



MIDDLE EAST &  
NORTH AFRICA

Morocco

# CLIMATE CHANGE INSTITUTIONAL ASSESSMENT FRAMEWORK

May 2023



**Authors:** This background note for the Morocco Climate Change Development Report was written by Abel Bove (Senior Public Sector Specialist) and Rabah Ounissi (Public Sector Analyst) based on notes by the following experts: Hassan Agouzoul (Climate Change Consultant), Herve Hocquard (Decentralization Consultant), Abdelmajid Aluiz (Public Financial Management Consultant), and Walid Dhouibi (Senior Procurement Specialist).

# Table of Contents

Abbreviations and Acronyms .....	3
Executive Summary .....	4
Introduction .....	8
<b>PILLAR 1. ORGANIZATION</b> .....	<b>8</b>
1.1. Regulatory framework.....	8
1.2. Mandates, functions, and institutional coordination .....	9
Box 1 - The National Committee on the Business Environment (CNEA).....	11
<b>PILLAR 2. PLANNING</b> .....	<b>13</b>
2.1. Long-term strategy .....	13
Box 2 - Key objectives of Morocco’s long-term low emission development strategy (LT-LEDS) .....	13
Box 3 - The cross-cutting Exemplary Administration pillar.....	15
2.2. Medium-term strategy .....	16
<b>PILLAR 3. PUBLIC FINANCE</b> .....	<b>19</b>
3.1. Public financial management.....	19
Box 4 - Climate budgeting: international experience .....	23
3.2. Public investment management .....	24
Box 5 - Mandates of the CNEI and CREI .....	25
3.3. Public procurement .....	26
Box 6 - Articles 30 and 31 of decree 2-14-394 of May 13, 2016 approving the general administrative clauses included in construction contracts.....	27
3.3. Public Enterprises .....	28
Box 7 - Reforms relating to SOEs in Morocco .....	30
<b>PILLAR 4. DECENTRALIZED GOVERNMENTS</b> .....	<b>31</b>
4.1. Coordination and functional capacities.....	31
Box 8 - Intergovernmental coordination: Disaster risk mitigation .....	34
4.2. Regional climate finance .....	34
<b>PILLAR 5. ACCOUNTABILITY</b> .....	<b>36</b>
<b>CONCLUSION</b> .....	<b>37</b>
<b>ANNEXES</b> .....	<b>39</b>
Annex 1 - Roles of different actors in combating climate change.....	39
Annex 2 - Principal laws addressing environmental issues.....	44
Annex 3 - Pillars, objectives, and indicators relating to issue No. 4 of the National Sustainable Development Strategy (SNDD).....	46
Annex 4 - Regional areas of authority .....	47

## Abbreviations and Acronyms

<b>APE</b>	State Holdings Agency - Agence nationale de gestion stratégique des participations de l'Etat et de suivi des performances des établissements et entreprises publics
<b>CBT</b>	Climate Budget Tagging
<b>CC</b>	Climate Change
<b>CCIA</b>	Climate Change Institutional Assessment
<b>CNCCB</b>	National Commission on Climate Change and Biodiversity
<b>CNDD</b>	National Commission on Sustainable Development
<b>CNEA</b>	National Committee on the Business Environment – Centre National pour l'Environnement des Affaires
<b>CNEDD</b>	National Charter on the Environment and Sustainable Development - Charte nationale de l'environnement et de développement durable
<b>CNEI</b>	National Committee for Environmental Impact Studies
<b>CREI</b>	Regional Committee for Environmental Impact Studies
<b>CRI</b>	Regional Committee on Investment – Comite Regional de l'Investissement
<b>CVC</b>	Surveillance and Coordination Center
<b>DGRN</b>	Directorate of Natural Risks Management
<b>EIS</b>	Environmental Impact Study
<b>FLCN</b>	Moroccan National Disaster Relief Fund
<b>GHG</b>	Greenhouse gas
<b>LEIE</b>	Law 12-03 on Environmental Impact Studies
<b>LOF</b>	Framework Budget Law – Loi Organique des Finances publiques
<b>LT-LEDS</b>	Long-term low emission development strategy
<b>NDC</b>	nationally determined contribution
<b>NMD</b>	Morocco's New Model for Development
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PCN 2030</b>	Horizon 2030 National Climate Plan – Plan Climat National
<b>PCR</b>	Regional climate plan – Plan Climat Regional
<b>PCV</b>	City climate plan – Plan Climat Ville
<b>PdP</b>	annual performance program - Programme de performance
<b>PDR</b>	Regional development plan
<b>PEA</b>	Exemplary Administration Pact - Pacte d'exemplarité de l'administration
<b>SOE</b>	State Own Enterprise
<b>PEFA</b>	Public Expenditure and Financial Accountability Assessment
<b>PIMA</b>	Public Investment Management Assessment
<b>PMEA</b>	Ministerial Exemplary Administration action plan
<b>PNEEI</b>	National Irrigation Water Savings Program - Programme National d'Epargne de l'Eau et de l'Irrigation
<b>SD</b>	Sustainable Development
<b>SDG</b>	Sustainable Development Goal
<b>SGAR</b>	Permanent secretary for regional affairs – Secetaire Regional aux Affaires Regionales
<b>SNDD</b>	National Sustainable Development Strategy – Stratégie Nationale pour le Développement Durable
<b>SNG</b>	Subnational government
<b>SRAT</b>	Integrated regional development strategy - Schéma régional d'aménagement du territoire

## Executive Summary

This note makes use of the World Bank 2021 Climate Change Institutional Assessment (CCIA) framework. While it does not cover all aspects of the CCIA, it covers most of the dimensions, particularly organization (from the regulatory framework to functional mandates and coordination), public financial management (from planning and budgeting to expenditure execution), and decentralization.

### Government organization

Morocco's environmental policy and strategies are supported by a clear, comprehensive legal arsenal. The 2011 Constitution establishes the importance of sustainable development. Framework law 99-12, the National Charter on the Environment and Sustainable Development (Charte nationale de l'environnement et de développement durable, CNEDD), operationalized the constitutional provisions and laid the foundations of the strategic framework to govern the country's climate and environmental policies.

For the long term, Morocco has formulated its horizon 2050 long-term low-emission development strategy (LT-LEDS). This long-term strategy is complemented by the National Sustainable Development Strategy (SNDD) developed in accordance with framework law 99-12. Moreover, in keeping with its commitments under the Paris Agreement, Morocco has set itself ambitious climate objectives for 2030. And building on the SNDD, Morocco established its National Climate Plan for 2030 (PCN 2030) in 2019.

The central government administration remains too compartmentalized to realize the full potential of the climate change policy. The environmental policy comprises a consultation component and a sector component. Numerous ministries are involved in climate change issues and the policies to be conducted. National coordination of their actions is the responsibility of the Ministry of the Environment, however, the ministry lacks sufficient influence to impose its views or play the role of arbitrator. Also, the National Commission on Climate Change and Biodiversity (CNCCB), instituted in 2020, is still too new to have made its mark. The Prime Minister's Office, the Ministry of Finance, or the Ministry of Interior could be well placed to ensure consistent implementation of the climate policy.

The success of Morocco's environmental policy also depends on strengthened capacities, including local capacities. In this respect we observe (i) a shortage of qualified human resources and financial resources to ensure the effectiveness of actions by the Ministry of Environment's regional directorates and cover all territories; (ii) limited capacity of ministerial actors to design climate projects to ensure that commitments under Morocco's Nationally Determined Contribution (NDC) are transformed into technically and financially viable projects in order to access international climate finance; (iii) insufficient high-quality climate data in several domains and areas and a need for the capacities and resources required to assess climate risks and their impacts.

Despite undeniable coordination and planning efforts, public policies, particularly those concerned with environmental issues, suffer from a real lack of horizontal and vertical convergence and coherence. A number of gaps, delays, and failures of convergence continue to impair the design and formulation of national climate policies:

- The political elite have not embraced climate as a “strategic engine” for the systemic transformation of public development policies. Furthermore, climate issues are not viewed as central to the systemic co-design of public policies.
- The interdependence of climate change actions, competitiveness and sustainable growth, job creation, quality of life, pollution, and loss of biodiversity is given little consideration in policy formulation. Similarly, the interdependence of adaptation, development, restoration of natural ecosystems and efforts to halt biodiversity loss, pollution, and environmental degradation is not adequately reflected in a policy integration approach.

- Short-termism, the consequence of brief electoral mandates, continues to prevail in public policies to the detriment of medium- and long-term thinking required to combat climate change.
- There is no clear, national road map for adaptation, nor is adaptation integrated in the new industrial recovery plan.
- The criteria of climate resilience and sustainable, low-carbon investment are absent from the national investment charter.
- No in-depth analysis has been conducted to date of the risks and opportunities associated with integrating climate considerations in the international trade rules set out in Morocco's trade agreements, particularly with the European Union.

## Public financial management (PFM)

As provided by the 2015 Framework Budget Law, Morocco instituted multiyear program budgeting in 2019. The ministerial departments relevant for climate policies produce annual performance plans (PdP) on the same basis as other departments. A brief review of the annual performance plans for those ministries reveals the following: (i) strategic planning documents are difficult to reconcile with budget programming documents; (ii) objectives and indicators relating directly to climate are not visible in the annual performance plans; (iii) with few exceptions, commitments pursuant to the Exemplary Administration Pact (PAE) are not reflected in the PdP; and (iv) the circulars governing budget preparation are silent on climate-related matters.

The public investment management framework does not provide for a selection and prioritization process in which the climate dimension could be considered. Not all public investment projects are subject to environmental impact studies (EIS), and those studies do not include an explicit climate dimension. The modalities of EIS approvals were defined by law 12-03 on environmental impact studies (LEIE) and two implementing decrees. However, law 49-17 on environmental assessment, adopted in 2020, significantly improved the EIS framework and provides an opportunity to integrate the climate dimension in public investment programming.

Public procurement in Morocco is another opportunity to consider climate change in public expenditures. The decree of 2013 introduces the option of incorporating environmental considerations in the public procurement process. The general administrative clauses applicable to construction contracts also include provisions aimed at protecting the environment. SNDD Objective 5 is to promote sustainable, responsible public procurement. In terms of results, although the current public contracting framework is open to the greening of public procurement, it leaves considerable room for progress in this area. The integration of ecological criteria throughout the public procurement life cycle is not yet mandatory, and no decision has been issued to clarify the operational modalities. Standards and guides for climate-sensitive public procurement have yet to be developed. Ministerial purchasing units have not been adequately familiarized with or trained in the subject, and therefore green public procurement has yet to be integrated into administrations' practices.

States-Owned enterprises (SOEs) operate in the principal economic sectors and play an essential role in service delivery and in public investment. SOEs represent a considerable share of public investment in sectors relevant to climate. Some SOEs are more directly concerned by environmental issues than others. In addition to challenges of profitability, SOEs face insufficient integration of environmental issues in the strategies of the largest SOEs, as attested by the near absence<sup>1</sup> of references to the environment in the 2012 code of good practices. The SOE reforms now under way provide an opportunity for the entities' increased consideration of the climate agenda.

---

<sup>1</sup> The issue is addressed very briefly and indirectly in the short passage on corporate social responsibility.

## Decentralization

The three levels of subnational government, particularly the regions, are involved in climate issues. Region governments exercise authorities relevant to combating climate change: sustainable economic development and natural resource management. The authorities exercised by municipalities and districts (prefectures) are also relevant to the climate within their respective jurisdictions (waste management, mobility, network infrastructure, etc.). With respect to the deconcentration of State agencies and the involvement of different levels of subnational government, the regions are best placed in integrating climate dimensions in policy. The regions' planning tools are supposed to ensure consistency with the deconcentrated public administrations. However, few regions have prepared their regional climate plan (PCR). A review of the 2015-2021 regional development plan (PDR) of the 12 regions shows an uneven integration of projects relevant to climate adaptation, mitigation, or resilience. The involvement of Morocco's regions and cities in the adaptation and mitigation of the medium- and long-term effects of climate change is being slowed by limited deconcentration.

Finally, the role of subnational governments (SNG) in the NDC is still neglected by the central government. SNGs are not included in the NDC development process or involved in monitoring the implementation of NDC projects in their territories. The growing importance of the Wali's role is essential given the cross-cutting nature of climate change policy. The Wali could ensure (i) consistency between actions by the SNGs and those of the central government; and (ii) coordination among the State's deconcentrated services – in particular, through the secretaries-general for regional affairs (SGAR) instituted in 2021.

## Recommendations

The adoption by the central government of a mechanism to integrate and ensure consistency of sector policies would strengthen interministerial coordination on the cross-cutting challenge represented by climate change. The following measures could help break down the silos between ministries:

- (i) Adopt a single climate policy, consistent with existing strategies and commitments in terms of the NDC, on which the supervisory ministries will align their future sector strategies and multiyear programs;
- (ii) Institute a review mechanism for review of the development strategies and plans of the key ministries involved in implementing the climate policy to ensure alignment and synergies between sector interventions. Such a mechanism should be placed at a high level of government decision-making.
- (iii) Encourage cooperation among supervisory ministries on cross-cutting challenges (e.g., the ministries of energy, transport, and education for electric transportation; ministries of water, agriculture, and energy for decarbonized rural productivity, etc.). Lessons and tools from the National Committee on the Business Environment (CNEA) initiative could prove useful in this context.

The reform of decentralization provides the opportunity to advance multisectoral coordination at the local level in implementing climate change policy by:

- (i) integrating climate change dimensions in the regions' and municipalities' development plans;
- (ii) ensuring consistency and creating synergies between regional and municipal development planning;
- (iii) ensuring the implementation of the charter on regional deployment of the supervisory ministries involved in implementing the climate change policy, in particular for the sectors partially devolved to the regional and municipal levels (e.g., water, transportation, electricity, and the environment). The role of the Wali and SNGs (e.g., the SGAR) in coordinating deconcentrated administrations should also be clarified and strengthened to effectively support the SNGs in their efforts and create synergies with central government programs. A

potential solution to consider would be to organize the deconcentrated services of the supervisory ministries as relevant centers for the issue of climate change under the leadership of the local Wali or SGAR, to break down administrative silos.

