New Development Model for the Southern Provinces

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In accordance with instructions by His Majesty King Mohammed VI, the Economic, Social and Environmental Council (ESEC) developed a platform for the analysis and formulation of proposals for a New Development Model for the Kingdom’s Southern Provinces (NDMSP). This project is fully in line with the Constitution adopted on July 1st, 2011. It is a contribution by civil society groups to the nation-wide project of implementing advanced regionalization, and it can potentially contribute to the success of the autonomy plan for the provinces concerned by the UN process tabled by the Kingdom in 2007. At the heart of this model are the respect for and promotion of basic human rights in the broadest sense, including economic, social, cultural and environmental rights. Through the development of guidelines for an integrated, sustainable development project based on the genuine participation of citizens in the management of their own local affairs, the aim of the Council is to contribute to the collective effort required to rise to the challenge of achieving social cohesion, prosperity and equitable benefit from the resources of the Southern Provinces. ESEC members - experts, trade union and professional associations’ representatives, civil society groups and ex-officio members - agreed that a key objective should be the diversification of local businesses and economic actors. Special efforts should be made to encourage private initiative and the social economy, making sure such endeavor tallies with the State’s new economic role. The goals of this policy choice are to create wealth and promote employment, particularly for young people and women. The success of this approach requires a new form of governance based on clear principles and specific accountability rules.

ESEC findings and recommendations are the result of an extensive listening, dialogue and consultation process undertaken by the Council in the three regions. It involved more than 1,500 individuals representing elected officials, central and regional government authorities, civil society representatives as well as trade unions and economic operators, with special emphasis on young people and women. This work benefitted from many reports and studies in addition to inputs from an extensive network of local, national and international experts.

This memorandum sums up the main conclusions reached upon analyzing the development situation in the southern provinces. It highlights the ambition, principles and objectives which should make it possible to develop a new, ambitious, environmentally sustainable and socially equitable growth model that would be in line with constitutional requirements as well as with the commitments made by our country with respect to promoting democracy and advanced regionalization.

Diagnosis

Representing 59% of the Moroccan territory, the southern provinces are home to 1,028,806 inhabitants, or 3.2% of the Kingdom’s population. The urbanization rate in the southern provinces is higher than in the rest of the country (74% against a national average rate of 60%). These provinces are among the driest deserts in the world.

The State is the largest investor and the first provider of employment in the southern provinces. It has played a pivotal role in the development of infrastructure, in the citizens’ effective access to basic services and in the fight against poverty.

1 Source : Haut Commissariat au Plan
Education, health and poverty reduction indicators are now above the national average, pointing to some early achievements in the Kingdom’s efforts to effectively rid the southern provinces of the stigma of colonialism. Public policy achievements are real and, in several respects, invaluable. The uniformity of national institutions, the territorial continuity, the application of ordinary law, the security of goods and people and the exercise of individual and collective freedoms in the same conditions and with the same constitutional guarantees as in all other parts of the country clearly attest to the common destiny these provinces historically share with the rest of the Kingdom.

Still, one cannot say that an economic take-off has taken place in these regions. The ripple effect of investment incentives and of public investment on the private sector has remained limited. Being mostly centered on primary sector activities, the region’s economy has not sufficiently moved toward high-added-value processing activities. Similarly, local skills and solidarity-based social economy actors have not, so far, been adequately leveraged.

Consequently, employment opportunities remain insufficient. The high unemployment level (15%, against a national rate of 9%) - especially among young people (28%), university graduates (41%) and women (35%) - is one of the key economic and social challenges that need to be addressed. Women are faced with additional difficulties in accessing employment.

Employability difficulties are compounded by frustration, impatience and feelings of injustice which often have to do with the lack of clarity of social welfare policies. In fact, although assistance mechanisms are substantial in terms of budget allocations as well as cash and in-kind allowances, they do not encourage entrepreneurship, nor do they improve the beneficiaries’ employability prospects. Moreover, these mechanisms do not seem to properly target the most vulnerable segments of the population.

To create a virtuous circle in the development dynamics of the southern provinces, a revamped form of governance is needed - one that can have a real impact on the causes behind the wait-and-see attitude of private operators as well as on the citizens’ distrust of public policy. Beyond purely technical and financial parameters, the exercise of authority and the delegation of powers should be based on respect for the rule of law, access to information, accountability, respect for basic human rights, and transparency in the allocation of entitlements and licenses for the exploitation of natural resources. This is essential to properly address widespread recriminations among local citizens concerning violations of the principle of equal opportunity and of privileges.

