Mission report of G. Canzanelli in Morocco (18-24 September 2011)

1. Background

The mission to define the technical component of LED for UNDP ART GOLD Morocco in the Oriental Region aims to:

- meet the institutional and private, national and local actors involved in the establishment of a regional strategy for local economic development and, within this framework, of Local Economic Development Agencies;
- conduct a territorial analysis focusing on the potential and existing resources to set up a strategy for local economic development in the Oriental Region; this analysis is based on existing literature and on the directions took by local partners involved in the topic;
- present a proposal strategy focused on a general approach to local economic development that focuses on Local Economic Development Agencies, or other instrument required by law in the framework of the Moroccan Regionalization reform;
- draw a roadmap for the creation of a regional strategy to promote local economic development, including the Terms of Reference of a LEDA, or any other tool that is appropriate to local needs and regulations.

2. Activities

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| 18 | Arrival  
Meeting with Cristino Pedraza (ART Morocco CTA) |
| 19 | Meeting with the UNDP Res-Rep. Bruno Pouezat  
Meeting with M. Abdelouahad OURZIK, Directeur des Affaires Juridiques, des Etudes, de la Documentation et de la Coopération (DAJEDC/DGCL)  
Meeting with the Agence de développement de l’Oriental  
Meeting with the Agence pour le développement social  
Meeting with AECID |
| 20 | Workshop on LED and LEDA at UNDP with UNDP functionaries and national partners  
Meeting with INDH  
Meeting with UNDP |
| 21 | Workshop in Oujda  
Meeting with the Regional Council  
Meeting with the University Rectorate |
| 22 | Meeting with the Chamber of Commerce of Oujda  
Meeting with the Directorate for Agriculture in Oujda  
Meeting with CRI |
| 23 | Meeting with the Foundation Hassan II  
Meeting with the Foundation Banque Populaire  
Meeting with Italian Cooperation  
D-Briefing with Cristino Pedraza |
3. **Achieved Results**

1. Increased acknowledgement of National and local partners about the advantages and chances of fostering LED processes at regional level and establishing regional development agencies.

2. Increased awareness of the Gold Program about opportunities and constrains for fostering LED processes at regional level and establishing regional development agencies.

3. Acquisition of elements for drawing options for a plan of actions for supporting LED processes.

4. **Activities and findings for each result**

1. Increased acknowledgement of National and local partners about the advantages and chances of fostering LED processes at regional level and establishing regional development agencies.

   According to the new constitution, a strong decentralization process is foreseen at regional level, including the establishment of Regional Agencies for Executing Local Projects, depending on Regional Administrations, and with large autonomy in project management, whereas the decision on their priorities should remain in the power of the Regional Councils.

   A debate is still on (or perhaps just initiated) about the type of Agencies (an unique structure, various specialized structures, a public company or a mixed company), as well as on their relationships with the existing regional development structures.

   The ART GOLD approach was introduced either at national level (through meetings with the General direction of local administrations, the Popular Bank, the Hassan II Foundation, ADS, and the national workshop in the UNDP), and at local level in Oujda (through a work shop with all the relevant actors, meetings with the regional council, CRI, Chamber of Commerce, University, Department of Agriculture).

   A need for specific regional strategies for local economic development mainly aimed at providing durable jobs was pointed out by some of the met institutions (the Hassan II Foundation, the Popular Bank Foundation), whereas the majority of them expressed the need for a more harmonic coordination of all the structures working at local level.

   The final result was the acknowledgement of the need of a more deep analysis at support of the national government about what kind of decentralization for local economic and employment development, as well as about specific local instrument of implementation.

2. Increased awareness of the Gold Program about opportunities and constrains for fostering LED processes at regional level and establishing regional development agencies.

   There are two main constrains in the Oriental Region for an harmonic regional socio-economic development aimed at providing new durable employment (specially for young women and men):
The lack of “relational capital”, although a high “social capital” represented by the high density of institutions and associations is present in the region, but with a very low history of reciprocal coordination and networking.

The conclusions of the survey realized in 2006 are still valid: there is a lot of structures realizing the same activities and providing the same services for the same “clients”, there are a number of services that need to be improved, and there are several services that need to be created as new ones (in the field of innovation, technology, quality and branding, territorial marketing, internationalization, project financing, etc.).

It is, however, worth to say, that the situation is slightly improved since my last mission in 2006 (see www.), because of the presence of join committees at level of the Wilaia, and joint activities of several actors around common regional projects (Agropole, Tecnopole, etc.).

These experiences are still project-oriented and far to be a systematic cooperative way of “making the development at work”.

An approach generally orientated to strengthen the elements of the “offer” on job creation (entrepreneurship and businesses), but with very low effort on the side of increasing the demand and the opportunities for more viable and durable enterprises.