Climate budget tagging (CBT) could also help turn the NDC commitments into budget appropriations and performance plans while improving transparency and accountability. CBT is a budget tool that identifies, classifies, weights, and tags climate-relevant expenditures in a government's budget system, facilitating the estimation, control, and monitoring of those expenditures. Morocco could join the leading countries that have adopted climate budgeting. The climate-sensitive budgeting process allows (i) consideration of climate change in public policies; (ii) alignment of budget appropriations on national climate change priorities; (iii) the production of information to clarify budget decisions; (iv) improved accountability and transparency of climate-related expenditure reports; and (v) the identification of gaps in financing and options for mobilizing national and international resources for green investment to achieve climate objectives, for example through green bonds.

The reform of the public investment selection and evaluation process should be adopted and could integrate the climate change dimension. The government could integrate climate in public investment management. Prerequisites to the greening of public investment would include (i) creating an integrated database of capital projects (pending and in progress) that includes the projects of regional and municipal governments, SOEs, and public-private partnerships (PPPs); (ii) adopting a selection process appropriate to each level of government and incorporating climate change criteria. In terms of execution, (iii) environmentally sensitive or "green" procurement could also be applied to support the integration of climate change prevention and mitigation measures.



# Introduction

This document is a context note for the Country Climate and Development Report (CCDR) covering institutional aspects of climate change policies. The note uses the World Bank 2021 Climate Change Institutional Assessment (CCIA) framework. While it does not cover all aspects of the CCIA, the document covers most of the dimensions, in particular when it comes to organization (from the regulatory framework to functional mandates and coordination), public financial management (from planning and budgeting to expenditure execution), and decentralization. The decision to focus on these subjects is justified by Morocco's specific context, in particular (i) a heritage of State-building with a strong, centralized public administration combined with a parliamentary constitutional monarchy, (ii) increased decentralization following revision of the Constitution in 2011, and (iii) the introduction of multiyear budget planning and performance-based budgeting in 2015.

## PILLAR 1. ORGANIZATION

### 1.1. Regulatory framework

**Morocco's environmental policy and strategies are underpinned by a clear and comprehensive legal arsenal being continually consolidated.** In addition to the CNEDD, the arsenal includes a series of laws and regulations covering nearly all aspects of environmental law. Some texts are general or horizontal in scope, and others are specific to sector activities. Annex 2 details the key legislative texts addressing environmental issues.

**The 2011 Constitution recognizes the importance of sustainable development.** Article 31 establishes access to a clean environment and sustainable development as a fundamental right of all citizens and calls upon public authorities to mobilize all resources to facilitate the conditions for citizens' enjoyment of and equal access to this right. This right is reaffirmed by article 35 which, while calling upon the State to guarantee free enterprise and open competition, insists on the State's duties and obligations to work toward sustainable human development and preservation of natural resources and the rights of future generations. Article 136, which establishes the principle of local government and solidarity as the foundation of the country's regional and territorial organization, underscores the populations' contribution to integrated, sustainable human development. Finally, the Constitution also expanded the authorities of the Economic and Social Council by adding an environmental component to its portfolio and charged it with issuing its opinion on the "general strategy objectives for the national economy and sustainable development" (article 152).

**The CNEDD operationalized the constitutional provisions.** The law, published on March 21, 2014, reaffirms the right of all persons "to live and evolve in a clean, quality environment that promotes the preservation of health, cultural fulfillment, and the sustainable use of the heritage and resources available therein." It clarifies the rights and duties inherent to the environment and sustainable development and sets out principles governing the public authorities' actions with respect to the environment.

**Table 1. Guiding principles set out in the CNEDD**

Integration	Precaution	Prevention
[National, intersectoral, and cross-cutting approach]	[Measures should be appropriate and economically and socially viable and acceptable]	[Evaluation and consideration of the impacts of activities likely to harm the environment]
Territoriality	Solidarity	Responsibility
[Consideration of territorial – and particularly regional – dimensions]	[Social, regional, and inter-generational solidarity]	[Obligation to compensate damage caused to the environment]

**The CNEDD also lays the foundations of the strategic framework governing Morocco’s climate and environmental policies.** It establishes the objectives of public action with respect to environmental protection and sustainable development, which include “strengthening measures to mitigate and adapt to climate change and combat desertification,” and identifies the sectors and activities seen as priorities for the integration of sustainable development practices in their activities.<sup>2</sup> It also urges the government to formulate a national sustainable development strategy (SNDD) to achieve the law’s objectives, and provides for the implementation of a strategic environmental assessment system to assess the compliance of development policies, strategies, programs, and plans with the imperatives of environmental protection and sustainable development.

**The CNEDD is complemented by a legal framework in constant adaptation.** Recently adopted texts of particular importance include law 49-17 on environmental assessment. The law was adopted in July 2022 and will replace law 12-03 of 2003 on environmental impact studies as soon as the implementing decrees are adopted. The law’s main objective is to submit “any project undertaken by any private or public natural or legal person that, by reason of its nature, scope, or location, is liable to produce adverse effects on the biosphere or human environment” to environmental assessment. Also noteworthy is the launch of the process of drafting a proposed law on climate change in Morocco. The proposed law will provide a binding legal basis for its climate ambitions and define basic principles and objectives of its actions in this area. Finally, the department in charge of the environment is working to prepare a proposed environmental code, which is intended to serve as a reference that includes all related laws, decrees, decisions, and administrative procedures.

## 1.2. Mandates, functions, and institutional coordination

**The climate and environmental policy is broken down in a consultation and coordination level and a sectoral level.** Issues of climate, environmental, and sustainable development policies generally fall under the ministerial department in charge of sustainable development (the Ministry of the Energy Transition and Sustainable Development). However, in light of the cross-cutting and intersectoral nature of these policies, governance of the sector is built on multi-actor consultation and coordination bodies representing all stakeholders through two commissions: a sustainable development commission and a climate change commission. In addition, nearly all the ministerial departments are involved in implementing climate actions. Annex 1 summarizes the actions being conducted by each ministry. Finally, the coordination effort extends at the local level, throughout the territory (cf. annex 1 for the role played at each territorial level of the Kingdom in combating climate change).

**The national framework for sustainable development governance is defined by the decree 452.19.2, adopted on July 29, 2019.<sup>3</sup>** Its governance is based on a National Sustainable Development Commission (CNDD), which replaces the strategic committee on sustainable development set by the decree 6660 of March 29, 2018. The CNDD

<sup>2</sup> The priority sectors are energy, water, agriculture, maritime fisheries, transportation, tourism, urban development, construction, waste management, and industry in general.

<sup>3</sup> This decree supersedes decree 6660 of March 29, 2018.

includes 26 members representing 20 ministries and six other entities. It meets once each year and is chaired by the Prime Minister. Its missions include, in particular:

- defining the measures needed to implement and achieve the SNDD objectives in terms of public policies, strategies, national and sector strategies and plans, at the national, regional, and local levels;
- monitoring progress of the various stakeholders in implementing the SNDD; and
- proposing measures to ensure that sectorial public policies are consistent with the strategy objectives of the SNDD.

**The CNDD is supported by two committees, a monitoring unit, and focal points**, in particular (i) the SNDD monitoring and support committee; (ii) the Sustainable Development Goals (SDGs) monitoring and support committee; (iii) an ad hoc SNDD implementation monitoring committee created at the Department of the Environment to monitor and report on SNDD projects and lead the mobilization of stakeholders; (iv) focal points were identified and appointed at each ministry and meet twice a month as a committee chaired by the monitoring unit to report on project status, coordinate actions, and share good practices.

**Table 2. Missions of the two monitoring committees supporting the National Commission on Sustainable Development (CNDD)**

The SNDD monitoring and support committee	The SDG monitoring and support committee
<p>is chaired by the Minister of Environment. It includes the General Secretaries of the involved stakeholders (ministries). Its role is to:</p> <ul style="list-style-type: none"> <li>• monitor, coordinate, and support the work carried out in the context of the SNDD and decisions of the CNDD;</li> <li>• present the annual report on implementation of the SNDD and the action plans required for implementation;</li> <li>• present proposed action plans to the CNDD for review and decision.</li> </ul>	<p>is chaired by the Office of the Prime Minister. It includes the General Secretaries of the involved stakeholders (ministries). Its role is to:</p> <ul style="list-style-type: none"> <li>• propose sustainable development objectives to be achieved and monitor its implementation;</li> <li>• coordinate the actions of the ministries and involved agencies;</li> <li>• monitor and support the implementation of decisions and recommendations issued by the CNDD;</li> <li>• present proposed action plans to the CNDD for review and decision.</li> </ul>

**The climate policy governance framework is now based on the decree 2-19-721 of April 27, 2020 establishing the National Commission on Climate Change and Biodiversity (CNCCB).** The Commission is a consultation and coordination body responsible for monitoring implementation of the national policy on climate change and biodiversity conservation. It includes two subcommittees: the subcommittee on biodiversity and the subcommittee on climate change. The latter is composed of four task forces, each covering a major issue for climate change: the task force on climate negotiations; the task force on climate change vulnerability and adaptation; the task force on greenhouse gas (GHG) mitigation; and the climate finance task force. The CNCCB is chaired by the governmental authority in charge of the environment and includes representatives of all the ministerial departments and the principal agencies involved.

**The central government administration remains too fragmented to realize the full potential of the climate change policy. Many ministerial departments are concerned by issues of climate change and the policies to be conducted.** Coordination of their actions at the national level is the responsibility of the Ministry of Environment. However, unlike other more established ministerial departments, the Ministry lacks enough influence to impose its views. The CNCCB, set in April 2020 and chaired by the Ministry, is still too new to have made its mark and proved its effectiveness. Also, with a membership comprising the majority of ministries, agencies, national corporations, research institutes, and associations most concerned with the environment, it does not appear to be a governmental decision-making and

coordination body. The CNCCB could draw on the example of the National Committee on the Business Environment (CNEA) to consolidate its effectiveness (cf. box 1).

### **Box 1 - The National Committee on the Business Environment (CNEA)**

Morocco created the CNEA in 2010 with the mandate of accelerating the reforms required for private sector development. Based on the model of Malaysian and British delivery units, the CNEA is chaired by the Prime Minister and brings together private- and public-sector actors involved in improving the doing business environment. Its actions are coordinated by a secretariat within the Prime Minister's Office.

During its decade of activity, the CNEA has transformed itself into a coordinating center for improvement of the business environment, motivated in part by the desire to improve Morocco's Doing Business ranking.

The reforms concerned the simplification of administrative procedures and the regulatory framework. Due to the cross-cutting nature of the reforms, the CNEA has relied on focal points who were to devote a portion of their time, in addition to their daily tasks, to implementing the reforms within their purview.

An attentive coordination effort has proven necessary to ensure consistency between actions and at the same objective but dispersed among multiple actors (ministries, public agencies, businesses, etc.). This approach has produced results: Morocco has improved its Doing Business rank by 75 places in 10 years.

The CNEA itself has been strengthened by the integration of good international practices. In December 2015 it organized a seminar, with the World Bank, where the delivery units of four countries<sup>4</sup> shared experiences. The CNEA drew lessons from the exchange and developed a management system to facilitate implementation of the reforms. The system, to which the CNEA owes some of its success, is based on three pillars:

- a methodological guide for project management provided lead entities in the reforms with a structured approach to managing their activities;
- an IT solution, "business delivery," provided them with access to a collaborative project monitoring and management platform. The platform provides teams with access to a shared calendar, and an instant discussion space, an overview of project implementation status, and other functionalities to facilitate project implementation;
- the CNEA members have participated in project and change management training.

This management innovation comes in addition to the traditional factors for delivery units' success:

- a clear mandate – improving the business environment;
- clear governance – a team that reports to the head of government; and
- financing that guarantees a dedicated budget for the delivery unit's operations.

---

<sup>4</sup> Turkey, the United Kingdom, Morocco, Montenegro, and Malaysia

**The Prime Minister’s Office, the Ministry of Finance, or the Ministry of the Interior might be better placed to ensure consistent implementation of the climate policy.** In addition to the Prime Minister’s Office, two essential ministries appear capable of ensuring coherent government action in this area, once they have fully mainstreamed climate action and sustainable development efforts as key cross-cutting issues in their interventions and areas of activity: (i) the Ministry of Economy and Finance responsible for budget; and (ii) the Ministry of Interior as the supervisory authority of the Walis (Governors of regions), who are responsible for the coordination of the government’s action at the regional level.

**The success of Morocco’s environmental policy also depends on capacity strengthening, especially at the local level.** We observe:

- Insufficient qualified human and material resources to ensure the effectiveness of climate actions by regional directorates of the Ministry of Environment covering all territories;
- The weak capacity of ministerial actors to design climate projects to ensure that commitments under Morocco’s NDC are transformed into technically and financially coherent, viable projects in order to access international climate finance; and
- The need for high-quality, reliable climate data in several areas, as well as the capacities and resources required to assess climate risks.

## **PILLAR 2. PLANNING**

### **2.1. Long-term strategy**

**In the long term, Morocco has formulated its 2050 low GHG emission development strategy (LT-LEDS) in the context of the Paris Agreement’s article 4.19.** The strategy should enable Morocco to raise its climate ambition above the short-term objectives set out in the NDC and at the same time “realize the economic, social and environmental potentials of a decarbonized mode of growth and consolidate its international strategic positioning, competitiveness, and attractiveness to international investors and financial markets.” The strategy is based on seven strategic objectives (cf. box 2), including the decarbonized production of 80 percent of its electricity by 2050. The strategy will be complemented in 2022 by the formulation of sector decarbonization plans, based on a development paths/ emissions modeling exercise and an analysis of sector dynamics to converge to climate neutrality during this century.