In this regard, advanced regionalization creates prospects for modernization as well as chances for closer relations between citizens and decision-making authorities. The ESEC report reviews policy indicators in the areas of health care, education, housing and access to cultural, transport and recreation goods and services, which a participatory approach can boost significantly. This approach should also help to address shortcomings noted in the area of social and civil dialogue. In the southern provinces - as is the case across the Kingdom - economic operators, trade unions and civil society organizations need local platforms for dialogue and cooperation among themselves, and between them and elected officials as well as government authorities to promote participatory democracy. This momentum is also necessary to promote cultural development and the cultural distinctiveness of each one of the southern regions, as well as the preservation and development of their heritage. The combined effect of these factors should free development policy from the constraints of security imperatives which hinder both policy coherence and its effectiveness.

The dynamics of comprehensive economic and social change in the Southern Provinces must take into account the question of environmental sustainability. Rapid urbanization and concentration in coastal areas - together with the arid nature of the environment - raise the question of preservation of fragile ecosystems. The issue of water resource conservation is crucial. In spite of control regulations, the monitoring of environmental risks, the identification of endangered habitats and their classification as protected areas, public authorities still have much to do in this respect. Some biologically significant areas and unique landscapes, whose diversity is recognized by a national qualification system (sites of biological and ecological interest) as well as by universal standards, are now threatened. This is the case for the Oued-Ed-Dahab Bay. The Cintra Bay may be facing similar risks in the future.
One of the most striking findings is that land use planning has not been governed by a coherent master plan. As a result, urban development seems chaotic in many places and is inconsistent with climate constraints and with «local cultural distinctiveness». Urban development also threatens to choke certain urban centers. Moreover, urban development in the southern provinces suffers from land remediation problems and the lack of an organized housing market (massive state intervention, near-total absence of private operators, and unsuitability of certain equipment compared to the needs of the populations concerned). Finally, national - and especially international - connections have remained limited, constraining mobility and hampering the regional influence of the southern provinces.

The development model applied in the region so far has reached its limits. A new dynamic is therefore required. It should be based on the imperatives of sustainability, participatory democracy and social cohesion and should target employment and the creation of wealth.

**Basis of the new model**

The new model is based on key provisions enshrined in the Constitution, on the international conventions ratified by Morocco as well as on the objectives set forth in the Social Charter developed by the ESEC. Four principles are at the heart of the model:

- Inclusive, sustainable human development;
- Participation of representative stakeholders and local populations in all phases of policy development and implementation relating to the region's development programs;
- Compliance with and effectiveness of the citizens' basic human rights;
- Consolidation of the role of the State as a regulator and guarantor of law enforcement.

**Model's goals**

The new model calls for a vision and approaches that would be more participatory and inclusive. They should be based on a more responsible form of governance. These reorientations are inevitable to create real economic growth and promote constructive social relations conducive to cohesion and hope.

This model is designed to be implemented in two stages.

The first phase, which concerns the short and medium terms (10 years), is to be devoted to the launch and actual implementation of the new development dynamic as well as the promotion of growth opportunities in the longer term. The objective, during this phase, is to optimize the use of the existing potential and to proactively re-engineer the general framework and the mechanisms for the promotion of employment, training and social protection.

The second phase concerns the medium and long term perspectives, during which development measures based on the existing potential would have reached their cruising speed and would be supported by new growth mechanisms (high added-value processing sector, knowledge-based economy, inclusive use of new natural resources,...).

A significant outcome of this progress-oriented initiative would be to turn our southern provinces into a geostrategic space for peace, stability and shared prosperity for the entire Euro-African region.

In terms of figures, the aim is to double the region's GDP over the next 10-year period and to create more than 120,000 new jobs. At constant activity rates and a 2% annual increase rate of working age population, unemployment would be reduced by at least half.

