MOROCCO

Urban Transport Sector Development Policy Loan
PROJECT PERFORMANCE ASSESSMENT REPORT

MOROCCO

URBAN TRANSPORT SECTOR DEVELOPMENT POLICY LOAN
(IBRD-80200)

June 14, 2016
Currency Equivalents (on June 13, 2016)

*Currency Unit = Moroccan Dirhams (DH)*

DH 1 = US$0.10  
US$1 = DH 9.68

**Abbreviations**

- **AFD** French Development Agency/*Agence Française de Développement*  
- **AODU** Organizing Authority for Urban Transport in Greater Casablanca/*Autorité Organisatrice des Déplacements Urbains du Grand Casablanca*  
- **BRT** bus rapid transit  
- **CNDU** National Commission for Urban Transport/*Conseil National des Déplacements Urbains*  
- **DDUT** Division for Urban Mobility and Transport (within DGCL of the Ministry of Interior)/*Division des Déplacements Urbains et des Transports*  
- **DGCL** General Directorate of Local Governments (within the Ministry of Interior)/*Direction Générale des Collectivités Locales*  
- **DPL** Development Policy Loan  
- **FART** Urban Transport Fund/*Fonds d’Accompagnement des Réformes du Transport Routier Urbain et Interurbain*  
- **GIZ** German Development Agency/*Gesellschaft für Internationale Zusammenarbeit*  
- **GOM** Government of Morocco  
- **ICR** Implementation Completion Report  
- **IPF** Investment Project Financing  
- **M&E** monitoring and evaluation  
- **MEF** Ministry of Economy and Finance/*Ministère de l’Économie et des Finances*  
- **MOI** Ministry of Interior/*Ministère de l’Intérieur*  
- **OP** Operational Policy  
- **PDU** urban mobility master plan/*Plan de Déplacements Urbains*  
- **PLM** persons with limited mobility  
- **SDL** Local Joint Ownership Company/*Société de Développement Local*  
- **SP** Municipally owned Enterprise/*Société de Patrimoine*  
- **UT** urban transport

**Fiscal Year**

Government: January 1—December 31

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director-General, Independent Evaluation</td>
<td>Ms. Caroline Heider</td>
</tr>
<tr>
<td>Director, IEG Financial, Private Sector and Sustainable Development</td>
<td>Mr. Marvin Taylor-Dormond</td>
</tr>
<tr>
<td>Manager, IEG Sustainable Development</td>
<td>Ms. Midori Makino</td>
</tr>
<tr>
<td>Task Manager</td>
<td>Ms. Fang Xu</td>
</tr>
</tbody>
</table>
Contents

Principal Ratings ................................................................................................................ iv
Key Staff Responsible ........................................................................................................ iv
Preface ................................................................................................................................ vi
Summary ........................................................................................................................... vii
1. Background and Context ................................................................................................. 1
2. Objectives, Design, and their Relevance ................................................................. 5
3. Implementation ............................................................................................................... 9
4. Achievement of the Objectives ...................................................................................... 11
   Objective 1: Improve the Governance of the Urban Transport Sector ......................... 13
   Objective 2: Increase the Efficiency and Supply of Transport Services and
   Infrastructure .................................................................................................................. 19
   Objective 3: Improve Environmental and Social Sustainability of the Sector .......... 24
5. Ratings .......................................................................................................................... 26
   Risk to Development Outcome ..................................................................................... 27
   Bank Performance ......................................................................................................... 28
   Borrower Performance .................................................................................................. 30
   Monitoring and Evaluation ........................................................................................... 31
6. Lessons .......................................................................................................................... 31
7. References ..................................................................................................................... 34
Appendix A: Basic Data Sheet ......................................................................................... 35
Appendix B: Operational Policy Matrix ........................................................................... 36
Appendix C: List of Persons Met ...................................................................................... 40
Appendix D: Borrower Comments ................................................................................... 41

Boxes

Box 1. Chile Urban Transport DPL: Issues of Value Added and Bank Attribution ........ 7
Box 2. The Urban Transport Fund and Investment Needs ............................................. 17
Box 3. Cost Comparison: Tramway and Bus Rapid Transit (BRT) Investments .......... 23

This report was prepared by Fang Xu and Fernando Manibog, who assessed the project in February 2016.
The report was peer reviewed by Gerhard Menckhoff and panel reviewed by Aghassi Mkrtchyan. Richard Kraus provided administrative support.
Tables

Table 1. Growth in the Vehicle Fleet and Issuance of Drivers’ Licenses................................. 1
Table 2. Regions with Largest Shares of the Car Fleet in Circulation (thousands; in rank
order for 2014) .................................................................................................................... 2
Table 3. Performance Ratings for the Three Objectives based on the Achievement of
Expected Outcomes from the 10 Prior Actions (PA)........................................................ 11
Table 4. Transport Demand and Modes in Casablanca .................................................... 13
Table 5. Percentage Shares of the Public Bus Fleet in Greater Casablanca .................... 21
Table 6. Number of Vehicle Inspections and Inspection Centers..................................... 24
Table 7. Japan PHRD Grant: Project to Improve Accessibility of People with Limited
Mobility............................................................................................................................. 26

Principal Ratings

<table>
<thead>
<tr>
<th></th>
<th>ICR(^a)</th>
<th>ICR Review(^b)</th>
<th>PPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome</td>
<td>Moderately satisfactory</td>
<td>Moderately satisfactory</td>
<td>Moderately satisfactory</td>
</tr>
<tr>
<td>Risk to development outcome</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Bank performance</td>
<td>Satisfactory</td>
<td>Moderately satisfactory</td>
<td>Moderately satisfactory</td>
</tr>
<tr>
<td>Borrower performance</td>
<td>Moderately satisfactory</td>
<td>Moderately satisfactory</td>
<td>Moderately satisfactory</td>
</tr>
</tbody>
</table>

\(^a\)The Implementation Completion Report (ICR) is a self-evaluation by the responsible Bank department. \(^b\)The ICR Review is an intermediate IEGWB product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

<table>
<thead>
<tr>
<th>Project</th>
<th>Task Manager/Leader</th>
<th>Division Chief/Sector Director</th>
<th>Country Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal</td>
<td>Jean-Charles Crochet</td>
<td>Laszlo Lovei</td>
<td>Simon Gray</td>
</tr>
<tr>
<td>Completion</td>
<td>Jean-Charles Crochet</td>
<td>Patricia Veevers-Carter</td>
<td>Simon Gray</td>
</tr>
</tbody>
</table>
IEG Mission: Improving World Bank Group development results through excellence in evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank’s self-evaluation process and to verify that the Bank’s work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20 to 25 percent of the Bank’s lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, and interview Bank staff and other donor agency staff both at headquarters and in local offices as appropriate.

Each PPAR is subject to internal IEG peer review, Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible Bank department. The PPAR is also sent to the borrower for review. IEG incorporates both Bank and borrower comments as appropriate, and the borrowers’ comments are attached to the document that is sent to the Bank’s Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the IEG Rating System for Public Sector Evaluations

IEG’s use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: http://worldbank.org/ieg).

**Outcome:** The extent to which the operation’s major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. **Relevance** includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project’s objectives are consistent with the country’s current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). Relevance of design is the extent to which the project’s design is consistent with the stated objectives. **Efficacy** is the extent to which the project’s objectives were achieved, or are expected to be achieved, taking into account their relative importance. **Efficiency** is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. **Possible ratings for Outcome:** Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

**Risk to Development Outcome:** The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). **Possible ratings for Risk to Development Outcome:** High, Significant, Moderate, Negligible to Low, Not Evaluable.

**Bank Performance:** The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. **Possible ratings for Bank Performance:** Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

**Borrower Performance:** The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. **Possible ratings for Borrower Performance:** Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.
Preface

This is the Project Performance Assessment Report (PPAR) prepared by the Independent Evaluation Group (IEG) of the World Bank Group on the Urban Transport Sector Development Policy Loan (DPL) for Morocco (Loan No. IBRD-80200). This loan for Euro 100 million (US$136.7 million equivalent) was originally expected to be the first of two loans in a DPL series. It was appraised on December 13, 2010; approved by the World Bank’s Board on March 15, 2011; declared effective on August 18, 2011; and closed on December 31, 2011. The loan was fully disbursed in a single tranche upon effectiveness, thus giving it a five-month implementation period. The second DPL did not proceed. Instead, a Program-for-Results operation for an Urban Transport Program in the amount of US$200 million was approved in December 2015.

This report presents findings based on a review of the project’s Implementation Completion and Results Report dated June 27, 2012, program and legal documents, prior Bank sector studies and reviews, records on file, and other relevant materials. An IEG mission visited Morocco in February 2016 and held discussions with the Bank’s Country Director, sector staff at the country office, government officials, urban transport operators, and other development agencies (see appendix C). IEG met with past or present government officials at senior levels in various key ministries, including the Ministry of Economy and Finance, Ministry of Interior, and Ministry of General Affairs and Governance. Prior to the mission, IEG met with the Task Team Leaders of the DPL and the recently approved Program-for-Results project.

This DPL was selected for an in-depth PPAR for three main reasons. First, it is one of only two urban transport DPLs financed by the Bank (the other one is in Chile). Thus, the lessons that can be learned from its achievements and continuing challenges merit additional scrutiny. Second, the PPAR would serve as input to IEG’s major evaluation study on urban transport, which relies on a geographically and operationally diverse set of project-level performance assessments and country case studies. Third, four years have passed since the DPL’s closing date, hence its results need to be updated with recent available evidence to revalidate the effectiveness of the actions taken and assess the long-term sustainability of related outcomes.

The contributions of all stakeholders, including World Bank staff in Washington, DC and Rabat are gratefully acknowledged.

Following standard IEG procedures, the draft PPAR was shared with relevant government officials and agencies for their review and comment.
Summary

Rapid urbanization has imposed considerable pressure on Morocco’s urban transport systems. Public urban transport remains inadequate, deficient in quality, and functionally disorganized, particularly in terms of bus-tramway integration in Rabat and Casablanca. Intermodal transport is inefficient, as operators see themselves in competitive rather than complementary roles. Traffic accidents and inadequate access to public transport have disproportionately affected the poor, women and persons with limited mobility.

Morocco’s urban mobility issues are partly the result of significant underinvestment in the sector. Moreover, the lack of financial sustainability has hindered the participation of new private operators, while current ones have been unable to renew their fleet or expand services adequately to meet rapidly growing demand. Despite significant improvements, the capacity to manage the urban transport sector still requires further strengthening, particularly at the level of municipal authorities and their agglomerations.

The Morocco—Urban Transport Sector Development Policy Loan (DPL) was approved in March 25, 2011 with three specific objectives: (i) to improve the governance of the urban transport sector, (ii) to increase the efficiency and supply of services and infrastructure, and (iii) to improve environmental and social sustainability of the sector. Under these three policy areas, the government agreed to implement 10 Prior Actions whose outcomes contribute to the long-term goal of improving the efficiency of urban transport in large cities, ultimately promoting economic growth, social development, and the quality of life in a sustainable way for Morocco’s urban citizens.

Ratings

The relevance of the DPL’s objectives was substantial. The selection of its objectives was based on a thorough analysis of the macroeconomic context and necessary sector reforms, which helped to define accurately the highest priority interventions for the DPL. The three policy reform areas addressed by the DPL were also well aligned with the country strategy and the main sector priorities of the government, as enunciated in its Letter of Development Policy.

The relevance of the DPL’s design was modest. The DPL benefitted significantly from several years of prior analytical and advisory work by the Bank. The DPL’s Prior Actions built directly upon the government’s own priorities were causally well-linked to the targeted outcomes. The DPL’s Prior Actions were also critical to accelerate policy and institutional strengthening measures, raise the profile of key issues, coalesce stakeholders, set timelines, and monitor results. However, the additionality of the Prior Actions, and the attribution of outcomes to the Bank’s intervention, are not fully clear. The government had already identified and initiated many of the Prior Actions before the DPL’s approval and implementation, which leads to questions related to the counterfactual. In the absence of the DPL, would the reforms have proceeded anyway? If so, how significant is the value added of the DPL, apart from financing of the budget? Finally, the choice of using solely the DPL instrument, without being accompanied by much-needed investment project financing or technical assistance, detracted from the full achievement of a number of outcomes.
The achievement of the project’s first and third objectives—to improve the governance of the urban transport sector, and to improve environmental and social sector sustainability—was substantial. However, the achievement of its second objective—to increase the efficiency and supply of urban transport services and infrastructure—was only modest, mainly due to the slow progress in addressing the operational inefficiencies and lack of financial sustainability of public transport in the urban agglomerations of Greater Casablanca and Rabat-Salé-Témara. Taking into account the high relevance of its objectives and the modest relevance of its design, the DPL’s overall outcome is moderately satisfactory.

Risks to development outcome are moderate. Although the Ministry of Interior and its Division for Urban Mobility and Transport (DDUT) have been playing a sector coordinating role and—through funding and investment prioritization mechanisms—are supporting local entities with increasing effectiveness, financial sustainability remains an important issue.

Bank performance was moderately satisfactory. While there were weaknesses in project design, the Bank has played a high-value role in helping to formulate a strategy and improve the policy framework for Morocco’s urban transport sector. Borrower performance was moderately satisfactory. The government was highly committed to the DPL’s objectives throughout project preparation and implementation. As the implementing agency, the Ministry of Interior’s performance was strong; however, interministerial coordination was only partially achieved.