#### **Box 2: Key objectives of Morocco’s long-term low emission development strategy (LT-LEDS)**

Morocco’s LT-LEDS is based on the following seven strategy objectives:

1. Accelerate the development of renewable energies with a view to 80 percent decarbonized electricity by 2050;
2. Increase the electrification of processes in the industry, construction, and transportation sectors and develop green hydrogen to decarbonize industry and heavy transport;
3. Institute energy- and natural-resource efficiency in all sectors and in parallel develop quality standards for the construction of plant and infrastructure;
4. Stimulate the circular economy and reduction and recycling of waste;
5. Develop sustainable agriculture, forest ecosystems, and wells;
6. Establish transportation and logistics plans that promote multimodality and integrate infrastructures;
7. Promote a new generation of clean, smart cities and accelerate the integration of digitization in all socioeconomic sectors.

This long-term strategy is supplemented by the SNDD, prepared in accordance with the CNEDD, under the leadership of the department in charge of the environment, based on a coordinated and consultative approach. It was approved by the Council of Ministers on June 25, 2017, which strengthens its legitimacy and authority. Its ambition is to “lay the foundations of a green, inclusive economy in Morocco by 2030” and at the same time provide concrete responses to Morocco’s international commitments in terms of sustainable development, particularly as regards to climate change. The SNDD also aims to ensure consistency and create synergies between sector policies to foster sustainability, relying on existing sector and cross-cutting strategies, plans, and programs. It provides a logical and strategic framework that defines strategies, sets objectives, and identifies binding operational measures for stakeholders for the 2017–2030 period. The strategy is based on six priority issues/challenges for sustainable development (SD), divided into 31 strategic pillars and accompanied by 137 objectives (cf. table 3).

**Table 3: Strategic pillars of the SNDD**

Challenge 1: Consolidate sustainable development governance	Challenge 2: Make the transition to a green economy a success
<ul style="list-style-type: none"> <li>• Leverage the “Exemplary Administration” process for the implementation of the sustainable development (SD) agenda</li> <li>• Strengthen the SD institutional framework and the roles played by the involved stakeholders</li> <li>• Strengthen the legal framework and control mechanisms</li> <li>• Strengthen economic and financial instruments and implement an environmental tax policy</li> </ul>	<ul style="list-style-type: none"> <li>• Reconcile agricultural modernization with the imperatives of SD</li> <li>• Ensure the conservation and rational management of halieutic resources</li> <li>• Develop forest resources and ensure they are sustainably managed</li> <li>• Make industrial acceleration part of the path to a Green Economy</li> <li>• Accelerate the implementation of energy efficiency and energy transition policies</li> <li>• Provide for a sustainable mining sector</li> <li>• Promote sustainable artisanal trades</li> <li>• Promote sustainable mobility</li> <li>• Reconcile tourism with protection of areas</li> <li>• Promote integrated waste management to institute a circular economy</li> <li>• Align urban development with SD principles</li> </ul>
Challenge 3: Strengthen the management and sustainable use of natural resources and improve the protection of biodiversity	
<ul style="list-style-type: none"> <li>• Secure and strengthen integrated management of water resources</li> <li>• Improve understanding of pressure on soils</li> <li>• Protect biodiversity and strengthen conservation policies</li> </ul>	
Challenge 5: Provide for heightened vigilance in sensitive regions	Challenge 4: Accelerate implementation of the national climate change policy
<ul style="list-style-type: none"> <li>• Improve sustainable management of the coastline</li> <li>• Preserve oasis and desert areas</li> <li>• Strengthen policies for mountainous areas management</li> </ul>	<ul style="list-style-type: none"> <li>• Improve climate governance</li> <li>• Enlist the territories in combating climate warming</li> <li>• Take <b>advantage of climate finance opportunities</b></li> </ul>
Challenge 7: Promote a sustainable development culture	
<ul style="list-style-type: none"> <li>• Strengthen eco-citizenship through education, outreach, and communication programs</li> <li>• Leverage innovation, research, and development in the transition to sustainable development</li> <li>• Provide training in green trades</li> <li>• Promote culture as a lever of change in building a sustainable society</li> </ul>	Challenge 6: Promote human development and reduce social and regional inequalities
	<ul style="list-style-type: none"> <li>• Build on gains under the National Human Development Initiative to combat poverty</li> <li>• Strengthen health care policies and public health surveillance</li> <li>• Make up the educational deficit</li> </ul>

**Climate change is a major challenge identified in the SNDD.** Issue 4 of the SNDD is to “accelerate implementation of the national policy to combat climate change.” It sets out three pillars to address this issue: (i) improve climate governance; (ii) enlist the territories in combating climate change; and (iii) take advantage of climate finance opportunities. Each of these pillars includes specific objectives (nine in total), accompanied by 11 indicators (cf. annex 3). The administration is supposed to embrace its role in combating climate change by setting an example: “exemplary administration” is a separate pillar of the SNDD (cf. box 3).

### Box 3 - The cross-cutting Exemplary Administration pillar

The example set by the administration in implementing SD is a cornerstone of the SNDD. It is also the first strategic pillar to uphold the administration’s example as “a driver for the implementation of sustainable development.” This is based on the premise that “the State should set an example and institute among its own ranks that which it desires and which it recommends to all economic and social actors.” This pillar is divided into six objectives: (i) adopt environmentally sustainable practices in all public buildings; (ii) incorporate waste management and recycling and water- and energy-saving practices in public administrations; (iii) strengthen initiatives that promote the government as a responsible employer; (iv) integrate a participatory approach and improve transparency; (v) promote sustainable, responsible public procurement; and (vi) develop the example set by public actors with respect to mobility.

In 2019, the SD strategy committee approved the adoption of the Exemplary Administration Pact (PEA). The PEA reflects the Moroccan government’s formal commitment to the six objectives indicated above. It was sent to all ministerial departments in a circular from the Prime Minister dated May 30, 2019. The circular directs each ministry to disseminate the text among its staff and prepare a Ministerial Exemplary Administration action plan (PMEA) to achieve the objectives. The circular also calls upon all public administrations to conduct an environmental audit of buildings.

The department of the environment took a number of steps to support the ministries in preparing their PMEAs:

- The development of a PEA methodological guide and factsheets on various topics associated with the PMEAs.
- The preparation of standard terms of reference for environmental audits of public buildings.
- The creation of thematic working groups to enrich discussions on good practices to be instituted by all administrations.
- The creation of an Exemplary Administration Prize in 2022, as a division of the Hassan II Prize for the Environment, to reward and promote good practices and sustainable development within the public administration. It was awarded for the first time in 2021 to the Ministry of Economy and Finance for the implementation of its PMEAs.

Notable progress has been made. According to the department of the environment, 21 ministries had completed or were in the process of formulating their PMEAs at the end of 2020. Some ministries were able to reduce their water consumption by 50 percent and produce 22 percent of their electricity requirements using renewable energies. Other ministries replaced 32 percent of their fleet of automobiles with clean vehicles and recycled about 35 percent of their waste. Apart from their positive impact for the environment, such initiatives help control the government’s operating budget.

**In keeping with its commitments under the Paris Agreement, Morocco has set itself ambitious climate objectives for 2030.** Its first nationally determined contribution (NDC), submitted in September 2016, considered all economic sectors of the country and adopted a broad view of climate action. It committed Morocco unconditionally to reduce its GHG emissions by 17 percent by 2030.<sup>5</sup> Moreover, the NDC provides for the more ambitious objective of reducing GHG emissions by 42 percent, subject to accessing new sources of funding and support in addition to the levels mobilized in recent years. In May 2021, Morocco increased its NDC to a target of 45.5 percent GHG emissions reduction by 2030, with an unconditional target of 18.3 percent.<sup>6</sup> The new NDC is based on 61 projects – 34 unconditional projects and 27 projects contingent on international financing – covering seven key sectors: energy, agriculture, transportation, waste, industry, housing, and forest and biomass.

<sup>5</sup> With respect to emissions projected in 2030 under a “business as usual” scenario. Morocco’s GHG inventory for 2030 will be used to verify the achievement of the unconditional objective.

<sup>6</sup> This objective represents a cumulative reduction of 523.5 million metric tons CO2 equivalent over the 2020-2030 period.

## 2.2. Medium-term strategy

Building on the SNDD, Morocco formulated its horizon 2030 National Climate Plan (PCN 2030) in 2019. The plan adopts a proactive approach to the challenges posed by climate change for Morocco, and transforms the country’s ambition to “make its territory and civilization more resilient to climate change while ensuring a rapid transition to a low-carbon economy” into actions. It considers the importance of regional and local action by calling for regional and city climate plans (PCR and PCV, respectively). In 2020, studies were launched in preparation for the formulation of seven regional climate plans.

**The PCN 2030 provides an integrated response to mitigate Morocco’s GHG emissions and ensure the success of adaptation efforts for vulnerable sectors, with a view to keeping its commitments under the NDC.** The plan aims to consolidate the mitigation objectives of sector strategies and action plans concerning in particular the energy, agriculture, transportation, waste, forests, industry, and housing sectors. In addition, the plan encompasses adaptation measures and projects for Morocco’s key ecosystems and sectors, in particular water resources, agriculture, halieutic resources, and fragile ecosystems. It sets ambitious objectives including supplying 52 percent of installed electric power using renewable sources by 2030 and reducing energy consumption by 15 percent by 2030.

**The PCN 2030 is based on five strategic pillars:** (i) instituting strengthened climate governance, (ii) strengthening resilience to climate risks, (iii) accelerating the transition to a low-carbon economy, (iv) enlisting the territories in climate actions, and (v) strengthening human, technological, and financial capacities. Each pillar includes strategic efforts (a total of 22) divided into operational measures (a total of 68).

**Table 4: Strategic pillars of the SNDD**

<b>Pillar 1: Institute strengthened climate governance</b>	<b>Pillar 2: Strengthen resilience to climate risks</b>
<ul style="list-style-type: none"> <li>• Consolidate climate governance and strengthen institutional and sector consultation</li> <li>• Strengthen the legal framework for combating climate change</li> <li>• Strengthen the mechanisms of international and regional cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Protect water resources</li> <li>• Promote a sustainable, resilient agriculture sector</li> <li>• Ensure the conservation and adaptation of halieutic resources</li> <li>• Reduce the effects of climate change on the population’s health and well-being</li> </ul>
<b>Pillar 3: Accelerate the transition to a low-carbon economy</b>	<b>Pillar 4: Enlist the territories in climate actions</b>
<ul style="list-style-type: none"> <li>• Decarbonize energy production and make Morocco’s energy transition a success</li> <li>• Accelerate the development of energy-efficient buildings</li> <li>• Support the development of sustainable, rational agriculture</li> <li>• Make industrial acceleration part of the path to mitigating the effects of climate change</li> <li>• Support the transportation and logistics sector in mitigating GHG emissions</li> <li>• Promote integrated waste management to foster a circular economy</li> <li>• Expand the key role of forests in carbon storage</li> </ul>	<ul style="list-style-type: none"> <li>• Provide for the low-carbon, resilient development of the regions</li> </ul>
	<b>Pillar 5: Strengthen human, technological, and financial capacities</b>
	<ul style="list-style-type: none"> <li>• Mobilize and conduct outreach to address CC</li> <li>• Provide for sufficient qualified human resources to implement the PCN 2030</li> <li>• Promote training, innovation, and research &amp; development for low-carbon, resilient development</li> <li>• Mobilize financing to implement the climate policy effort</li> <li>• Strengthen the knowledge, observation, prevention, and management of climate risks</li> </ul>



**The SNDD includes no formal estimate of the implementation cost.** This choice was based on the fact that, as written in the strategy paper, “95 percent of measures identified by the SNDD do not require mobilization of supplemental budget resources” because “either they are already identified by existing programs or they correspond to institutional, regulatory, or organizational measures.” The 5 percent of measures requiring cost estimates concern new projects designed to accelerate the transition to an inclusive, green economy. Those measures, summarized in table 5, were to undergo further assessment to estimate the additional financing required. To date, however, no consolidation work has been done to produce a complete view of the financial resources needed to implement the actions resulting from the SNDD. The lack of such an effort is an obstacle to rigorous coordination of strategy SNDD implementation, which may explain why it has not materialized.

**Table 5: Principal projects that required budget evaluation during preparation of the SNDD**

<b>Agriculture:</b>	<b>Forests:</b>
coupling of the National Irrigation Water Savings Program (PNEEI) with renewable energies, particularly through solar pumping; agricultural waste management	trenghening of the national reforestation plan; strengthening of national watershed development programs
<b>Industry:</b>	<b>Artisanal trades:</b>
industrial cleanup plan	program for replacement of wood with gas kilns for firing artisanal pottery
<b>Waste:</b>	<b>Transportation:</b>
development of a circular economy program; installation of landfill cells; establishment of sorting centers	accelerated replacement of the vehicle fleet
<b>Water and sanitation:</b>	<b>Mines:</b>
implementation of the National Rural Sanitation program; industrial sludge treatment; wastewater treatment	post-mining restoration projects
<b>Energy:</b>	<b>Exemplary government:</b>
energy efficiency in new buildings	energy efficiency and waste-sorting in public buildings; replacement of government vehicles with hybrid vehicles

Source : SNMD

**The NDC quantifies the impacts of measures it provides for, but the figures remain purely indicative.** The NDC quantifies the financial cost of the measures supporting its ambition. It estimates US\$38.8 billion for mitigation actions, or US\$21.5 billion for contingent actions and US\$17.3 billion for unconditional actions. The estimated cost of the adaptation component is US\$40 billion to strengthen resilience of the sectors most impacted, including water, agriculture, fishing and aquaculture, forestry, and health; and the most vulnerable areas and ecosystems such as oases, coastlines, and mountains. Here again, however, no work has been done to make the connection between the measures provided by the NDC and the sector ministries’ strategies and budgets, which diminishes the value and scope of the financial estimates provided.

