



Program Information Documents (PID)

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BASIC INFORMATION

A. Basic Program Data

Country Morocco	Project ID P173048	Program Name Morocco Urban Transport Program PforR AF	Parent Project ID (if any) P149653
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 12-Aug-2020	Estimated Board Date 15-Sep-2020	Practice Area (Lead) Transport
Financing Instrument Program-for-Results Financing	Borrower(s) Kingdom of Morocco	Implementing Agency Ministry of Interior - General Directorate for Territorial Government	

Program Development Objective(s)

The Program Development Objective is to strengthen the capacity of urban transport institutions to plan, implement and monitor infrastructure and services, and to improve the level of service of urban transport in targeted corridors in the program area.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	1,200.00
Total Operation Cost	180.00
Total Program Cost	179.63
Other Costs	0.38
Total Financing	180.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	150.00
World Bank Lending	150.00
Total Government Contribution	30.00



B. Introduction and Context

Country Context

1. ***Morocco, a lower-middle-income country of about 35 million people, has been on a steady economic development path in the past decades while still facing development challenges.*** Thanks in part to large public investments, political, institutional and sector reforms, and measures to ensure macroeconomic stability, Morocco has made significant socio-economic progress over the past 15 years. The accelerated economic growth in this period has led to dramatic improvements towards eradicating extreme poverty, increasing life expectancy, improving access to basic public services, and developing public infrastructure. Yet, despite these achievements, Morocco continues to face development challenges, and a large part of the aspirations of its citizens for a better life remain unmet. Unemployment remains high, particularly among youth and women, service delivery is mostly inadequate, social and territorial disparities persist, and transparency, adequate governance and public accountability is a work in progress.
2. ***As a result of the global Covid-19 pandemic, the Moroccan economy is currently facing a significant domestic and external economic shock which the country is anticipated to weather better than its peers.*** Indeed, the economic outlook is currently uncertain and dependent on the evolution of the global pandemic, its economic impacts, and the responses of governments and economic actors. There is a high degree of uncertainty around the likely evolution of the situation and the channels and magnitudes of economic impact to be expected. However, Morocco entered this crisis with sound macroeconomic fundamentals, a sustainable fiscal and external path, strong economic policy institutions and a robust government commitment to maintaining macroeconomic and debt sustainability. After the onset of the global pandemic, the GoM swiftly adopted bold measures to respond to both the health and economic impacts, making it a role model for governments in the region and beyond. As a result, Morocco has an investment grade sovereign credit rating and has strong buffers and close relationships with multilaterals including the World Bank and the IMF that can provide it with further support.
3. ***Morocco is currently in a relatively advanced stage of its urbanization due to rural migration and the rapid growth of its urban population in the last decades.*** Twenty-three million inhabitants currently reside in cities, representing 63 percent of the population of the country as opposed to 5 million in 1970 (35 percent of the total population). By 2050, it is anticipated that 70 percent of the population will live in urban areas, which will represent an addition in urban population of ten million. The rural population will mostly stay flat in the same period. Approximately one third of the urban population, representing close to 7 million, is located in agglomerations of more than one million inhabitants. Most of the continuing urban development in Morocco occurs in peri-urban areas at relatively low densities, away from high density areas concentrated in the urban centers.
4. ***Urban areas increasingly contribute to Morocco's economy while entrenched urban poverty, vulnerability and inequality remains.*** Urban areas are the most important contributor to the national economy, they represent around 75 percent of GDP and 60 percent of jobs. Despite worthwhile initiatives such as the National Initiative for Human Development (INDH), urban areas remain plagued by important pockets of poverty. Roughly one million people in urban areas live below the relative poverty threshold (US\$1.3 per day) and an additional 13.6 percent (2.3 million) is economically vulnerable, with a higher likelihood of falling into poverty when exposed to shocks. Urban unemployment stands at 14 percent compared to 3.8 percent in rural areas.