Moreover, as it sets up a more equitable social system based on social safety nets targeting the most vulnerable segments of the population, using transparent, publicly known criteria, the new model should significantly reduce poverty and thus expand the middle classes in the southern provinces.
This dynamic can logically turn the southern provinces into a hub between the Maghreb and sub-Saharan Africa, particularly through a maritime cluster, an adequate connectivity plan based on the development of electric highways, the construction of an Atlantic beltway and the desert road, the consolidation of the port network and of maritime and air transport, and the setting up of a digital development platform and of logistics and trade platforms. This ambitious plan will rely on the emergence of centers of excellence based on Maghreb and sub-Saharan regional cooperation in the areas of education, skills training, higher education, health care and applied scientific research.

Main proposals and actions

The ESEC report lists several important measures based on elements developed by the Council in its interim report published in April 2013. They are the result of viewpoints gathered from Council members as well as stakeholders whom the Council met during the ten-month period devoted to this mission.

Restoring confidence by promoting citizen participation and the rule of law

Enhancing trust between the citizens and state officials hinges on reasserting the primacy of human rights, respect for the rule of law by everyone and guaranteed access to justice. To do this, the judicial institution should be strengthened by ensuring proximity and improving access to legal aid.

The credibility of the State and of its action in the southern provinces depends on the sound management of public affairs in a transparent, clear manner, making sure citizens have access to information. Therefore, government departments and public agencies must publish their accounts and management principles in accordance with Article 154 of the Constitution, making sure they abide by the principle of equal treatment of citizens (in the processing of cases and the allocation of rights and resources).

Making sure the citizens and their representatives take part in the major decisions that affect their future and that of the region and in the actual implementation of those decisions is a fundamental requirement for the endorsement and success of the new model. Public policy must be based on a bottom-up approach premised on the principles of local participatory democracy and public debate. To this end, each southern region should have a body for consultation and civil dialogue. Respecting gender parity, this body would be made up of representatives of professional, social and community-based organizations, academics and qualified individuals, particularly the custodians of the local cultural memory (tribal sheikhs). It will be systematically consulted about regional development plans, program contracts with the state and all economic, social and environmental issues.

The contractual principle, which will lie at the heart of the management of the state/region relationship, should be extended to all economic and social actors. Transparent monitoring and assessment mechanisms concerning the rights and obligations of each party should also be set up.

Breaking away with the rent-based economy through the promotion of private initiative

Just as important is the need to move from a rent-based economy that focuses on primary activities towards a system that boosts private investment which, in turn, creates wealth and jobs and guarantees transparency as well as compliance with the rules of fair competition.

To create a fresh momentum for growth, the State must ensure a transition to a predictable framework that provides incentives for investment and market activities. To improve the business environment, private operators should be offered a tax system based on clear texts that would be applied for a long period of time. The tax system (advantageous corporate and income taxes, standardized VAT and local taxes) should make the provinces more attractive. It is also necessary to register and regulate public land through the enforcement of judgments and the settlement of disputes. In this respect, the preservation of traditional spaces (oases, collective land) would go hand in hand with measures and mechanisms to encourage land equipment and remediation for the promotion of economic activity in the framework of specialized economic zones.
To diversify the economy, new players need to be involved. And to encourage entrepreneurship, hurdles need to be lifted to allow access to financing by small operators, including those involved in the social and solidarity-based economy. To this end, a regional economic stimulus fund will be set up to support financing the regional economy. It will facilitate the emergence of major projects and provide support to small and medium enterprises, cooperatives and mutual funds.

To diversify the economy also means to create more local added value as far as natural resource exploitation is concerned. The allocation of land, fishing licenses and quotas as well as water extraction permits will therefore be conditional on the creation of local wealth and jobs. Similarly, the on-site mining processing activities and the exploration and exploitation of hydrocarbons should be governed by texts that attract major national and international investors and operators.

As a general rule, access to natural resources should be more equitable and should be conducive to local development, with a tax system determined on the basis of the investments made and the extent to which the business concerned contributes to creating local added-value and jobs. Government revenues from the exploitation of these natural resources will be mostly reallocated to the development of the southern provinces, until the expected development level has been reached. This target is to be measured against national average rates and standard human development indicators.

