

AGRICULTURAL AND RURAL DEVELOPMENT GOVERNANCE IN MOROCCO

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Abstract

Morocco is divided into 16 regions and 62 provinces. Agriculture share in the gross domestic product (GDP) is 15%. Agriculture represents 40.5% of total employment and 80% in rural areas. Governance analysis focuses on institutions and structures dealing with decisions making and implementation. The paper provides an overview of Moroccan agricultural and rural development (ARD) governance especially in terms of actors and policies with a special focus on the Green Morocco Plan (GMP). The work - based on an extended secondary data review - (i) describes the main ARD policies and the roles of the key national (Ministry of Agriculture; Agricultural Development Fund), regional (Regional Departments; Regional Offices; Agriculture Chambers) and local (Provincial Directorates; Agricultural Development Centres) public institutions; (ii) enumerates the main ARD projects implemented by international donors (European Commission, IFAD, FAO, Millennium Challenge Corporation, World Bank, UNDP, USAID); (iii) analyses ARD budget; and (iv) provides some recommendations for improving ARD governance and coordination. The GMP - a multi-billion Euro programme launched in 2008 by the Ministry of Agriculture - aims at making agriculture a lever for growth. It introduces new models of agricultural value chains governance such as aggregation and public-private contract programmes. The implementation of the GMP implied the restructuring of the Ministry of Agriculture; the delegation of some functions to the private sector; and, the establishment of new entities (e.g. Agricultural Development Agency). Improving ARD governance in Morocco requires increasing inclusiveness and fostering participation of farmers, the private sector and the civil society in policy design, implementation and evaluation.

Keywords: *agriculture; rural development; Morocco; governance.*

Introduction

Morocco is divided into 16 regions and 62 provinces. The agricultural sector represents 15% of Morocco's gross domestic product (GDP). It is a major source of employment as about 4 million people work in the agricultural and agro-industrial sectors. Agricultural exports totalled €1.4 billion in 2010, mainly to the European union (EU) (Oxford Business Group, 2012). In 2009, agricultural GDP (agriculture and fisheries) had a value of about 107.2 billion dirhams (1€= 10.9907 Moroccan Dirham – MAD) (MAPM, 2011). Agriculture sector plays an important socio-economic role as 80% of the 14 million rural inhabitants depend on agricultural revenues (ADA, 2009). Agriculture, forestry and fisheries

sector represents 40.5% of total employment; more than three-quarters in rural areas (MAPM, 2011). Apart from its strategic role in domestic food security, agriculture plays an essential role in rural development and reduction of regional disparities. About 70% of the poor live in rural areas. The reform of the agricultural sector is unavoidable because of the liberalisation of agricultural trade with the EU (EC, 2007). The Moroccan government's cornerstone initiative to develop the agricultural sector is the Green Morocco Plan (Plan Maroc Vert), a multi-billion Euro agricultural development programme. Launched in 2008, the Green Morocco Plan (GMP) aims to increase the sector's profitability and spur rural development by seeking out private investment in regions with a high agricultural potential. It also provides for the modernisation of farming methods in arid regions and increases environmental protection standards (Oxford Business Group, 2012; MAPM, 2011).

The concept of governance is built around notions such as transparency, participation, consensus orientation, accountability, responsibility, efficacy and the rule of law (FAO, 2012). Governance comprises mechanisms, institutions and processes of decisions making and implementation through which persons and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences (Cheema, 2005). According to UNESCAP (2009) governance is '*the process of decision-making and the process(es) by which decisions are implemented*'. Governance analysis focuses on the formal and informal actors involved in decision-making and implementing the decisions made (Sheng *et al.*, 2007).

The paper aims at providing an overview of Moroccan agricultural and rural development (ARD) governance especially in terms of actors and policies.