Sectoral and Institutional Context

5. ***Demand for urban mobility in Morocco's main primary and secondary cities has sharply increased in the last decades.*** Several factors that are anticipated to persist through the next decades explain this situation. Cities have spread rapidly due to the sustained urbanization and the demand for lower density residential areas. Morocco's recent economic progress has resulted in more fast-paced activities and the development of many business activities outside the city centers. Significant societal shifts, such as the greater presence of women in the labor market and the increased autonomy of younger households, have also contributed to increased mobility needs. These changes have resulted in a considerable growth of trips. Most cities have at least doubled the total number of trips taken in the last 30 years. A significant lengthening of commutes has also been noted. This has put substantial pressure on the urban transport systems of Morocco's large agglomerations.
6. ***Since the past decade, most users of public transport in large agglomerations have been suffering from slow, underperforming and unreliable services.*** Despite recent improvement in select corridors, the commercial speed of public urban transport, as reported by operators, remains particularly low and unpredictable in large agglomerations. It may go down to around 5 kilometers per hour on average in the country's densest urban areas during peak hours. This situation is mostly due to congestion that causes frequent unnecessary stops, interaction with cars, and inefficient boarding and alighting. Users of other motorized modes (cars, taxis, and microvans) are also suffering from this trend. This situation results in a loss of time, productivity, and quality of life for citizens. The economic cost of congestion is usually estimated for Morocco at around 3 percent of GDP, using other developing countries as benchmarks. It also has important financial consequences for the private sector, as bus operators consider that it increases their operating costs by at least 10 percent. In addition, it deprives the vast majority of reliable public transport services, renders bus schedules useless, and contributes even further to its unattractiveness to citizens who may prefer to walk, even several kilometers, for time-sensitive trips.
7. ***Urban transport remains mostly inadequate, notably for the poor, the youth, women, and people with limited mobility.*** This situation has a particularly severe impact on the poor and the lower middle class, hindering their access to jobs, education, and health services, which perpetuates the current perception of relative social integration deficit in the country. As a result, walking remains the primary mode of transport of the poor, despite the urban environment being for the most part unfavorable to pedestrians and the increasing length of trips. Similarly, despite significant progress achieved in select areas and corridors, a majority of women in large agglomerations still consider that the state of public transport, particularly in terms of level of service, obstructs their access to basic social services, limits their labor force participation, and potentially reduces their income. In particular, in terms of personal safety, women in Morocco, similarly to other developing countries, have frequently indicated in surveys and interviews a preference for stricter enforcement measures such as closed-circuit television (CCTV) cameras, security presence, etc., in buses in particular to prevent potential misbehavior by fellow passengers and crew in some instances. Similar issues of affordability, availability, and reliability of urban transport can prevent unemployed urban youth from reaching their full potential by hindering their physical access to potential economic opportunities, jobs or vocational training to develop skills that are desired by employers. In particular, citizens with limited mobility¹ (including the disabled, the elderly and

¹ Representing between 15 and 20 percent of citizens in major cities according to different surveys.



women that are pregnant or are carrying children) face issues of physical inaccessibility, despite increasing attention being paid to their needs by the GoM. Urban infrastructure such as sidewalks, pedestrian crossings, and bus stops severely lack accessibility-related design features (such as pavement ramps) or are often blocked by parked cars or other obstacles.

8. ***The negative contribution of urban mobility in Morocco to climate change remains substantial.*** The transport sector accounts for about 25 per cent of energy consumption in Morocco (mainly by fossil fuels) and contributes significantly to climate change. It produces more than one-fifth of the country's greenhouse gas (GHG) emissions, mainly carbon dioxide (CO₂), nitrous oxide (N₂O) and methane. Although the sector's annual CO₂ emissions are lower than most middle-income countries, with about 15 million metric tons (185 kilograms per thousand dollars of GDP), they are growing at a rapid rate (more than 5 percent per year). Most of these emissions are generated in urban areas, with Casablanca accounting for about one-third of national CO₂ emissions. Given the current trend of continued growth in the rate of motorization (especially private cars) linked to rising incomes and the significant increase in travel time due to urban sprawl in most cities, the negative contribution of the country's urban transport to climate change is expected to increase further in the coming decades if not forcefully addressed, including by the promotion of public transport.

9. ***Despite the significant progress made in recent years, air pollution in most of Morocco's major cities is reaching significant levels due in part to transport activities, with negative impacts the health of urban citizens.*** Recent studies carried out by the World Bank have revealed that, despite significant improvements over the last decade, current air pollution levels in most Moroccan cities (to which urban transport makes a significant contribution) are well above the threshold recommended by the World Health Organization (WHO). Air pollution by fine particles (or PM 2.5), mainly emitted by vehicles, among other sources, has the most serious impact on health. Casablanca and Tangiers are the Moroccan cities with the highest pollution levels measured by this indicator, with approximately double the maximum average annual pollution concentration of 10 µg/m³ recommended by the WHO. The monetary value of health damage caused by air pollution in urban areas (a majority of which is generated by vehicles) at the national level has been recently estimated by the World Bank at around USD 400 million (with Casablanca accounting for nearly half of this amount), or about 0.3 per cent of the country's GDP.

