
What did IDEV Evaluate?

This evaluation examines the African Development Bank’s assistance to Morocco over the 2004–2014 period as well as its contribution to the country’s development. It aims to draw lessons from past performance to improve the Bank’s future strategy and operations in Morocco. By 2014, the Bank’s cumulative commitments in Morocco were about 10% of its total commitments in Africa, thus making the country one of the Bank’s prime beneficiaries. Three successive Country Strategy Papers (CSPs) guided the Bank’s actions during the period under study, namely the 2003–2005 CSP (extended to 2006), the 2007–2011 CSP and the 2012–2016 CSP. The evaluation covers the entire range of instruments used by the Bank in the country across all sectors, notably energy, transport, governance, and water and sanitation (See figure 1). Between 2004 and 2014, the Bank financed 58 projects in Morocco, for a total amount of about UA 3.8 billion (approx. USD 5.2 billion).

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>4%</td>
</tr>
<tr>
<td>Energy</td>
<td>29%</td>
</tr>
<tr>
<td>Transport</td>
<td>19%</td>
</tr>
<tr>
<td>Finance</td>
<td>11%</td>
</tr>
<tr>
<td>Water &amp; sanitation</td>
<td>12%</td>
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<tr>
<td>Multisector</td>
<td>12%</td>
</tr>
<tr>
<td>Industries/Mining</td>
<td>4%</td>
</tr>
<tr>
<td>Social</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: AfDB – SAP

Figure 1: Sector Distribution of Bank Support, 2004–2014
What did IDEV find?

Relevance

Relevance is considered satisfactory. The Bank’s strategies and programs in Morocco are fully aligned with both the country’s and the Bank’s strategic directions and their various sector and cross-cutting policies and strategies. The Bank’s programs were carried out in partnership with successive governments and technical and financial partners and paid special attention to social inclusion, the reduction of regional disparities and the transition to green growth. However the logical frameworks of some of the governance projects had unclear objectives and were not well aligned with the strategic objectives of the Bank’s country strategy paper (CSP).

Effectiveness

The effectiveness of the Bank’s interventions in Morocco is considered moderately satisfactory. Bank interventions in the area of financial sector reforms helped to consolidate the banking system and to expand banking services to new populations (See figure 2). As to the reduction of social and regional disparities, access to water improved, especially for women. The number of beneficiaries of sanitation services rose from 0.9 to 3.9 million people between 2004 and 2014. Interventions in the health, education and vocational training sectors led to clear improvements. Child mortality dropped from 36.5 per 1000 in 2004 to 26.1 per 1000 in 2014, and primary school as well as vocational training enrolment increased. Bank assistance to the transport sector led to considerable progress in terms of liberalization, development of competition and improvement of the quality of service of the different transport modes. In the energy sector, an integrated project financed by the Bank raised the rural electrification rate to 99% by the end of July 2015. In the agricultural sector, Bank operations contributed to an increase in agricultural GDP from 3.98% (average over 2000–2009) to 7.6% in 2014.

While the immediate outcomes of investment and infrastructure projects were often achieved, the intermediate and final outcomes are not always visible. The social and spatial inclusion impacts of the 2012 Economic and Financial Governance Support Program remain fragile. The performance of governance-related interventions is unstable and much remains to be done in the areas of quality enhancement for citizens, regionalization and operationalization of the new Organic Law on the Budget Act.

Sustainability

Sustainability is moderately satisfactory. While the results of the reforms carried out by the strongly committed Government of Morocco are, for the most part, sustainable, some outputs still need attention. In the productive and infrastructure sectors, Bank-financed projects are generally viable — technically, economically and financially. A potential risk to sustainability concerns the lack of clarity of institutional and regulatory frameworks for certain sectors such as water and sanitation, transport and especially energy. These do not yet have regulatory bodies to oversee the triangular relationships between private sector actors, central government and users. On the social front, the failure to secure the active participation of the main beneficiaries creates a risk to output sustainability. From an environmental standpoint, implementation of an Environmental and Social Management Plan for each investment project, in compliance with the Bank’s environmental policy, increases the relevance of its operations as well as the quality and sustainability of results.