Lessons

The main lessons are as follows:

For DPLs to achieve results, the broad and early participation of implementing agencies and local governments, and a strong reform momentum by the government, need to be in place at entry. Credible government actions to accelerate policy reforms are necessary prior to Board approval. Broad participation by implementing agencies and local governments is needed, as early as the conceptualization of the sector and technical studies that would underpin DPL design. The Bank’s dialogue with government “champions” needs to be broadened early to achieve buy-in and engagement beyond the central counterparts, because in urban transport the executive responsibilities lie with city governments. The degree of cooperation among the implementing agencies and the local authorities was due largely to the credible process of stakeholder consultation during the DPL’s preparation and implementation.

Flexible and adaptive responses by the government are required to continue pursuing the DPL’s objectives when specific actions do not achieve expected results. For example, the National Commission for Urban Transport (CNDU) and the Organizing Authority for Urban Transport in Greater Casablanca (AODU) lacked the convening power and legitimizing authority expected when the objectives were created. In response, the government strengthened and empowered the Division for Urban Mobility and Transport (DDUT) under the Ministry of Interior—originally the technical Secretariat of CNDU—to assume many of the responsibilities of the CNDU itself, which ceased to
function. Similarly, when AODU proved unable to assume its assigned roles despite large budgetary outlays, the Greater Casablanca authorities abolished it in March 2015 and transferred its planning, investment, and management roles to Casa Transports.

The Bank’s convening authority and intellectual leadership need to support the government’s work on consensus building and interagency coordination—especially at the initial stages of DPLs. During the critical process of selecting and justifying key reform actions, the Bank needs to ensure that the government is building consensus among national and local stakeholders that may be at different stages of readiness (in institutional capacity) and willingness to implement reforms (given the local political economy and its incentive systems). The Bank’s “convening power” is highest when the Bank provides intellectual leadership through evidence-based sector analysis, a strategic dialogue, and a defensible menu of priority actions. Some respondents during the IEG mission expressed concerns that the Bank’s high-value analytical and advisory assistance may be eroding in favor of operationally oriented project preparation work.

The Bank has an important role to play in ensuring that all investment options are analyzed, with a view to selecting the least-cost options. As part of its due diligence, the Bank needs to ensure, especially in broad-ranging sector DPLs, that all investment options are appropriately assessed within a sector planning framework, with a view to identifying and selecting the least-cost options. The government has put in place eligibility criteria to incentivize municipal investments and allocate government financial support to those with highest returns. Such prioritization and efficient resource allocation criteria should be applied when comparing tramway expansion with bus rapid transit and other options, in light of overall urban transport needs. For example, it would be important to analyze whether spending 40 percent of all urban transport investments on expansion of tram lines would be worthwhile, considering the large number of other road, traffic, and bus-related investment needs in Morocco’s other cities.

Sector DPLs could be more effective if accompanied by parallel investment lending and technical assistance, or designed as a programmatic series that would expand the implementation time frame to several years. The urban transport sector is inherently complex, straddling land use, environmental, and social issues, as well as national and local jurisdictions. Reforms can be fully achieved only over the long term, thus requiring step-by-step approaches and a rigorous prioritization of short-term actions that could most effectively lay the groundwork for future reforms. In this context, a short-duration DPL cannot be expected to directly impact decision making at the local level, which depends on political and other factors that are beyond the influence and implementation time frame of DPLs. Capacity building at the local levels can be more readily achieved by investment lending and technical assistance support. Their absence would explain why the urban transport DPL’s second objective—to increase the efficiency and supply of urban transport services and infrastructure—was achieved only to a modest extent.

Marvin Taylor-Dormond
Director, Financial, Private Sector, and Sustainable Development Evaluation
Independent Evaluation Group
1. Background and Context

Urban Mobility Issues in Morocco

1.1 Rapid urbanization has imposed considerable pressure on the urban transport systems of Morocco’s large agglomerations. The urban population of Morocco has grown rapidly, partly due to the rural exodus to urban areas in recent decades. City residents now comprise 20 million inhabitants—or 60 percent of the country’s population—compared to 5 million or 35 percent of the total population in 1970. This urban share is expected to rise to 70 percent of the population by 2050. Consequently, the demand for urban transport service has increased sharply, driven by other factors in addition to continuing rural-to-urban migration: (i) urban spread due to the demand for lower-density residential areas outside congested urban centers, (ii) the development of business activities outside city centers, (iii) the increasing participation of women in the labor market, (iv) the greater mobility of younger households, and (v) the rapid increase in the number of private cars as a result of economic growth and rising household incomes. These trends have led to at least a doubling of the number of trips taken and a lengthening of commuting time. As shown in table 1.1, the number of private cars jumped by 57 percent in just 8 years between 2006 and 2014 (from 1.55 to 2.4 million cars, respectively), representing an average annual growth rate of 5.7 percent. Motorcycles and utility vehicles grew even faster at an average annual growth rate of almost 7 percent; at that rate, their numbers would double by 2024. The demand for drivers’ exams and the number of licenses issued have increased correspondingly.

Table 1. Growth in the Vehicle Fleet and Issuance of Drivers’ Licenses

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2010</th>
<th>2014</th>
<th>Increase 2006–14 (%)</th>
<th>Growth rate b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle fleet in circulation (thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorcycles</td>
<td>24.1</td>
<td>31.4</td>
<td>41.1</td>
<td>70.5</td>
<td>6.9</td>
</tr>
<tr>
<td>Private cars</td>
<td>1,551.2</td>
<td>1,976.2</td>
<td>2,423.6</td>
<td>57.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Utility vehicles</td>
<td>570.9</td>
<td>783.5</td>
<td>973.2</td>
<td>70.5</td>
<td>6.9</td>
</tr>
<tr>
<td>Total</td>
<td>2,146.6</td>
<td>2,436.2</td>
<td>3,427.9</td>
<td>59.7</td>
<td>6.1</td>
</tr>
<tr>
<td>Driver’s licenses (thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled drivers’ exams</td>
<td>450.3</td>
<td>766.8</td>
<td>592.1</td>
<td>31.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Licenses issued</td>
<td>202.2</td>
<td>418.4</td>
<td>313.5</td>
<td>55.1</td>
<td>2.4</td>
</tr>
</tbody>
</table>


1.2 The new Moroccan constitution of 2011 recognizes the strong demand for improved public services and increased decentralization, but faster progress is needed to implement the expected reforms. In 2011, a new constitution was adopted that emphasized popular demand for better services, especially in urban areas. This renewed social contract intended to strengthen the governance framework and thereby promote political, institutional, and social reforms through improved local governance and increased decentralization. However, implementation of the promised reforms has been slow, due to unfavorable external economic conditions and, more importantly, the limited institutional capacity to manage the growing demand for increased quantity and quality of public services, particularly at the local level. With current trends, the road
network could reach saturation in the near future, resulting in wasted time, lost productivity, higher vehicle operating costs, and decreased competitiveness due to higher transport costs for businesses and industries.

1.3 **Public urban transport remains inadequate, deficient in quality, and functionally disorganized.** Policies that promote the use of private cars (such as easy car loans) were adopted to meet rising demand for urban mobility, but the rapid increase in car ownership in the last decade has led to more congestion. As shown in table 1.2, car ownership is most concentrated in Grand Casablanca and the Rabat-Salé-Zemmour-Zaer region, accounting for about half of the total car fleet in 2014. However, while the shares of other regions are comparatively smaller, their average annual growth rates are about 7 percent per year, which means that the number of cars in these regions would double in the next 10 years. Meanwhile, given the lack of planning and regulation by local authorities, the use of public urban transport was encouraged only in recent years. The speed and reliability of public urban transport in Morocco’s large agglomerations are low and unpredictable. Operators report slowing down to as low as 5 kilometers per hour on average in dense urban areas during peak hours. In addition to congestion, poor road safety is a growing issue. Morocco leads the Bank’s Middle East and North Africa Region in terms of traffic accidents. In 2012, there were 48,214 incidents in urban areas, with 1,350 fatalities, 4,570 serious injuries, and 61,180 slight injuries.¹

**Table 2. Regions with Largest Shares of the Car Fleet in Circulation (thousands; in rank order for 2014)**

<table>
<thead>
<tr>
<th>Region</th>
<th>2006</th>
<th>2010</th>
<th>2014</th>
<th>Share (%)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Casablanca</td>
<td>777</td>
<td>968</td>
<td>1,187</td>
<td>34.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Rabat-Salé-Zemmour-Zaer</td>
<td>344</td>
<td>443</td>
<td>547</td>
<td>15.9</td>
<td>5.9</td>
</tr>
<tr>
<td>Oriental</td>
<td>165</td>
<td>228</td>
<td>266</td>
<td>7.8</td>
<td>6.1</td>
</tr>
<tr>
<td>Tanger-Tetouen</td>
<td>160</td>
<td>204</td>
<td>252</td>
<td>7.4</td>
<td>5.9</td>
</tr>
<tr>
<td>Souss-Massa-Daraa</td>
<td>125</td>
<td>175</td>
<td>221</td>
<td>6.4</td>
<td>7.3</td>
</tr>
<tr>
<td>Marrakech-Tansift-Al Haouz</td>
<td>105</td>
<td>148</td>
<td>190</td>
<td>5.5</td>
<td>7.7</td>
</tr>
<tr>
<td>Fés-Boulemane</td>
<td>104</td>
<td>133</td>
<td>163</td>
<td>4.8</td>
<td>5.7</td>
</tr>
<tr>
<td>Meknes-Tafilalet</td>
<td>103</td>
<td>125</td>
<td>151</td>
<td>4.4</td>
<td>4.5</td>
</tr>
<tr>
<td>Garb-Chrarda-Benihsine</td>
<td>55</td>
<td>81</td>
<td>104</td>
<td>3.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Doukala-Abda</td>
<td>57</td>
<td>74</td>
<td>94</td>
<td>2.8</td>
<td>6.6</td>
</tr>
</tbody>
</table>


Note:

a. Percentage share of the total number in the car fleet. The rest of the regions include (in rank order): Chaouia-Ouardiga, Tadla-Azilal, Taza-Al Hoceima-Taounate, Laâyoune-Boujdour-Sakia el Hamra, Guelmim-Es-Semara, and Oued Ed-Dahab-Lagouira.

b. Average annual growth rate between 2006 and 2014.

1.4 **Intermodal transport is inefficient; operators define themselves in competitive rather than complementary roles.** Integration of transport modes and accessibility to users need to be greatly improved. Deficiencies in intermodal interoperability have forced users to inefficiently combine different tickets, passes, and fares for the same trip. Schedules for different modes of transport are uncoordinated.

Real-time passenger information systems are lacking, hence potentials users do not have timely information on the availability and schedules of intermodal options. The capacity of transfer stations is severely insufficient. To reach their connection, commuters have to use individual or shared taxis, park their cars in distant parking areas, and/or walk increasingly long distances to the connection point.

1.5 Traffic accidents and inadequate access to public transport disproportionately affect the poor, women, and persons with limited mobility. While the contribution of urban areas to Morocco’s economy increases, urban poverty and inequality remain entrenched. The urban sector contributes about 75 percent of Morocco’s GDP, yet about 1 million inhabitants (5.3 percent of the urban population) still live below the relative poverty threshold of less than US$1.30 per day. A further 2.3 million urban inhabitants (13.6 percent of the total population) have daily expenditures of US$1.30 to $1.90 per person and are considered economically vulnerable. Despite relatively low fares, the cost of using public transport services are often out of reach for the poor due to the necessity of combining different modes. Moreover, availability of public transport in poor neighborhoods is often insufficient because of their location in peripheral urban areas and the poor quality of roads. Since spending on transport can reach as much as 20 percent of the poorest households’ incomes in Morocco, walking remains the primary means of mobility for the poor. Thus, as pedestrians and cyclists, the poor are the most vulnerable road users and account for most of traffic-related deaths and injuries, which impose an estimated economic burden of about 2 percent of GDP on the affected households and communities.

1.6 Social sustainability of the urban transport sector remains inadequate, thus worsening the deficit of social integration. The inadequate quantity and quality of public urban transport impedes access to jobs, education, and health services. Gender issues have also become increasingly relevant as a rapidly growing number of women become more reliant on public urban transport. However, despite significant progress, notably in the light rail systems of Rabat and Casablanca, most women still experience inadequacies particularly in terms of safety, which obstruct their access to basic social services, limit their labor force participation, and potentially reduce their income. Accessibility is especially problematic for persons with limited mobility (PLM), including the elderly and women who are pregnant or are carrying children, which represent up to 18 percent of citizens in major cities. Bus stops, sidewalks, and pedestrian crossings severely lack accessibility features such as ramps, access paths, lifts, seating, and signs (World Bank 2015, page 3).

1.7 Morocco’s urban mobility issues stem in large part from significant underinvestment in the sector. Expenditures on local urban transport (UT) infrastructure have been about one-third of the required level of investments (World Bank 2009b). Instead of public urban transport, most municipalities have focused their modest urban mobility investments on expanding road capacity to cope with the large increase in car ownership in recent years; as shown in table 1.1, the average annual growth rates in utility vehicles and motorcycles are even faster. Despite the government’s recent support for the light rail systems in Greater Rabat and Casablanca

---

2 Gender survey in Casablanca conducted by the World Bank in 2011.
(US$1.3 billion), the Ministry of the Interior (MOI) estimates the investment needs in public UT infrastructure to remain substantial at about US$3 billion over the next decade. Several factors explain the current underinvestment:

- Low financial resources in cities due to limitations in their taxation capability, which relies mainly on property taxation and minor licensing revenues
- Limited local borrowing capacity and reliance of cities on fiscal transfers for their budgets (60 percent on average), with the central government taking responsibility for collecting 30 percent of the national value-added tax on behalf of cities
- Absence of an optimal and operational funding mechanism by the central government to fund the UT sector (progress in this area is discussed in section 4 of this report).