**A number of gaps, delays, and failures of convergence continue to impair the design and formulation of national climate policies:**

- The political elite have not embraced the climate as a “strategic engine” for the systemic transformation of public development policies. Furthermore, climate issues are not viewed as central to the systemic co-design of public policies;

- Inadequate consideration is given to the interdependence of climate change action, competitiveness and sustainable growth, job creation, quality of life, pollution, and loss of biodiversity. Similarly, the interdependence of adaptation, development, restoration of natural ecosystems and efforts to halt biodiversity loss, pollution, and environmental degradation is not adequately reflected in an integrative approach to policies;
- Short-termism, the consequence of brief electoral mandates, continues to prevail in public policies to the detriment of medium- and long-term thinking required to combat climate change and preserve natural capital;
- The Council of Government has yet to adopt a clear, national road map for adaptation. Adaptation is not recognized as a national economic and social priority to be systematically integrated in sector and budget policies, nor is it an integral part of the regions' and cities' development programs;
- The adaptation dimension is not adequately integrated in the new industrial recovery plan;
- The criteria of climate resilience and sustainable, low-carbon investment are absent from the national investment charter, and publication of the proposed framework law on the national investment charter has been delayed;
- No in-depth analysis has been conducted of the risks and opportunities associated with integrating climate imperatives in the global trade rules set out in Morocco's trade agreements (e.g. the European Green Deal).

Accordingly, despite undeniable coordination and planning efforts, public policies, particularly on environmental issues, suffer from a real lack of convergence and horizontal and vertical consistency.

## PILLAR 3. PUBLIC FINANCE

### 3.1. Public financial management

**Morocco implemented multiyear program budgeting in 2015. Morocco's fiscal management framework has evolved substantially since 2015 with the adoption of the new Framework Budget Law (LOF).**<sup>8</sup> The LOF established a new institutional and operational framework for fiscal governance designed to encourage efficient resource allocation, improve public expenditure effectiveness and efficiency, enhance the transparency and reliability of public accounts, and deepen fiscal democracy. The new LOF reorganized the government budget around programs, introduced principles of performance-based public management requiring each ministry prepare a PdP, three-year budget programming (PBT), requiring managers to plan and implement their actions from a multiyear perspective with performance indicators.

**The "climate priority" ministerial departments produce their annual performance plans on the same basis as the other departments.** The departments in question are those in charge of (i) the environment; (ii) transportation, logistics, and water; (iii) energy and mines; (iv) water resources and forests; (v) agriculture and rural development; and (vi) maritime fisheries. Table 6 provides an overview of the budget programs relating to climate and the environment and the associated objectives as set out in the 2021 annual performance plans. Collectively, they provide for some 40 objectives covering a broad range of environmental issues.

---

<sup>8</sup> The provisions of the LOF are being phased in over the 2015-2020 period.

**Table 6: Budget programs (PdP) and performance objectives of „climate relevant” ministries**

DEPARTMENT OF THE ENVIRONMENT	DEPARTMENT OF WATERS AND FORESTS
<p><b>PROGRAM 501: CONSOLIDATION OF ENVIRONMENTAL AND SD GOVERNANCE AND MOBILIZATION OF ACTORS</b></p> <ol style="list-style-type: none"> <li>1: Strengthen the legal framework and environmental oversight</li> <li>2: Strengthen the mechanisms of environmental and SD surveillance, prevention, and planning</li> <li>3: Mobilize key actors and promote SD</li> <li>4: Contribute to the fight against CC and the preservation and sustainable use of biodiversity</li> </ol> <p><b>PROGRAM 502: PRESERVATION AND ENHANCEMENT OF THE ENVIRONMENT AND PROMOTION OF THE TRANSITION TO A GREEN ECONOMY</b></p> <ol style="list-style-type: none"> <li>1: Preserve the environment and improve citizens' living standards</li> <li>2: Protect and sustainably use environmental areas</li> <li>3: Promote the transaction to a green economy</li> </ol>	<p><b>PROGRAM 421: PROTECTION OF THE FOREST DOMAIN</b></p> <ol style="list-style-type: none"> <li>1: Protect forest massifs through registration</li> <li>2: Reduce the degradation of forest areas</li> </ol> <p><b>PROGRAM 422: FOREST MANAGEMENT AND DEVELOPMENT</b></p> <ol style="list-style-type: none"> <li>1: Reconstitute forest ecosystems</li> <li>2: Sustainably develop forest massifs through nationwide adoption of management plans</li> <li>3: Contribute to improving citizens' living conditions through the sustainable use of forest resources</li> </ol> <p><b>PROGRAM 423: COMBATING OF DESERTIFICATION AND NATURE PROTECTION</b></p> <ol style="list-style-type: none"> <li>1: Preserve and reconstitute natural resources and biodiversity</li> <li>2: Enhance biodiversity in the hunting, fishing, and inland aquaculture sectors</li> <li>3: Protect forests against climate risks</li> </ol>
DEPARTMENT OF TRANSPORTATION, LOGISTICS, AND WATER	DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
<p><b>PROGRAM 435: PORTS AND MERCHANT MARINE</b></p> <ol style="list-style-type: none"> <li>2: Protection of the coastline</li> <li>3: Combat pollution and help reduce water-related risks</li> <li>4: Delimit and sustainably use the public maritime domain</li> </ol> <p><b>PROGRAM 601: WATER</b></p> <ol style="list-style-type: none"> <li>1: Allocate and mobilize water resources for the country's sustainable water supply</li> <li>2: Improve water management</li> <li>3: Combat pollution and help reduce water-related risks</li> </ol> <p><b>PROGRAM 414: METEOROLOGY</b></p> <ol style="list-style-type: none"> <li>1: Improve the meteorological warning system to protect lives and property</li> <li>2: Improve the quality of meteorological forecasts</li> <li>3: Strengthen support for the different socioeconomic sectors and civil society</li> </ol>	<p><b>PROGRAM 415: DEVELOPMENT OF PRODUCTION CHAINS</b></p> <ol style="list-style-type: none"> <li>2: Develop cooperative agriculture</li> <li>3: Develop labelling and increase the supply of local products</li> <li>4: Improve the commercial value of agricultural products</li> </ol> <p><b>PROGRAM 417: PRESERVATION OF ANIMAL AND PLANT HERITAGE AND HEALTH SECURITY</b></p> <ol style="list-style-type: none"> <li>1: Protect vegetal and animal resources</li> </ol> <p><b>PROGRAM 418: IRRIGATION AND DEVELOPMENT OF AGRICULTURAL AREAS</b></p> <ol style="list-style-type: none"> <li>1: Improve the efficiency of irrigation systems</li> <li>2: Improve the use of water resources mobilized from dams that exist or are under construction</li> <li>3: Improve the organization of agricultural areas</li> </ol> <p><b>PROGRAM 419: DEVELOPMENT OF RURAL AND MOUNTAINOUS AREAS</b></p> <ol style="list-style-type: none"> <li>1: Improve living conditions for populations in rural and mountainous areas</li> <li>2: Ensure the quality and health safety of fishery sector products by supporting all actors involved</li> </ol>

DEPARTMENT OF ENERGY AND MINES	DEPARTMENT OF MARINE FISHERIES
<p><b>PROGRAM 427: ENERGY</b></p> <ul style="list-style-type: none"> <li>1: Reduce the country's energy dependence</li> <li>2: Secure the energy supply</li> <li>3: Ensure access to energy for all</li> <li>4: Strengthen the Department's capacities in control, security, and prevention of risks for energy facilities</li> </ul>	<p><b>P424: FISHING AND AQUACULTURE DEVELOPMENT AND SUSTAINABLE USE OF RESOURCES</b></p> <ul style="list-style-type: none"> <li>1: Preserve and ensure the sustainability of halieutic resources and involve all actors in combating illegal, unreported and unregulated fishing</li> <li>2: Ensure the quality and health safety of fishery sector products by supporting all actors involved</li> </ul>

From a brief review of the PdP of the ministries particularly relevant for CC, we observe the following:

- **Difficulty in reconciling strategic planning documents with budget programming documents:** the annual performance plans do not specifically reference the climate actions or objectives provided in the national climate and environment strategies and policies (SNDD, PCN 2030, NDC). As a result, the strategies, objectives, and associated indicators provided by the sector annual performance plans are not fully aligned with those of the national climate and environmental strategy and policies.
- **This difficulty is exacerbated by the absence of a cross-cutting policy document and associated PdP specific to the climate and the environment.** In the absence of those two tools, which had been recommended by the World Bank's 2013 public expenditure review and institutional analysis of Morocco's climate policy, there is no mechanism to guarantee consistency between the sector PdPs and the national climate and environmental policies. This gap weakens the connection between cross-cutting policies and budget programming that would be required to ensure an adequate budget contribution to the achievement of national climate and environmental ambitions.
- **The objectives and indicators directly related to the climate are all but absent from the priority ministries' annual performance plans.** Of the 40 objectives identified, only two (indicated in green in table 6 and detailed in table 7 with the associated indicators) explicitly reference climate concerns.

**Table 7: Objectives and indicators explicitly referencing climate**

DEPARTMENT OF THE ENVIRONMENT	DEPARTMENT OF WATERS AND FORESTS
<p><b>Program 501: Consolidation Of Environmental And Sd Governance And Mobilization Of Actors</b></p> <p><b>Objective : Contribute to climate change actions and the preservation and sustainable use of biodiversity</b></p> <ul style="list-style-type: none"> <li>• Indicator 501.4.1: Percentage implementation of regional climate plans</li> <li>• Indicator 501.4.2: Percentage implementation of the national biodiversity strategy and action plan</li> </ul>	<p><b>Program 423: Combating Of Desertification And Nature Protection</b></p> <p><b>Objective 3: Protect forests from climate risks</b></p> <ul style="list-style-type: none"> <li>• Indicator 423.3.1: Service area impacted by fires</li> <li>• Indicator 423.3.2: Ratio of wooded surface area burned to total surface area burned</li> <li>• Indicator 423.3.3: Number of forest health surveillance and monitoring sites</li> </ul>

With few exceptions, the commitments under the PEA are not generally reflected in a PdP. Those commitments should have been divided into objectives and indicators in programs supporting the different ministries. However, only two ministries have done this—the Ministry of Finance and the Ministry of Energy and Mines—and the objectives and indicators defined in their PdP are limited in number, heterogeneous, and cover only some of the PEA commitments. We also note that the PdP prepared by the Ministry of the Environment identifies actions and achievements related to the PEA, but no performance indicators.

**Table 8: Programs, objectives, and performance indicators associated with the Exemplary Administration Pact**

MINISTRY OF ENERGY AND MINES	MINISTRY OF ECONOMY AND FINANCE
<p><b>PROGRAM 460: SUPPORT AND COORDINATION</b></p> <p>3: Use energy-efficient technologies to control all forms of energy waste</p> <ul style="list-style-type: none"> <li>• Number of fixtures/facilities installed 9</li> </ul> <p>4: Implementation of the first SNDD pillar on rationalizing consumption of electricity, water, and office supplies</p> <ul style="list-style-type: none"> <li>• Percentage reduction in consumption of electricity, water, and office supplies</li> <li>• Number of procedures implemented to manage workplace waste</li> </ul> <p>5: Implementation of an energy management system</p> <ul style="list-style-type: none"> <li>• Number of meters installed</li> <li>• Percentage reduction of electricity consumption per electrical outlet</li> </ul>	<p><b>PROGRAM 130: SUPPORT AND COORDINATION</b></p> <p>5: Promote an ecologically responsible, sustainable culture</p> <ul style="list-style-type: none"> <li>• Percentage of drivers trained in eco-friendly driving</li> <li>• Percentage of purchasing officers trained in ecologically responsible procurement</li> <li>• Percentage of buildings with automatic systems to shut down computers at night and on weekends and holidays</li> <li>• Percentage of public buildings with waste sorting systems</li> </ul>
	<b>GENERAL GOVERNMENT AFFAIRS</b>
	<p><b>PROGRAM 140: SUPPORT AND COORDINATION</b></p> <p>3: Institute an eco-friendly work environment</p> <ul style="list-style-type: none"> <li>• Percentage renewal of vehicle fleet according to ecological criteria</li> <li>• Percentage of buildings with automatic systems to shut down computers at night and on weekends and holidays</li> </ul>
	<b>CIVIL SERVICE</b>
	<p><b>PROGRAM 124: REFORM OF THE ADMINISTRATION</b></p> <p>5: Promote an eco-friendly, sustainable culture</p> <ul style="list-style-type: none"> <li>• Percentage of drivers trained in eco-friendly driving</li> </ul>

The budget preparation circulars are silent with respect to the climate. The budget preparation process is guided by two circulars issued each year by the Prime Minister’s Office<sup>10</sup> and follows a specific calendar. To date, neither circulars has addressed climate issues or provided instructions for the integration of climate change mitigation and adaptation measures in the budget proposal or established spending objectives for this purpose. With the absence of climate concerns from both budget circulars and the legal framework governing public finance, there is no mechanism to ensure that climate concerns are considered in the formulation of ministerial budgets. This comes in contrast with gender-sensitive budgeting, which Morocco adopted long ago and in which its experience is widely recognized.

<sup>9</sup> This indicator is divided into sub-indicators: number of energy-saving lights installed; number of air conditioners replaced with more efficient models; number of solar water heaters installed.

<sup>10</sup> (i) The first circular, issued prior to March 15 pursuant to article 2 of decree 2-15-426 of July 15, 2015 on budget preparation and execution, establishes parameters for the total budget over three years. It also defines the general strategies that should frame the preparation of the ministerial three-year budget proposals, and directs budget officials to include performance objectives and indicators in their proposals and submit them to the Ministry of Finance prior to April 15. (ii) The second circular, issued toward August pursuant to article 4 of the same decree, presents the government’s budget objectives and decisions for the fiscal year in question and sets approximate ceilings for preparation of the ministerial budgets.