Figure 2: Banking Penetration Rate Trend

![Banking Penetration Rate Trend](source: Bank Al Maghrib)
Efficiency

The efficiency of Bank strategies and programs is deemed moderately satisfactory. While budget support was generally disbursed on time, delays were recorded in the accompanying technical assistance. Out of 33 completed projects, 19 (14 of which were technical assistance operations) showed slippage on implementation ranging from 2–36 months, with an average of 19 months.

As regards investment and infrastructure projects, implementation periods and disbursements were generally well managed. However, procurement problems concerning agricultural and drinking water supply projects led to significant implementation delays.

Knowledge and Guidance on Policy Formulation

The Bank's knowledge and guidance on policy formulation is moderately satisfactory. Dialogue between the Bank and the Government of Morocco has intensified since the opening of the Bank’s field office in Morocco. The increase in analytical work since 2012 has advanced the Bank’s credibility and expertise in Morocco and enabled the Morocco field office team to engage more effectively in policy dialogue with the government. The Growth Diagnostic study in 2014 led to real progress towards identifying constraints and opportunities for Morocco’s socio-economic development. Other studies were used to underpin reform programs and the development of new national and regional initiatives. However, the conduct and use of analytical studies by the Bank is constrained by the lack of appropriate resources.

What did IDEV Recommend for the New Strategy?

The AfDB should:

- Continue to support the Moroccan Government in its macroeconomic, financial and economic diversification efforts to ensure inclusive, equitable and sustainable growth.

- Support the Government in its transition to green growth and agricultural sector development.

- Anchor the identification of economic and sector work in the CSP preparation process (preparation, mid-term review and completion) to enhance its relevance and strategic alignment, improve the predictability of its financing and ensure its continuing use for policy dialogue purposes.

- Implement a capacity building program for sector executing agencies, support the development and establishment of results-based monitoring/evaluation systems and scale up the use of existing national systems as part of technical assistance and grant operations financing.

- Capitalize on the existing synergy between the Bank’s public and private sector windows to affirm its positioning and consider the possibility of adding a private sector specialist to the Morocco Field Office’s human resources in order to consolidate its comparative advantage as a ‘unique Bank’.
What was the Methodological Approach?

The evaluation was carried out at the project, sector and country levels. It addressed two major issues: (i) the development results of the Bank’s assistance and (ii) management of the Bank’s interventions.

This evaluation employed a theory of change (ToC), which was constructed retrospectively. The ToC describes the chain of expected results from the Bank’s activities. Evaluation issues were then analyzed using the criteria of relevance, effectiveness, efficiency and sustainability as well as cross-cutting issues of inclusion and the transition to green growth. Furthermore, triangulation of information from different sources was carried out. This included a document review that resulted in the preparation of 21 project results assessments for completed projects and 6 sector reports; discussions with stakeholders during two missions to Morocco; and visits to the sites of completed projects.

Evaluation Limitations

The evaluation was limited to a contribution analysis whenever it was impossible to isolate the real contribution of the Bank interventions, mostly for budget support operations. The absence of most ex-post impact assessments limited the scope for the analysis of development results, especially the impacts on end-beneficiaries. All the executing agencies visited carried out high quality monitoring of outputs but not of outcomes. Disaggregated outcome data was often missing. To mitigate these limitations, the evaluation triangulated data from different secondary sources and extrapolations based on observed trends, the opinions of experts in the area and mini-field surveys.

About IDEV

IDEV carries out independent evaluations of Bank operations, policies and strategies, working across projects, sectors, themes, regions, and countries. By conducting independent evaluations and proactively sharing best practice, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development activities to the highest possible standards.

What did Management Respond?

On the whole, Management agrees with the findings of this report and, in particular, that the Bank has made significant contributions to Morocco’s economic growth and public sector performance. The report highlights the important innovative role played by the Bank in high-tech projects in key strategic sectors. The report underscores the need to ensure that achievements in infrastructure and governance are sustained over the long term, and to increase private sector support and provide teams with more resources to enable them to continue the analytical work that informs project development, public policy dialogue and the preparation of Country Strategy Papers. Lastly, the report highlights the need to bolster the country’s institutional capacity and the human resources of the Bank’s Field Office in Morocco. The various findings and recommendations will be taken into account in developing the Bank’s new assistance strategy for Morocco (2017–2021) and the various resulting operations.