1.8 The lack of financial sustainability has hindered the development of the urban transport sector. The sector’s precarious financial situation prevails and has led to bankruptcies of several public and private operators in the past decade. With fares rarely raised due to political pressure and revenues covering only a modest portion of operating costs, the public UT deficit reached US$55 million in Casablanca and Greater Rabat in 2013. Public service obligations (such as connecting remote areas and concessionary fares to students) are imposed on operators by their concessions contracts without full compensation by the government. Operators also suffer from cutthroat competition from shared taxis and the informal sector on the most profitable routes. Operating costs have escalated due to the high maintenance and fuel costs of aging fleets, and substantial personnel costs from historic overstaffing and legacy contracts. Thus, in this difficult environment, most operators have been unable to renew their fleet or expand services to meet the rapid growth in demand.

1.9 The capacity to manage the urban transport sector requires further strengthening. This institutional issue needs to be addressed at several levels:

- The MOI lacks a centralized monitoring and evaluation (M&E) system and other tools to manage the sector. (This is being addressed in the Bank-financed Program-for-Results Urban Transport Program that was approved in December 2015.)
- The Division of Urban Mobility and Transport (Division des Déplacements Urbains et des Transports—DDUT) within the MOI’s General Directorate of Local Governments (DGCL) has sufficient capability and expertise to provide technical guidance to cities in preparing urban mobility master plans (Plans de Déplacements Urbains—PDU). However, its staffing is inadequately scaled to its expanding responsibilities.
- Despite training initiatives, most cities have limited implementation capability due to (i) the lack of experienced technical staff, (ii) a preoccupation with operational and administrative tasks, and (iii) the lack of experience in managing complex projects and large contracts with the private sector.
- Institutional coordination at the local level remains deficient. Most agglomerations still lack formal UT management and planning agencies, hence
different entities may take measures independently within their own respective competencies, with some informal cooperation at best.

2. Objectives, Design, and their Relevance

Objectives

2.1 The development objectives of the Urban Transport Sector Development Policy Loan (UT DPL) coincide with three of the government’s Strategic Policy Areas for Morocco’s urban transport sector, as follows: (i) to improve the governance of the urban transport sector, (ii) to increase the efficiency and supply of urban transport services and infrastructure, and (iii) to improve environmental and social sector sustainability (World Bank 2011, page I and annex 2). The government implemented 10 key Prior Actions intended to achieve specific outcomes, as discussed under Relevance of Design and in the assessment of the Achievement of Objectives in section 4.

Relevance of Objectives

2.2 The objectives addressed by the UT DPL were well aligned with the Bank’s country strategy and the main sector priorities of the government, as enunciated in its Letter of Sector Development Policy. When the DPL was being prepared, Morocco’s UT sector had many structural, operational, and institutional weaknesses. Urban transport sector planning and management needed considerable strengthening. Infrastructure and provision of services were inadequate. Demand for public mass transport was growing rapidly, yet the vehicle fleet was aging rapidly and needed to be replaced. Traffic congestion and traffic management challenges mounted as the number of private vehicles grew. Environmental and social issues, particularly the access of persons with limited mobility, were not being addressed adequately. At appraisal, the UT DPL’s objectives were directly relevant to the World Bank’s Country Partnership Strategy for fiscal years 2010–13 for Morocco, which highlighted the role of an UT development policy instrument in helping mainstream the Bank’s governance agenda, and contributing to three main strategic pillars: (i) encouraging growth, competitiveness, and employment; (ii) improving the access to, and the quality of, public services; and (iii) addressing climate change challenges.

2.3 The UT DPL’s policy reform areas remain relevant and have become even more so now. In the years after the UT DPL closed, the critical importance of (i) focusing on sector financial sustainability and (ii) intensifying activities to build the planning and implementation capacities of municipalities and agglomerations, came into much sharper focus. Moreover, the government’s support to accelerate that process became more urgent. Currently, the governance, efficiency, and service delivery goals that were pursued under the UT DPL are being sustained as key Results Areas and

---

3 Letter of Sector Development Policy dated February 9, 2011 from the Minister of the Interior of the government of Morocco to Mr. Robert Zoellick, President of the World Bank.
Strategic Outcomes within the Bank’s Country Partnership Strategy with the Kingdom of Morocco for fiscal years 2014–17.

2.4 The UT DPL’s objectives are being pursued much more intensively four years after it closed, mainly through the government’s consistent strategic focus and continuing actions, and in part through the planned activities of the Bank-financed Program-for-Results Urban Transport Program approved in December 2015 and launched in March 2016. The Program’s Development Objective (PDO) 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” (World Bank 2015, pages vi and 17).4 This PDO is fully consistent with the prior DPL’s longer term goal, which is “to improve the efficiency of urban transport in large cities, ultimately promoting economic growth, social development, and quality of life in a sustainable way for Morocco’s urban citizens” (World Bank 2011, page 23).

2.5 Based on the detailed macroeconomic analysis that underpinned the UT DPL’s choice of priority policy reforms and Prior Actions, and the project’s relevance at appraisal and more so at present, the relevance of the UT DPL’s objectives is rated substantial.

Relevance of Design

2.6 The DPL’s Prior Actions were intended to accelerate policy and institutional measures, raise the profile of UT issues, coalesce stakeholders, and set timelines. Table 4.1 shows these 10 Prior Actions —together with the performance indicators, baselines, and targets. Appendix B shows the full operational policy matrix.

2.7 Prior Actions are central to DPL design, yet in this DPL, the additionality of the Prior Actions and the attribution of outcomes to the Bank’s intervention, are not fully clear. Many of the Prior Actions had already been identified and initiated by the government before the DPL’s appraisal (in December 2010), approval, and implementation. For example, the Organizing Authority for Casablanca (AODU 2014, paragraph 4.2) had already been established in July 2008, almost three years ahead of the DPL Board date of March 15, 2011. A few other actions seemed to have already been in effect or ongoing significantly ahead of the Board date, as implied (but not clearly specified) in the government’s Letter of Development Policy. This leads to questions related to the counterfactual. In the absence of the DPL, would the reforms have proceeded anyway? If so, how significant is the value-added of the DPL, apart from the short-term benefit to the government of a budget infusion? Similar counterfactual questions arose in the Bank-financed urban transport DPL for Chile, as discussed in box 2.1. To derive lessons of broader applicability, these issues should be further reviewed and evaluated across completed sector DPLs.

4 The Program Area consists of the following regions: Béni Mellal-Khénifra, Casablanca-Settat, Drâa-Tafilalet, Fès-Meknès, Marrakech-Safi, Oriental, Rabat-Salé-Kénitra, Souss-Massa, and Tanger-Tétouan-Al Hoceïma.
Box 1. Chile Urban Transport DPL: Issues of Value Added and Bank Attribution

IEG’s Implementation Completion Report Review for this project found that the program objectives were too broad and vague to be measured and evaluated (for example, “contribute to Santiago’s transformation into a highly competitive world city,” and “improve its quality of life”). The project’s design was assessed as modest for several reasons. There is a notable disparity between the scope of the program objectives and the marginal scope of the Bank’s intervention; thus, the Bank’s comparative advantage and value added were unclear. Project design was complex and the project was launched prematurely. The building blocks of a fully operational system (such as, ticketing systems, on-bus SmartCard reading equipment, a fleet management system, and a public information campaign) were not in place when the reform program was launched, which led to implementation problems and public discontent. In hindsight, a more gradual implementation plan (or a postponement of system launch) would have been more appropriate. The conditionality was complied with and the loan was disbursed, but the link between the Bank’s contribution and the attainment of the project objectives was loose at best.

The choice of a DPL as the Bank assistance instrument was probably inappropriate. To support institutional reforms, a stand-alone technical assistance loan might have been more appropriate. The government’s decision not to proceed with DPL2 reduced the Bank’s leverage. Finally, the project’s monitoring and evaluation system was inadequate to measure the achievement of both the broad and specific project objectives.

Source: IEG, ICR Review for the Chile Urban Transport DPL, January 31, 2011.

2.8 In addition to the question of additionality, the choice of instrument raises issues. The DPL’s processing methodology and the selection of a one-tranche instrument were based on lessons from the failure of two earlier two-tranche DPLs for the energy and water sectors, which did not proceed beyond the first tranche. However, employing solely the DPL instrument may have detracted from achieving the project’s objectives, particularly the second one on increasing the efficiency and supply of urban transport services and infrastructure. The project design’s focus on short-term actions was consistent with the government’s budgetary constraints and planning cycle, and the design relied heavily on building consensus among various government entities. However, both the Implementation Completion Report (ICR) and IEG’s ICR Review acknowledge that improving the efficiency of urban transport could not be attained within the lifetime of a single-tranche DPL and would also require substantial complementary investments and technical assistance. Moreover, a DPL tends to focus on central government agencies—to address the gaps in the sector’s institutional structure and capacity and to remove existing weaknesses in coordination and planning—whereas many of the policy actions in the UT sector are the responsibility of local authorities, who are influenced by local political constraints. Addressing the infrastructure constraints and providing incentives for reform at the local levels—where the physical and institutional capacity improvements are most urgently required—would normally require accompanying investments and technical assistance. Thus, the DPL as a Bank lending instrument is not suited to address recurrent investment needs, for which the Investment Project Financing (IPF) instrument would be more appropriate. Rather, DPLs are “a budgetary infusion to support reforms in a given sector…to play the role of
a lever to strengthen institutional and regulatory capacities. While it is an adequate instrument to enhance central government policies, the DPL could not be expected to have direct impacts at the local level, unless accompanied by an IPF.

2.9 The focus on reorganizing bus services without traffic engineering or bus priority measures is also a design shortcoming. Both Prior Actions 5 and 6 have important weaknesses, that is, the DPL focused primarily on the reorganization of bus services by attempting to replace the informal buses by a single bus company that would operate on modern business principles. However, the main shortcoming of this approach is the absence of traffic engineering or bus priority measures that would have helped the new company to operate more efficiently in a generally congested street system. In Latin America, by way of comparison, the reform of the bus service supply was combined with the introduction of bus rapid transit (BRT) corridors that (i) permitted efficient bus speeds, unfettered by street congestion, and (ii) made it attractive to many informal bus operators to join the bus companies that are operating the BRT. Moreover, two other elements that are usually addressed when developing a modern urban transport policy are (i) the promotion of and support to non-motorized transport (pedestrians and cyclists) and (ii) transport demand management measures that aim to make it more attractive for car users to switch to another mode, thereby reducing congestion. (See also paragraph 4.23 and box 4.2, which discuss tramway expansion in relation to a BRT option and broader UT needs.)

2.10 The UT DPL’s Prior Actions built upon the government’s own priorities and were causally well-linked to the targeted outcomes. The documents reviewed for this assessment show that the choice of Prior Actions (notably Prior Actions 1, 2, and 3) took into full account the institutional priorities—within the framework of the Urban Transport Strategy—that the government was already initiating during the project’s preparation period. The Prior Actions consisted of concrete legal, regulatory, contractual, planning, and organizational steps to “jump-start” reform processes and achieve specific results (World Bank 2011, page 55). The chain of causality was clear and direct between (i) the implementation of the 10 Prior Actions and the achievement of reforms in the three policy areas, and (ii) their contribution to sectoral results that are consistent with the higher-level development objective. For example, the Prior Actions that targeted the restructuring of contracts for operators of bus services, regulatory improvements for public-private partnerships, and funding mechanisms, could logically be expected to lead to increased efficiency and supply of bus services and infrastructure—the DPL’s Second Policy Area. The project’s design, however, should have addressed urban transport services as a whole, rather than just bus services. Just after the DPL was approved, tramways started operation in Rabat (2011) and Casablanca (2012). These two high-cost urban transport investments had a significant influence on transport policy of those two cities, more so than the other components of the DPL. As discussed below, the operation should have been accompanied by a technical assistance loan (as had been the case with the Chile Urban Transport DPL) to develop an analytical approach for (i) integrating the new tram services with the urban transport systems as a whole, and (ii) assisting in the expansion of mass transit in an economically efficient

---

5 World Bank brochure, Country Office, Rabat, Morocco.
way. (See, for example, the comparison between tramway and lower-cost bus rapid transit investments discussed box 4.2).

2.11 The project’s design benefitted significantly from a series of Bank diagnostic reports, studies, and a landmark Sector Strategy Note. Based on interviews and document reviews, IEG found that the project’s design was deeply rooted in the Bank’s analyses and advice, which also underpinned its dialogue with the government on UT sector issues and options to address those challenges. These studies, which were made possible by several trust funds (from France, Switzerland, and Germany), included the following:

- Five thematic diagnostic reports on urban transport (2006)
- Study on urban transport financing systems (2007)
- Review of investment options for Casablanca (2008)

2.12 Wide participation from diverse stakeholders was evident from several workshops and high-level seminars. Technical visits to Tunisia (2007), France (2008), and Brazil (2008) were also conducted for Moroccan UT experts and decision makers. All these efforts culminated in the preparation and wide dissemination of the Bank’s Urban Transport Strategy Note (April 2008), which served as the analytical foundation for the UT DPL. In parallel, the government also significantly enriched the analytical groundwork through its studies on UT master plans for Casablanca and Rabat as well as diagnostics for seven large or medium size cities. The UT DPL’s Third Strategic Policy Area was also based on a Bank review of disability and urban transport and an analysis of gender and urban transport in Casablanca. The participatory approach and consistent collaboration with stakeholders at all levels (national, municipal, and other donors) was valuable in enhancing consensus on the key priorities to be addressed in the UT DPL and the necessary actions, as reflected in its eventual design.

