

## Part 1: MODERNIZING THE ADMINISTRATION, GUARANTEEING THE PERFORMANCE OF THE PUBLIC SECTOR

Public administration is a major contributor in the New Development Model launched by Morocco. In this regard, the Government is committed to lead the reform strategy of the Administration.

It is also established that the monitoring of this reform should be built on a renewed vision of the management of civil servants and maintenance of a peaceful atmosphere.

### I. SOCIAL DIALOGUE: A COMPROMISE ARRANGEMENT AND SUPPORT FOR SOCIAL MONITORING

Social dialogue is an essential tool for promoting participatory democracy and reinforcing social State. As such, the will to build an environment for dialogue and to perpetuate social stability, despite a difficult economic situation, led to the conclusion of an agreement, in April 2022, between the Government, the General Confederation of Moroccan Enterprises (CGEM) and the most representative trade union confederations.

The signed agreement focused on the following areas:

#### 1. Institutionalizing social dialogue

#### 2. Implementing measures for the public sector

The Government undertakes to implement the following key measures:

- 2.1. Enhancing the purchasing power of civil servants
- 2.2. Reinforcing the protection of civil servants against occupational risks and diseases
- 2.3. Balancing between professional and private life
- 2.4. Reviewing specific laws and regulations
- 2.5. Reforming the pension system

#### 3. Implementing measures for the private sector

The key measures provided by the aforementioned social dialogue agreement for employees in the private sector are as follows:

- Increase of the Guaranteed Minimum Inter-Occupational Wage (SMIG) by 10% for employees in industry, commerce and liberal professions, in two phases (5% as of September 1<sup>st</sup>, 2022 and 5% as of September 1<sup>st</sup>, 2023), and 5% in the tourism sector as of January 1<sup>st</sup>, 2023, as the 1<sup>st</sup> phase;
- Gradual standardization of the SMIG and the SMAG (Guaranteed Minimum Agricultural Wage) by increasing the SMAG by 10% as of September 1<sup>st</sup> 2022 and by 5% as of September 1<sup>st</sup> 2023;
- Increase of the old-age pension by 5% retroactively as of January 2020 and reduction of the threshold for the number of days of contribution required to claim this pension from 3240 days to 1320 days. These measures were approved by the CNSS (National Social Security fund) Board of Directors held on September 9<sup>th</sup> 2022.
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## II. SOCIAL INSURANCE: FOR THE STRENGTHENING OF SOCIAL RIGHTS

### 1. Public social Insurance policy

The development of a public social insurance policy is of particular importance for the Government. It is conducted in compliance with the royal vision that focuses on four aspects:

- Generalization of compulsory health coverage (AMO);
- Generalization of family allowances;
- Expansion of members of the pension plan base;
- Generalization of the Severance Pay (IPE).

The overall annual cost of this reform is estimated at 51 MMDHs per year with a 5-year deployment since 2021. The established phasing provided for the generalization of AMO during the years 2021-2022. The period of 2023-2024 should focus on the generalization of family allowances. The expansions of the members of the pension plan base and the generalization of the IPE shall enter into force during 2025.

### 2. Health care reform

It is a strategic priority in the development of the social insurance policy undertaken by Morocco. The Government is working to expand the regulatory system regarding social insurance by introducing a draft framework law aimed at reforming the health system so as to bring it into line with the above-mentioned framework law No 09-21, and to establish a health care system ensuring the missions assigned to it, particularly:

- Continuity of the public health service;
- Equal access to health care in all regions;
- A pharmaceutical policy combining quality and accessibility;
- Reinforcing health indicators.

## III. STRUCTURAL AXIS OF ADMINISTRATION REFORM

The Government is carrying out major transformations in public administration in order to build the overall performance of public services and to promote better management of user expectations, by propelling digitalization into a central tool for improving public services and building trust between the citizen and the administrative system.