Material and methods

The work is based on an extended review of secondary data from different sources: the Ministry of Agriculture and Maritime Fisheries; the Agricultural Development Agency (ADA); the European Commission (EC); the International Fund for Agricultural Development (IFAD); the Millennium Challenge Corporation (MCC); etc. Available secondary data have been collected, analysed, cross-checked and validated. The paper (i) describes the main ARD policies and the roles of the key national, regional and local public institutions; (ii) enumerates the main ARD projects implemented by international donors and financial institutions; (iii) analyses ARD budget; and (iv) provides some recommendations for improving ARD governance and coordination in Morocco. The lack of and/or difficult access to reliable and updated secondary data has been the main constraint faced during this work.

Results and discussion

The budget allocated to the Ministry of Agriculture in 2009 amounted to 4.041 billion dirhams in payments credits. In 2009, which is the first year of the GMP implementation, there was a 153% investment budget increase with respect to 2008. The field of agricultural development, training and research had 50.1% of the budget and that of agricultural spatial planning received 45.6%. The allocation for the general administration accounted for 4.2% (MAPM, 2011).

The design and implementation of ARD policies involves several different supra-national or international, national and sub-national (regional and local) actors (OECD, 2006). The main public institutions dealing with ARD policies in Morocco include: Ministry of Agriculture and Maritime Fisheries and its decentralised structures; research and training institutions; etc. Other ministries involved in rural development comprise the Ministry of Equipment (National Program of Rural Roads), the Ministry of Education (literacy programs),

the Ministry of Health, etc. Entities of the Ministry of Agriculture that operate in the entire country are (MAPM, 2011):

- Central level: the Ministry of Agriculture is responsible for overall coordination of the national agricultural sector. It also deals with rural development. The divisions of Irrigation and Spatial Planning and Development of Production Chains provide technical support.

- Regional level: the Regional Departments of Agriculture (RDA) and the Regional Offices for Agricultural Development (ROAD).

- Provincial level: Provincial Agriculture Directorates (PAD).

- Local level: 122 Work Centres (for non-irrigated areas) and 170 Agricultural Development Centres (ADC) (for irrigated areas) are the closest structures to farmers.

Other key actors include the Agricultural Development Agency (ADA), the Agricultural Development Fund (ADF), the National Office for Food Safety as well as international donors. The research-training-education system is composed of key organizations such as (MAPM, 2011): Hassan II Institute of Agronomy and Veterinary Medicine (IAV Hassan II), Meknes National School for Agriculture (ENAM); the National School for Forestry Engineering (ENFI); the National Institute of Agronomic Research (INRA); and many agricultural institutes. Moreover, other public and private actors play an important role in agricultural and rural development (MAPM, 2011): Chambers of Agriculture; inter-professional and economic interest groups; private enterprises such as suppliers of agricultural inputs (fertilizers, pesticides, seeds); etc. Morocco has more than 250 producer associations and groups and 6,000 cooperatives. Moroccan agricultural cooperatives are grouped in the National Union of Moroccan Farming Cooperatives (UNCAM). Other important civil society organisations dealing with agriculture include: the Moroccan Association for Seeds and Seedlings; the Association of Producers and Exporters of Horticultural Products (ASPEM); the Moroccan Association of Producers and Exporters of Fruits and Vegetables (APEFEL); etc.

The main building blocks of the Green Morocco Plan (GMP) are (ADA, 2009):

1. Adopting aggregation as an organization model for agriculture: creation of win-win partnerships between producers, processors and marketers. Aggregation is a voluntary partnership with an actor (aggregator) who has management, financial and technical expertise aimed at implementing agricultural investment projects *i.e.* aggregation projects.

2. Insuring the global development of Moroccan agriculture: modern agriculture and traditional agriculture. The 1st pillar focuses on projects that depend on private financing and develop highly productive or value added modern agriculture (milk, vegetables, meat, etc.). The 2nd pillar deals with traditional agriculture and aims at improving farmers' income in unfavourable and marginal areas (non-irrigated areas, mountains and oases). Overall, pillar II will undertake 545 projects, with a budget of 20 billion MAD targeting 855,000 farms.