2.13 The Bank’s analytical and advisory work was robust and highly participatory; moreover, the project’s chain of results was well rooted in an in-depth macroeconomic and sectoral analysis required of DPLs. However, even while taking into account country programming considerations and the government’s preference for policy lending rather than investment project financing, the much-needed increases in urban transport supply, operational efficiency improvements, and institutional strengthening at the municipal and agglomeration levels were only indirectly and inadequately addressed by the stand-alone DPL instrument, which is designed to focus the Bank’s policy and reform dialogue on central government agencies. Thus, on balance, the relevance of design is rated modest.

3. Implementation

Institutional Framework and Implementation Arrangements

3.1 The responsible ministry for the urban transport sector is the Ministry of Interior (MOI), through its General Directorate of Local Governments (Direction Générale des Collectivités Locales—DGCL) and its Urban Mobility and Transport Division (Division
des Déplacements Urbains et du Transport— DDUT). The MOI is in charge of overseeing and supporting the UT activities of cities throughout Morocco, as well as the design, implementation, and monitoring at the central level of specific measures to develop the sector. The Ministry of Economy and Finance (Ministère de l’Économie et des Finances— MEF), especially its Directorate of Budget (Direction du Budget) is in charge of allocating financial resources through the General Budget to implement of the sector’s policies and initiatives. The Ministry of Urban Planning (Ministère de l’Urbanisme et de l’Aménagement du Territoire) oversees the regulation of land use in urban areas that strongly influence urban development and transport. The Ministry of Equipment, Transport and Logistics (Ministère de l’Équipement, du Transport et de la Logistique) is in charge of providing technical support on the implementation of urban transport projects, if required.

3.2 Cities are responsible for public urban transport with oversight and support from the central government. Under the 1960 Municipal Charter (Charte communale), cities are in charge of providing public urban transport services and maintaining its infrastructure and equipment. In most cities, those services are provided by private operators under concession or delegated services contracts.

3.3 The IBRD Loan was approved by the Board on March 15, 2011 and became effective on August 18, 2011. The MOI was the designated implementing agency given its responsibility for urban transport in Morocco and its direct involvement in executing 8 out of the program’s 10 Prior Actions. The loan was fully disbursed in a single tranche upon effectiveness, thus giving the project a five-month implementation period. The operation closed as scheduled on December 31, 2011. The Bank conducted two supervision missions in June 27, 2011 and December 22, 2011.

3.4 The DPL’s implementation was negatively affected by the lack of interagency coordination, limited government resources for program preparation, and weak capacity at the local level, as explained below:

- The main negative factor was the inadequate coordination of implementing agencies. Although joint meetings were held during the DPL’s preparation to define the scope of actions, it eventually proved difficult to convene large meetings involving all the concerned parties. The MOI did not have the resources to continue the detailed and in-depth follow-ups required. Thus, the various agencies had to implement their respective actions separately, with the Bank team providing the necessary coordination and information transfer during its visits. This factor had direct implications on the viability of making the National Commission on Urban Transport fully operational (see section 4 on “The Achievement of Objectives,” under Prior Action 2).

- The MOI’s resources for preparing the DPL were insufficient due to a mix of (i) the relative novelty of government involvement in the urban transport sector, (ii) insufficient staffing to handle the broad range of proposed program actions, and (iii) very limited funding from the government or donors for technical assistance and policy studies. These factors constrained the scope of what could be achieved and affected the speed of program preparation and placed much
responsibility on the Bank team. Preparation of the reforms required a significant amount of time.

- Despite their willingness to collaborate, the local authorities lacked the necessary capacity to implement some of the program reforms that required their direct involvement. Sustaining the commitment of local authorities to the DPL’s reforms required the Bank team’s continuous dialogue and technical support.

4. Achievement of the Objectives

4.1 Based on the updated findings of the March 2016 IEG evaluation mission, this section presents the assessment of the project’s efficacy for the UT DPL’s three specific objectives, which correspond with the government’s three Strategic Policy Areas of priority reforms. Table 4.1 answers the following evaluation questions:

(i) For each of the Prior Actions, to what extent were their expected outcomes achieved, taking into account their respective baselines, outcome targets, and specific performance indicators?

(ii) To what extent did the achievement of outcomes translate into the overall achievement of the project’s development objectives?

The performance ratings for the outcomes are based on a scale of Not Achieved, Partially Achieved, Achieved, or More Than Achieved. The ratings for the three project objectives are based on a scale of Negligible, Modest, Substantial, or High.

Table 3. Performance Ratings for the Three Objectives based on the Achievement of Expected Outcomes from the 10 Prior Actions (PA)

<table>
<thead>
<tr>
<th>Objective 1: Improve the governance of the urban transport sector – Substantial</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA1 outcome: To efficiently plan and manage the urban transport sector in the Casablanca agglomeration</td>
</tr>
<tr>
<td>Indicator: There is a clear plan shared by all stakeholders for the restructuring of the bus route network for the agglomeration and this plan is well coordinated with the development of all other modes of transport.</td>
</tr>
<tr>
<td>Baseline: no plan</td>
</tr>
<tr>
<td>Target: substantial completion</td>
</tr>
<tr>
<td>Partially achieved</td>
</tr>
</tbody>
</table>

| PA2 outcome: To effectively coordinate policies and programs among the main government departments involved in the urban transport sector |
| Indicator: The National Commission for Urban Transport (CNDU) meets at least twice a year to coordinate, monitor, and evaluate government actions in the urban transport sector. |
| Baseline: none |
| Target: two meetings |
| Partially achieved |

<p>| PA3 outcome: To provide effective central government support to local authorities on urban transport issues |
| Indicator: Conventions have been signed by the Ministry of Interior and local governments to assist them, including with funding, for the preparation of municipal urban strategies and priority investment plans. |
| Baseline: none |
| Achieved |</p>
<table>
<thead>
<tr>
<th><strong>Target:</strong> three large cities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PA4 outcome:</strong> To make sufficient urban transport expertise available in the cities that have carried out or launched the preparation of municipal urban strategies and priority investment plans.</td>
</tr>
<tr>
<td><strong>Indicator:</strong> Number of trained experts and number of cities that benefitted from the training</td>
</tr>
<tr>
<td><strong>Baseline:</strong> none</td>
</tr>
<tr>
<td><strong>Target:</strong> 32 experts and 9 cities</td>
</tr>
<tr>
<td><strong>Achieved</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Objective 2: Increase the efficiency and supply of urban transport services and infrastructure – Modest</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PA5 outcome:</strong> To improve the quality and quantity of bus services in the agglomeration of Rabat-Sale-Temara</td>
</tr>
<tr>
<td><strong>Indicator:</strong> Number of passenger seat-km supplied by Stareo</td>
</tr>
<tr>
<td><strong>Baseline:</strong> 0</td>
</tr>
<tr>
<td><strong>Target:</strong> 2.0 billion</td>
</tr>
<tr>
<td><strong>Partially achieved</strong></td>
</tr>
</tbody>
</table>

| **PA6 outcome:** To improve the quality and quantity of bus services in the agglomeration of Casablanca |
| **Indicator:** Number of passenger seat-km supplied by M’dina Bus |
| **Baseline:** 1.9 billion |
| **Target:** 2.6 billion |
| **Partially achieved** |

| **PA7 outcome:** To implement a procurement process for outsourcing public transport services that is in line with international best practice |
| **Indicator:** The selection of future public transport operators in large cities is fully competitive and transparent. |
| **Baseline:** not applicable |
| **Target:** All |
| **Partially achieved** |

| **PA8 outcome:** To allocate government financial support to those urban transport investment projects with superior economic and social returns |
| **Indicator:** Percentage of the number of projects accepted by state funding that comply with the adopted eligibility criteria |
| **Baseline:** 0 |
| **Target:** 75 percent |
| **Partially achieved** |

<table>
<thead>
<tr>
<th><strong>Objective 3: Improve environmental and social sector sustainability – Substantial</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PA9 outcome:</strong> To implement effective vehicle inspection and monitoring systems</td>
</tr>
<tr>
<td><strong>Indicator:</strong> Number of visits for vehicle inspection, the report of which has been issued through the automated electronic process</td>
</tr>
<tr>
<td><strong>Baseline:</strong> 1,100,000</td>
</tr>
<tr>
<td><strong>Target:</strong> 1,700,000</td>
</tr>
<tr>
<td><strong>Achieved</strong></td>
</tr>
</tbody>
</table>

| **PA10 outcome:** To mainstream accessibility for persons with limited mobility in urban transport projects and increase awareness of accessibility issues |
| **Indicator:** Number of cities that have included an accessibility component in their rehabilitation or improvement urban transport infrastructure projects |
| **Baseline:** 0 |
| **Target:** 2 |
| **Achieved** |

Objective 1: Improve the Governance of the Urban Transport Sector

Outcome 1: Efficiently plan and manage the urban transport sector in the Casablanca agglomeration.

4.2 The AODU, which started and stayed weak, was unable to fulfill its assigned responsibilities and was dissolved. The Autorité Organisatrice des Déplacements Urbains du Grand Casablanca (AODU) was created in July 2008, without adequate resources to carry out its tasks of planning and managing urban transport in Casablanca, the largest city in the country with 4.5 million inhabitants and considerable transport demands, as shown in Table 4.2 (with the latest-available 2014 data obtained by the IEG mission).

Table 4. Transport Demand and Modes in Casablanca

<table>
<thead>
<tr>
<th>Key Characteristics:</th>
<th>Use in 2014 (%)</th>
<th>Number of trips (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 million trips per day</td>
<td>14.5</td>
<td>1.6</td>
</tr>
<tr>
<td>2.9 trips (on average) per inhabitant per day</td>
<td>13.0</td>
<td>1.4</td>
</tr>
<tr>
<td>35 percent of trips are related to commuting to centers of education</td>
<td>10.3</td>
<td>1.7</td>
</tr>
<tr>
<td>28 percent of trips are from domiciles to work places</td>
<td>5.2</td>
<td>0.44</td>
</tr>
<tr>
<td>63 percent of trips are obligatory (not elective)</td>
<td></td>
<td>5.86</td>
</tr>
<tr>
<td>140 vehicles per 1,000 inhabitants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>53 percent of inhabitants have to walk due to lack of transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxis: 15,000 units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus system: 736 buses for 77 lines covering 1,350 kilometers; fare = 4 dirham</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tramway (since 2012): 1 line of 31 kilometers, 48 stations, and 37 cars with 600 seats; fare = 6 dirham</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key highlight: only relatively few passengers or 1 percent of travel demand (100,000 passengers per day) are served by the tramway, which had cost as much as US$800 million (US$26 million per km times 31 km).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

AODU had become partially operational in 2009 through a work plan, a budget, a core group of technical experts, and some technical assistance. The DPL was instrumental in making AODU fully operational. In October 2010 and January 2011, respectively, it launched two studies on the restructuring of the bus network (operated by M’dina Bus under a delegated management contract) and traffic management. By the closing of the UT DPL in December 2011, the bus route network restructuring plan had been completed. However, the IEG mission obtained new information that by 2014, the
budget allocations had been decreasing. Between 2012 and 2014, its budget—which was shared one-third each by the regional, city, and municipal budgets—was decreased from DH 6.5 million in 2012, to DH 5.5 million in 2014, and eventually DH 4.5 million in 2013. Moreover, AODU still had not been endowed with the necessary financial and institutional independence to function fully as the overall planning, coordinating, and regulatory authority for the agglomeration of Greater Casablanca. Until then, it had been serving more as an entity for conducting studies and organizing discussion fora to promote information exchange, multiparty consultation, and informal coordination. For lack of sufficiently tangible results to justify a continued budget, the Greater Casablanca regional council decided to dissolve AODU on March 2015.

4.3 The light rail company Casa Transports (as a direct corollary to its tramway expansion and planned investments) is now performing planning and coordinating roles for Greater Casablanca, which were originally assigned to AODU. In 2009, about two years before the Bank Board’s approval of the UT DPL, Casablanca and Greater Rabat created two local joint ownership companies (Société de Développement Local) to develop their respective light rail systems. The enterprise for Casablanca is Casa Transports, which has performed satisfactorily; although not attributable to the DPL, it has delivered the tramway infrastructure on time and within budget, and is providing services that compare favorably to international standards (World Bank 2015, page 11). The IEG mission was informed that building on this success, Casa Transports evolved rapidly, after the UT DPL closed, into the key roles of public investment management and investment budget execution in central Casablanca, and eventually covered the Greater Casablanca agglomeration for planned bus rapid transit, tramway extension, and other investments, for which financing has already been mobilized. According to Casa Transports, agreements have been signed for five new tramway lines by 2022, including parking and connecting stops to incentivize tramway use. New bus corridors and traffic management investments are also planned. Review of documents obtained by the IEG mission indicate that Casa Transports has absorbed the core responsibilities of the AODU after the latter’s dissolution. A cautious approach, however, remains important. While getting the tramway built was an achievement, Casa Transports’ focus has been, and continues to be, the development of a tramway system, whereas a broader vision is required that should include other modes of public transport (such as BRT), transport demand management, and nonmotorized transport. Such a focus on capital-intensive tramways is not uncommon in other cities, too, where urban rail agencies often assume a powerful and not always beneficial position. The function of comprehensive urban transport planning should not be captured by the tramway interests and the “pull” of building five more lines by 2022.