### 1. Accelerating digital transformation

The digitization project for 2022 focused on the following aspects:

**1.1.** Access to public services: simplifying procedures and administrative formalities

**1.2.** Support for digitalization projects for Administrations

**1.3.** Strengthening the digital dimension

It is essentially the “E-Tamkeen” program (2018-2022), with a Belgian funding of 3.5 million euros, focused on strengthening the digital skills of civil servants centrally and locally. This work targeted 1,400 civil servants.

**1.4.** Development of cross-functional projects

**1.5.** Digitalization strategy for 2030: this strategy sets, for 2030, a number of objectives and indicators, particularly:

- Digitization of 100% of public services;
- Connecting 100% of the entities concerned by the citizen and business pathways to the "One Stop Shop" (single interface for public services);
- Use of the Cloud service for 70% of the Administrations;
- Generalized use (100%) of the e-signature by Administrations and Public Bodies.
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## 2. Administrative devolution

In this respect, draft decrees should be enacted with respect to delegation of power and signature, the principles and rules of organization of State Administrations, the terms and conditions for the appointment of heads of divisions and departments in the Administrations.

## 3. Strengthening of good governance mechanisms: Public services Charter

The completion of Law No 54-19 on the public services charter was a flagship initiative marking the Government's desire to strengthen the principles of good governance as stipulated in Article 157 of the Constitution. This law, promulgated in 2021, covers the ethical and organizational outlines that should mark the action of the administrative system in its relationship with users.

## 4. The Right of Access to Information (RAI)

As part of the implementation of the RAI, several accomplishments should be mentioned, particularly:

- The update and development of the national portal for access to information;
- A report, submitted to the Head of Government and to the President of the RAI Committee, reviewing the implementation of the RAI, at the departmental and public establishments level.

## 5. Development and improvement of administrative services

The reception improvement program is maintained through the development of the related regulatory framework and the extension of its achievements to four new pilot sites.

## 6. Use of the Amazigh language in public administration

Meanwhile, a budget of 200 million Dirhams was allocated, in 2022, by the Government for the officialization of the Amazigh language with the aim to increase this financial contribution to 1 billion Dirhams in 2025.

The Government also plans to provide Ministries with staff responsible for the reception and orientation of Amazigh-speaking users. For this reason, an amendment to the cooperation agreement between the Ministry of Justice and the Royal Institute of Amazigh Culture (IRCAM) was concluded relating to the integration of Amazigh into the legal system as to facilitate the reception and orientation of Amazigh-speaking litigants.

## 7. Recognition of the gender approach in the Public Service

The Government actively promotes gender equality in public administration. For this reason, it is planned to effectively launch the work of the Gender Observatory in the Public Sector (OGFP) and to develop online training units in the field of gender equality.

## 8. Reinforcement of codes of conduct in public administration

This work requires a coordinated effort on the following two aspects:

*8.1. Transparency of public action:* Inclusive Government

*8.2 Anti-Corruption Policy:* outcome of anti-corruption policy should be strengthened by the following draft laws:

- Draft law on the declaration of assets and the fight against all forms of unlawful enrichment;
- Draft law aimed at preventing and fighting against conflicts of interest;
- Draft law on the protection of civil servants who report acts of corruption;
- Draft decree on the values and ethics charter for civil servants in public administrations, local authorities and public establishments.

## PART 2: HUMAN RESOURCES OF THE MOROCCAN PUBLIC SECTOR

### I. EVOLUTION OF THE STATE POPULATION AND CIVIL SERVICE STAFF DURING THE PERIOD 2012-2022

#### 1. Workforce and population

The Moroccan population has recorded, over the last decade, an overall population growth rate of 11.2%, from 32.98 million inhabitants in 2012 to 36.67 million inhabitants in 2022, i.e. an additional population of 3.7 million people. This evolution was mainly recorded in urban areas with 4.1 million inhabitants for -0.4 million inhabitants in rural areas.

In 2022, the Moroccan civil service counted 565,429 civil servants, i.e. an administration rate of 15.4‰, representing nearly 15 civil servants for 1000 people, and around 46 civil servants for 1000 inhabitants of the workforce.

#### 2. Evolution of the creations and deletions of budgetary positions

##### 2.1. Creation of budgetary positions

The government proceeded, under the 2022 Finance Law, with the creation of 26,860 budgetary positions for various ministries and institutions.