**There is currently no method or tool to distinguish and monitor public expenditures according to the nature and scope of their impacts on the climate.** The various types of budget nomenclature in use (economic, functional, administrative, and programmatic) do not include classifications on which such a distinction can be made. The same applies for the government accounting system, which records expenditures according to economic classification. Similarly, the integrated expenditure management information system (GID) does not provide the possibility yet to tag expenditures according to their beneficial or adverse impact on climate change, and no report is produced on the budget's environmental impact. The only available information is contained in the priority ministries' performance reports. In these conditions, it is difficult to monitor, evaluate, or report on the budget's impact on the climate.

#### **Box 4: - Climate budgeting: international experience**

Since the introduction of the first climate budget tagging (CBT) systems in 2012, national and subnational governments (including Nepal, Chile, Indonesia, the Philippines, Colombia, Ireland, Ghana, Kenya, France, and Australia) have developed CBT methodologies. The CBT systems are based on experience gained in tagging for other pan-governmental policy objectives such as poverty, gender, and international development goals defined by the United Nations. CBT methodologies include three essential components: the definition of climate-related expenditures, definition of the appropriate coverage, and the estimation of climate-related expenditures.

**Australia introduced climate-sensitive budgeting in 2014 with the tagging of climate-sensitive expenditures.** As stated in its typology codes manual (Australian Budget and Management Department, 2020), the government views climate change expenditure tagging as a basis for climate-sensitive budgeting. It also allows climate-sensitive expenditures to be identified and tracked in the budget and facilitates discussion of its performance. CC Expenditures Tagging is also used to generate statistics and basic information used to evaluate trends, monitor budget execution, and oversee performance. The finalized data are expected to facilitate the creation of a baseline for climate-related expenditures by area of outcome and the production of a National Climate Change Action Plan to support policy dialogue within and beyond the government. The tagging requires the national government agencies to evaluate all budget programs, activities, and projects (PAPs) according to three dimensions: (i) whether the PAPs are climate sensitive; (ii) for climate-sensitive PAPs, whether the entire PAP or only certain components are climate sensitive; and (iii) classify and label the PAP according to a climate expenditure typology code and report the PAP budget or that of the relevant components as climate expenditures.

**France instituted an environmental budgeting process in 2020** in the context of the Paris Collaborative on Green Budgeting, an OECD initiative. Specifically, the approach entails the production of a report on the environmental impact of the government budget. The report, which is annexed to the proposed budget law, analyzes the environmental impact of the government budget and presents all public and private financing mobilized for the ecological transition in the context of green budget authorizations already in place. It introduces a new expenditure classification that identifies the environmental impact of government expenditures and provides a complete, consolidated view of available information on the resources allocated to environmental policies. The expenditure classification system covers all government expenditures including tax expenditures. The first report of this type was annexed to the 2021 proposed budget law. The 2022 version of the report on the environmental impact of the government budget was complemented by a performance component. The component includes a series of indicators presenting the environmental performance of certain expenditures as positive, negative, or mixed/neutral (in terms of environmental impact); it provides a supplemental, evaluative dimension to the green budget. In addition to their environmental score, the indicators serve to qualify environmental effectiveness rather than being limited to amounts appropriated. In the context of this agreement, France has committed to reducing its GHG emissions by 40 percent by 2030 (with respect to 1990) with the aim of carbon neutrality by 2050.

**Morocco would benefit by joining in the fairly recent trend of adopting CBT mechanisms.** About 20 countries have already institutionalized the analysis of climate expenditures through the introduction of CBT (cf. box 4). The approach recognizes that expenditures relating to CC are by nature intersectoral and cannot be really measured by means of standard expenditure reports or identified in the government accounting framework (or chart of accounts). Accordingly, the aim is to tag budget line items (or headings/entries) relating to climate change adaptation and mitigation, and to record budget allocations and expenditures committed under those items.

### 3.2. Public investment management

**The public investment management framework establishes no selection or prioritization process allowing for consideration of the climate dimension.** Morocco's 2016 Public Expenditure and Financial Accountability Assessment (PEFA) and 2017 Public Investment Management Assessment (PIMA) found an absence of a legal or regulatory framework to evaluate public investment projects, standard criteria for the project selection process, a unified investment evaluation process, standard instructions for management of projects in implementation, or a centralized database of investment projects. Public investment projects in Morocco are selected and managed by the sector ministries, without the use of common, objective selection criteria or consolidated execution monitoring. A Budget Directorate division responsible for public investment was created but without a counterpart at a ministry or public administrative agency. The proposed decree on the public investment management process and automated public investment management system was drafted in 2019, but implementation was delayed by the 2020 pandemic and the 2021 elections. This presents an opportunity to integrate that climate dimension and evaluation criteria from the MND in the selection criteria.

**Public investment projects likely to have impacts on the environment undergo environmental impact studies (EIS).** This is a legal obligation established by law 12-03 on environmental impact studies, adopted in 2003,<sup>11</sup> which applies to public or private projects, which "by reason of their scale or nature are likely to have impacts on the environment" (article 2). Under the law, an EIS constitutes a preventive tool for environmental protection. The purpose of an EIS is to "evaluate, methodically and in advance, the potential repercussions and direct, indirect, temporary or permanent effects of the project on the environment ; eliminate, mitigate, and offset the project's adverse impacts on the environment; develop and enhance the positive impacts of the project on the environment; and inform the population concerned of the project's adverse impacts on the environment" (article 5), whether the project is publicly or privately financed.

**EISs are not conducted for all public investment projects and do not include an explicit climate dimension.** The content of an EIS provided by article 6 of the law,<sup>12</sup> which includes an annex specifically enumerating the projects for which EISs are required. They fall into five principal categories: (i) infrastructures classified in the first category that are unhealthy, cause nuisances, or are dangerous; (ii) infrastructure projects; (iii) industrial projects; (iv) agriculture projects; (v) aquaculture and fishery projects. Infrastructure projects subject to compulsory EISs (which are essentially public investment projects) include road construction (national roads and highways); railroads; airports, urban area development; industrial area development; commercial ports and marinas; dams or other facilities used to permanently retain and store water; tourist complexes, particularly those located in coastline, mountainous, or rural areas; waste storage or disposal facilities of all kinds regardless of the method of disposal; wastewater treatment plants and associated facilities; marine outfalls; and transport of dangerous or toxic materials.

---

<sup>11</sup> Prior to 2003, an EIS was conducted by project developers on a voluntary basis, requested by international donors, or because of the particularly sensitive nature of a project receiving area or to settle differences concerning the occupation of land.

<sup>12</sup> In particular, (i) a general description of the initial condition of the site potentially affected by the project, including its biological, physical, and human components; (ii) a description of the principal components, characteristics, and project implementation phases, including manufacturing processes, the nature and quantity of raw materials and energy resources used, liquid, gaseous and solid waste, and waste produced in implementing or operating the project; (iii) an assessment of positive, negative, and harmful impacts of the project on the biological, physical, and human environment that could be affected during the implementation, operation, or development phase based on the terms of reference and directives provided for such purpose; (iv) the measures planned by the petitioner to eliminate, mitigate, or offset harmful consequences for the environment and measures to improve the project's positive impacts; and (v) a project surveillance and monitoring program and measures planned in terms of training, communication, and management to ensure that project implementation, operation, and development comply with the technical specifications and environmental requirements adopted by the study.

**The modalities of EIS approval are also established by the Law and its two implementing decrees.** The law establishes an environmental acceptability decision as a prerequisite for administrative approval of any project for which an EIS is required. The authorization is issued by the national or regional environmental impact studies committee (CNEI or CREI, respectively), whose authorities are established by decree 2-04-563 of November 20, 2008. The law also requires a mandatory public survey according to the conditions established by decree 2-04-564 of November 20, 2008. The purpose of the survey is to uphold the democratic principles of transparency and public participation in decision-making processes that could have an impact on the environment.

### **Box 5: Mandates of the CNEI and CREI** Le CNEI est chargé :

- The CNEI is in charge of:
- Reviewing the EISs and associated documentation for projects referred to it for decision;
- Issuing its opinion on the environmental acceptability of projects;
- Reviewing EISs for which reconsideration is requested as per article 24 of the decree;
- Supporting and advising the CREI in the exercise of its powers.

#### **Its scope of authority covers:**

- Projects for which the amount of the investment exceeds DH 200 million;
- Projects concerning more than one region, regardless of the amount of the investment;
- Cross-border projects, regardless of the amount of the investment. The national committee is chaired by the government authority in charge of the environment, which serves as secretary of the committee.

#### **The CREIs are in charge of:**

- Reviewing the EISs relating to projects for which the amount of the investment is no more than DH 200 million, with the exception of projects that concern more than one region, regardless of the amount of the investment; and cross-border projects, regardless of the amount of the investment.
- Issuing its opinion on the environmental acceptability of projects submitted to it. Each regional committee is chaired by the Wali, and the regional representative of the central-government authority in charge of the environment serves as the secretariat.



**Law 49-17 of 2020 on environmental assessments significantly improves the EIS framework and provides an opportunity for integration of the climate dimension in public investment programming.** In keeping with the CNEDD, article 8 of which provides for modification of the legislative framework for EISs to integrate the strategic environmental evaluation, the new law should ensure the consistency of national and regional development with Morocco's ecological ambitions. In particular, the law provides for:

- mandatory strategic environmental assessments for sector and regional public development policies, programs, and plans; and
- the institution of environmental audits for existing projects that had not yet undergone environmental audits prior to publication of the law.

**The new law (49-17) will make other improvements to the EIS framework once the implementing regulations are adopted.** For example, it simplifies the environmental assessment procedure for small projects with low environmental impact, and allows their developers to present a simple notice instead of an EIS. The law also established the national environmental impact studies committee, chaired by the government secretary in charge of sustainable development, and a regional environmental impact studies committee chaired by the Wali in each of the regions. The regional committees are now managed by the regional investment centers (CRI), whose role is to issue the environmental acceptability decision required for implementation of covered projects based on the results of the impact studies. Finally, the law refers to a regulatory text, rather than an attached annex, for the list of projects subject to EISs, allowing greater flexibility in updating the list. However, the entry into force of the new law remains subject to the adoption of the implementing decrees, which have yet to be adopted.

**Lastly, the NMD embraces sustainability and efficiency as guiding principles for public policy decisions.** The NMD emphasizes that “anticipating the externalities of any project on the environment should become a systematic practice, and in case of significant negative externalities, trade-offs should be decided in favor of preserving resources. In addition, public expenditure efficiency should be evaluated on a regular basis.” The NMD report also provides a matrix presenting the alignment of public policies with NMD principles, including the principle of sustainability, which refers in particular to environmental issues.

### 3.3. Public procurement

**In Morocco, public procurement presents an opportunity to consider climate change in public expenditure.** Public procurement represents roughly 19 percent of GDP, a figure well above the average for OECD countries (10 percent). It represents 70 percent and 80 percent of turnover for construction and engineering firms, respectively. As such, it represents a powerful driver in achieving Morocco's climate change commitments and furthering the transition to a decarbonized economy by using the government's purchasing power to choose supplies, services, and works with little impact on the environment. Hence the importance of a public procurement system aligned with this objective, which would help “ensure that procurement decisions apply principles of the circular economy and adaptive procurement to reduce GHG and strengthen resilience.”<sup>13</sup>

**The public procurement management framework complies with good practices, according to the findings of the 2016 PEFA.** The framework was reformed successively in recent years to align it progressively with international standards. The most recent reform in 2013 included a new public procurement code<sup>14</sup> that reaffirms the principles of transparency, equal treatment, and open, competitive access to public contracts.<sup>15</sup> The new code applies to procurements by the central government, local governments, and most SOEs. In addition, public contracting procedures were digitized in January 2015<sup>16</sup> through the creation of a public contracting e-portal.<sup>17</sup> A national public contracting commission was also created to, inter alia, supervise implementation of the regulatory framework governing public contracts and dispute resolution.

<sup>13</sup> Climate PEFA.

<sup>14</sup> Decree 2-12-349 of March 20, 2013 (entered into force in January 2014).

<sup>15</sup> System evaluations conducted recently by certain donors found that the previous system already met international standards for good practices.

<sup>16</sup> Decision 20-14 on digitization of public contracting procedures.

<sup>17</sup> Functionalities and several figures updated.

**The 2013 decree provided for the consideration of environmental issues in the public procurement process.** The first article of the decree provides that “respect for the environment and sustainable development goals shall be given consideration in the award of public contracts.” Article 18 on market consultation provides that where technical proposals are required, the criteria for bidder eligibility and contract award may be complemented by criteria related to, inter alia, “performance in the areas of environmental protection, development of renewable energies, and energy efficiency.”

**The general administrative clauses included in construction contracts also provide for protection of the environment.** Article 30, “Protection of the Environment,” requires the contractor to take action to manage elements that could threaten the environment, and article 31 defines the responsibilities of the contractor and the construction supervisor in managing waste generated by construction works executed pursuant to a public contract. The box below presents the key provisions of the two articles.

### **Box 6: Articles 30 and 31 of decree 2-14-394 of May 13, 2016 approving the general administrative clauses included in construction contracts**

#### **Article 30 - Protection of the environment**

The contractor shall take measures to manage elements that could threaten the environment, including waste produced during the execution of works, dust and smoke emissions, emissions of pollutants and noise, impacts on flora and fauna, and pollution of surface and groundwater, and shall ensure the safety and health of persons and the preservation of surrounding areas.

During execution of the works, the contractor shall be able to provide proof, at the express request of the project owner, that the services provided pursuant to the contract meet the environmental requirements established in the special technical specifications, as applicable.

If the services are to be performed in a location where specific environmental measures apply, in particular in areas considered sensitive or protected from an environmental standpoint, pursuant to legislative and regulatory provisions, the contractor shall comply with such particular requirements.

#### **Article 31 – Site waste management**

The removal of waste generated by works performed pursuant to the contract shall be the contractor’s responsibility during performance of the works. The contractor shall be responsible for the collection, transport, storage, and any sorting and processing required to eliminate waste generated by the contracted works to appropriate receptor locations in accordance with applicable laws and regulations.