Finally, the support mechanisms identified should be included in sectoral policies that enable key sectors of economic growth to achieve their full potential, building on the assets and strengths of each region to promote the emergence of regional competitiveness centers. The new model for the economic development of the southern provinces will make this a priority in the provinces concerned. Thus, depending on each specific case, the facts available so far indicate the following trends which will be taken up again and refined through regional program contracts:

- **The Laayoun-Boujdour Region**: a diversified economic hub; leveraging the region's strengths and assets in the primary sector (development of the fisheries sector, development of the camel industry and of the agricultural potential); developing an industrial center for the South (phosphate processing as part of an integrated chemical complex to produce a wide range of fertilizers as well as construction materials); in the tertiary sector (trade and logistics platform, niche craft and tourism hub). The region will consolidate its position as an administrative center, evolving into a hub for the southern provinces and sub-Saharan Africa.

- **The Oued Ed-Dahab-Lagouira Region**: economic hub at the leading edge of the sectors of the fisheries, agriculture with high added value, renewable energy, niche tourism as well as logistics and trade. The region can potentially play a key role in terms of integration with sub-Saharan countries.

- **The Guelmim-Es-Smara Region**: the development of this region, which links the Kingdom's northern and southern parts, will be based on the emergence of a vibrant, diversified social and solidarity-based economy (agriculture / livestock, crafts), responsible seaside tourism, oases and mountain ecotourism and measures to catch up with human development and poverty eradication indicators.

- **The southern provinces** boast assets which can enable them to establish themselves as leaders in the production of renewable energy, particularly wind energy, in Dakhla, Tiskrad, Boujdour, Tarfaya, Akhfenir and Laayoun, ensuring a 400 kva interconnection of Dakhla to the national grid, as a prelude to a connection with the Mauritanian network.

**A conditional cash transfers systems targeting vulnerable populations**

The reasoning behind the current assistance mechanisms must be replaced with a conditional cash transfers system which targets the most vulnerable segments of the population. Its aim should be to ensure capacity-building and promote the beneficiaries’ social integration as well as that of newcomers.

In this respect, the social safety nets system must be revisited and revamped to ensure the actors’ accountability as well as more appropriate targeting of the poorest and most vulnerable segments of the population. It should also orient those who can towards training and integration programs. It is therefore recommended, firstly, to replace food aid with monetary assistance. Secondly, as far as any new assistance is concerned, it is
recommended to undertake a targeting which is suited to households in the southern provinces (residents for more than 5 years), using a categorization grid that takes into account multidimensional poverty indicators. The new assistance system will be conditional and will be organized within the framework of social safety nets.

Any social policy in the southern provinces must take into account the question of fishing villages for an effective social development policy and the achievement of economic development. These villages should be considered as main towns (regrouping and federation of fishermen in order to improve their living conditions and ensure their settlement).

The return of people from the Tindouf camps should also be anticipated and prepared to ensure their integration into the Kingdom’s economic and social fabric. Coverage of their socio-economic needs will be based on a per-family approach, and support will be provided on the basis of solutions to achieve social and economic integration and facilitate social bonds with the rest of the population.

To implement this safety net policy and support the integration of returnees from Tindouf, a interregional fund dedicated to social assistance and the integration of returnees from the Tindouf camps will be set up. The fund’s management and support measures for beneficiaries will be entrusted to an Agency for social support in the southern provinces. It will coordinate actions with the municipalities and the three southern regions.

Manage and allocate resources according to rules of sustainability and fairness for the benefit of the populations concerned

The geo-economics of the southern provinces, their significant potential in terms of natural resources (fisheries, water, farm land, mining, oil) and their impact on the creation of wealth, employment and the generation of resources which can ultimately finance social welfare and solidarity for the benefit of these regions’ populations means the NDMSP would be viable only if there is a medium and long term strategy for the exploitation and proper use of these natural resources.

This policy implies a fresh vision and new practices with respect to natural resource exploitation. The aim is to make sure that the populations concerned and their representatives are consulted and involved, and that they benefit from natural resources in a fair, effective manner.

The implementation of these new forms of governance would allow for the best possible returns at the local level, the preservation and sustainable use of resources, and the allocation, on a priority basis, of public revenues generated by the exploitation and development of the region’s natural resources to the southern provinces’ economic development and to improving their populations’ human development indicators.

Replace current social policies with an integrated human development strategy

It is necessary today to go beyond passive social policies and focus on employability and capacity building. Such a shift should lead, in the earliest possible timeframe, to a consolidation of the role of schools and of the education system as engines for the promotion of equal opportunity and equal access to employment and executive positions. Similarly, while reducing inequalities in terms of access to services, the health care policy should promote quality care on a regional basis.

