United States assistance continues to support Morocco’s progress on its path to build a more democratic, responsive state that meets the needs of its citizens. Stability in this Arab nation, a long-time strategic ally of the United States, is dependent upon the Government of Morocco (GOM)’s ability to address the challenges of a youthful population that lacks jobs, quality education, and access to its government. Alleviating the conditions that lead to disaffection and violent extremism is a high GOM priority and, necessitates the participation of all Moroccans in the economic and political life of the country. An emphasis on youth and women’s participation crosscuts U.S. assistance to Morocco.

U.S. assistance from the Department of State helped the GOM to improve its capacity across a wide range of law enforcement functions, including anticorruption, border interdiction, air-cargo interdiction and document fraud, counterfeit currency, and cellular phone forensics. U.S. Government (USG) assistance also helped enhance the GOM’s ability to protect and secure its borders from all forms of illicit trafficking.

In the democracy sector, the focus has been on facilitating reform in local government management, promoting innovative participatory approaches, and facilitating women’s participation in governance – resulting in a 25 percent increase in the percentage of women elected to local government. The U.S. Agency for International Development (USAID) was successful in strengthening parliament’s budget analysis and promoting greater transparency and accountability. USAID also launched an innovative initiative aimed at increasing civil society advocacy and increased youth participation.

Although Morocco has made great strides in improving access to primary education (and adult literacy training programs have increased literacy rates among women), educational quality remains a serious concern. Morocco has a high rate of repetition and dropouts. Much work remains to be done to ensure that students stay in school through, at a minimum, middle school, and that they graduate with relevant education and life skills. USAID continues to support education reform with a focus on improving the quality and relevance of education, working in target schools with a total
population of over 270,000 primary and middle school students. In addition, the USG supported rural students, predominantly girls, through a dormitory program to increase their access to education. Many non-target regions have asked for or have begun to adopt USG-funded models in education using GOM funds and personnel.

To increase economic growth, assistance helped Morocco draw maximum benefit from the United States-Morocco Free Trade Agreement (FTA). USAID undertook a variety of activities aimed at improving the capacity of institutions to ensure a more competitive agricultural sector by promoting the value chain approach, which focuses on end markets and links between farmers and processors and between processors and markets. USAID focused on improving the business environment by simplifying burdensome regulations, increasing transparency, and supporting alternative dispute resolution mechanisms for businesses.

**HIGHLIGHTS BY PROGRAM OBJECTIVE**

**Peace and Security**
The Governments of Morocco and the United States are partners in counterterrorism efforts. Morocco has demonstrated the capacity to make good use of USG training and resources. In FY 2009, USG assistance:

- Conducted seminars on export controls, and provided some basic inspection/detection equipment to Moroccan Customs
- Promoted regional stability by providing assistance to the GOM to purchase defensive equipment that will help Morocco maintain territorial integrity
- Supported training of the Moroccan military, with over 100 individuals trained in the United States and Europe

**Governing Justly and Democratically**
The GOM continues to emphasize the importance of devolving power to local government, promoting increased transparency and accountability at all levels of public administration, supporting political parties’ and civil society’s increased engagement in political processes, and encouraging a more effective and engaged legislative branch. USG efforts seized upon opportunities to promote and support democratic reforms. In FY 2009, USG assistance:

- Strengthened the Moroccan Parliament’s role in amending and ratifying the yearly national budget with the 2 chambers passing a total of 73 amendments to the budget bill, an increase of 31 amendments. The role of the USG in supporting the new Budget Analysis Bureau in the Parliament was decisive in providing Members of Parliament with the budget expertise needed to craft and pass amendments.
- Supported parliamentary committee strengthening efforts, positively impacting deliberation and transparency. In FY 2009, committees began making their reports and agendas public, and established sub-committees that enhance specialization and more efficient committee management. The number of substantive voted amendments increased eight-fold over FY 2008, demonstrating an extraordinary increase in the activity of targeted committees.
- Encouraged an increase in parliament’s consultation with civil society organizations. In FY 2009, two USG-supported advocacy coalitions achieved their objectives when two pieces of legislation for which they had advocated were adopted.
• Facilitated reform in local governance. New procedures for local governance were adopted based on approaches piloted by USG programs. In particular, sustained USG efforts in facilitating dialogue around women’s participation in local governance led to the adoption of a separate list for women for the June 2009 local elections. The percentage of women elected to local government office rose from 0.55 percent to over 12 percent.

• Evaluated local governance, anticorruption, and legislative strengthening activities to inform future strategic directions. These evaluations identified key areas for continued U.S. assistance to seize opportunities created by recently launched democratic reforms in Morocco.

**Investing in People**

Without universal, high quality education that is relevant to the workplace, Morocco will have difficulty participating in the global economy and reaching its goal of providing a responsive government to its citizens. Furthermore, quality basic education is the foundation of an engaged, democratic society and a competent workforce. Morocco has made great strides in improving access to primary education, but quality remains a serious concern resulting in high repetition and dropout rates. Only 12 percent of students enrolled in first grade ultimately complete high school. Over 200,000 students drop out of school annually. Nearly 20 percent of students repeat grades. Basic education is critical to the achievement of higher employment rates because relevant, high quality educational and life skills are essential to an evolving, global marketplace. The GOM is committed to revamping its basic education system with an objective of enabling all schools to deliver quality education for all Moroccans.

