spain	
			United States	
			European Commission	
			IMF	
			ISDB	
			United Nations	

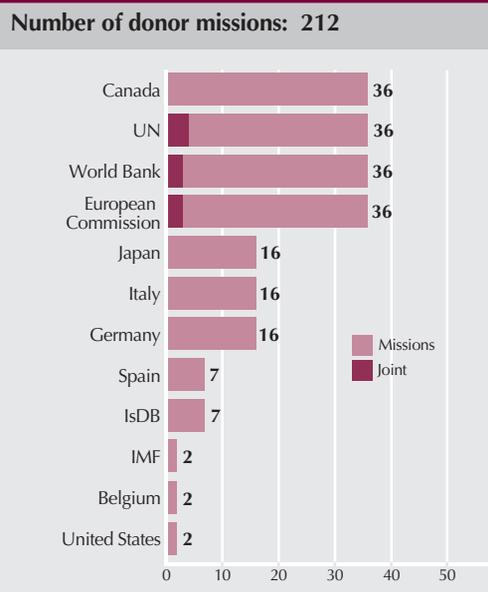
DELEGATED CO-OPERATION

Indicator 9 shows that 15% of donors in Morocco report to be party to an agreement to perform tasks on behalf of other donors (see Table 8.6). For example, one multilateral donor is delegating responsibility for implementing a project supporting rural investments in the tourism sector to a bilateral donor.

DONOR FIELD MISSIONS

Approximately 200 missions were undertaken in 2003, of which around 5% were co-ordinated with one or more donors (see Figure 8.4 – Indicator 10). Four donors (Canada, United Nations, World Bank and the European Commission) were responsible for 70% of these missions. These figures do not include France, a major donor to Morocco, for whom no data was reported.

FIGURE 8.4
INDICATOR 10



STREAMLINING DIAGNOSTIC REVIEWS

Three reviews were undertaken in the period 2001-2003, none of them jointly (see Table 8.7 – Indicator 11).

DISCLOSING INFORMATION

Indicator 12a (table not presented) measures the extent to which donors provide multi-annual indications of aid flows. The survey shows that 33% of donors claim to notify the government on indicative disbursements they plan to release over at least a three-year period, with a further 33% qualifying their responses. For example, one bilateral donor makes commitments on a project-by-project basis, the timeframe being determined by that of the project, and another makes pledges which have to be approved by its government on an annual basis.

Indicator 12b (table not presented) shows that 46% of donors provide information on actual disbursements. Some donors make information available upon request, but have no established mechanism in place for notifying disbursements to the government. One bilateral donor notes that the government has no procedures in place to facilitate the notification of disbursements.

A third of donors regularly share information on their country analytic work and a further 33% do to some extent (see Table 8.8 – Indicator 13). Many donors use their own Web sites for this purpose, rather than a common forum. The UN system has recently launched a Web site on which all UN system agencies will post their country analytic work and project evaluations.

TABLE 8.7
INDICATOR 11

Are diagnostic reviews being streamlined?	
Diagnostic reviews (2001-03)	Was it undertaken jointly?
CFAA	NO
PER	NO
CPAR	NO

TABLE 8.8
INDICATOR 13

Who is sharing country analytic work?			
YES!	YES	NO	NO!
Belgium	France	Japan	Germany
European Commission	United States		Italy
IMF	ISDB		Spain
World Bank	United Nations		

ACRONYMS

CFAA	Country financial accountability assessment
CPAR	Country procurement assessment report
IMF	International Monetary Fund
IsDB	Islamic Development Bank
M&E	Monitoring and evaluation
MoF	Ministry of Finance
MTEF	Medium-term expenditure framework
PER	Public expenditure review
PMS	Performance monitoring system
PRS	Poverty-reduction strategy
UN	United Nations
UNDP	United Nations Development Programme