This means enhancing the attractiveness of the southern provinces as far as the medical profession is concerned, and ensuring better mobilization and supervision of the private sector. Such a strategy calls for upgrading the existing facilities by turning the Dakhla and Guelmim provincial hospitals into regional hospitals, increasing the bed capacity of the Laayoun regional hospital, and creating emergency medical assistance services (EMS) in all the southern provinces.

Finally, it is necessary to implement a contingency plan to improve maternal and child health in accordance with the Millennium Development Goals, promoting, to this end, an awareness program as well as the generalization of free pregnancy monitoring, and increasing the number of personnel and equipment in maternity wards. These emergency measures will make it possible to reduce maternal and infant mortality, thus eventually establishing the southern provinces as leading centers in the area of health care.
Recognizing culture as a right and making it a lever for development

The Hassani culture plays a rallying part and has important symbolic significance in the hearts and minds of the local populations. It therefore deserves to be integrated among the chief components of the national identity, as stipulated in the Constitution.

The promotion of cultural rights calls for the establishment of financing mechanisms for cultural development as well as the creation of an interregional Council to promote culture. It will be entrusted with the preservation of the heritage, the integration of culture in educational and audiovisual policies at the regional level, and the creation of more platforms and facilities for young people and women to express themselves, meet and promote cultural creativity.

Diversifying cultural points of interest and publicizing remembrance sites and places (archaeological sites, architectural heritage, creation of regional museums) must be accompanied by an audiovisual campaign for the promotion of the Hassani culture and of other local cultural features. The Hassani culture - including the Hassani language and heritage - should also be included in the syllabi used in regional education policies.

The Hassani cultural features can also be used in the management of local and environmental resources. Ecotourism is one of the sectors in which the Hassani culture can serve as an effective means, namely in the design of investment programs and the professional organization of cultural festivals in terms of conception, planning and animation. Thus, the conditions needed to promote the employment of young people and their involvement in a new cultural dynamics that respects the heritage and generates revenue would be met.

Breaking with the short-term strategy and restoring sustainability imperatives

The short-term strategy, which consists in meeting the demands of a specific situation, should be reconsidered by reinstating the requirements of sustainability. The southern provinces are home to oasis ecosystems and unique coastlines which must be safeguarded. Their economic value can be enhanced while respecting local know-how and expertise.

More than anywhere else in the Kingdom, and in view of the fact that this is an ecologically vulnerable region, the need to ensure environmental protection and safeguard natural resources (especially water) must be taken into account in any economic and human development project. As part of a participatory approach - the terms of which will be determined in light of the type of resource concerned - three major resources need to be better regulated in order to ensure their rational exploitation and make sure the local populations benefit from them: water, the fisheries and mining resources.

The first resource, which is already overexploited and increasingly scarce, is water. To ensure sustainable access to this resource and encourage its rational use, it is necessary to adopt a differentiated water pricing policy, depending on its use, in order to cover the cost of its replacement in high added-value economic activities (on the basis of desalination costs). The growing demand for water for domestic and economic use cannot be met without desalination, the expansion of existing desalination plants and the creation of others. Similarly, and because of the growing demand, mechanisms must be set up to protect the resource, including through aquifer contracts.

Moreover, the preservation and protection of fragile ecosystems hinges on the fight against desertification as well as the preservation of oases and the forest ecosystem and the development and improvement of pastoral areas for the development of the camel industry. The protection of certain endangered sites, especially the Oued Ed-Dahab and Cintra bays, requires an emergency plan to better separate economic and urban conglomerations from the areas to be protected.

For this purpose, a new body in charge of environmental regulation for the southern provinces will be created to ensure the long-term protection and development of vulnerable sites, both inland and on the coastline. It will first tackle the Oued Ed-Dahab Bay, then those of Cintra and Niilaa. This body will, first, be responsible for the land surrounding the sites concerned. It will draw up the land development plan and will then be in charge of project management for the projects retained in the bay’s improvement and development plan. It will have powers relating to supervision and imposition of penalties.
The development of urban planning which respects the living environment as well as the cultural specificity
of each region means that the urban sprawl has to be curbed, and that each region’s rich, unsuspected and untapped
heritage must be adequately exploited. Sustainable urban development will be ensured through the creation of
green belts and a more systematic sanitation policy. This policy’s social role will be ascertained by making sure
that local facilities are suited to people’s needs and that they meet the requirements of conviviality and diversity.
Its economic essence cannot be ascertained without a gradual disengagement of the state from the process of
producing and marketing housing units to attract private operators.