USAID models to improve education quality and relevance have been applied in four target regions of Morocco, substantially increasing retention rates and decreasing repetition rates, particularly among girls. The USG strategy includes innovative approaches to encourage creativity in teacher and student performance, increased use of information technology for instruction, teacher and youth networks, and local-language pre-literacy programs for adults. In FY 2009, the program expanded to train teachers and GOM education officials in nine of Morocco’s regions, and progress toward insertion of models into the overall system was made. Sizable GOM investment in the program (e.g., personnel time, facilities, logistic support, and materials development) demonstrated substantial commitment to successful implementation and expansion of the USAID education program. Many non-target schools have begun to adopt USG-funded modules using GOM funds and personnel, based on high demand from schools outside the program. In FY 2009, USG assistance:

• Helped the Ministry of National Education develop curriculum modules that include quality and relevance of teaching, entrepreneurial spirit, social mobilization, use of information technology for better pedagogy, life skills, and academic and psychosocial enrichment for dormitories for rural youth (with a focus on girls). The impact of these programs includes more students successfully completing 9th grade with relevant skills and fewer dropouts. Target primary and middle schools have reduced dropout rates to 3.5 percent, compared to a national average of 7.2 percent.

• Encouraged a sizeable investment by the GOM in support of the program. Over $8 million counterpart cost share has been allocated to education, including personnel time, facilities, logistical support, materials production, and independent program implementation.

• Supported education reform, expanding from working in four regions to nine regions, for an overall impact on over 270,000 primary and middle school students. Teacher training was
carried out by local education teams for over 16,000 teachers and school administrators on improved pedagogy and integrating information technologies into the curriculum, school projects, and life skills.

- Supported dormitory programs benefitting over 16,500 students, predominantly girls, that included academic and psychosocial support, and which have been adopted by the GOM.
- Funded over 10,000 women to learn basic literacy skills, piloting a new model resulting in a less than 5 percent dropout rate. The GOM has expressed its intention to integrate the model into the official national literacy program.

**Economic Growth**

Increasing economic growth in Morocco is key to continued stability and progress in all areas. The United States has worked closely with the Government of Morocco on specific areas of focus, including assisting the GOM and the Moroccan private sector in taking advantage of the FTA with the United States, modernizing agriculture to better meet the needs of the market through value chain development, and improving the business climate in Morocco to make government more responsive to the needs of business so that the private sector may more effectively contribute to Morocco’s goals of expanded economic growth and job creation. Morocco’s neighbors and peers appear to be reforming – and improving – their business environment at a rapid pace. Morocco will need to step up its efforts to simplify burdensome regulation, increase transparency, and offer credible dispute resolution mechanisms to businesses in Morocco. Levels of foreign investment and gross domestic product (GDP) growth have been higher in the past five years as compared to previous years, but this trend may be difficult to sustain. GDP can be volatile due to Morocco’s dependence on rainfall for agricultural production.

- Moved Morocco closer to compliance with provisions of the United States-Morocco FTA relating to technical barriers to trade, transparency, intellectual property rights, and environmental protection.
- Provided technical assistance and capacity building to allow Moroccan firms to take better advantage of the FTA and educate targeted industrial sectors on U.S. market demands, requirements and standards. USG assistance consisted of supporting firms in making direct business linkages and maintaining business relationships with U.S. companies. These linkages were facilitated by marketing experts funded by the USG. Technical assistance also included capacity building for trade associations in the target sectors and the Moroccan Export Promotion Agency. The value of export sales to the United States of USG-assisted companies in FY 2009 reached $25 million.
- Provided technical assistance through the U.S. Census Bureau to ensure accurate commercial data collection and results. Inconsistent data had led Moroccans to believe that they were not benefitting from the FTA. The Bureau met with Morocco's Exchange Office on two separate occasions to go over reasons for the discrepancy in the trade statistics, resulting in a significant decrease in discrepancies.
- Developed a market-intelligence system for the food-export control agency. This web-based system outlines procedures for the Ministry of Agriculture. The program also conducted detailed value chain analyses using USAID's methodologies, improved public policies and institutions, increased agricultural and livestock production, improved competitiveness in agro-processing industries, and enhanced capacity to support competitive value chains.
• Provided training on basic business and management skills to agricultural cooperatives in target value chains. In order to multiply impact and ensure sustainability, the program also trained trainers from partner institutions at the local level.

• Improved the capacity of the Ministry of Agriculture to make meaningful policy analysis through training sessions on cost-benefit analysis and representative farm modeling.

• Increased awareness of business climate issues in Morocco by conducting a regional “Doing Business” survey, disseminating results, and following up to track and encourage both process improvements and reform proposals that have been generated by the regions’ competitive efforts to outdo each other.

• Supported alternative dispute-resolution mechanisms such as mediation (and to a lesser degree, arbitration) to the Moroccan business sector, by offering training to mediators and support to institutional service provider.