10. ***In the context of the recent advanced regionalization process and as recommended by the new National Strategy for Urban Mobility (SNMU), the urban transport sector still requires accelerated and mainstreamed strengthening in terms of capacity and coordination, including at the municipal level.*** The Urban Transport Fund needs to continue to be sustained as the sector's funding mechanism. The current sector-wide institutional model for the financing, planning and delivery of urban transport services and infrastructure needs to be further refined and mainstreamed. The institutional arrangements for inter-municipal cooperation are yet to be fully adopted and operationalized. This has hampered the coordination at the agglomeration-level, long regarded as necessary for increased network synergies or economies of scale in urban transport. The creation, operationalization and strengthening of sectoral municipal enterprises for urban mobility planning and management, should be mainstreamed and accelerated when relevant for the country's largest agglomerations. Finally, the regulatory framework for the provision of public transport services by private operators is still in need of refining.

PforR Program Scope



11. The Government program, combining urban transport sector reforms and investments, remains mostly in line with the parent operation, with updates to adapt to the evolving context of mobility (including the recent advanced regionalization process) in the country and to reflect emerging local mobility needs. Its objectives are still to reduce economic disparities by improving the access of citizens to social services and economic opportunities and foster urban economic development by enhancing productivity through improved urban transport. The Government program remains structured around Subprogram 1 focused on strengthening of the institutions of the sector, Subprogram 2 focused on strengthening the financing mechanisms of the sector, and Subprogram 3 focused on the development of urban transport corridors to improve access of citizens to economic opportunities and social services. Morocco's new National Strategy for Urban Mobility (SNMU), recently prepared by the Ministry of Interior (Mol) with the support of the World Bank, has confirmed the continued relevance of the Government program with the need to further focus on the cross-cutting theme of adequacy, efficiency², and sustainability of urban transport services.

12. Within the Government program, the Additional Financing (AF) will focus for the most part on activities that are similar to the current PforR Program. AF activities will cover strengthening central capacity to coordinate, support, and monitor urban transport, respectively at the central level and in the Program Area, focusing on the recently created unified administrative structure in the Mol dedicated to the urban mobility nationwide, as part of Subprogram 1³, and the Urban Transport Fund which has been supported in the parent operation, as part of Subprogram 2. At the local level, AF will cover strengthening municipal capacity to plan, implement, and monitor urban transport in primary and secondary cities in the Program Area, as part of Subprogram 1. AF activities under Subprogram 3 will cover expenditures, located in cities of more than 100,000 inhabitants in the Program Area, that include civil works, systems and equipment in line with the parent operation for subprojects that aim at improving the level of service of urban transport users along priority corridors, with a particular focus on Casablanca and Agadir, in support of the updated Priority Program of Corridors (PPC).

C. Program Development Objective(s)

Program Development Objective(s)

The Program Development Objective is to strengthen the capacity of urban transport institutions to plan, implement and monitor infrastructure and services, and to improve the level of service of urban transport in targeted corridors in the program area.

13. The current Program Development Objective (PDO) and key results areas remain for the most part relevant and will therefore be retained with minor revisions as needed and new intermediate indicators will be added. The original Program Area⁴ mentioned in the current PDO will be retained in the AF as the

² Including by using disruptive technologies with the participation of the private sector.

³ Absorbing most of the units, services and entities previously involved in the sector at the central level.

⁴ Constituted of the Béni Mellal-Khénifra, Casablanca-Settat, Drâa-Tafilalet, Fès-Meknès, Marrakech-Safi, Oriental, Rabat-Salé-Kénitra, Souss-Massa and Tanger-Tétouan-Al Hoceïma regions.



current geographic scope remains overall relevant. The current PDO indicators⁵ will be retained in the AF. Results Area 1 will be revised in the AF from “Strengthened central capacity to plan and monitor urban transport” to “Strengthened central capacity to coordinate, support and monitor urban transport” in line with the relatively minor change of governmental attributions in the sector as a result of the recent advanced regionalization process in Morocco. Current Results Area 2 and Results Area 3⁶ will be retained in the AF. The following additional intermediate indicators have been added:

- User satisfaction rate for the implemented corridors, disaggregated by gender;
- Awarding, extension or amendment as needed of urban mobility concessions for the implemented corridors;
- Deployment of an operational Grievance Redress Mechanism (GRM) for the operations of the implemented corridors; and
- Preparation and implementation of gender actions plans for urban transport at the local level.