4.4 The performance of the bus company, M’Dina Bus, is hampered the persistent issues of inadequate tariffs, financial unsustainability, and lack of investment funding. The indicator for measuring Prior Action 1’s outcome achievement was “a clear plan shared by all stakeholders for the restructuring of the bus route network of the agglomeration that was well coordinated with the development of all other modes of transport.” When the project closed in 2011, the restructuring plan for the network of bus routes was still undergoing intensive consultations. The IEG mission’s interviews indicate that in 2013, the plan was finalized and negotiations were conducted for M’dina Bus to adopt the new route structure, and to enable fare and
ticketing system integration between its bus system and the tramway system of Casa Transport. This integration, however, has not yet been achieved.

4.5 M’dina Bus key constraints stem from legacy contracts and fierce competition from the informal sector. These factors have caused setbacks in the supply and quality of mass bus transit in Casablanca. Mass transit by bus is not covered by an overall planning and strategic exercise. Unlike other middle-income countries, buses do not benefit from priority schemes or dedicated rights-of-way. More than a third of Casablanca’s main intersections remain heavily congested. Buses are forced to share those heavily congested roads with cars that occupy much more road space per passenger. Because of poor enforcement, shared taxis and the informal sector have filled (illegally) the vacuum resulting from deficient bus services.

4.6 The functions for planning, implementing, and managing investments for Greater Casablanca are being performed with Casa Transports acting as the lead organizing agency. Substantial progress has been achieved in the light rail system of Casablanca, which together with that of Rabat cost the government US$1.3 billion. Moreover, UT planning and management has shown sustained improvements through the investment budget planning and execution functions that Casa Transports has assumed, which had the effect of obviating the need for a potentially duplicative AODU. A 2013 UT conference document referred to an AODU study to revise the contract of M’Dina Bus and the “coexistence” between AODU and Casa Transport. A document from Casa Transport (2015) indicated that it was assuming the mandate of AODU as part of Casa Transport’s 2015–22 work program, and AODU was dissolved in early 2016.

4.7 On balance, given (i) the planning, management, and project execution functions that grew out of Casa Transports successfully implementing the Casablanca tramway system; (ii) the satisfactory implementation performance of Casa Transports to date; and (iii) the persistent financial issues for the bus network and bottlenecks to bus-tramway integration, Prior Action 1’s target outcome—to efficiently plan and manage the urban transport sector in the Casablanca agglomeration—has been only partially achieved.

Outcome 2: Effectively coordinate policies and programs among the main government departments involved in the urban transport sector.

4.8 The National Urban Transport Commission did not become operational and thus did not perform any of its designated functions. In line with its Letter of Development Policy, the government established a National Urban Transport Commission (Commission Nationale des Déplacements Urbains–CNDU) under the Ministry of Interior, which will be responsible for (i) coordinating the sectoral policies of the ministerial departments involved in urban transport, with a view to ensuring policy coherence and convergence; (ii) reviewing various action programs submitted by the local governments involved and requiring financial support from the state; and (iii) monitoring the implementation of the action plans arising from the strategy. It was also charged with laying the groundwork for creating an urban transport authority for Rabat.

---

The indicator for measuring Prior Action 2’s outcome achievement was that “the CNDU meets at least twice a year to coordinate, monitor, and evaluate government actions in the urban transport sector.” The IEG mission was informed that this did not materialize. The first CNDU meeting took place only after project closure, on May 23, 2012, and it has not met again. Like the AODU, but to a more fundamental extent driven by the local political economy, it could not achieve the stature and independence that was originally expected. The IEG mission concurs with interview results that CNDU did not have the convening power or legitimizing authority to prevail over the multiple ministries and local governments to harmonize and oversee their UT programs.

4.9 The MOI’s Division for Urban Mobility and Transport (DDUT), set up as the technical Secretariat to complement CNDU’s functions, grew sufficiently strong and assumed many of CNDU’s designated roles. As indicated in the government’s Letter of Development Policy, the Division des Déplacements Urbains et du Transport (DDUT) was established in the MOI’s General Directorate of Local Governments. With Bank support for its institutional strengthening, DDUT soon became the focal point for managing the government’s UT programs, notably the fund dedicated to the preparation of urban transport master plans. In addition to centrally collecting and disseminating UT sector information, DDUT has also reviewed large investment proposals in Casablanca and Rabat-Salé-Témara, and launched a coordinated action plan to improve traffic management. It has signed agreements with local governments of four major cities to provide them funding assistance for preparing municipal urban strategies and priority investment plans, which are required first steps before state funding support can be obtained. The IEG mission obtained new information (see box 4.1) regarding the recently established Urban Transport Fund (Fonds d’Accompagnement des Réformes du Transport Routier Urbain et Interurbain – FART) and DDUT’s oversight responsibilities. DDUT is the implementing agency for the Bank-financed Program-for-Results Urban Transport Program and is directly responsible for the major, sectorwide monitoring and evaluation (M&E) component of that operation (see paragraph 4.12).
Box 2. The Urban Transport Fund and Investment Needs

The Urban Transport Fund (FART) was established in 2014 as a mechanism through which the Ministry of Interior (MOI) and the Ministry of Finance (MOF) could participate in financing urban transport (UT) investments by municipalities and agglomerations throughout Morocco. The fund, which has a management committee, has been playing an increasing role in prioritizing and planning those investments by requiring compliance with specific criteria linked to demonstrating superior economic and social returns to qualify for funding (also supported by the DPL under Prior Action 8). DDUT’s oversight of this Fund has equipped it with a strong financial incentive to implement a critical task, which is to “review proposals submitted by local governments for financial support by the national budget” and to “monitor progress”—a task earlier expected of the transitional CNDU. Investment needs in Morocco’s UT sector are estimated to reach DH 30 billion (about US$3 billion) in the next 10 years. It is anticipated that the MOI and MOF would each contribute DH 1 billion a year (for a total of DH 20 billion during the next decade), while the local entities sponsoring the investments—through Local Joint Ownership Companies (SDL)—would contribute DH 10 billion from their own resources. The fund would also cover debt repayments (for example, on the tramway investments of Casa Transports) and operational deficits because the prevailing tariffs do not fully cover costs.


4.10 DDUT has supported the planning, preparation and prioritization of UT investments, but interagency coordination remains a challenge. Since the CNDU has ceased to operate, the DDUT had taken over the role of providing half of the cost of preparing UT project and prioritizing investments among government departments, but more importantly vis-à-vis local governments. For this task, it is backed up by mechanisms to finance half of project preparation costs, the financial incentives stemming from the Urban Transport Fund, and the application of criteria to allocate funding to projects with the highest returns. Much work remains, however, to achieve consistency and complementarity among the strategies of the main ministries that involve the UT sector; moreover, monitoring of the sector’s development still needs considerable strengthening. Thus, on balance, the target outcome of Prior Action 2— the effective coordination of policies and programs among the main government departments involved in the UT sector—has been only partially achieved.

Outcome 3: Provide effective central government support to local authorities on urban transport issues.

4.11 The number of agreements signed with cities exceed the DPL target. As discussed under Prior Action 2 above, DDUT has satisfactorily assumed the important role of technical management for the UT sector at the national level, while at the same time supporting local governments in planning and mobilizing financing for UT projects. The indicator for measuring Prior Action 3’s outcome achievement was that “Conventions have been signed by the Ministry of Interior and local governments to assist them, including with funding, for the preparation of municipal urban strategies and priority investment plans.” From a baseline of zero, and with DDUT’s support and facilitation, the MOI has signed four agreements with the cities of Agadir, Kenitra, Oujda, and Settat, which exceeded the original indicator that targeted three large cities.
4.12 **DDUT’s expanding responsibilities now include the development of a monitoring and evaluation (M&E) system for the urban transport sector.** For the Program-for-Results Urban Transport Program approved in December 2015, DDUT will be responsible for (i) day-to-day program implementation, (ii) monitoring the achievement of the annual results, and (iii) preparation of annual progress reports, the mid-term review, and consolidated financial statements. These responsibilities will require timely collection and provision of monitoring data, including environmental and social records, and verification documents to enable the Bank to disburse against verified results. Within the project, DDUT is developing a much-needed M&E system for the UT sector, based on international experience. For this purpose, DDUT pre-identified sectorwide data needs with the Bank’s technical support. While there is still a need to augment its staff to meet its growing responsibilities, DDUT has proven that it has the in-house expertise and ability to provide technical guidance to cities, particularly in the preparation of Urban Mobility Master Plans (*Plans de Déplacements Urbains*—*PDU*). The IEG mission’s update found that 10 PDUs have been completed, with 5 more nearing completion, such that most cities in Morocco will soon have these master plans. Hence, Prior Action 3’s target outcome—for the central government to provide effective support to local authorities on urban transport issues—has been sustainably achieved.

**Outcome 4:** Make sufficient urban transport expertise available in the cities that have carried out or launched the preparation of municipal urban strategies and priority investment plans.

4.13 **Training activities have resulted in a network of UT experts and knowledge exchange among Moroccan cities.** At the time of project closing, a core group of 32 managers and technical specialists from 11 cities benefited from an UT training program, which received positive feedback and was continued in a follow-up program that was similar to the one carried out by the World Bank with French aid in 2008. About 55 persons have been trained in total, forming a core group of national-level experts who share basic competencies, a pool of information, and a common approach to addressing sector issues. In the past few years, the Bank managed the Leaders in Urban Transport Planning (LUTP) program, which has trained more than 50 staffers and representatives at the central, regional, and local level in Morocco. These efforts have facilitated the exchange of experiences among Moroccan cities on UT activities and helped create an informal network of UT experts for mutual assistance on addressing UT issues.

4.14 **M&E training needs to be strengthened, with assistance programmed under the new Bank-financed urban transport project.** As part of the Program-for-Results Urban Transport Program, focused training is to be provided to establish and operate a sectorwide, computer-based UT M&E system. This type of specific M&E training is needed to enable periodic reporting to the central system and verification of results in line with international practice and standards. The M&E training sessions will focus on strengthening local capabilities for (i) data collection, (ii) data quality and integrity control, and (iii) the use of data to inform decision-making processes. Capacity would also be strengthened on impact evaluation techniques and international practices for measuring results, including gender and poverty impact assessment. The Bank will
provide methodological guidance to the DDUT on panel survey methodology (sampling, indicators, and so on) to measure the impact of urban transport expenditures on citizens.

4.15 **Training programs are continuing, with Bank and donor support.** At the central level, the core expert staff are in responsible positions in various sector institutions, and there is clear evidence of a growing emphasis on targeting training to the municipal and agglomeration levels. The French and German aid agencies have substantial, ongoing capacity-building programs, with a strong focus on local municipalities and agglomerations. GIZ, for example, has a *CoMun-Coopération Municipale* program with 13 municipal projects that include exchange study trips and on-the-job training in Germany; GIZ also assists in the preparation of project proposals and feasibility studies, which remains a major area of weakness among municipalities. Agence Française de Développement (AFD) is providing assistance to prepare an operationally oriented guide for municipalities to (i) set up joint local ownership companies (SDL) and (ii) access the Urban Transport Fund (see paragraph 4.9 and box 4.1). DDUT is also providing technical expertise for the preparation of Urban Mobility Master Plans (PDU) and is overseeing the funding mechanism that provides half of the cost of the pre-investment studies. Thus, Prior Action 4’s target outcome—sufficient UT expertise for the preparation of urban strategies and priority investment plans—has been achieved and is likely to be sustainable.

4.16 Based on the Partial Achievement of the specific indicators and outcomes supported by Prior Actions 1 and 2, and the Full Achievement of the indicators and outcomes for Prior Actions 3 and 4, the achievement of outcomes for Objective 1 is rated **Substantial.**

**Objective 2: Increase the Efficiency and Supply of Transport Services and Infrastructure**

**Outcome 5: Improve the quality and quantity of bus services in the agglomeration of Rabat-Salé-Témara.**

4.17 **Although targets were met or exceeded, Stareo’s overestimate of demand growth and low tariff offer led to its bankruptcy and withdrawal.** By the project’s closing date, Stareo, a private operator, had been selected through competitive bidding to provide bus services in the Rabat-Salé-Témara metropolitan area that had been done previously by informal bus operators. Stareo absorbed vehicles and staff, renewed the bus fleet, and restructured the bus network routes. It was able to supply 2.26 billion passenger seat-km (exceeding the target of 2 billion) and was able to increase service significantly on some neglected routes linking Rabat to the rapidly developing western part of the agglomeration. However, at the bidding process, Stareo had overestimated potential demand growth and offered a very low tariff. Consequently, its revenues could not meet its operating costs. It tried to obtain a tariff increase by amending its contract, but the local governments refused to renegotiate. Stareo filed for bankruptcy, leading the public sector (the municipalities of Rabat, Salé, and Témara) to take over and run it since then. The municipalities continue to have a very weak capacity to regulate and supervise public transport services. The association of municipalities, which has grown when other municipalities joined, functions as a decision-making body but has no
technical capacity and only limited administrative staff. The association relies on the technical staff of Stareo and the tramway company. The municipal authorities of the agglomeration of Greater Rabat have been trying to identify a long-term solution that would renew a public-private partnership, including the possibility of a single agency to organize and manage both the bus and the tramway network.