3. Promoting private investment in the agricultural sector.

4. Adopting a contractual approach: mobilization of the government and its decentralised representatives, professionals and associations through partnerships with clear responsibilities.

5. Promoting Moroccan agriculture sustainability: climate change, water, etc.

6. Dismantling segmentation: addressing cross-sector issues such as land tenure and water.

Through the analysis of the current situation, 16 Regional Agricultural Plans (RAP) have been prepared. Each RAP represents a roadmap for the agricultural development of a region, supported by the central administration and the public institutions (ADA, 2009).

The implementation of the GMP necessitated the restructuring of the Ministry of Agriculture and the creation of new entities: the Agricultural Development Agency (ADA), the National Office for Food Safety (ONSSA) (ADA, 2009), the Agricultural Development

Fund (ADF), and the National Agricultural Advisory Office (ONCA) is to be established by 2013.

The Agriculture Development Agency (ADA) participates in the implementation of the GMP by proposing action plans for supporting high value added agricultural sectors with the objective of improving productivity as well as traditional agriculture through the implementation of economically viable projects in view of improving farmer income (ADA, 2009a).

To encourage private investments in agriculture, the state grants, under the Agricultural Development Fund (ADF), financial assistance through grants and incentives. In order to make funding from the State timely and simpler, the ADF created a cell at each Provincial Department of Agriculture (PDA) and each Regional Office of Agricultural Development (ORMVA), which serves as one stop shop and contact with farmers, in granting financial aid. The main types of aid granted under the ADF in 2009 (MAPM, 2011) regarded: hydro-agricultural planning and development; crop production (farm equipment and products valorization), and livestock production. Subsidies are higher in the case of cooperatives with respect to individual farmers in an attempt to foster aggregation and a better organisation of agricultural producers. Expenditures have increased by almost 11% between 2007 and 2009 (2.9 billion DH) and their structure has undergone a significant change (MAPM, 2011).

Through the GMP Morocco is determined to create a million jobs and double agricultural GDP. Between 2008 and 2010, the annual income of participating smallholders has tripled to US\$ 3,000, and agricultural GDP has increased by 30% (WEF, 2011). Since 2007, fertiliser use has increased by 7%, the mechanisation of farming techniques has risen by 27%, and the use of irrigation systems has gone up by 127% (Oxford Business Group, 2012).

The EU seeks to develop a particular close relationship with Morocco and to support Morocco's reforms. The current agenda of EU-Morocco relations is spelled out in an Action Plan under the European Neighbourhood Policy. It replaces the EU-Morocco Association Agreement signed in 1996 and the 1976 Co-operation Agreement. Support of the EC to reforms in the Moroccan agriculture sector aims at ensuring the introduction of a coherent agricultural and rural development policy with the aim of convergence towards the necessary conditions for establishment of a Morocco-EU free trade area. It aims specifically to (EC, 2005): improve agricultural structures and marketing chains; develop rural infrastructure; diversify rural economic activities; develop and promote quality products; foster private-sector investment; support the introduction of sectoral agricultural policy reforms; and support land tenure reform.

Since 1979, IFAD has financed eleven rural development projects in Morocco, for a total of US\$194.1 million. Projects have focused on increasing agricultural production in mountainous zones, rangelands with poor productivity, and rainfed agricultural zones. Ongoing IFAD projects in Morocco include: Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province; Agricultural Value Chain Development Programme in the Mountain Zones of Taza Province; Rural Development Project in the Mountain Zones of Errachidia Province; and Rural Development Project in the Eastern Middle Atlas Mountains (IFAD, 2012). In August 2007, the Millennium Challenge Corporation signed a five-year \$697.5 million compact with Morocco to reduce poverty and stimulate economic growth. It aims to increase productivity and improve employment in high potential sectors such as fruit tree productivity and small-scale fisheries. The compact entered into force in September 2008 (Millennium Challenge Corporation, 2012).