In addition, 257,110 budgetary positions have been created over the past decade, to which are added 119,000 positions created at the level of the Regional Education and Training Academies (AREF) for the recruitment of teachers.

##### 2.2. Deletions of budgetary positions

Retirements are the main reason for the elimination of budgetary positions. In fact, they represent averagely 77% of the job positions abolished over the last decade.

#### 3. Access to the public sector

##### 3.1. Recruitment exam

The recruitment policy in the Moroccan public sector is part of the implementation of the provisions of article 31 of the Constitution relating to the principle of citizens equality for the access to public employment by merit. On the other hand, in the implementation of article 22 of the General Statute of the Public Sector establishing the recruitment exam as a general rule for access to the Public Sector.

Accordingly, the ministerial departments have proceeded from 2012 until the 1<sup>st</sup> half of 2022 to the announcement of 2,773 recruitment exam to fill 127,321 budgetary positions, i.e. nearly 46 vacancies averagely per competition.

##### 3.2. Recruitment of experts

The recruitment of experts is carried out by contract in accordance with Decree No. 2-15-770 of August 9, 2016 laying down the terms and conditions for recruitment by contract in public administrations. This recruitment process allows the various departments to meet their skills and expertise needs in the various fields, mainly for the supervision and monitoring of the execution of major construction and infrastructure projects.

In this regard, 64 calls for applications have been launched to recruit 98 experts, from 2018 to the 1<sup>st</sup> half of 2022.

## 4. Appointments to senior positions and decision-making positions

### 4.1. Appointments to senior positions

The Government Council has approved, pursuant to Article 92 of the Constitution, 1,403 appointments to senior positions, since the entry into force of Organic Law No. 02-12 of July 17, 2012, relating to the appointment to senior positions until the end of the 1<sup>st</sup> half of 2022.

Thus, the position of Director remains the most deliberate senior position in the Government Council with a percentage of 73%, followed by the position of President of the Faculty with a share of more than 11%.

The number of women appointed, by decree, to senior positions, after deliberation in the Government Council, amounts to 182 appointments since the entry into force of the aforementioned Law No. 02-12 until the end of the 1<sup>st</sup> half of 2022, i.e. nearly 13%;

### 4.2. Appointments to the positions of head of division and head of department in Public Administrations

Since the entry into force of Decree No. 2-11-681 of November 25, 2011 laying down the appointment process to the positions of heads of divisions and heads of departments in Public Administrations, access to these positions and other similar positions, has been subject to a call for applications procedure open to candidates fulfilling specific conditions of seniority, competence, training and merit....

Thus, the ministerial departments have proceeded since 2012 and until the end of the 1<sup>st</sup> half of 2022 to the announcement of 12,745 calls for applications to fill 9,807 positions of head of department and related positions and 2,918 positions of head of division and related positions.

In addition, it should be noted that despite the fairly significant increase in women's access to positions of responsibility (Departments and Divisions), reflected in the increase in the rate of female representation from 16% in 2012 to 23.5% in 2019 (Source: High Commission for Planning (HCP)), this evolution is still far from encouraging the full integration of women as key players in the process of economic and social development of our country.

## II. CURRENT STATUS OF CIVIL SERVANTS

The distribution of human capital in public administrations is characterized by disparities both at the sectoral and spatial level, and structural level by status, scales, gender and age groups.

### 1. Distribution by Ministries

In 2022, the public sector counted a workforce of 565 429 civil servants, of which approximately 91% are located in 7 ministerial departments:

In fact, the Ministry of National Education, Preschool and Sports as well as the Ministry of Higher Education, Scientific Research and Innovation account for almost half of the civilian staff (43.3%), followed by the Ministries of the Interior (27.6%), Health and Social Protection (10.8%), Justice (3.5%), Economy and Finance (3.3%) and Prison Administration (2.3%). The other ministerial departments combined employ 9.2% of civil servants.