4.18 While the supply of passenger seat-km has increased, the operational performance of the bus network still needs much improvement. Bus network performance has not changed much, despite some anecdotal statements that it has improved. Data on improved quality and overall performance is lacking, which the new Bank-financed Program-for-Results Urban Transport Program intends to address under its M&E component (see paragraphs 4.12 and 4.14). Public urban transport continues to suffer from inadequate speed and reliability. Operators report that commercial speeds are particularly low and unpredictable, going down as low as 5 kilometers per hour on average in the dense urban areas during peak hours. This situation is due to congestion, interaction with cars, frequent stops, and inefficient boarding and alighting. In addition to losses in time, productivity, and quality of life, operators have indicated that it increases their operating costs by at least 10 percent, while decreasing reliability and rendering bus schedules useless. Although generally buses are the most cost-effective and efficient motorized transport mode, buses in Rabat and Casablanca still do not benefit from priority schemes or dedicated right-of-ways as in other middle-income countries. In Morocco, buses are forced to share the severely congested urban roads with cars that occupy substantially more road space per passenger. Moreover, due to poor enforcement, the vacuum created by deficient bus services has been filled by other collective, less efficient modes such as shared taxis, as well as the informal sector (illegally) in some instances (World Bank 2015, page 5).

4.19 Efforts to form a new public-private partnership are slow because municipal capacities remain weak. Many lessons have been learned from the withdrawal of Stareo, which has informed the efforts to form a public-private partnership; however, this process has been slow, and the technical and organizational capacity of the municipalities remain weak. Thus, on balance, with some credit given to bus fleet renewal and supply expansion, Prior Action 5’s target outcome—to improve the quality and quantity of bus services in the agglomeration of Rabat, Salé and Témara—has only been partially achieved.

Outcome 6: Improve the quality and quantity of bus services in the agglomeration of Casablanca.

4.20 Although restructuring and capacity targets were largely met, fare integration of the bus and tramway systems remain to be completed. The reorganization of M’Dina Bus was complex and entailed a variety of difficult actions that required time to materialize. The restructuring plan was completed, with a view to placing all bus services in the Casablanca agglomeration under a single management and supervisory structure that has a strengthened operator with appropriate financial capability. Only parts of the targets materialized. M’dina Bus was able to supply 2.4 billion passenger seat-km, which is an increase from the baseline of 1.9 billion but still short of the targeted 2.6 billion. The IEG mission was informed that the phasing-out of
the old concessionaires has only partially occurred because the authorities judged that M’dina Bus did not yet have the required vehicles to cover all the transport needs of Casablanca. Although M’dina Bus has largely met its capacity targets and operates most of the bus fleet, these remaining concessionaires have continued operating, as shown in table 4.3 (with 2014 data obtained by the IEG mission). Moreover, a new electronic ticketing system is already in place, however, the implementation of a new route structure to enable fare integration of the tramway and bus systems still remains to be completed.

Table 5. Percentage Shares of the Public Bus Fleet in Greater Casablanca

<table>
<thead>
<tr>
<th>Company</th>
<th>share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>M’dina Bus</td>
<td>60.5</td>
</tr>
<tr>
<td>Lux</td>
<td>14.5</td>
</tr>
<tr>
<td>Chennaoui</td>
<td>5.8</td>
</tr>
<tr>
<td>Zinata</td>
<td>4.6</td>
</tr>
<tr>
<td>Hana</td>
<td>4.2</td>
</tr>
<tr>
<td>Tungis</td>
<td>3.8</td>
</tr>
<tr>
<td>Rafahiya</td>
<td>3.4</td>
</tr>
<tr>
<td>SRTN</td>
<td>2.1</td>
</tr>
<tr>
<td>Sotrum</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Sources: MOTRA 2014; GIZ 2014a.

4.21 M’Dina Bus continues to experience financial unsustainability and operational difficulties. In Morocco, the ratio of inhabitants per bus increased from 3,000 to 4,000 for 1 bus between 1990 and 2000, respectively. The bus network in Casablanca (and in other Moroccan cities) was the result of historical factors that have not responded to, or kept up with, rapid demand growth and major changes in the structure of major urban zones. The network of six-seater “grands taxis” has gradually imposed itself on the bus network over the past 20 years without any in-depth analysis on their integration or complementarity, such that for both there is an oversupply in some areas and scarcity in others. The issues affecting M’dina Bus stem in large part from lax or nonexistent regulatory enforcement, similarly described above for the bus network in the Rabat agglomeration. The bus operators’ contracts impose public service obligations, such as connecting remote peri-urban areas to urban centers or offering concessionary fares to students, without full compensation by the government. There is an ongoing effort by the government to move away from net-cost to gross-cost contracts, but the ideas remain to be tested and implemented. Meanwhile, operators suffer from anarchic competition from shared taxis and the informal sector on the most profitable routes. Operating costs of most operators are strained by high maintenance and fuel costs resulting from aging fleets, and by substantial personnel costs resulting from overstaffing, inherited from legacy contracts. In this difficult environment, M’dina Bus and other operators have been unable to adequately renew their fleet or expand services to keep pace with demand.

4.22 Despite bus fleet renewal and many significant operational improvements, the continuing financial and regulatory enforcement difficulties saddling M’dina Bus indicate that the target outcome for Prior Action 6—to improve the quality and quantity of bus services in the agglomeration of Casablanca—was only partially achieved.
4.23 It should be noted that the relative importance given by the DPL to the reform of the bus systems is justified by the number of bus passenger numbers compared to the tramway system. In 2014, the Casablanca tramway carried on average 89,700 passengers per week day while M’dina Bus carried 426,400. In Rabat-Salé, the tramway carried 97,600 passengers per week day while the bus company, Stareo, carried 234,300.

Outcome 7: Implement a procurement process for outsourcing public transport services that is in line with international best practice.

4.24 **A competitive process for selecting private concessions is in place but still needs to be tested in practice.** An Order issued on August 25, 2010, which stipulates the selection process for public services concessionnaires, is in place and enforceable. It specifies the procedures for bidding, bid evaluation, contract award, and the main clauses of concession contracts. The preparation of this regulation necessitated a long coordination process among ministries. The impact, which will be evidenced mostly over the long term, is expected to be a fair, fully competitive, and transparent selection of private providers of public transport services. Compliance with the Order has not yet been tested because no concessions have yet been issued. Because these criteria still need to prove themselves in practice, Prior Action 7’s target outcome of implementing a competitive and transparent selection process for future public transport operators in large cities has been only **partially achieved** (IEG 2013).

Outcome 8: Allocate government financial support to those urban transport investment projects with superior economic and social returns.

4.25 Eligibility criteria are in place—but still need to be tested in practice—to incentivize municipal investments and allocate government financial support to those with highest returns. The MOI issued a Circular dated November 4, 2010 defining the eligibility criteria for state funding of UT transport investment projects under the Urban Transport Fund (*Fonds d’Accompagnement des Réformes du Transport Routier Urbain et Interurbain*), discussed previously under Prior Action 2. Investment needs in UT infrastructure remain substantial, requiring about US$3 billion over the next decade. The eligibility criteria are intended as a strong incentive for municipalities to strengthen their capacity, submit priority investment programs, develop multimodal development strategies, and design investments in line with those strategies. The government would use this information to properly assess and prioritize which investments should receive funding, and ensure that local sponsoring authorities are well prepared to implement the investments. Such prioritization and efficient resource allocation criteria should be applied in comparing tramway expansion with other urban transport needs. Two tramway lines (totaling 50 km) have been built in the two main agglomerations of Rabat and Casablanca at a total cost of US$1.3 billion—$26 million per km—a value that is consistent with international experience. According to Casa Transports, agreements have been signed for five new tramway lines to be built by 2022, adding 45 km to the tramway network. Assuming the same unit cost, this would require an investment of US$1.2 billion, or 40 percent of the national investment estimates of US$3 billion for future public UT infrastructure (which in itself already includes repayments for the existing tramway). It is important to analyze whether spending 40 percent of all urban transport investments on these tram lines would be worthwhile, considering the large
number of other road, traffic, and bus-related investment needs in Morocco’s other cities. For example, public bus transport in Casablanca accounts for only 14 percent of all trips made, compared to 35 percent in Tehran, 40 percent in São Paulo, 50 percent in Santiago, and 60 percent in Mexico City. This issue is not new to the government or to the Bank, as discussed in box 4.2.

---

**Box 3. Cost Comparison: Tramway and Bus Rapid Transit (BRT) Investments**

In 2008, the Bank conducted a study\(^a\) comparing BRT and tram options for Casablanca (World Bank 2008a). The Bank team reviewed the tramway plans, which were already at an advanced stage, and developed a BRT alternative on the same alignment. The tram was already planned on a segregated right-of-way, which made the BRT adaptation relatively easy. BRT costs were estimated based on local and international unit prices and compared against the costs already prepared by the tramway consultants (Egis-Rail). Operating costs were also estimated as part of a life-cycle analysis for the two options. Although the decision makers were already decided on the tramway project, which was almost ready for bidding, they were open to the idea of adding BRT routes later to complement the first tram line.

The resulting tramway investment amounted to US$24.8 million per km (similar to the actual investment of US$26 million per km), compared to US$7.2 million per km of BRT busway, both estimates including the rolling stock. In other words, investments for the BRT option amounted to 29 percent of the tramway costs. Thus, with the investment for 1 km of tramway, 3.4 km of BRT could be built with the same capacity as the tram. This difference in cost efficiency is significant, given the scarcity of resources for urban transport investment in Morocco.

It would be useful to compare the Moroccan urban transport experience that of Latin America, where cities also faced car congestion and informal and low-quality bus services, and where investment resources were also severely constrained. There are 6 short tramway lines in Latin American cities,\(^b\) but there are as many as 85 BRT corridors in 36 cities.\(^c\) Knowledge about this experience led the Bank’s Morocco UT DPL team to prepare the 2008 Casablanca study and subsequently organize a study tour to Brazil. However, it is unclear from the DPL documents why BRT was not addressed as a possible transport mode that could be more effective in improving public transport conditions than relying on tramways and the reorganization of conventional bus services.

Source: IEG

Note:

\(^a\) Buenos Aires, Guadalajara, Medellin, Mendoza, Mexico City, and Rio de Janeiro.

\(^b\) ITDP Rapid Transit database.

---

4.26 The IEG mission found that the government continues to use and publish these criteria, which were reiterated as a priority intervention at the 2013 Sustainable Transport Conference in Rabat.\(^7\) Updated criteria are to be completed by December 2016; applications from UT investment proponents are expected to follow, which would test their validity and applicability. Thus, pending evidence that these criteria actually work in practice, Prior Action 8’s target outcome of allocating the government’s financial support to UT investment projects with superior economic and social returns has been only **partially achieved**.

---

\(^7\) *Journées Nationales sur le Transport Urbain Durable*, Rabat, September 23–24, 2013.
4.27 Based on the Partial Achievement of the specific indicators and outcomes supported by Prior Actions 5, 6, 7 and 8, the achievement of Objective 2 is rated modest.

**Objective 3: Improve Environmental and Social Sustainability of the Sector**

Outcome 9: Implement effective vehicle inspection and monitoring systems.

4.28 The reforms taken have resulted in substantial improvements in the quantity and quality of vehicle inspections. The Ministry of Equipment and Transport completed the restructuring of the vehicle inspection centers. An automated electronic process was established to (i) prepare vehicle technical inspection reports and (ii) conduct technical and financial audits of the vehicle inspection centers. Inspection procedures were put in place to reduce fraud in two ways. First, the recorded measures from inspection equipment are directly and automatically reported to secured and standardized electronic sheets. Second, those bar-coded electronic sheets, issued from the various inspection centers, are electronically communicated directly to the Ministry of Transport. The reforms have enabled the Ministry to properly monitor vehicle roadworthiness and pollutant emissions. At the time of project closing in 2011, automated electronic reporting was conducted for 1,606,013 vehicle inspection visits, which was slightly less than the 1,700,000 target. To date, the updated vehicle inspection system has been functioning well in conjunction with three certified operators (Dekra, SGS, and Salama). The IEG mission obtained the latest available data, which indicate that 2,178,089 vehicle inspections were made in 2014, representing a considerable increase of 140 percent from 906,079 inspections in 2006, as shown in table 4.4. The number of inspection stations also grew significantly, increasing by 58 percent in the 8 years between 2006 and 2014, with most of the additions occurring after the UT DPL. It should be noted that although the transport sector in Morocco is a significant contributor to national carbon emissions, other sources of air pollution overshadow the transport sector, such as thermal power plants, refineries, and the industrial sector as a whole (CEDARE 2015, page 7).

### Table 6. Number of Vehicle Inspections and Inspection Centers

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2010</th>
<th>2014</th>
<th>Increase 2006–14(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of vehicle Inspections (thousands)</td>
<td>906.1</td>
<td>168.7</td>
<td>2,178.1</td>
<td>140</td>
</tr>
<tr>
<td>Number of inspection centers</td>
<td>184</td>
<td>210</td>
<td>290</td>
<td>58</td>
</tr>
</tbody>
</table>


4.29 Measures to improve air quality were also taken to complement the actions related to vehicle inspection centers. Euro 4 norms have been adopted for all imported vehicles and would be adopted progressively for all vehicles produced or assembled in Morocco. Moreover, all imported vehicles have to be less than five years old. The Ministry of Transport and the Ministry of Environment has also been preparing tighter emission thresholds. The UT DPL preparation team estimated reductions in greenhouse gas (GHG) emissions of about 350,000 tons/year from the implementation of the vehicle inspection centers. The restructuring of bus operations in Rabat and Casablanca would
add to GHG emissions reductions by about 50,000 tons/year. The rollout of Euro 4 norms and tighter vehicle emissions thresholds would likely result in further reductions. Taking into account the positive results from automated vehicle reporting and the GHG emissions reductions stemming from measures to improve air quality, Prior Action 9’s target outcome of establishing vehicle inspection and monitoring systems was sustainably achieved.

