

## SUMMARY OF THE REPORT ON THE SPECIAL TREASURY ACCOUNTS FOR 2024

Special Treasury Accounts (CST) are an important instrument for programming and executing public policies and sector strategies, and play a crucial role in the efficient implementation of cross-functional programs and projects. They also enable public authorities to take appropriate action in the event of an emergency or unforeseen urgent need.

In this respect, the use of (CST), and in particular Special Appropriation Accounts (CAS), is a privileged means of managing the effects of crises and natural disasters, such as the Covid-19 pandemic and the Al Haouz earthquake.

In this context, the (CAS) Special fund for managing the effects of the earthquake that hit the Kingdom of Morocco, created following the High Royal Instructions by decree no. 2-23-811 of Safar 25, 1445 (September 11, 2023), is intended to enable the government to deploy emergency measures to help the population and localities affected by the earthquake. It also aims to receive voluntary solidarity contributions from private and public organizations and citizens. The operations charged to this CAS mainly concern:

- Expenditure on the emergency program to rehabilitate and help rebuild homes destroyed in disaster areas;
- Expenditure on the care of people in distress, particularly orphans and vulnerable persons;
- Expenditure on the immediate care of all homeless people due to the earthquake, particularly in terms of accommodation, food and all other basic needs;;
- Expenditure to encourage economic operators to quickly resume activities in the areas concerned;
- Expenses related to the constitution of reserves and stocks of basic necessities in each region of the Kingdom to deal with any type of disaster;
- All other expenses related to managing the effects of this earthquake.

These measures, together with those planned as part of the General Reconstruction and Upgrading Program for the Al Haouz Earthquake-Damaged Regions will help to breathe new economic, social and cultural life into these regions.

In addition to the implementation of urgent measures to manage crises and natural disasters, social and economic policies and infrastructures, the areas of intervention that the SACs are helping to implement, in accordance with budgetary rules and procedures, focus essentially on the following areas:

- Continued implementation of the project to generalize social protection, which is one of the essential foundations of the new model of the social State, as desired by His Majesty the King. In this context, the CAS "Fonds d'appui à la protection sociale et à la cohésion sociale" (Social Protection and Social Cohesion Support Fund) plays an important role in implementing the various components of this Royal project, in full compliance with the timetable set for this purpose;

- Supporting the State's spatial justice policy by increasing the resources allocated to the regions and implementing programs to reduce territorial and social disparities. In this context, it should be noted that the Government is continuing its efforts in this area, through the programming of payments and the allocation of resources to the "Special fund for the proceeds of tax shares allocated to the regions" and the "Inter-regional solidarity fund". With the same objective in mind, the State continues to provide the necessary funding for programmed and implemented projects through the CAS "Rural and mountain development fund" and the "Support fund for the national initiative for human development". In addition, the CAS "Local authorities' share of VAT proceeds mobilizes substantial resources for the benefit of the local authorities concerned;
- A new approach to investment support, aimed at promoting and attracting private investment as an engine for growth and job creation. With this in mind, the CAS "Fonds de promotion des investissements" is positioned as a key instrument for implementing the State's new investment policy;
- Reinforcing the digital transition and making digitization an essential lever for public administration reform. In this respect, the CAS "Fund to modernize public administration, support digital transition and promote the use of Amazigh" is one of the instruments designed to support this new vision. In addition, it has a new vocation in terms of consecrating the use of Amazigh, in particular, in public administration;
- Reconsideration of how the State supports the housing sector and access to housing through the "Solidarity Fund for Housing, Habitat and Urban Integration";
- The State's proactive management of the repercussions of the water stress and drought of recent years, in particular through the contribution of various project partners, of which the "Fund to combat the effects of natural disasters" is the main vehicle.

In the same vein, other CAS aimed at reinforcing infrastructure by improving connectivity and modernizing means of transport, as well as agricultural development, continue to benefit from resources commensurate with their stated ambition to implement the various sectoral policies in this area. This is particularly true for the "Special Road Fund", the "Support Fund for Urban and Interurban Road Transport Reforms" and the "Agricultural Development Fund", all of which are essential intervention instruments in their respective fields.

In addition, the data in the CST report highlight the efforts made to rationalize the number of CST and their management rules. Indeed, the number of these accounts has fallen from 131 in 2004 to 68 in 2023.

An analysis of the structure and evolution of CST revenues and expenses over the period 2020-2022, by account category, reveals the following accounting balance:

### **1- Special purpose accounts**

In 2022, CAS will generate total revenues of MDH 266,470, of which MDH 100,322 from its own revenues, MDH 36,352 from payments from the general budget and MDH 129,796 from the balance generated at the end of 2021. Revenues for 2021 and 2020 will amount to MDH 228,737 and MDH 246,058 respectively.

At the same time, total expenditure by these CAS will amount to MDH 115,220 in 2022, compared with MDH 98,941 and MDH 131,037 in 2021 and 2020 respectively.

## 2- Financing accounts

Total financing accounts outstanding will fall from MDH 297.20 in 2020 to MDH 230.60 in 2021 and MDH 161.81 in 2022, representing an average annual decline of 26.21%.

An analysis of the structure of these outstandings in 2022 shows that the amount still to be borne by Société de financement JAIDA accounts for 72.96% of total outstandings, followed by Société Marocaine d'Assurance à exportation (SMAEX) with 14.75% and Crédit Agricole du Maroc (CAM) with 12.29%.

## 3- Membership accounts for international organizations

Morocco's total contributions to international organizations reached MDH 622.51 in 2022, compared with MDH 393.76 in 2021 and MDH 414.18 in 2020. The appropriations provided for in the Finance Act for 2023, the Finance Bill for 2024 and the forecasts for 2025 and 2026 amount to MDH 1,932.84, MDH 809.13, MDH 564.45 and MDH 491.40 respectively.

## 4- Money market accounts

In 2022, these accounts recorded, through the account entitled « Exchange rate difference on sales and purchases of currencies» which provides a view of the gains and losses on foreign currencies purchases and sales made by Bank Al-Maghrib, revenues and expenses respectively of MDH 31.20 and MDH 21.40 respectively.

## 5- Endowment expenditure accounts

Revenues generated by these accounts amounted to MDH 37,163 in 2022, compared with MDH 35,952 in 2021 and MDH 31,598 in 2020. Expenditure amounted to MDH 15,238 in 2022, compared with MDH 14,681 and MDH 11,881 in 2021 and 2020 respectively.

Total expenditure under the CST amounted to MDH 138,087.82 in 2022, of which MDH 115,220.22, or 83.44%, was accounted for by CASs. The breakdown of these expenses, by area of activity, is as follows:

• Territorial development	:	41.318	MDH,	that is 35,9 %	;
• Human and social development	:	23.119	MDH,	that is 20,1 %	;
• Strengthening infrastructure	:	10.861	MDH,	that is 9,4 %	;
• Economic and financial promotion	:	10.049	MDH,	that is 8,7 %	;
• Rural, agricultural and fisheries development	:	7.882	MDH,	that is 6,8 %	;
• Other areas	:	21.991	MDH,	that is 19,1 %	.