The project owner shall provide the contractor with all information considered necessary to allow the contractor to eliminate such waste in accordance with applicable laws and regulations.

To enable the project owner to ensure the traceability of waste and materials from the construction site, the contractor shall be provided with the information allowing such traceability, in particular through the use of site waste tracking forms.

In the case of dangerous waste, the use of such site waste tracking forms shall be mandatory as provided by applicable laws and regulations.

**Moreover, objective 5 of the SNDD is to promote sustainable, responsible public procurement.** The objective is also reflected in the PEA, which provides for four commitments to achieve this goal: (i) introduce sustainability principles in the regulatory framework for public procurement; (ii) systematically incorporate water and energy savings in all equipment purchases through the institution of ecological standards and labels; (iii) formulate a communication and outreach plan to promote sustainable public procurement; and (iv) provide support for public purchasing officials in the form of guides and training. However, progress achieved in all these areas still falls short of the expected goals.

**All in all, while it is open to the “greening” of public procurement, the current public contracting framework leaves considerable room for progress in this area.** The framework is not yet enforceable in regard to the integration of ecological criteria throughout the public procurement life cycle, and no decision has been adopted to specify the operational modalities of implementation. There are still no standards and guides relating to climate-sensitive public procurement. The actors concerned (the ministry purchasing offices) are not yet sufficiently knowledgeable on the subject and have not received the relevant training, and therefore green public procurement has yet to be mainstreamed. Finally, there is no statistical monitoring or periodic reporting for public contracts designated as climate sensitive or containing environmental clauses – or for public contracts in general.

### 3.3. Public Enterprises

**State Own Enterprises (SOEs) operate in the principal economic sectors and play an essential role in the delivery of public services and in public investment.** The public portfolio consists of 225 public administrative agencies (EPA<sup>18</sup>, which include quasi-public corporations) and 44 limited liability companies held directly by the Treasury. Among them, 71 commercial entities represent 26.5 percent of total SOEs; 8 public enterprises hold 77 percent of 498 subsidiaries or equity interests, of which 54 percent are majority controlled; and 11 subsidiaries are traded on the Casablanca stock exchange (the only directly held companies are Maroc Telecom (Itissalat Al-Maghrib, IAM) and port operator Marsa Maroc (formerly Société d’exploitation des ports, SODEP). The public portfolio is diverse and extends throughout the territory. Development programs that help reduce economic and social disparities between the regions are implemented by 70 percent of public entities, although 39 percent of public enterprise investments provided for in 2021 were concentrated in the two largest regions, Casablanca and Rabat.

**SOEs represent a large share of public investment in sectors relevant to the climate.** SOEs account for 38 percent of all capital investment (2022 budget law). Initiatives carried out by SOEs, such as the national rural electrification program (PERG) and the rural water supply program (PAGER) resulted in universal access to electricity (99.78 percent at the end of 2020) and access to drinking water (97.8 percent).<sup>19</sup> Access to basic sanitation was 89 percent nationwide, 94 percent in urban areas and 79 percent in rural areas in 2015.<sup>20</sup> In the area of transportation, Morocco has a large road network of 60,000 kilometers and has created access in rural and mountainous areas, a network of over 1,800 kilometers of highways serving 60 percent of the population; developed airport infrastructures; one of the best railroad networks in Africa, including the first high-speed train service on the African continent; and a world-class port in Tangier. Those projects were implemented by large transportation SOEs. The quality of Morocco’s infrastructures has also improved in the last decade, and its global competitiveness ranking for infrastructure quality improved from 73 in 2008 to 53 in 2019 (although it fell by 42 places in 2017).<sup>21</sup>

**Some SOEs are more directly concerned by environmental issues than others.** This holds true for SOEs operating in the following sectors: (i) agriculture (e.g. Agriculture Development Agency (ADA), regional agricultural development offices (OMVA); (ii) mining, energy and water (Moroccan Sustainable Energy Agency (MASEN) for renewable energies, the National Office of Hydrocarbons and Mines (ONHYM) for hydrocarbons and mines, the National Phosphate Office (OCP) for phosphates, the National Electricity and Water Company (ONEE) for electricity production and drinking water); and (iii) transportation and infrastructure (Royal Air Maroc, Autoroutes du Maroc for highways, ONCF for

<sup>18</sup> Etablissement Public Administratif (EPA)

<sup>19</sup> Source: SOE report, Ministry of Economy, Finance and Administrative Reform (MEFRA).

<sup>20</sup> UNICEF: Progress in drinking water, sanitation, and household health, 2000-2017 (published in 2019).

<sup>21</sup> Source : Rapports sur la compétitivité mondiale 2009-10 et 2019 ; Forum économique mondial

railroad transportation, the National Ports Agency, etc.). In addition, other SOEs are more or less directly concerned, in particular in the area of regional development (Casa-Aménagement, the agency in charge of the development of the Bouregreg, etc.) and in rural electrification programs (PERG) and drinking water (PAGER) program. This partial list gives an idea of the importance of those SOEs – in terms of both number and size – in fighting climate change.

**The SOEs face considerable challenges in terms of financial performance, exacerbated by the COVID 2019 crisis and recent rise in energy prices, prompting the SOE reform.** The added value of strategic firms declined by 12 percent in 2020, to DH 70.5 billion (US\$7.6 billion).<sup>22</sup> Profits decreased considerably in 2020 because of the pandemic, and SOEs posted an 82 percent decline in operating earnings (for a total of DH 2.867 billion) and 194 percent decline in net earnings (to stand at DH 5.77 billion).<sup>23</sup> The disappointing profits reflect a number of factors, including the business models, tariff policies, and partially unfunded mandates. The pension fund manager CDG holds a number of subsidiaries operating at a structural deficit, some of which are responsible for implementing projects supporting the government's social policies.<sup>24</sup> These challenges had already been the subject of findings by the Court of Auditors in 2016, which warned of the risks, including financial risks, incurred by the SOE sector, in particular (i) the lack of clarity as to the State role of strategist and near-absence of State shareholder function; (ii) the need to rationalize the number of SOEs; (iii) the weak if not worrisome financial performance of a large number of SOEs, not offset by the financial soundness of a number of large SOEs; and (iv) the need for greater transparency and effectiveness in governance. A number of reforms are in progress to address problems in the SOE sector.<sup>25</sup>

### Box 7. Reforms relating to SOEs in Morocco

With respect to legal and regulatory reforms, framework law 50-21 of July 26, 2021 on the reform of SOEs aims to strengthen good governance within SOEs, optimize the public portfolio by rationalizing the number of SOEs, and promote transparency and accountability, in line with the good governance code adopted in 2012. (The provisions of the law are not legally binding.)

In addition, the law 82.20 created the State Holdings Agency (Agence nationale de gestion stratégique des participations de l'Etat et de suivi des performances des établissements et entreprises publics, APE). The mission of the APE, whose scope of authority should be clarified with respect to that of the Directorate of Public Enterprises and Privatization (DEPP), is to improve supervision of commercial SOEs and optimize and consolidate the State portfolio. It is the APE that will fulfill the function of State shareholder recommended by the Court of Auditors in 2016.

In addition to these are a number of reforms identified in the SOE report annexed to the 2022 budget law that aim, inter alia, to automate SME procedures, reduce payment times, and modernize government financial oversight. These actions are all aligned on the recommendations of the NMD report of 2021, which emphasized the imperative of modernizing SOEs and reforming the State's shareholding policy.

**In addition to these challenges is the inadequate integration of environmental issues in the strategies of the largest SOEs,** as evidenced by its virtual absence<sup>26</sup> from the 2012 code of good practices.<sup>27</sup> This does not preclude the observance of good environmental practices at some SOEs, such as MASEN (whose very purpose is to develop renewable energies), the OCP, and the Moroccan Center of Expertise on Climate Change Competencies (4C Center), whose mission is to disseminate good practices.

**The reforms of SOEs under way provide an opportunity for increased consideration of sustainable development by the SOEs. A number of recommendations could be made in this regard.** A first category applies to the reforms in progress: (i) include provisions on respect for the environment in the decrees implementing the framework law;

<sup>22</sup> Primarily due to significantly decreased added value for Royal Air Maroc (-66 percent, to DH 1.394 billion), the CDG (-31 percent, to DH 7.309 billion), highway operator Autoroutes du Maroc (-29 percent, to DH 1.658 billion), and phosphate mining company OCP (-4 percent, to DH 23.451 billion).

<sup>23</sup> Source: Report on public establishments and enterprises, Ministry of Economy, Finance and Administrative Reform (annexed to the 2022 budget law).

<sup>24</sup> Court of Auditors (2016).

<sup>25</sup> Framework law 50-21 of July 26, 2021 on reform of public establishments and enterprises

<sup>26</sup> The issue is addressed very briefly and indirectly in the short passage on corporate social responsibility.

<sup>27</sup> Moroccan Code of Good Governance Practices for Public Enterprises and Establishments, 2012.

(ii) the modernization of the mechanism for SOE governance and financial oversight by the government (to include environmental dimension; (iii) the proposed amendment of the SOE governance code should clearly detail the good practices expected in regard to fighting climate change; and lastly (iv) the strengthening of external audits and the SOE risk monitoring mechanism should not overlook environmental responsibility and risks. The second category of recommendations arise from the need to specifically identify all national environmental strategies, in particular the SNDD, which should be reflected in program contracts between the government and SOEs, drawing on best international practices.

## PILLAR 4. DECENTRALIZED GOVERNMENTS

### 4.1. Coordination and functional capacities

**The three levels of subnational governments, and in particular the regions, are concerned by the climate issue.** The SNGs' prerogatives defined by the 2015 framework laws accord them a special role in climate-related public policies (cf. annex 4. In that process, given their prerogatives in the context of "advanced regionalization" and the CNEDD, the role of SNGs becomes essential in complementing national measures and decisions and, more generally, in the overall climate change framework. The involvement of regional entities allows for more meaningful consideration of often complex local realities and issues, and facilitates the involvement and mobilization of relevant actors.

**The regions have authority in areas relevant to combating climate change:** sustainable economic development and natural resource management. Article 80 of framework law 111.14 on the regions, published in 2015, delegates to the regions "the missions of promoting integrated, sustainable development" in particular by "enhancing the attractiveness of the regional territory and strengthening its economic competitiveness, the sound use, enhancement, and preservation of natural resources, the adoption of incentives for businesses and their environments and of measures to facilitate the domiciliation of activities creating wealth and job, the contribution to sustainable development, improvement of human resources management capacities and training."

**The authorities delegated to municipal authorities and prefects are also relevant to the climate within their respective jurisdictions (waste management, mobility, network infrastructure, etc.).** In accordance with the principle of subsidiarity, the communes and prefectures/provinces are best positioned for implementation within their respective geographic jurisdictions. Thus the principal missions of the prefectural and provincial councils are to support human development and local development projects. The communes are primarily responsible for municipal infrastructure and local public services.

**With respect to the deconcentration of State administration and the involvement of the different levels of SNGs, the regions have priority in the integration of regional climate policies.** The CNEDD emphasizes the regional dimension "to ensure better coordination of the measures initiated by the different regional decision-making entities and promote the mobilization of regional actors" (article 2). Accordingly, the spheres of authority should be viewed in terms of the complementarity of interventions, with the regions having primary responsibility for the integration of the different sector approaches.

**The region's planning tools are supposed to ensure consistency with the deconcentrated State administration.** Because of the level at which it intervenes, even if those interventions directly support local initiatives, the region's priority should be the implementation of a mode of operation in synergy with the central government administration. It is the region that formulates the Integrated Regional Development Strategy (Schéma régional d'aménagement du territoire, SRAT) over a 25-year horizon in the context of key national strategy objectives. The region also prepares its five-year Regional Development Plan (PDR) during the first year of each term. Within the four months following PDR approval, a program contract is negotiated and signed between the central government and the region to establish their joint action. The contract may also concern other actors and partners.

**However, few regions have prepared their Regional Climate Plan (PCR).** The regions are not yet sufficiently considered the ideal framework for local implementation of all climate change adaptation and mitigation policies and measures. To date, only two regions, Souss-Massa and Marrakech-Safi, have prepared their PCR. To accelerate the process, the

Sustainable Development Department (DDD) has launched a project to support seven regional councils in preparing their PCR, which contain a plan for adaptation and mitigation of the effects of climate change.<sup>28</sup> A PCR is of little use unless other regional strategy documents (the SRAT and PDR) can draw on this document. Yet only the Souss-Massa region has integrated its PCR's adaptation, decarbonization, and resilience measures in its PDR.

**The analysis of the regional development plans of the 12 regions conducted during the 2015-2021 term found uneven integration of policies relating to adaptation, mitigation, and resilience.** The alignment of regional and urban development efforts with climate change adaptation and mitigation efforts could generate substantial economic, social, and environmental benefits. A number of regions developed their plans prior to preparation of their SRAT, so the PDR is not integrated in a long-term approach to the regions' economic development. The analysis of the PDR for each of the 12 regions conducted during the 2015-2021 term found uneven integration of policies relating to adaptation, mitigation, and resilience. In addition, the integration is not structured and is not based on a PCR formulated prior to the PDR. Strengthened regional climate governance will therefore be critical to the success of the regional component of Morocco's climate policy.

**Table 9: Adaptation, mitigation, and resilience in the PDR, SRAT, and PCR** <sup>29</sup>

Region	Decarbonize the economy	Mitigate water shortages	Strengthen resilience to climate shocks
Tanger-Tétouan-Al Hoceïma			
L'Oriental			
Fès-Meknès			
Rabat-Salé-Kénitra			
Béni Mellal-Khénifra			
Casablanca-Settat			
Marrakech-Safi			
Drâa-Tafilalet			
Souss-Massa			
Guelmim-Oued Noun			
Laâyoune-Sakia El Hamra			
Dakhla-Oued Ed-Dahab			

<sup>28</sup> The PCR status is as follows: (i) the Regional Climate Plans of the three eastern regions; Casablanca-Settat; and Tanger-Tetouan-Al Hoceima, have been completed and are in the process of validation by the DDD; (ii) work is in progress for the four regions Draa-Tafilalet, Guelmim-Oued Noun, Laayoune-Sakia El Hamra, and Beni Mellal-Khenifra; (iii) the Department of the Environment plans to launch the preparation of a PCR for each of the remaining three regions, Fès-Meknès, Rabat-Salé Kénitra, and Eddakhla-Oued Eddahab, in 2022.