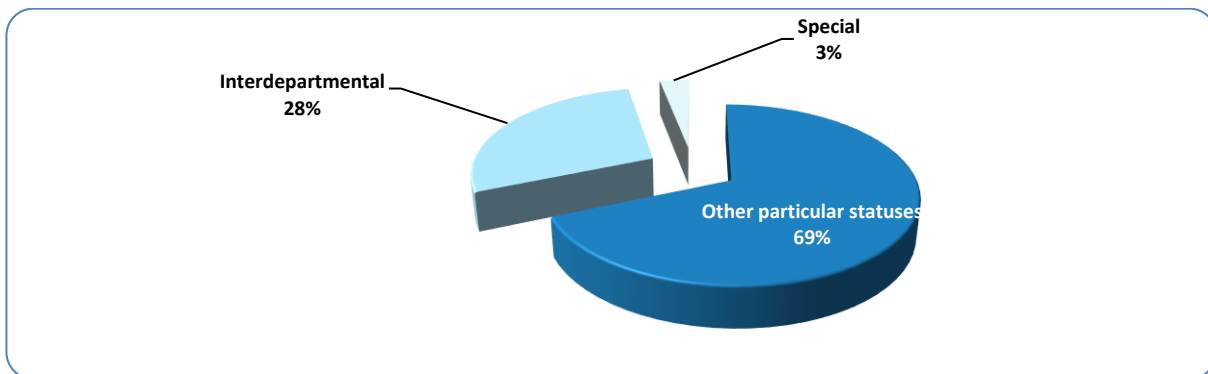
### 2. Classification by groups of scales

The structure of the number of the civil servants by groups of scales is distinguished by:

- A significant improvement in the staffing rate within the public administration with a percentage of 66.5% in 2022 against 58.7% in 2012. This evolution is largely due to grade promotions and recruitment processes focused in recent years on executives and senior executives;
- The number of supervisory staff (scales 7 to 9) and operational staff (scale 6 and similar) reached 18.9% and 14.6% respectively in 2022.

### 3. Distribution by statutes

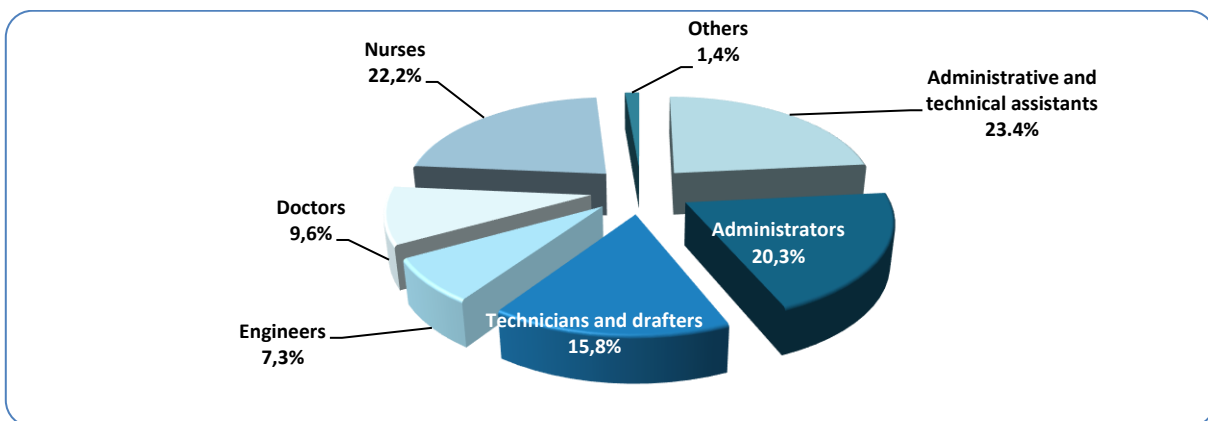
The statutes governing civil servants are generally grouped into three main categories, namely: interdepartmental statutes, other particular and special statutes. The distribution by statutes type is as follows:



#### 3.1. Interdepartmental statutes

The interdepartmental staff, comprising among other bodies, administrators, engineers, doctors, nurses, technicians, drafters, administrative assistants and technical assistants represents 28%.