Many initiatives and measures, in fact, are orientated at creating new entrepreneurship and businesses or reinforcing the existing ones, through information, sensitization, stimulation, training, technical assistance, and credit, but the question is how to increase the local and regional opportunities for more and more sustainable businesses.

Definitively, this has to do with building of a sound environment for facilitating private local investment that means the following:

a) building local value chains based on local competitive and sustainable resources: a business has more chances of being durable in the long term, if it is linked with other complementary or supplementary businesses exploiting the same resource. In the Oriental Region, potential competitive value chains exist, such as citrus, olives, tourism, culture, but they are not structured as such, whereas complete and comprehensive value chains do not exist.

b) strengthening the capacities and the instruments for maintaining and increasing competitiveness: it means continuous innovation, through regional systems including universities and research centers; continuous improvement of product quality and control; capacities of project financing; qualification of the financial supports, etc.

c) building an educational environment, including schools and universities) for creating all the professional and managerial profiles required by the development options, shared by all the local actors.

The question is how to create a system or mechanism able to support the creation and the development of this “economic environment” in an effective and efficient way.
Among various options the establishment of a Territorial Development Agency is a frequent and successful solution.

3. Acquisition of elements for drawing options for a plan of actions for supporting LED processes.

Important elements regarding needs, opportunities, and constrains were acquired and considered useful for drawing action guidelines for the intervention of UNDP GOLD Program in Morocco. They mainly regard:

a) the support to National Government in its decentralization policy in relation to Regional Economic Development

Opportunities: Decision of the government of accelerating the regional decentralization process, and utilizing specialized regional agencies for project execution.

Needs: Joint effort of the national and regional governments for enhancing capacities and instruments for job creation and economic development, according to regional-based strategies and implementation.

Constrains: National context needs (also for the proximity of the next elections) time for implementing decentralized modalities for effective, durable and sustainable economic and employment development.

b) the support to Regional and local authorities and the other actors operating in the regions (with particular reference to the Oriental Region)

Opportunities: Decision of the government of accelerating the regional decentralization process, and utilizing specialized regional agencies for project execution.

Needs: Strengthening capacities of the ensemble of the local actors in jointly facing, promoting and supporting regional development plans and strategies for the main objective of creating new solid and durable jobs.

Definition of the best suitable instruments for making these strategies effectively in practice (in terms of projects, support services, and initiatives).

Constrains: Uncertainty about the administrative boarder of the oncoming regions.

Weak capacity of all local actors (public and private) of a shared discussion and definition of common development objectives, and about the articulation of correspondent tasks of each one, the coordination and implementation mechanism.

Weakness in the coordination among the different actors.

5. Recommendations

The main GOLD Program action guidelines for supporting local economic development shall be the following:
1. Support the National Government in the decentralization policy in the field of economic development, provided:

   a) consensus is acquired about the need of decentralizing tasks and instrument at this aim, and about the opportunity of using the large UNDP ART and ILS LEDA experience at this respect, also for facilitating benchmarking with other European experiences

   b) a shared agenda is formulated, including the articulation between the national and local Program activities

   The main action lines could then be in the very short term (until February):

   i  a meeting in Seville (during the Forum on Local Development) for a further approximation in defining the above mentioned agenda;

   ii study tour to Spain, France, and Italy for exposure to best practices in terms of LED and LEDAs

   iii workshop in Morocco with national and regional actors for discussing the results of the study tour, and the possibilities of using these experiences and adapting them to Morocco.

2. Support the regional actors in defining and implementing LED strategies and instruments in Oujda

   The main action lines could then be in the very short term (until February)

   i training course on LED, focused on conceptual/operational tools regarding "how to set up regional economic development strategies", "how to build value chains", "how to organize a comprehensive and harmonic service system", "how to enhance innovation", "how to concretize social inclusion", "how to realize the territorial marketing". This course could be organized through a joint effort of GOLD MOROCCO, ILS LEDA, and the University.

   ii Identification of a mechanism that can facilitate better coordination among the local actors for implementing strategies and plans. This mechanism could involve the local authorities (regional, provincial, municipal administrations), public and and the private actors (associations and institutions) in a specific "Committee for the Regional Development Plan Management" (CORDEPLAM), that can be articulated in at least three Sectoral Sub-Committees: Social Services (Health, Education, Children, Elderly Persons, etc.); economic and employment development; basic infrastructures (including transportation, and communication). A memorandum of Understanding among the participants shall be signed, which includes the contents of the joint action and coordination, and the task of each one of them. A coordination secretariat shall be designed.

   iii Updating the map of the services for economic and employment development in the region, based on the previous Ils Leda work (2005-2006), for identifying what services exist, what are duplicated, what connections among them, what are the weaknesses, and what services are lacking.
3. Support the regional actors in defining and implementing LED strategies and instruments in other regions

An exploratory mission shall be carried on, in order to define what GOLD Morocco Program could do for supporting LED strategies and instruments (it could coincide with the national workshop).