<sup>29</sup> Legend: (i) Green: measure well integrated; (ii) Yellow: measure somewhat integrated; (iii) Orange: measure absent or poorly integrated.

**The region represents an opportunity for integration of the climate policy. The region's strategic planning and operational tools could enable it to:**

- Prepare integrated, operational measures in the region to meet the challenges of rising temperatures and containing the increase at 2 °C, if not 1.5 °C, at the end of the century;
- Limit the region's impact on the climate by reducing GHG emissions;
- Limit the impact of the climate on the region by reducing socioeconomic vulnerability and strengthening the resilience of ecosystems;
- Support the implementation of the 2030 Agenda for Sustainable Development and the Sendai Framework for Disaster Risk Reduction;
- Contribute to regional efforts in order to improve national targets as outlined in the NDC;
- Preserve and strengthen ecosystems' resilience and anticipate the modifications needed to avoid loss and harm (e.g. migrations due to environmental factors) that could arise in response to anticipated climate changes.

**Subnational climate initiatives are gaining momentum.** Morocco's regions and cities are becoming involved in the adaptation and mitigation of medium- and long-term effects of climate change. Initiatives launched by regional and municipal councils in the past five years include, for example:

- The start of work on preparation of regional climate plans for six regions (Guelmim-Oued Noun, Oriental, Fès-Meknès, Tanger-Tetouan-Al Hoceima, Grand Casablanca-Settat, Laayoune-Sakia El Hamra);
- The programming of several renewable energy and efficiency projects in certain regional development plans for 2016-2021;
- The Climat Med project to support 11 Moroccan cities in developing action plans for access to sustainable energy;
- The CoMun project, which has improved the energy, environmental and governance performance of municipalities; etc.

**The momentum is slowed, however, by limited deconcentration.** In a report released in late 2020 on implementation of the national deconcentration charter, the interministerial commission on administrative deconcentration identified disparities and divergences in the different ministries' implementation of administrative deconcentration. The road map for the next phase of deconcentration calls for a review of the organization of ministerial departments and the strengthening and qualification of human and material resources provided to deconcentrated administrations. It should also better clarify the authorities definitively transferred under the master plans. The report also addresses the strengthening of monitoring and governance mechanisms at the three subnational levels (region, province, and municipality) while ensuring support for administrative deconcentration through the adoption of a national communication and training program to fulfill this vital effort.

**The role of subnational governments in the NDC is still neglected by the central government.** An analysis of the 61 projects identified in Morocco's most recent NDC covering seven key sectors – energy, agriculture, transportation, waste, industry, housing, and forestry and biomass – determined that (i) the regions and cities were consulted little or not at all in proposing projects in the proposal and design of the new NDC; (ii) the 61 projects are planned for implementation at the regional and municipal level, but the SNGs concerned are not involved. For example, projects identified in the new NDC for the transport sector (e.g., extension of the Rabat tramway, extension of the Casablanca tramway, the renewal and scrap program) and waste (e.g., use of GHG from wastewater treatment stations, mechanical-biological treatment and co-incineration of household waste) are within the regions' and municipalities' spheres of authority. However, no mechanism has been implemented to date to monitor the joint implementation of these projects by SNGs.

**The expanding role of the Wali is critical in an area as cross-cutting as the environment.** Clearly, the Wali is the key figure in the Moroccan public administration in the effective implementation of public climate and sustainable-development actions. The Walis are responsible for ensuring:

- consistency between the actions taken by the SNGs and the State. This is achieved through the Walis' initiatives and promotion and their exercise of the authority to review the legality of SNG actions. Specifically, they can do this by ensuring the SNGs are consulted on and involved in all matters relating to the climate that require their participation for greater effectiveness;
- coordination among the deconcentrated State administrations representing line ministries. Mechanisms for coordination are progressively being established, and a permanent secretaty for regional affairs (SGAR) was recently appointed to work with the Walis in 10 of the 12 regions. Coordination meetings are held each month, as provided for in the national charter on deconcentration. This coordination role is too recent to ascertain its efficiency and the effectiveness of its implementation.

### Box 8: Intergovernmental coordination: Disaster risk mitigation

The mechanisms and institutions relevant to emergency response are well established and centrally coordinated by two divisional units of the Ministry of Interior: the Surveillance and Coordination Center (Centre de Veille et de Coordination, CVC) and the Directorate General of Civil Protection (DGPC). Morocco strengthened its post-disaster coordination capacity with the creation of the CVC in 2008, which has a real-time decision-making mechanism and robust coordination structure. To complement the CVC capabilities, the DGPC has developed robust emergency-response and crisis-prevention capacities in the last two decades as its financial and human resources have been continuously strengthened.

Also at the central level, the Ministry of Interior's Directorate of Natural Risks Management (DGRN) coordinates the government's general approach to disaster risk management (DRM). The DGRN serves as secretariat of the FLCN, Morocco's principal funding tool for DRM-related capital projects. Consisting of five divisions and 16 units, the DGRN was gradually expanded to a staff of 43 in November 2021. In parallel, a high-level interministerial commission is being created to manage natural risks, and risk management committees are being established in the provinces and prefectures with the ongoing appointment of divisional chiefs who will be responsible for risk management in all provinces, prefectures, district prefectures, and a number of pachalik (sub-prefectures). This will increase the number of divisional chiefs in charge of risk management in the regions to 100. They will be placed under the administrative supervision of the respective Wali or governor and under the technical supervision of the DGRN. The DGRN will provide specific training and capacity building for them.

## 4.2. Regional climate finance

**The Moroccan SNGs execute a greater share of public expenditure than in any other country along the southern coast of the Mediterranean Sea.** Despite the significant financial assistance they receive from the central government (including the equivalent of 30 percent of VAT receipts for the communes, provinces and prefectures, and share of corporate tax revenues for the regions), their resources are nonetheless woefully inadequate to address climate issues, which call for substantial investment for adaptation as well as mitigation and resilience to natural disasters. Cities of over 50,000 inhabitants devote only 15 percent to 20 percent of their budget to investment, or roughly DH 206 per capita in 2017.

**The investment capacity of Moroccan cities depends essentially on their capacity to raise tax revenue.** Their modalities for tax and fee assessment and management must evolve considerably in order to achieve this objective, a process begun with the recent law 07-20 on local taxation and anticipated by the May 2019 forums on taxation. Strengthening of the regional and municipal authorities' financial and technical capacities would help optimize expenditures, significantly boost own revenue, and make use of innovative financing. To develop the SNGs' means of intervention, they should also know how to mobilize innovative financing:

- By raising international funds, particularly climate finance, without necessarily providing government guarantees. The two successful experiences of the Grand Casablanca-Settat region and the larger Casablanca metropolitan area in mobilizing substantial World Bank financing to develop their transportation and mobility infrastructures could serve as a model.



- Mobilizing the private sector in regional CC adaptation and mitigation projects.
- Promoting innovative options to mobilize international climate finance and public-private partnership.

## PILLAR 5. ACCOUNTABILITY

**Although the LOF strengthened the Parliament’s role in evaluating public policies, it does not always ensure appropriate consideration of the impact of the budget on the climate.** It is entrusted with a threefold mission: exercise the legislative power, oversee the actions of the government, and evaluate public policies. To fulfill these missions, the Parliament relies, inter alia, on standing committees, each of which is responsible for sectors. Responsibility for the environment, a cross-cutting policy, lies with the Chamber of Representatives Committee on Infrastructure, Energy, Mines, and the Environment. Therefore the climate policy, as a component of the environmental policy, is supposed to be monitored by that committee, which also oversees other sectors relevant to CC. Other sector committees of the Chamber of Representatives and the Chamber of Councilors cover sectors having strong impacts on the climate. However, this Chamber has no committee or task force that is specifically dedicated to cross-cutting issues concerning climate and the environment.

**The Parliament has a number of tools with which to fulfill its missions.** It should make better use of them to evaluate the government’s environmental policy. It has the authority to question the government, orally or in writing, on any public policy (including the climate policy). It can also charge committees with conducting investigations or preparing reports, under the terms of both chambers’ internal regulations. Also, under article 102 of the Constitution, the committees of the two chambers of Parliament may conduct hearings of officials of the government and public establishments and enterprises, in the presence and under the responsibility of the ministers concerned. The Parliament may also refer matters to the Court of Auditors, which is mandated by article 148 of the Constitution to assist the Parliament in areas of public financial oversight and provide answers “to questions and inquiries relating to the functions of legislation, oversight, and evaluation exercised by the Parliament and relating to public finances.” Under article 152 of the Constitution, the Parliament may also consult the Economic, Social, and Environmental Council (CESE) “on any economic, social, or environmental issue.”

**Parliamentary action in monitoring and evaluating public policies is constrained by a number of factors, which are more accentuated in matters relating to climate policy.** Parliament does not yet have the resources and expertise to adequately fulfill such a mission. Nor does it effectively use the other prerogatives conferred on it by the Constitution, such as enlisting the assistance of the Court of Auditors or consultation of the CESE. Also, despite the adoption of the new LOF, budget debate continues to be focused on resources rather than on the objectives and results of public policies. Those constraints are accentuated in matters concerning climate policy, in particular given the absence of a cross-cutting policy document that assesses the impact of the government budget (as a whole) on the climate.

## CONCLUSION

**The adoption by the central government of a mechanism to integrate and ensure consistency of sector policies would strengthen interministerial coordination on the cross-cutting challenge represented by climate change.** The following measures could help break down the silos between ministries:

- (i) Adopt a single climate strategy, consistent with existing strategies and commitments in terms of the NDC, on which the supervisory ministries will align their future sector strategies and multiyear programs;
- (ii) Institute a review mechanism for review of the development strategies and plans of the key ministries involved in implementing the climate policy to ensure alignment and synergies between sector interventions. Such a mechanism should be placed at a high level of government decision-making.
- (iii) Encourage cooperation among supervisory ministries on cross-cutting challenges (e.g., the ministries of energy, transport, and education for electric transportation; ministries of water, agriculture, and energy for decarbonized rural productivity, etc.). Lessons and tools from the National Committee on the Business Environment (CNEA) initiative could prove useful in this context.

**The reform of decentralization provides the opportunity to advance multisectoral coordination at the local level in implementing climate change policy by:**

- (i) integrating climate change dimensions in the regions' and municipalities' development plans;
- (ii) ensuring consistency and creating synergies between regional and municipal development planning;
- (iii) ensuring the implementation of the charter on deconcentration for the supervisory ministries involved in implementing the climate change policy, in particular for the sectors partially devolved to the regional and municipal levels (e.g., water, transportation, electricity, and the environment). The role of the Walis (and its SGAR) in coordinating the deconcentrated administration should also be clarified and strengthened to effectively support the SNGs in their efforts and create synergies with central government programs. A potential solution to consider would be to organize the deconcentrated administrations of the line ministries around a task force for climate change under the leadership of the local Wali or SGAR, to break down administrative silos and ensure collaboration and integrated solutions.

**Climate budget tagging (CBT) would also help turn the NDC commitments into budget appropriations and performance plans while improving transparency and accountability.** CBT is a budget tool that identifies, classifies, weighs, and tags climate-relevant expenditures in a government's budget system, facilitating the estimation, control, and tracking of those expenditures. Morocco could join the leading countries that have adopted climate budgeting. The climate-sensitive budgeting process allows (i) consideration of climate change in public policies; (ii) alignment of budget appropriations on national climate change priorities; (iii) the production of information to clarify budget decisions; (iv) improved accountability and transparency of climate-related expenditure reports; and (v) the identification of gaps in financing needed to achieve climate objectives and in options for mobilizing national and international resources for green investment, for example through green bonds. Ideally, the climate budgeting process should also consider tax expenditures, evaluate the impact of tax incentives that encourage and discourage private investment, and provide guidance on climate-related performance indicators.

**The reform of the management of the public investment selection and evaluation process should be adopted and could integrate the climate change dimension.** The government could integrate climate in public investment management. Prerequisites to the greening of public investment would include (i) creating an integrated database of capital projects (pending and in progress) that includes the projects of regional and municipal governments, SOEs, and PPPs; (ii) adopting a selection process appropriate to each level of government and incorporating climate change criteria. In terms of execution, (iii) environmentally sensitive or "green" procurement could also be applied to support the integration of climate change prevention and mitigation measures.

# ANNEXES

## Annex 1 – Roles of different actors in combating climate change

Nearly all ministerial departments are involved in some capacity in implementing climate actions.