Outcome 10: Mainstream accessibility for persons with limited mobility in urban transport projects and increase awareness of accessibility issues.

4.30 An accessibility plan for persons with limited mobility (PLM) has been adopted, with support from several ministries as well as the railway and bus operators. In consultation with concerned ministries, the Ministry of Social Development, Family, and Solidarity held a national seminar to raise awareness and disseminate the action plan for improving access to UT facilities by persons with limited mobility. The Ministry subsequently adopted the plan, and the government approved an execution decree of law 10-03 on accessibility. The Ministry of Housing studied the accessibility requirements that need to be included in the new construction code. The Ministry of Interior has called for greater inclusion of accessibility criteria in UT master plans; moreover, the Ministry of Transport has developed a detailed action plan for all agencies and departments it oversees. The railway company has also included accessibility in its station upgrading plans and bus operators report increasing awareness of the needs of PLM.

4.31 Three cities have included an accessibility component in their rehabilitation or improvement UT investment projects, exceeding the original target of two. Selected cities are also attempting to improve the accessibility of sidewalks and pedestrian environment. Marrakech has a US$2.85 million pilot accessibility project underway financed by a grant from the government of Japan for infrastructure upgrading work to improve the accessibility of selected infrastructure in the city (World Bank 2012a). The components and performance indicators for this grant are shown in table 4.5. Other cities such as Rabat and Oujda have also started undertaking accessibility infrastructure-upgrading work. There is a positive dynamic and a raised awareness on PLM issues at both the national and at local levels, which have translated into concrete measures to improve accessibility. Thus, Prior Action 10’s targeted outcome—to increase awareness of accessibility issues and mainstream accessibility for persons with limited mobility in UT projects—has been achieved with likely sustainability.

4.32 Based on the Full Achievement of the specific indicators and outcomes supported by Prior Actions 9 and 10, the achievement of Objective 3 is rated substantial.
Table 7. Japan PHRD Grant: Project to Improve Accessibility of People with Limited Mobility

<table>
<thead>
<tr>
<th>Objective</th>
<th>Promote the physical accessibility for persons with limited mobility (PLM) by demonstrating its feasibility through a pilot project in Marrakech.</th>
</tr>
</thead>
</table>
| Components | 1. Inventory of upgrade needs to improve accessibility of PLM in Rabat, Casablanca, Oujda, and Tetouan  
2. Review of construction codes, technical specifications, and procurement documents to add accessibility features  
3. Study to recommend for inclusion of accessibility requirements in public transport vehicles  
5. Training modules for local and municipal engineers on accessibility for PLM, and for nongovernmental organizations to strengthen their advocacy on accessibility  
6. Civil works to upgrade pedestrian space on major boulevards and in municipality and wilaya buildings to improve accessibility to PLM  
7. Monitoring and evaluation reports |
| Performance indicators | 1. At least 3 cities have included accessibility for PLM in urban transport projects  
2. At least 4 cities have finalized inventories of accessibility improvements  
3. At least 5 kilometers of boulevards have been built or upgraded in Marrakech to become accessible to PLMs  
4. At least 5 public spaces have been upgraded in Marrakech to become accessible to PLM |

Source: Japan PHRD Grant Agreement (see footnote 22).

5. Ratings

5.1 The relevance of the UT DPL’s objectives is high. As part of project preparation and appraisal, the Bank conducted significant sector analysis and provided advice, which had the result—sustained until the present—of raising the visibility and highlighting the need to address long-standing urban transport issues in Morocco. The three priority areas of policy reform and the 10 linked Prior Actions were identified and targeted accurately and were closely aligned with (i) the Bank’s Country Partnership Strategies—at the time of appraisal (FYs2010–13) and at present (FYs2014–17)—and (ii) the government’s main priorities for the urban transport sector—as enunciated in its Letter of Development Policy, which was updated and reiterated in support of the Program-for-Results Urban Transport Program approved in December 2015. More specifically, the latter would support the Pillar on Citizens’ Access to Economic Opportunities and Social Services, within the government’s program, by improving public transit services for citizens in urban areas.

5.2 The relevance of the UT DPL’s design is modest. In addition to diagnostic reports since 2006 and a major sector study in 2008, the available evidence shows that the project’s design benefitted from a sustained participatory process required of DPLs, including several high-level seminars and workshops involving diverse stakeholders. Bilateral donors were also consulted and involved. As indicated in a recent IEG Learning Product: “The quality of Prior Actions is critical for the robustness of the results frameworks for development policy operations.” (IEG 2015) The DPL’s choice of Prior Actions was of good quality and were directly and causally linked to their targeted outcomes. The DPL also focused on realistic and implementable Prior Actions, while the more difficult reforms related to sector financial sustainability were deferred to a proposed UT DPL2, which was not pursued because a Program-for-Results Urban Transport Program was selected instead. However, using only a one-year DPL (which had a five-month implementation period) without accompanying investment and technical assistance interventions detracted from achieving the project’s objectives,
particularly the second one on increasing the efficiency and supply of urban transport services and infrastructure. While acknowledging that the choice of lending instrument is a function of Borrower preference as well as the balance in country programming, this design flaw had the end result of focusing the Bank’s support on short-term policy reforms and institutional strengthening at the level of central agencies, even though the responsibility for urban transport is vested at the municipal and local levels, which also have the greatest needs for supply expansion and efficiency improvements that are achievable over a longer time horizon.

5.3 The UT DPL’s overall outcome is moderately satisfactory. This rating is based on the project’s substantial relevance and modest design, and a mix of partial or full achievement of the outcomes that the 10 Prior Actions targeted under the project’s three specific objectives, as shown in table 4.1. The outcome achievements related to Objectives 1 and 3 were substantial, but outcomes for Objective 2 were achieved only to a modest extent, mainly due to the lack of progress in addressing the operational inefficiencies and financial unsustainability of bus services in Casablanca and Rabat-Salé-Témara.

5.4 Overall, the evidence indicates that the DPL supported client-driven reforms, not ones prescribed by the Bank that was characterized by a shift in approach toward greater consultation and participation by the main stakeholders. The project’s main achievements were to accelerate and coalesce support for actions that the government had already set in motion, which were to (i) strengthen its central and local capacities; (ii) provide financing and technical assistance for the preparation of Urban Mobility Master Plans; (iii) provide investment financing through the Urban Transport Fund, subject to meeting social and economic criteria to qualify for support; (iv) establish efficiency criteria for procuring UT services and allocating state support for investment projects; (v) maintain the growth in vehicle inspection centers and monitoring systems; and (vi) mainstream accessibility for women and PLM. However, many areas of improvement still remain, particularly in terms of increasing the quality and quantity of public urban transport, and measurably improving sector efficiency and financial sustainability.

5.5 The project’s overall outcome is rated moderately satisfactory.

Risk to Development Outcome

5.6 The project’s results that have been fully achieved are likely to be sustainable. DDUT has increasingly assumed the coordinating role to tackle urban transport issues with increasing effectiveness, at the national level and with local governments, as well as a monitoring role to be supported under the new, Bank-financed Program-for-Results Urban Transport Program. The governments at all levels were taking actions to strengthen central and local capacity; however, interministerial cooperation remains difficult and is not yet fully institutionalized. The preparation of Urban Mobility Master Plans is continuing, the growth in vehicle inspection centers is maintained and the accessibility for women and persons with limited mobility is being mainstreamed.
The main risk is in the area of financial sustainability. Local governments have a limited capacity to cofinance planned mass transit systems and to cover the expected operation and maintenance deficits. The fares on mass transit systems are generally set at levels below those required to cover operation and maintenance costs. Private sector participation in the financing and operations of public transport remains elusive. Bus service contracts are currently net cost contracts that shift all commercial risks to operators. The failure of Stareo in Rabat resulted in part from these contract conditions. However, efforts are being made to shift to gross cost contracts. Also, while the model failed in Rabat, private sector bus concessions have been relatively successful for a longer time in other cities in Morocco, notably in Marrakesh and Tangier.

The risks to development outcome are rated moderate.

Bank Performance

Quality at Entry

The Bank has played a high-value role in helping to formulate a strategy and to improve the policy framework for the urban transport sector in Morocco. The Bank was in a good position to accompany the government in its sector reform program given its significant involvement in Morocco’s UT sector. The UT DPL was based on the Bank’s prior analytical work and it evolved from widespread and highly participatory consultations, which contributed to a good understanding of the challenges facing the sector in Morocco. This analytical work and advice included a number of sector notes, thematic diagnostic reports, reviews that ranged from UT financing systems to investment options for Casablanca, and a major strategy note on Morocco’s urban transport in 2008 (World Bank, 2008a). This last report was still being complimented and used as a reference by government interviewees during the IEG mission, reflecting a strong and sustained buy-in to the UT dialogue with the Bank. In addition to several workshops and high-level seminars, technical visits were also made in Tunisia (2007), France (2008), and Brazil (2008). Thus, the government’s request in 2010 for an urban transport DPL to support it in the implementation of the sector strategy was regarded as an extension of the policy dialogue and advisory role the Bank had been playing in the sector for several years. At the design stage, the Bank team closely aligned the DPL’s reform areas with the government’s strategy and priorities for the UT sector, focusing on the relatively more mature policies and Prior Actions that already had a realistic base for launching. The Bank team’s role in interagency dialogue and the transfer of international experience was also evident from the project records.

The selection of the UT DPL’s objectives, Prior Actions, and expected outcomes, was based on a thorough analysis of the macroeconomic context and priority sector reforms. The preparation and appraisal of the UT DPL, and the associated Program Document, were fully consistent with the lending criterion for DPLs stipulated by the Bank’s relevant Operational Policy: “The Bank undertakes development policy lending…only when it has determined that the country’s macroeconomic policy framework is adequate… The Bank considers the strength of the country’s policy and institutional framework…its track record…and how gaps will be addressed” (World Bank 2008b). The Program Document (World Bank 2011) reviewed
the macroeconomic achievements during the previous decade, focusing on the effects of the government’s fiscal stimulus package following the economic slowdown that started in 2008, evidence of recovery, positive data on budget execution and fiscal management, appropriateness of macroeconomic policies, growth and debt sustainability prospects, and overall macroeconomic outlook. Moreover, the selection of the three Strategic Policy Reform Areas that constituted the DPL’s specific objectives, the choice of Prior Actions, and the delineation of expected outcomes were also in line with the Bank’s DPL lending policy that “Specific results are expected from the resource transfers” for which there should be “measurable indicators for monitoring progress.”

5.11 **A design weakness, however, is the short duration and limitations of the DPL lending instrument compared to the scale and complexity of delivering physical infrastructure needs.** The DPL on its own was not sufficient for helping to achieve the higher-level goal of improving sector efficiency over the long term. It was also inadequate for achieving within an immediate time frame the DPL’s second objective of increasing the efficiency and supply of urban transport services and infrastructure. This suggests that the DPL should have been accompanied by an Investment Project Financing (IPF) project and possibly a technical assistance intervention as well. In the Moroccan country program context, however, a DPL was reported to have been the government’s own choice over an IPF, mainly for budget infusion reasons. Moreover, interviewees have also argued that focusing on priority reforms to “reset” the sector’s policies (starting from weak or zero baselines) seemed justified because the actions related to strategy formulation, planning, coordination, least-cost procurement, and optimization through eligibility criteria to qualify for state financing were designed to lay the groundwork for future investments. The end result, however, is that in the absence of an IPF, the bus fleet renewal and network expansion under the DPL have been quickly overtaken and rendered marginal by the rapid growth in UT demand and continuous deterioration of the existing fleet.

5.12 The Bank’s quality at entry is rated *moderately satisfactory.*

**Quality of Supervision**

5.13 **The Bank task team closely and thoroughly supervised the project’s implementation.** Although the project was just a single-tranche DPL that effectively allowed a short supervision time of about five months, two missions were carried out during that period, for which detailed supervision reports and aide-mémoires were produced. The supervision activities included a detailed follow-up on the progress of the various actions that were to be implemented by all the agencies involved, with each agency responsible for the collection of performance data on its respective commitments. The findings were discussed with the government and corrective measures were taken when needed. The government counterparts confirmed that the Bank team’s detailed supervision helped to build a strong relationship between the government stakeholders and the Bank.

5.14 The Bank’s supervision is rated *satisfactory.* With Bank Quality at Entry rated *moderately satisfactory,* the overall Bank Performance is rated *moderately satisfactory.*
Borrower Performance

Government Performance

5.15  **The government was strongly committed to the UT DPL’s objectives throughout project preparation, appraisal, and implementation.** The implementation of policy reforms under the project required that the Prior Actions be executed by multiple ministries, primarily the Ministries of the Interior, Transport, and Social Development. In addition to local authorities in the major agglomerations, several concerned Ministries were also substantially consulted during the program preparation and implementation, including the Ministries of Finance, General Affairs, Housing, and Energy and Environment. The relevant departments collected performance data, which were transmitted to the Bank and discussed during supervision missions. Records indicate that substantial efforts were undertaken by all institutions involved in the program to implement agreed actions and follow up on shortcomings in implementation. Based on the IEG’s mission’s interviews and document reviews, it is evident that the government is pursuing the DPL’s objectives much more intensively four years after it has closed, mainly through its sustained strategic focus and continuing actions.

