

Morocco Economic Competitiveness Project (MEC), 2009–2013

Overview

MEC's strategic vision is that broad-based economic growth is the strongest lever to reduce poverty and ensure that youth have the opportunity to become productive and engaged members of society. Because unemployment is the main determinant of poverty, job creation is a top priority for the Government of Morocco. Capitalizing on broad national commitment to market openness, business-friendly regulation, and private sector involvement, MEC will tackle three cross-cutting themes:

- Accelerating policy reform
- Improving the implementation capacity of Government of Morocco entities
- Increasing private sector engagement

Features

The four-year program with a fifth option year has three technical components:

Improving Trade and Investment

Despite recent reforms and legislation, businesses in Morocco still face delays, high transaction costs, and difficulty attracting foreign investment. MEC will build on the successes of recent USAID and Government of Morocco efforts to consolidate reforms, standardize practices across regions, and automate approval processes and interagency information exchange. In high-priority value chains, MEC will leverage venture capital services that bring together investors and high-potential firms to develop opportunities, promote successful export models, and spread business ideas among entrepreneurs.

Using Water Sustainably for Agricultural Growth

Moroccan water resources, already scarce, are declining owing to inefficiencies, waste, and changes in environmental conditions. MEC will enable Moroccan policy makers and farmers to benefit from regional knowledge and experiences. An ambitious plan to modernize Moroccan agriculture is under way – the *Plan Maroc Vert*. MEC will work with public and private stakeholders to demonstrate the benefits of an integrated approach to agricultural value chain development that includes water optimization, export promotion, and workforce development.

Strengthening Workforce Development

Morocco is struggling with jobless growth and persistent youth unemployment. Foreign investors find the labor code to be rigid. MEC will help move the *Dialogue Social* toward consensus, promoting measures that balance employee and employer needs. Simple improvements to the administrative system can make hiring easier, providing incentives to formalize domestic workers and others currently counted as unemployed. The Ministry of Employment has committed to expand training services of both public and private providers. MEC will support ANAPEC, and private training institutes to upgrade and expand its training offerings. Working with selected agricultural and export-oriented value chains, MEC will connect master trainers to worldwide experts and trainers, building a sustainable system that will provide access to new training and adult education resources.

Cutting across the three main components are gender and youth considerations aimed at mainstreaming Moroccan citizens now somewhat marginalized, despite Morocco's economic growth.