The analysis of the structure of the interdepartmental staff, whose workforce is 156,081 civil servants, is as follows:

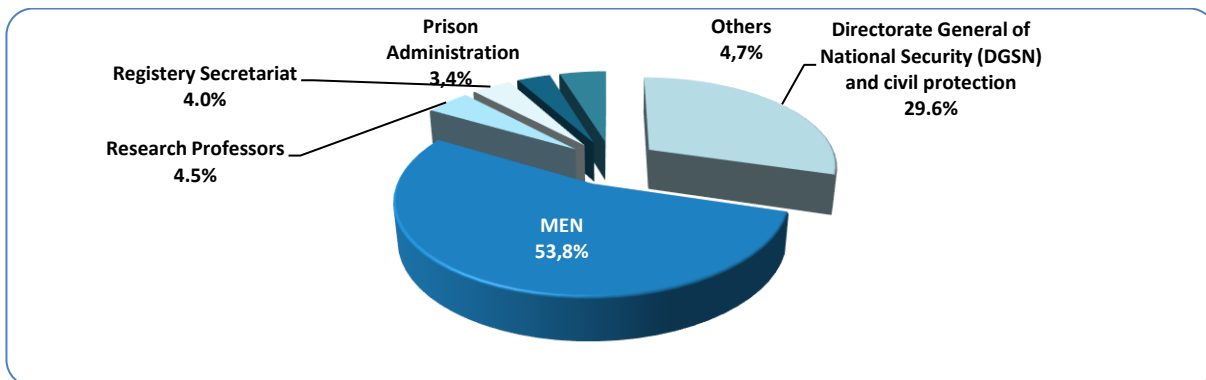


#### 3.2. Particular statutes

The number of the staff governed by special statutes (other than interdepartmental) amounts to 378,626, thus representing 69% of civil servants.

It concerns categories of civil servants in the Ministries of Justice, Home affairs, Foreign Affairs and Cooperation, Higher Education, National Education, and Economy and Finance.





### 3.3. Special statutes

The staff belonging to the special statutes governing judicial magistrates, magistrates of financial courts, administrators of Internal Affairs, enforcement officers and civil servants of the two Houses of Parliament represent a ratio of 3% of the overall civilian staff.

### 4. Distribution by age groups

The structure of civil servants according to age groups allows, on the one hand, to have visibility regarding retirement forecasts, and on the other hand to consider appropriate programs regarding training and recruitment, in order to prepare the succession and meet the needs of the administrations in terms of human resources.

The distribution of civil servants by age groups for 2022 is mainly characterized as follows:

- Young civil servants under the age of 35 constitute nearly 20.8% of the total number of civil servants;
- Civil servants aged between (35-50) and over 50yo constitute respectively 42.1% and 37.1% of all civil servants in 2022.

### 5. Distribution of expected retirements for the period 2022-2025

The forecasts, carried out by the Moroccan Pension Fund, indicate that approximately 43,921 civil servants will be retired for age limit between 2022 and 2025, as follows:

- At the level of the Ministry of National Education and Higher Education, 22,137 retirements are expected, i.e. 9% of the current workforce of the two Ministries;
- At the level of the Ministries of Internal Affairs, Health and Social Protection, Economy and Finance, and Justice, retirements would respectively reach 4,807, 5,079, 1,254 and 1,500, i.e. 3.1% respectively; 8.3%; 6.6% and 7.6% of the number of civil servants in each Ministry.

### 6. Distribution by gender

Despite the strategic reforms undertaken by the government with the support of UN organizations for the institutionalization of gender equality, the current level of women's participation in the job market remains, in most cases, much significantly lower than of men.

In this regard, the percentage of women working in the administration for 2022 is 35.6% against 64.4% for men.

### 7. Distribution by regions

Considering the importance of human resources that must be mobilized at the level of the various regions of the Kingdom for the success of this strategic project, the government is considering the preparation of the draft regulatory texts relating to human resources in accordance with the provisions of the article 17 of decree n° 2-17-618 on the national administrative devolution charter.