6. Guidelines for the promotion and establishment of Regional Development Agencies (RDA) in Morocco

i. The promotion and establishment of RDAs in Morocco shall be part of the current effort for decentralization and be, in fact, an instrument for enabling the regional authorities either at improving their governance (coordination, articulation of the many current institutions operating for development), or implementing their development plans, through coherent initiatives, services, and projects.

ii. National government role is to enable regional authorities in establishing RDAs (regulatory framework, financial and technical support for start-up); to realize easy mechanisms for the relationships state-regions (i.e. supporting national network of RDAs, establishing a permanent state-regions conference, etc.); to evaluate and monitoring the results and the impact.

iii. In each identified region a RDA could be therefore promoted, through a subsidiary contribution state-region, for which:

• The state establishes the regulatory framework, that means the general characteristics of the RDA and the rules according to which the start up is financed

• The regional authorities commit themselves, correspond an amount of resources (technical, logistic, financial, human) and submit the RDA project and plan to the national government for approval.

iv. In each identified region the process for establishing a RDA shall carry out the following steps:

a) establish a clear reference, within the regional authority, for the promotion and the following up of the process;

b) convene and establish a Joint Promotion Committee (JPC) for the RDA design, which shall include all the most relevant actors of the regions (local collectivities, representatives of producers, of the civil society, universities, research and training centers, NGOs, etc.);

c) the JPC shall realize the RDA design, including medium long term financial and activity plan, and the organizational mechanism (according to the local demand-supply analysis);
d) the regional administration shall approve the design;

e) once the project is approved by the national government, the RDA can start. The start up shall foresee a strong technical support and training, including exposure to international experience. Strong attention shall be put on the rules for recruiting the director and the personnel.

v. Critical issues

**Juridical status**

All the European and international RDAs are autonomous bodies, responding to the private right, even in the case of “in house” structures.

**Relationship state-regions**

There are various options:

a) full decentralized bodies, with full autonomy at regional level;

b) regional autonomy in defining the design and the organization, within a national regulatory framework defined by the national government;

c) evaluation and monitoring in charge of the national government, through a participatory mechanism (national coordination committee or similar entities);

d) the start up in charge of the regional budget, or of the national government (for those RDAs which respect the national rules), or both;

e) training and technical support in charge of the state, or of the regions, or both.

**Relationship public-private**

There are various options.

a) The RDA is an “in house” independent body: the management board is constituted by local authorities with the majority to the regional administration, and other representatives from the provinces, and municipalities. (in the majority of this case the regional administration is also the major funder). The private sector is involved through consultative bodies, or similar organisms

b) The RDA is a public regional structure: it has legal autonomy, but dependent on decisions taken by the regional administration, and personnel appointed by it and included in the regional budget. No involvement of the private sector is possible.

c) The RDA is a public-private structure: the management body is constituted by representatives of the different sectors (local administrations, national bodies, entrepreneurs, universities, etc.). The prime role of the regional administration is assured through:

i. it shall approve the design;
ii. the president of the Management Board is, by statute, the President of the Regional Administration, and the majority of the board is constituted by local authorities with quotas for regional administrators;

iii. the statute indicates the RDA is the instrument for implementing the regional development plans, and its activities are coherent with it.

Sustainability

The financial sustainability can be assured through various alternative or complementary options, such as:

i. the annual regional budget;

ii. scope-contract with the regional administration, annually renovated according to results and plan of actions approved by the region;

iii. scope-contracts with the region and the state;

iv. financing of the start-up period (1-2 years) by the state, the region, or both, and thereafter through implementation of self-sustainability financing. This start up financing could be around 300,000 Euro per RDA;

v. establishing specific mechanisms, as for instance regional guarantee funds, which can provide incomes to the RDAs, a percentage of the created companies’ taxes, etc.

Local Harmonization

The presence of a dense “social capital” (many actors often dedicated to the same objectives and activities) with scarce “relational capital” shall be harmonized through consensus, and the RDA can represent the best way how to do it.

The map of local actor shall be drawn with the correspondent matrix activities-services/clients-users, and the best option found out among alternatives such as:

- specialization (by target, location, activity);
- fusion;
- conversion.

Implementation

The implementation of the above mentioned process could be carried on through various options, such as:

a) establishing 2 o 3 “pilot” regions, and experiment the mechanism;

b) launching the mechanism (national rules, concourse and assigning the funds for the first (2-3 ?) winners;

c) launching the mechanism and assign the funds to all the winners;
d) establishing in any case the national platform: national network, coordination, conference state-regions, committee for evaluation and monitoring.

All the above mentioned issued and options shall be deeply discussed by the involved actors (national and regional government mainly), for finally establishing the most appropriate ones to the Morocco contest.