Ministry / Regional directorates / Supervised entities	Decarbonize the economy	Mitigate water shortages	Strengthen resilience to climate shocks
Ministry for the Energy Transition and Sustainable Development	Coordinates preparation of the <ul style="list-style-type: none"> <li>• NDC</li> <li>• [LT-LEDS]</li> <li>• National energy strategy</li> <li>• Coordinates development of the industrial segments' green economy strategy</li> <li>• the central and regional PEAs</li> </ul>	Coordinates preparation of the national adaptation plan  Coordinates and implements the environmental preservation policy	Supports implementation of the national plan for natural disaster management, particularly as concerns pollution-related disasters
Ministry of Infrastructure and Water / National Agency for Public Infrastructure / river basin commissions (ABHs)	Contribute directly to the decarbonization of public infrastructure projects and saltwater desalination projects	Develops and implements the national water strategy  Considers the extreme effects of climate change in infrastructure design and operation	Contributes to reducing climate hazards shocks through the implementation of infrastructures to control flooding and mitigate drought
Ministry of Transportation and Logistics	Contributes directly to decarbonization of the national strategy for road, air, and marine transport and logistics	Considers the extreme effects of climate change in infrastructure design and operation	
Ministry of Industry and Commerce	Promotes the decarbonization framework for the different industrial sectors of the domestic and export markets Encourages the use of clean technologies	Integrates climate change adaptation requirements in the designs of industrial areas and local and international supply chains	
Ministry of Agriculture, Maritime Fisheries, Rural Development, and Water and Forests	Promotes the use of solar-powered irrigation. Promote the preservation and development of the forest cover to increase carbon sequestration and GHG mitigation capacity.	Integrates climate risks and appropriate adaptation measures in the agricultural policy and related capital projects	Provides for and implements insurance, compensation, and mitigation mechanisms to protect farmers from the impacts of flooding and drought
Ministry of Tourism, Handicrafts and the Social and Inclusive Economy	Monitors the integration of low-carbon technologies in the sector	Integrates climate risks and appropriate adaptation measures in the tourism policy and related capital projects	
Ministry of the Interior / regional investment centers (CRIs)	Supports the liberalization of renewable energy production and cities' access to the MV and LV network Contributes to decarbonization of urban transportation by instituting a strategy and terms of reference aimed at this objective	Contributes to the national water-savings efforts in water distribution and wastewater treatment networks  Ensures that the requirements of decarbonization, adaptation, and resilience are integrated in capital projects prior to acceptance by the CRUIs	Develops and oversees the implementation of a 2020-2030 national action plan for management of natural disaster risks
Secretariat General of the Government (SGG)	Ensures that legislative and regulatory texts are consistent with the Constitution, international commitments, and framework laws	Ensures that legislative and regulatory texts are consistent with the Constitution, international commitments, and framework laws	Ensures that legislative and regulatory texts are consistent with the Constitution, international commitments, and framework laws

Ministry / Regional directorates / Supervised entities	Decarbonize the economy	Mitigate water shortages	Strengthen resilience to climate shocks
Ministry of Health and Social Protection		Reduces the impact of climate change on vulnerable populations	Plans for potential new diseases induced by extreme effects of climate change and [internal] and or cross-border climate migration
Ministry in charge of National Defense Administration			Pilots the national natural disaster risk management system
Ministry of National and Urban Development, Housing, and Urban Policy / urban agencies	<p>Ensure that long-term climate vulnerabilities are taken into account and decarbonization, adaptation, and resilience objectives are integrated in public regional development policies, and assist the regions in developing their SRAT</p> <p>Support cities in developing master plans and specific plans for urban development that take account of objectives for decarbonization, adaptation, and resilience</p> <p>Develop a mapping of vulnerable areas and ensure that construction is prohibited in flood-prone areas</p> <p>Integrate decarbonization and adaptation requirements in the housing policy</p> <p>Support the regions in the integration of decarbonization and climate-change adaptation and resilience requirements prior to regional development design and strategic planning</p>		
Ministry in charge of the Digital Transition and Administrative Reform	<p>Promotes access to high-quality digital infrastructure and services throughout the territory</p> <p>Decarbonizes energy sources supporting digital infrastructures</p> <p>Uses new technologies in electricity production and distribution</p> <p>Establishes the framework for integrating climate objectives in human capital management at all levels of public administration</p>		
Ministry in charge of Investment, Convergence and Public Policy Assessment/Moroccan Investment and Export Development Agency (AMDIE)	<p>Integrate low-carbon, adaptation, and resilience criteria in:</p> <ul style="list-style-type: none"> <li>• Priorities for the national investment charter</li> <li>• The evaluation and adjustment of sector and regional [policies and investment projects] prior to adoption</li> <li>• The matrix used to assess the impacts of sector policies and investment projects</li> </ul>		
Ministry of Economy and Finance	<p>Ensures the compatibility of the budgetary and fiscal process with the requirements of decarbonization, adaptation, and resilience</p> <p>Defines a green taxonomy for investments and expenditures relating to mitigation, adaptation, and resilience</p>		
Ministry of Higher Education, Scientific Research, and Innovation	<p>Develops expertise, research, and innovation in economic and scientific areas relating to sectors' and regions' adaptation, decarbonization, and economic resilience</p>		
Ministry of Economic Inclusion, Small Business, Employment and Skills	<p>Integrates adaptation, decarbonization, and resilience dimensions in its programs supporting SMEs, youth integration in the labor market, and vocational training programs (Office of Vocational Training and Job Promotion, OFPPT)</p>		
Ministry of National Education, Preschool and Sports	<p>Integrates climate change in educational programs</p>		
Ministry of Solidarity, Social Integration and the Family	<p>Considers adaptation, decarbonization, and resilience measures in programs supporting vulnerable populations, particularly women living in rural areas</p>		
Ministry for Foreign Affairs, African Cooperation and Moroccan Expatriates	<p>Places issues and opportunities relating to adaptation, decarbonization, and resilience at the heart of national diplomacy and international (bilateral and multilateral) relations</p>		
Ministry of Endowments and Islamic Affairs	<p>Takes account of the extreme effects of climate change in the operation of the Ministry's assets</p>		

## Subnational authorities

Regional body	Decarbonize the economy	Combat water shortages	Strengthen resilience to climate shocks
Wali/ SGAR	<ul style="list-style-type: none"> <li>Monitor and supervise the implementation of the PDR and program contracts</li> <li>Coordinate local and regional offices of central government agencies</li> <li>Chair the CRIs, which can consider climate criteria in economic investments</li> </ul>		<ul style="list-style-type: none"> <li>SRAT</li> <li>Integrated coastal development plan (structural)</li> <li>Civil protection</li> </ul>
Regional council (and operational divisions, regional project implementation offices (AREP), regional development corporations (SDR))	<ul style="list-style-type: none"> <li>Preparation of the regional development plan and project funding</li> <li>Organization of economic activity zones</li> <li>Preparation of a regional energy-saving strategy</li> <li>Promotion of renewable energy initiatives</li> <li>Preparation of the intra-regional transportation plan</li> <li>Organization of non-urban passenger road transportation services between the region's municipalities</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of the regional development plan</li> <li>Water policy development and management of regional parks</li> <li>Preservation of water resources</li> <li>Preparation of a regional water-saving strategy</li> <li>Actions to combat pollution and desertification</li> <li>Preservation of protected areas</li> <li>Preservation of natural resources and biological diversity</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of the regional development plan</li> <li>Prevention of flooding</li> <li>Preservation of forest ecosystems</li> <li>Mountainous areas development</li> <li>Oasis areas development</li> <li>Regionwide water and electricity supply and connectivity of villages with roads and transportation hubs</li> <li>Improve regional areas' competitiveness and attractiveness</li> </ul>
Prefecture or province	(The prefectures' and provinces' areas of authority are essentially on social sectors)		
Commune	<ul style="list-style-type: none"> <li>Waste removal, processing and recycling</li> <li>Public transportation</li> <li>Municipal traffic and parking policy</li> <li>Effectiveness of energy distribution networks</li> <li>Public lighting</li> <li>Urban planning, taking energy-savings requirements into consideration</li> </ul>	<ul style="list-style-type: none"> <li>Wastewater treatment, graywater collection and purification</li> <li>Effectiveness of water distribution networks</li> <li>Urban space development and irrigation</li> <li>Urban planning, taking drinking water-saving requirements into consideration</li> </ul>	<ul style="list-style-type: none"> <li>Development plans integrating natural risks</li> <li>Municipal works to protect against flooding and landslides</li> </ul>

## Annex 2 - Principal laws addressing environmental issues

### Principal laws addressing environmental matters

**Law 11-03 on protection and development of the environment.** Adopted in May 2003, the law establishes the basic rules and general principles of the national policy on protecting the environment against all forms of degradation and harm and institutes the “polluter pays” principle. Article 7 of the law requires the administrations concerned to take all necessary measures to “protect human settlements from the harmful effects of all forms of pollution and nuisance.”

**Law 81-12 on the protection, management, and development of the coastline.** Adopted in 2015, the law establishes the fundamental principles and rules for sustainable integrated management to protect, develop, and conserve the coastline; and emphasizes the consideration of climate risks in preparing the national and regional coastal management plans.

**Law 36-15 on water resources.** Adopted in 2016, the law establishes the rules for integrated, decentralized, participatory management of water resources to promote rational and sustainable use. The law also provides for rules and planning tools for wastewater, desalinated seawater, and other water resources to increase national hydric potential considering climate change for purposes of adaptation.

**Law 13-09 on renewable energies.** Adopted in March 2010, the law provides in its preamble that the development of renewable energy sources is a priority for the national energy policy and one of the key pillars for “promotion of renewable energies to strengthen the competitiveness of the country’s productive sectors and preserve the environment through the use of clean energy technologies in order to limit GHG emissions and reduce the significant pressure exerted on the forest cover.”

**Law 47-09 on energy efficiency.** Adopted in September 2011, the law establishes the objective of “increasing energy efficiency in the use of energy sources, avoiding waste, mitigating the burden of energy costs on the national economy, and contributing to sustainable development.”

**Law 77-15 on plastic bags.** Adopted in December 2015, the law prohibits the fabrication, import, export, marketing, and use of plastic bags.

**Law 28-00 on waste management and disposal.** Adopted in November 2006, the law imposes an obligation on any person who possesses or produces waste under conditions that could threaten human health or the environment to dispose or ensure the disposal of such waste under appropriate conditions to avoid such effects, in accordance with applicable legal and regulatory provisions.

**Law 13-03 on combating air pollution.** Adopted in June 2003, the law defines emissions standards as “emission limits that shall not be exceeded and are determined according to the latest relevant scientific data; the condition of the receptor environment; the self-purification capacities of the water, air, and soil; and the requirements of sustainable national economic and social development.”

**Law 81-12 on the protection, management, and development of the coastline.** Published on October 15, 2015, the law establishes the fundamental principles and rules for sustainable integrated management to protect, develop, and conserve the coastline; and emphasizes the consideration of climate risks in preparing the national and regional coastal management plans.

## Annex 3 - Pillars, objectives, and indicators relating to issue No. 4 of the National Sustainable Development Strategy (SNDD)

### Pillars, objectives, and indicators relating to issue No. 4 of the SNDD

Objectives	Indicator
<b>Pillar 1: Improve climate governance</b>	
Strengthen the institutional framework governing climate change	Implementation date of an interministerial coordination mechanism for the climate change adaptation policy
Enhance knowledge and observation	Implementation date of the Center for Climate Change Competencies (4C Center)
Take steps to prevent climate risks	National Climate Risk Prevention and Response Plan [publication] date
Improve the consideration of climate change in sector policies	Number of sectors having integrated climate change in their strategic programming
Conduct outreach with various actors on the challenges of climate change	Number of climate change outreach events held
Promote research and technology transfer	Increase in budget appropriations for climate change research
<b>Pillar 2: Enlist the regions in fighting climate warming</b>	
Extend the preparation and implementation of regional climate change plans to all regions	Number of regional climate warming plans (PTRC) prepared (Target 15)
Objective : Strengthen knowledge of climate change at the regional level	GHG emissions rates by region
<b>Pillar 3: Take advantage of climate finance opportunities</b>	
Improve access to “Climate Finance”	Number of training actions conducted on climate finance Number of adaptation / mitigation projects financed National Climate Fund implementation date

## Annex 4 - Regional areas of authority

Domain	Devolved authorities	Authorities shared with central government	Domains and authorities transferred
Economic development	<p>Support for businesses</p> <p>Domiciliation and organization of economic activity zones</p> <p>Development of tourist routes and circuits in rural areas</p> <p>Promotion of regional wholesale markets</p> <p>Creation of activity zones for artisanal and skilled trades</p> <p>Promotion of the social economy and regional products</p>	<p>Improving the competitiveness of regional areas and strengthening competitiveness</p> <p>Sustainable development</p> <p>Employment</p> <p>Applied scientific research</p>	<p>Regional plant and infrastructure</p> <p>Industry</p> <p>Trade</p>
Vocational training Continuing education Employment	<p>Creation of regional training centers and employment centers and skills development for entry to the job market</p> <p>Supervision of continuing education for regional officials and council members</p>		Education
Rural development	<p>Promotion of non-agricultural activities in rural areas</p> <p>Construction, improvement, and maintenance of non-classified roads</p>	<p>Rural development and improvement</p> <p>Mountainous areas development</p> <p>Oasis areas development</p> <p>Creation of agro-industrial centers</p> <p>Regionwide water and electricity supply and connectivity of villages with roads and transportation hubs</p>	
Transportation	<p>Preparation of the intra-regional transportation plan</p> <p>Organization of non-urban passenger road transportation services between the region's municipalities</p>		
Culture	<p>Support for the conservation and promotion of archaeological sites</p> <p>Organization of cultural festivals and entertainment</p>	<p>Development and promotion of the regional cultural heritage and local culture</p> <p>Maintenance of monuments and promotion of regional heritage</p> <p>Creation and management of cultural institutions</p>	Culture



Domain	Devolved authorities	Authorities shared with central government	Domains and authorities transferred
Environment	<p>Development and management of regional parks</p> <p>Preparation of a national energy- and water-saving strategy</p> <p>Promotion of renewable energy initiatives</p>	<p>Prevention of flooding</p> <p>Preservation of natural resources and biological diversity and actions to combat pollution and desertification</p> <p>Preservation of protected areas</p> <p>Preservation of forest ecosystems</p> <p>Preservation of water resources</p>	<p>Energy</p> <p>Water</p> <p>Environment</p>
International development assistance	<p>Convention with actors outside the Kingdom and fundraising as agreed by Moroccan authorities</p>		
Social development		<p>Strengthening of social dialogue and regional solidarity</p> <p>Social assistance</p> <p>Rehabilitation of Medina sand traditional urban complexes</p> <p>Promotion of social housing</p>	<p>Health</p> <p>Sports</p>