D. Environmental and Social Effects

14. An Addendum to the Environmental and Social Systems Assessment (ESSA) of the parent Program has been prepared by the Bank team in close cooperation with Program counterparts. The Addendum does not constitute a new ESSA and should be considered together with the ESSA of the parent Program. The ESSA of the parent program assessed, against the requirements of Bank Policy/Bank Directive on Program-for-Results Financing (formerly OP/BP 9.00), the national and municipal systems with respect to institutional capacity and performance, policy and regulatory bases, consultation mechanisms and GRM to manage and mitigate the impacts. The portfolio of projects to be undertaken under the AF was analyzed to identify typical environmental and social effects. The Addendum to the ESSA is based on a review of the Program implementation experiences, the existing regulatory and legal framework related to environmental and social matters, consultations with the Program stakeholders, and site visits. The intent of the Addendum is to ensure that environment and social risk continue to be avoided, reduced and mitigated adequately.

15. As for the parent Program, the environmental and social (E&S) risks and negative impacts associated with the AF are considered moderate in their entirety. They will be reversible and easily mitigated with proposed measures. They will be easy to identify in advance and to prevent and minimize through effective mitigation measures and will be subject to an easy monitoring and follow-up system that will allow for the identification and management of potential risks in real time. The Program will not result in any land acquisition. As the parent Program, it will use either the existing right-of-way or commune owned lands. Some sections will need to be managed carefully regarding the negative impacts that the works may have on traditional informal markets and itinerant merchants and on limited instances of informal housing encroaching on the right-of-way. Such impacts will require proper planning, including potentially the preparation of mitigation and compensation plans.

⁵ PDO Indicator 1 “Number of cities in the Program Area that improved their urban transport institutional assessment score by at least 10 percent” and PDO Indicator 2 “Percentage of corridors in the Priority Program of Corridors supported under the Program that meet their objective in reduction of urban transport journey time”.

⁶ Respectively “Strengthened local capacity to plan, implement and monitor urban transport” and “Improved level of service of urban transport on targeted corridors”.



16. E&S systems to manage related risks have been set up under the parent Program and will continue to be used, with the required strengthening, under the activities to be supported through the AF. The geographical scope of the AF will remain the same as under the parent program, with a focus on Casablanca and Agadir. No major changes are expected as the main institutional arrangements for the AF will remain largely unchanged from the parent operation. No changes in the regulatory and legal framework pertaining to the management of E&S risks have been identified. The proposed adjustments to the results areas and DLI indicators under the AF would not require changes in the E&S risk management systems, as they are mostly adjustments in timing of the existing DLIs requiring changes of management procedures, without including new activities. The management of E&S risks and impacts of the parent Program is rated “Moderately Satisfactory”. The action plan for the environmental and social assessment of the parent project is partly completed (preparation and dissemination of the environmental and social management guide, training of stakeholders on its provisions and use, designation of focal points at the level of the participating communes, etc.) although it requires a continuation of the efforts made. Due to the weak appropriation by the focal points of the procedures included in the environmental and social management guide, monitoring and reporting on the work sites is not carried out systematically. The oversight by an E&S focal point at the central level will have to be strengthened, including the monitoring of works and GRMs.

17. Consultations. The final version of the ESSA of the parent program was disclosed on November 1, 2015, on the WB website, after a consultation workshop undertaken in March 2015. Further consultations have been conducted prior to the completion of the AF appraisal and used non-contact methodologies as appropriate in the Covid-19 context following established World Health Organization (WHO) and Ministry of Health (MoH) protocols during the pandemic. Comments of such public consultations have been included in the ESSA addendum and action plan. Further consultations will be undertaken during Program implementation to ensure communication with stakeholders and beneficiaries. Most expenditures supported by the existing Program have been informed by planning processes that have included participation from local population (often during public consultations). To the extent possible, data collection and monitoring will be done in a gender and age disaggregated manner to contribute to a better understanding of the demographic profile of the affected population.

18. World Bank Grievance Redress Service. Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance redress mechanism or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

E. Financing

Program Financing



Sources	Amount (USD Million)	% of Total
Counterpart Funding	30.00	16.67
Borrower/Recipient	30.00	16.67
International Bank for Reconstruction and Development (IBRD)	150.00	83.33
Total Program Financing	180.00	

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