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Direction du Budget

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وزارة الإقتصاد والمالية
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# Summary of the note on the regional distribution of public investment for the year 2018

**During the last decade, Morocco has shifted towards a trend of macroeconomic, sectoral, structural and legal reforms together with a remarkable budgetary effort at the level of public investment. This effort particularly focuses on the implementation of sectoral strategies aimed to strengthen infrastructures, stimulate economic growth and reduce social and territorial disparities. The ultimate target is to maximize the benefits of public investment and ensure their fair distribution for the benefit of all citizens in all territories of the Kingdom. In its third edition, the note on the regional distribution of investment, accompanying the Finance Act of 2018, stresses the regional scope of public investment and its socio-economic impacts, and this in the light of the introduction, in near future, of a new public investment projects management system:**

The first part of the note on the regional distribution of public investment for the year 2018 deals with the balance sheet of achievements at the level of public investment effort while the second one focuses on the economic and social benefits of the regional distribution of public investment both at the level of growth that registered a significant increase and the important achievements, especially with regard to accessibility of basic social services and the reduction of social and territorial disparities. In the third part, the note presents the perspectives of improving the socio-economic performance of public investment through adopting a new public investments management system. Finally, the note includes a detailed presentation of the public investment projects expected at the regional level for the year 2018 in the general budget of the State and the budgets of the Public Institutions and Businesses whose global amount is MAD 195 billion.

Public investment constitutes a strategic and voluntary choice of the State taking into account its role as social and economic lever for the country. During the last years, Morocco has significantly increased its efforts in terms of public investment. Indeed, public investment has more than doubled (2.67 times) during the last 10 years, from MAD 71 billion in 2006 to MAD 195 billion in 2018. A total investment rate (public and private) of over 30% of GDP in the last decade positions Morocco among the countries with the highest investment rates in the MENA region.

The public investment effort at the regional level is materialized through the emergence of the region as a major player in economic and social development, by increasing the economic attractiveness of territories through continuing investments in the productive sectors, reinforcement of infrastructures to improve mobility and the connection between territories, thus reducing the isolation of hard-to-reach regions, and the development of integrated urban poles and national planning.

In particular, this dynamic has led to considerable progress in the implementation of sectoral strategies in particular, the Green Morocco Plan, the National Plan for Industrial Emergence, energy strategy, tourism strategy, the Digital Morocco Plan, and Halieutis Plan. This effort has also enabled the launch of major infrastructure projects and structuring projects in multiple areas such as: roads, highways, dams, airports, the Casa-Tangier high-speed train, the Tangier MED port complex, the port of Safi and that of Nador West MED. This, excluding the launch of integrated urban development programs for the cities of Casablanca, Rabat, Tangier, Tetouan, Salé, Marrakech, Kenitra and Al Hoceima.

The results of public investment are also tangible in terms of social development, since Morocco has developed in recent years a wide range of programs aimed to reduce poverty, combat social and spatial disparities, and open up areas that are difficult to access. These programs have had a positive impact on national social indicators, including:

- Rural electrification rate: 99.4 %;
- Rate of drinking water supply in rural areas: 96 %;
- Rate of the rural population accessibility to roads: 79%;
- Infant mortality rate: 27 per 1000 live births in 2017 against 40 in 2003-2004;
- School enrollment rate for primary, junior and high school: 99.1%, 90.4% and 70.1% respectively in 2014-2015, compared to 91.6%, 70.2% and 49.9% in 2008-2009;
- The number of cities without slums (CWS): declaration of 58 CWS at the end of September 2017;
- Housing deficit: 400.000 units in 2017 against 1,240,000 units in 2002.

Combined with the major project of the advanced regionalization initiated by our country, and which allowed to allocate to the regions financial resources amounting to MAD 7 billion under the 2018 finance act with the aim of reaching MAD 10 billion in 2021, public investment has succeeded in boosting regions that once seemed to contribute only very little to overall value added at very satisfactory levels of wealth creation. This is the case in the southern regions, which have recently adopted a new socio-economic development model aimed to create competitive hubs capable of generating a new dynamic, and employment opportunities needed for the benefit of young people and women, consolidate integrated development and promote the cultural dimension. All this based on responsible governance in the context of advanced regionalization. It should be noted that this integrated development program has a budget of MAD 77 billion over the 2015-2021 period and a portfolio of approximately 650 projects. This program is now beginning the implementation phase of the actions, following the signature of the State financial support agreements for the benefit of the three southern regions, and the integrated development program contracts for each region.

Finally, and with a view to ensuring a better performance of public investment and improving its impact on the living conditions of citizens, particularly at local and regional level, a new Public Investment Management System "PIMS" will be adopted as of 2018. It aims at setting up a unified framework for the management of public investment, ultimately allowing the allocation of public resources to projects with the best social and economic returns. This is in full compliance with the strategic orientations of State policy and with the aim of precisely meeting the imperatives of a better selection of proposed projects and filtering throughout the life cycle of investment projects, with a focus on the ex-ante evaluation phase of the projects cycle while strengthening the ex-post monitoring and evaluation missions.