Building on the main axes of the NDMSP, the Council seeks to achieve a successful environmental and energy
transition in these provinces and to make them a model in terms of implementing the basic requirements
for sustainable development and environmental preservation at the local level. It also seeks to make towns
in the southern provinces a model at the national and regional levels, taking into account environmental
considerations (ecological cities), and urban and digital factors (smart cities).

Improving access to the southern provinces

It is important to improve connections with the southern regions in order to promote their effective integration
into the vast maritime economic area from the northern coast to West Africa and the Canary Islands.

Large-scale projects can contribute to enhancing connectivity, such as the achievement of the South Atlantic
harbor at Ntirift, north of Dakhla, (which, coupled with an industrial park built in a free zone, will double the
sector’s added value and increase the value of category C pelagic stock) and the upgrading of existing ports and
facilities (thereby improving value creation regarding category B stock). The creation of a regional airline would
allow air services targeting specific countries for tourism and export purposes.

The digital infrastructure, which is still inadequate, calls for a development plan which integrates high quality
networks and broadband access. This kind of infrastructure represents a triple development benefit: it improves
the provinces’ attractiveness; it enhances the competitiveness of businesses; and it stands as a critical tool for
transforming the quality of public services by providing citizens with distance services.

Achieve successful implementation of advanced regionalization

For these measures to be successful, there has to be a transition from a centralized form of management to
decentralization and devolution. Indeed, to be effective, the implementation of new development should
be based on autonomous decision-making and project implementation at the provincial level. Advanced
regionalization is the institutional framework for such a policy and is already defined by the 2011 Constitution.

Transferring new powers to elected local and regional officials will help bring decision-making centers closer
to the citizens. In this respect, and in accordance with Article 140 of the Constitution, the regions will have
regulatory powers. It is also recommended to ensure the widest and clearest possible decentralization of powers
and means to enable regions to take their development in their own hands and in the best possible conditions.
The principle of subsidiarity and of the transfer of powers to the regions is believed to be more efficient as far as
the design, implementation and assessment of local social and economic programs are concerned. It lies at the
heart of the education policy advocated by the new development model.

This decentralization will rely on regional councils elected by direct universal suffrage in each southern region.
They will draw up regional planning and development plans, together with contracts between the State and
the regions, setting targets and committing resources. Regional councils will also be in charge of boosting the
region’s economy and improving its attractiveness.

In this decentralized form of management, and in accordance with Article 145 of the Constitution, the mission of
the regions’ Wallis will consist in making sure laws and regulations are complied with, assisting the presidents of
regional councils in the implementation of their development plans and programs, and coordinating the action
of the central government’s devolved services, making sure they function properly. Extensive devolution should,indeed, go hand in hand with decentralization so that the conditions for successful advanced regionalization
may be met, and so that the State’s mission at the territorial level may be effectively carried out.
The success of the new development model requires high-level steering to be ensured through the creation of a High Authority. The latter will be in charge of monitoring the implementation of the new development model in the three regions. More specifically, it will be responsible for program assessment, setting development objectives in the contracts between the State and the elected representatives of the southern regions, giving impetus to program implementation, and ensuring monitoring and accountability regarding achievements and progress.

Program and objective-based contracts whereby the State and regional elected officials commit to multi-year programming and funding for large-scale projects - such as infrastructure development, support for promising niches or tools and mechanisms for the achievement of social cohesion - require long-term financing schemes. Seen from this perspective, the funds for social development and upgrading should be raised as quickly as possible, and the interregional solidarity fund enshrined in the Constitution should also be created. An inter-regional economic stimulation fund and an inter-regional fund devoted to social support and integration of returnees from the Tindouf camps will also be created. They will support the major actions identified by the new development model, and will be further consolidated by transfers from the state, new tax revenue collected in the regions and a significant part of the fees, levies and charges applied to the exploitation of natural resources.