The main international financial institutions operating in Morocco include the World Bank (WB), the Islamic Development Bank (IDB), the African Development Bank (ADB), the European Investment Bank (EIB), the European Bank for Reconstruction and Development, Belgian Cooperation Agency (BTC), etc. The WB's strategy for Morocco

covers rural poverty reduction, basic social services development and good governance promotion. It also supports agricultural policy reforms. Various UN agencies are active in Morocco: UNICEF, the UNDP, the WFP, the United Nations Fund for Population Activities (UNFPA), the FAO and the WHO. There are two levels of coordination between donors in Morocco: that of the Commission and the Member States and that of the Donor Group (EC, 2007). Meetings of heads of mission and first advisers take place monthly. Each group is headed by a representative of the rotating EU Presidency. Thematic groups (environment, housing, water, education, gender, health and NHDI) have also been set up to study a particular field in greater detail. The first step was to produce common strategy papers, which were transmitted by the Presidency to the Moroccan authorities. The National Human Development Initiative (NHDI), is a political framework - launched on May 18, 2005 - which aims at promoting social development in particular reducing social deficits and poverty and assisting the extremely vulnerable. The NHDI puts poverty alleviation and marginalisation at the heart of political debate in Morocco. It is a powerful tool for improving local governance in the country, in particular as regards local development and management of basic social services (EC, 2007). The Donor Group is an initiative launched in 2002, which by 2003 had representatives from most of the donors active in Morocco: the World Bank, the International Finance Corporation (IFC), the UNDP, USAID, the ADB, the IDB, the EC, EU Member States, Canada and Japan. The Moroccan government was officially notified and involved in the work of the groups (EC, 2007).

Governance and coordination of agricultural and rural development in Morocco should be improved if the GMP is to achieve its expected outcomes. A basic action to strengthen coordination would be to encourage dialogue between the involved institutions. That is critical especially regarding the participation of rural people, farmers and their organizations. According to OECD (2006) developing strong partnership through vertical governance arrangements and public-civil society partnering agreements can make governance institutions more responsible regarding the design and implementation of rural development policies. Human capital has also a strategic relevance in order to achieve a good coordination between the involved institutions. It is critical to strengthen staff capacities particularly the analytical and communication skills. According to OECD (2006), since rural policy is strongly knowledge-based and involves multiple actors, coordination and communication mechanisms play a key role in the design and implementation of place-based rural development policies. Communication should be developed horizontally as well as vertically across different government tiers (OECD, 2006). Motivation and incentives to public institutions' staff can help in achieving this objective.

Recommendations for improving ARD governance include as well: reforming ARD policy design, implementation, and evaluation; strengthening governance for service provision and policy implementation; addressing cross-cutting governance issues (*e.g.* natural resources management, climate change, rural innovation systems, etc.); decentralisation and community empowerment and public administration institutions reforms; control of corruption; etc.

Conclusions

Agriculture still plays a very important role in the socio-economic development of Moroccan rural areas especially resource-poor, remote and marginalised ones. The Green Morocco Plan and the innovative governance arrangements that it brought about offer a unique opportunity to develop both modern and traditional models of agriculture in Morocco thus contributing to the improvement of rural people's incomes and livelihoods. However, for achieving that it is important to improve agricultural and rural development governance and coordination between the national, regional, local and international actors that are involved in the design and implementation of the agricultural and rural development policy in Morocco. A

basic action to strengthen coordination between the involved actors in the policy cycle would be to encourage dialogue between these institutions. Communication should be developed horizontally as well as vertically. Participation of civil society organizations and the private sector in RD policy design and evaluation should be encouraged. Decentralization should go hand in hand with deconcentration. Building the capacity of human resources dealing with ARD policy is a priority. Raising the awareness of rural population is also crucial. That's why it is important to improve the performance of Moroccan advisory and extension services. All that is necessary to increase the policy impacts and its contribution to the sustainable development of Moroccan rural areas.

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