Currently, the structure of the civilian staff by region indicates that nearly 68% of the civilian staff are mainly



located in five regions, namely: Rabat-Salé-Kénitra, Casablanca-Settat, Fez –Meknes, Marrakech-Safi and Tangier-Tétouan-Al Hoceima, which reveals great disparities between regions in terms of human resources.

## PART 3: STAFF EXPENDITURE

Staff expenditure represents a significant proportion of public administration expenditure with nearly 37% of the general budget, whence the importance and the challenge of controlling the evolution of the wage bill while ensuring a certain balance between the allocation of human and material resources necessary for the proper functioning of public services called upon to meet the increasingly growing and diversified needs expressed by the various economic and social actors, and on the other hand, to further strengthen the necessary budgetary margins to stimulate public investment as a key driver for the economic and social development of our country.

### I. EVOLUTION OF STAFF EXPENDITURE DURING THE PERIOD 2012-2022

State staff expenditure increased from 107.69 MMD in 2012 to 147.53 MMD in 2022, i.e. an overall evolution of 35.15% and an average annual evolution of 3.2%.

Two phases can be distinguished over the past ten years:

- **2012-2018:** A slowing increase in staff expenditure was recorded during this period and the rate of evolution of this expenditure stabilized at around an annual average of 2%. This trend is partly due to the joint effect of the deletion of budgetary positions following retirements and the measures taken by the government to control the evolution of staff expenditure.
- **2019-2022:** high growth in staff expenditure, i.e. annual average of 5%, resulting mainly from the execution of decisions relating to salary reviews taken within the framework of social dialogue for State staff.

#### 1 Ratio of staff expenditure with respect to Gross Domestic Product (GDP)

This indicator recorded a drop in 2022 compared to previous years and stabilized at around 10.8%. The average ratio for the last 10 years (2012-2022) is nearly 11.46%.

#### 2. Ratio of staff expenditure (Wage bill WB) with respect to the General Budget (GB)

In 2022, the WB/GB ratio is 35.15%. For the 2012-2022 period, the wage bill recorded an average of 36.83% of General Budget expenditure.

#### 3. Ratio of Staff Expenditures to Operational Budget

This indicator has stabilized around an average annual rate of 60.51%.

#### 4. Ratio of Staff Expenditure to Ordinary Income

This ratio recorded during the period 2012-2022 an annual average of 50.15% while it recorded 57.80% in 2022.

### II. PUBLIC SECTOR STAFF EXPENDITURE FOR 2022

#### 1. Civilian staff expenditure by department

Nearly 90% of civilian staff expenditure is concentrated in seven ministries, namely the National Education, Preschool and Sports with 38.08%, followed by the Internal Affairs with 21.61 %, Health and Social Protection, Higher Education, Scientific Research and Innovation, Justice, Economy and Finance, Foreign Affairs, with 11.08%, 8.10%, 4.91%, 3.10% and 2.51% respectively. The other ministries take up 10.61% of staff appropriations.

## 2. Civilian staff expenditure by region

The distribution of staff expenditure by region indicates that:

- 77.1% of staff expenditure is concentrated in the regions of Rabat-Salé-Kenitra, Casablanca-Settat, Fez-Meknes, Tangier-Tetouan-Al Hoceima, Marrakech-Safi and Souss-Massa;
- The region of Rabat-Salé-Kenitra offers nearly 19.8% of staff expenditure. This concentration is mainly due to the aggregation of central administrations in Rabat.

Furthermore, it should be noted that there is no correlation between the distribution of staff expenditure by region and the contribution to GDP. In fact:

- In the Casablanca-Settat region, a leading economic hub, where the share of GDP is the highest (31.8%) and which has a large population, staff expenditure represents only 17.2%.
- The four regions of Casablanca-Settat, Fez-Meknes, Tangier-Tetouan-Al Hoceima and Marrakech-Safi contribute up to 59.63% in the production of national wealth, and take over 50.3% of staff expenditure, while the eight other regions take up 49.7% of this wage bill but only contribute with 40.37% to the gross domestic product.

## 3. Civilian staff expenditure by scale

The structure of civilian staff expenditure for 2022 by scale group is as follows:

- Staff of scale 6 and assimilated, representing 14.6% of the overall civilian staff, benefit from 7.3% of gross wage bill, generate 1.2% of income tax and participate in 7.4% to pension contributions;
- Civil servants of scales 7 to 9 represent 18.9% of the total workforce, benefit from 8.5% of the salaries paid by the Staff Expenditure Department, generate 2.4% of the income tax and pay 8.3% of pension contributions;
- The "scales 10 and above" category concerns 66.5% of the overall civilian staff, takes up 84.2% of staff expenditure, generate 96.4% of income tax and pays 84.3% of contributions to the Moroccan Pension Fund.

## 4. Key indicators relating to salary levels in the public sector for 2022

### 4.1. Average net monthly salary in the public sector

Under the joint effect of both grade promotion and salary increases decided by the government for civil servants within the framework of social dialogue, a significant improvement in the average net monthly salary in the public sector was recorded between 2012 and 2022. In fact, this indicator rose from 7,200 Dirhams in 2012 to 8,287 Dirhams in 2022, thus recording an overall increase of 15.09% for this period, i.e. an average annual increase of 1.42%.

### 4.2. Average net monthly salary by Ministry

As indicated in the chart below, the level of the average net salary varies from one Ministry to another. Thus, in 2022, the average net salary recorded within the Ministry of Higher Education, Scientific Research and Innovation amounts to 14,100 Dirhams against 12,459, 9,573, 8,989, 8,625 and 7,723 Dirhams observed respectively at the level of the Ministries of Justice, Health and Social Protection, National Education, Preschool and Sports, Economy and Finance and Internal Affairs.

#### 4.3. Average net monthly salary by scale groups

The structure of the average net monthly salary by scale groups in 2022 is as follows:

- Operational staff of scale 6 and assimilated: 5,060 Dirhams;
- Supervisory staff of scales 7 to 9: 6,244 Dirhams;
- Category of executives and senior executives (scales 10 and above): 10,448 Dirhams.

#### 4.4. Distribution of civil servants by salary groups

This distribution has the following main characteristics:

- 3.2% of civil servants receive a net monthly salary ranging from 3,000 Dirhams and 4,000 Dirhams;
- 26.3% of civil servants receive a net monthly salary less than or equal to 6,000 Dirhams;
- 63.5% of civil servants receive a net monthly salary ranging from 6,000 Dirhams and 14,000 Dirhams;
- 3.2% of civil servants receive a net salary exceeding 20,000 Dirhams per month.

#### 4.5. Minimum wage

The minimum wage in the public sector has undergone major reviews in recent years, going from 2,800 Dirhams in 2012 to 3,000 Dirhams in 2014 to reach 3,258 Dirhams in 2020 and 3,500 Dirhams in 2022, following decisions taken by the government, within the framework of the various social dialogue sessions.

### III. IMPLEMENTATION OF STAFF EXPENDITURE

#### 1. Implementation of staff expenditure for 2021

With an implementation rate of 100.42% compared to the forecasts of the 2021 Finance Law, the staff expenditure actually paid for this year stabilized at around 140.45 MM dirhams (122 MM dirhams paid by the Staff Expenditure Department (DDP) and 18.45 MM dirhams paid by the accounting networks of the General Treasury of the Kingdom (TGR)) against 133.53 MM dirhams in 2020. In this regard, it should be noted that the implementation rate of staff expenditure has improved significantly thanks to the works of the various authorizing officers upon programming and implementing these expenditures, with the help and guidance of the relevant departments of the Ministry of Economy and Finance.

#### 2. Implementation of staff expenditure for 2022 (from 1<sup>st</sup> of January to August 31, 2022)

The implementation of staff expenditure over the first 8 months of 2022 amounted to 97.9 MM dirhams, of which nearly 83.6 MM were paid by the Staff Expenditure Department (DDP) and 14.2 MM dirhams by the accounting networks of General Treasury of the Kingdom (TGR)), i.e. an implementation rate of 66.38% compared to the staff expenditure forecasts for the year 2022.