5.16  Government Performance is rated **satisfactory**.

Implementing Agency Performance

5.17  **Implementation performance within the Ministry of the Interior was strong, but inter-ministerial coordination was only partially achieved.** The MOI was the designated implementing agency for the UT DPL because urban transport falls under its responsibilities. The MOI effectively coordinated the actions agreed under the program and facilitated the dialogue with several agencies, notably at the level of municipal authorities. The MOI itself was responsible for directly implementing several Prior Actions, including those that were critical to reforming the governance of the UT sector, notably its governance. While generally successful, however, the MOI only partially achieved the goal of inter-ministerial coordination during the project preparation and implementation, thus requiring the Bank team to follow up directly with other relevant ministries individually. There were also some delays in issuing the Circular to officially establish the CNDU (National Commission for Urban Transport), which included representatives from concerned ministries, and calling for its first meeting. As a technical forum for information exchange, the CNDU’s lack of a legitimizing authority eventually led to its demise. DDUT, which originally served as CNDU’s Secretariat, assumed the day-to-day responsibility for coordination, implementation, and follow-up for the DPL and the UT sector in general.

5.18  Implementing agency performance is rated **moderately satisfactory**. With government performance rated **satisfactory**, overall Borrower Performance is rated **moderately satisfactory**.
Monitoring and Evaluation

5.19 Design. The project’s M&E was integrated in the Program Document’s Operation Policy Matrix (appendix B). The outcome indicators associated with Prior Actions were specific, relevant, and measurable. The indicators were selected in consultation with the MOI and reflected a good balance between quantitative and qualitative measurements.

5.20 Implementation. Each department in the relevant ministries collected the data to meet the project’s M&E requirements and feed the information to the Bank’s supervision missions, which closely monitored the DPL’s execution. The Bank’s missions prepared detailed aide-mémoires highlighting progress on each action and allowing for the coordination of the DPO. Data collection methods and data quality were deemed to be appropriate by the ICR team.

5.21 Utilization. Given the CNDU’s inability to fully operate, the Bank missions helped as a conduit for providing the concerned ministries with information on the progress in meeting the project’s objectives. The Bank’s involvement served to provide those agencies with data and independent international expert opinion that informed their decision making and resource allocation.

5.22 Monitoring and evaluation is rated substantial.

6. Lessons

6.1 The UT DPL served as a “déclencheur”—a “triggering” operation that helped to accelerate much-needed policy reforms, support institutional strengthening priorities within major sector agencies, and implement key measures to unblock the main impediments to improved sector performance. It included selected priority actions that needed to be taken in the short term, within the framework of client-driven reforms, and against a historical baseline in which little or no effort was being made to address mounting UT sector issues. Based on the project’s own experience, this section presents the main lessons on the roles of the government, the Bank, and the lending instrument itself, which may be relevant in designing future development policy lending (DPL) interventions:

- For DPLs to achieve results, the broad and early participation of the various implementing agencies and local governments as well as a strong reform momentum by the government, must be in place at entry. Credible government actions to accelerate the implementation of policy reforms are necessary prior to Board approval. There also needs to be evidence of broad participation by multiple implementing agencies and local governments, starting as early as the preparation of the sector and other technical studies that would underpin the design of the DPL. The Bank’s dialogue with the main “champions” within government needs to be broadened early to achieve buy-in and engagement beyond the central counterparts, particularly in urban transport where the executive responsibilities lie with cities. The degree of cooperation achieved among the multiple implementing agencies and through the local authorities was
due in large part to the credible process of consultation and stakeholder participation during the UT DPL’s preparation and implementation.

- **Flexible and adaptive responses by the government are required to continue pursuing the DPL’s objectives when specific actions do not achieve expected results.** For example, the CNDU and the AODU lacked the convening power and legitimizing authority expected when they were created by the central government and the local authorities of Greater Casablanca, respectively. In response, the government strengthened and empowered DDUT (under the DGCL of the MOI)—originally the technical Secretariat of CNDU—to assume many of the responsibilities of the CNDU itself, which ceased to function. Similarly, when AODU proved unable to assume its assigned roles despite large budgetary outlays, the Greater Casablanca authorities abolished the AODU (in March 2015) and transferred its planning, investment, and management roles to Casa Transports.

- **The Bank’s convening authority and intellectual leadership need to support the government’s work on consensus building and interagency coordination—especially at the initial stages of DPLs.** During the critical process of selecting and justifying key reform actions, the Bank needs to ensure that the government is building consensus among multiple stakeholders at the national and local levels that may be at widely different stages of readiness (in terms of institutional capacity) and willingness to implement reforms (given the local political economy and its system of incentives). The effectiveness of the Bank’s “convening power” is best served by providing intellectual leadership through evidence-based sector analysis, a strategic dialogue, and a defensible menu of priority actions. Some respondents during the IEG mission have expressed concerns that the Bank’s high-value analytical and advisory assistance may be eroding in favor of operationally oriented project preparation work.

- **The Bank has an important role to play in ensuring that all investment options are analyzed, with a view to selecting the least-cost options.** As part of its due diligence, the Bank needs to ensure, especially in broad-ranging sector DPLs, that all investment options are appropriately assessed within a sector planning framework, with a view to identifying and selecting the least-cost options. The government has put in place eligibility criteria to incentivize municipal investments and allocate government financial support to those with highest returns. Such prioritization and efficient resource allocation criteria should be applied in comparing tramway expansion with bus rapid transit and other options, in light of overall urban transport needs. For example, as discussed in paragraphs 4.23 and box 4.2 of this report, it would be important to analyze whether spending 40 percent of all urban transport investments on expansion of tram lines would be worthwhile, considering the large number of other road, traffic, and bus-related investment needs in Morocco’s other cities.

- **Sector DPLs could be more effective if accompanied by parallel investment lending and technical assistance, or designed as a programmatic series that would**
expand the implementation time frame to several years. The urban transport sector is inherently very complex, straddling land use, environmental, and social issues, as well as national and local jurisdictions. Reforms can be fully achieved only over the long term, thus requiring step-by-step approaches and a rigorous prioritization of short-term actions that could most effectively lay the groundwork for future reforms. In this context, a short-duration DPL cannot be expected to directly impact decision making at the local level, which depends on political and other factors that are beyond the influence and implementation time frame of DPLs. Capacity building at the local levels can be more readily achieved by investment lending and technical assistance support. Their absence would explain why the UT DPL’s second objective—to increase the efficiency and supply of urban transport services and infrastructure—was achieved only to a modest extent.
7. References


———. 2015. “The Quality of Results Frameworks in Development Policy Lending (IEG Learning


Appendix A: Basic Data Sheet

URBAN TRANSPORT SECTOR DEVELOPMENT POLICY LOAN (IBRD-80200)

Key Project Data (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>Appraisal estimate</th>
<th>Actual or current estimate</th>
<th>Actual as % of appraisal estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total project costs</td>
<td>136.7</td>
<td>136.7</td>
<td>100</td>
</tr>
<tr>
<td>Loan amount</td>
<td>136.7</td>
<td>136.7</td>
<td>100</td>
</tr>
<tr>
<td>Cofinancing</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Cumulative Estimated and Actual Disbursements, FY 2011

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal estimate (US$ million)</td>
<td>136.7</td>
</tr>
<tr>
<td>Actual (US$ million)</td>
<td>136.7</td>
</tr>
<tr>
<td>Actual as % of appraisal</td>
<td>100</td>
</tr>
</tbody>
</table>

Project Dates

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept review</td>
<td>09/02/2009</td>
<td>09/02/2009</td>
</tr>
<tr>
<td>Appraisal</td>
<td>12/13/2010</td>
<td>12/13/2010</td>
</tr>
<tr>
<td>Board approval</td>
<td>03/15/2011</td>
<td>03/15/2011</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>—</td>
<td>08/18/2011</td>
</tr>
<tr>
<td>Closing date</td>
<td>12/31/2011</td>
<td>12/31/2011</td>
</tr>
</tbody>
</table>

Staff Time and Cost (Bank budget only, US$ thousand)

<table>
<thead>
<tr>
<th></th>
<th>FY10 (including travel and consultant costs)</th>
<th>FY11 (including travel and consultant costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending</td>
<td>423,000</td>
<td>—</td>
</tr>
<tr>
<td>Supervision</td>
<td>—</td>
<td>141,000</td>
</tr>
</tbody>
</table>

— = not available.
## Appendix B: Operational Policy Matrix

<table>
<thead>
<tr>
<th>Strategic policy areas and main program objectives</th>
<th>10 Key Prior Actions for Development Policy Loan</th>
<th>Expected results and indicators (by December 31, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Improve the governance of the urban transport sector</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Establishment of an appropriate institutional framework in each large Moroccan agglomeration | 1. The Casablanca urban transport planning and management agency has become fully operational through (i) the adoption of a priority work plan and an adequate budget by its Board of Directors, (ii) the recruitment of technical experts, and (iii) the launching of comprehensive studies of bus network restructuring and traffic management. 3. The Urban Transport Division of the General Directorate of Local Governments of the Ministry of Interior has become fully operational through (i) the adoption of a priority work plan by the Director of Programming and Equipment of such Directorate and (ii) the recruitment of technical experts. | Efficient planning, coordination, and management of the urban transport sector in the Casablanca agglomeration  
**Indicator:** A clear plan is shared by all stakeholders for the restructuring of the bus route network of the agglomeration and this plan is well coordinated with the development of all other modes of transport. Baseline: no plan  
Target: substantial completion |
| Establishment of an appropriate national institutional framework to initiate and coordinate government actions in the urban transport sector | 2. The Minister of Interior has issued a Circular (*Circulaire*) dated October 14, 2010, establishing the National Commission on Urban Transport (CNDU). | Effective coordination of policies and programs among the main government departments involved in the urban transport sector  
**Indicator:** The CNDU meets at least twice a year to coordinate, monitor, and evaluate government actions in the urban transport sector. Baseline: none  
Target: two  
Effective central government support provided to local authorities on urban transport issues  
**Indicator:** Conventions have been signed by the Ministry of Interior and local governments to assist them—including with funding—for the preparation of municipal urban strategies and priority investment plans. Baseline: none  
Target: three large cities |
### APPENDIX B

| **Widespread and multilevel development of national expertise in the urban transport sector** | 4. The Ministry of Interior has carried out a training program for a core group of managers in the urban transport sector. | Sufficient urban transport expertise is available in the cities that have carried out or launched the preparation of their urban transport strategies and priority investment plans.  

**Indicator**: Number of trained experts and number of cities that benefited from the training program  
Baseline: None  
Target: 32 experts and 9 cities |
|---|---|---|

| **B. Improve the efficiency and increasing the supply of urban transport services and infrastructure** | 5. The contract between the concerned municipalities of the agglomeration of Rabat-Sale-Temara and the new operator of bus services, Stareo, has become effective on October 29, 2009.  

6. The following measures have been taken for restructuring the provision of bus services in the agglomeration of Casablanca:  
(i) signature of a convention between the municipality of Casablanca and the new operator of bus services, M’dina Bus, for the provision of a 200 million Dirham subsidy for the purchase of new buses and the implementation of a staff reduction plan;  
(ii) approval of a change in the capital structure of M’dina Bus;  
(iii) approval of an investment convention between the state and M’dina Bus; and  
(iv) issuance to the previous bus operators of a notice that their contracts were terminated. | Improved quality and quantity of bus services in the agglomerations of Rabat-Sale-Temara and Casablanca  

**Indicators**:  
Number of passenger seat-km supplied by Stareo and M’dina Bus  
Baseline: Rabat-Sale-Temara: 0; Casablanca: 1.9 billion  
Target: Rabat-Sale-Temara: 2.0 billion; Casablanca: 2.6 billion |
<table>
<thead>
<tr>
<th>Improvement of the regulatory and institutional framework for public-private partnerships</th>
<th>7. The Minister of Interior has issued an order (<em>Arrêté</em>) dated August 25, 2010, setting forth the selection process for public services concessionaires in accordance with Law 54.05, dated February 16, 2006, and the main stipulations of the concession contracts.</th>
<th>The procurement process for concessioning public transport services is in line with international best practice.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator: The selection of future public transport operators in large cities is fully competitive and transparent. Baseline: Not Applicable Target: All</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding of urban transport services and infrastructure</td>
<td>8. The Minister of Interior has issued a Circular (<em>Circulaire</em>) dated November 4, 2010, defining the eligibility criteria for state funding of urban transport investment projects.</td>
<td>Government financial support is allocated to those urban transport investment projects with superior economic and social returns.</td>
</tr>
<tr>
<td>Indicator: Percentage of the number of projects accepted for state funding that comply with the adopted eligibility criteria Baseline: 0 Target: 75 percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Improve the environmental and social sustainability of urban transport</td>
<td>9. The Ministry of Equipment and Transport has completed the restructuring of the vehicle inspection centers through the following measures: (i) signature of a contract with a third national operator providing support to the existing inspection centers, (ii) establishment of an automated electronic process for preparing the vehicle technical inspection reports, and (iii) award of a contract to a firm for auditing the vehicle inspection centers.</td>
<td>Effective vehicle inspection and monitoring systems are in place.</td>
</tr>
<tr>
<td>Indicator: number of visits for vehicle inspection, the report of which has been issued through the automated electronic process Baseline: 1,100,000 Target: 1,700,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **Improving accessibility for persons with limited mobility** | 10. The Ministry of Social Development, Family, and Solidarity, in consultation with relevant ministries, has adopted an action plan to improve the accessibility to urban transport of persons with limited mobility, and organized a national seminar to raise awareness and disseminate the action plan. | Accessibility for persons with limited mobility has been mainstreamed in urban transport projects and awareness has increased.

**Indicator:** number of cities that have included an accessibility component in their rehabilitation or improvement urban transport infrastructure projects
Baseline: 0
Target: 2 |
Appendix C: List of Persons Met

Washington, DC

World Bank
Jean-Charles Crochet (retired), Task Team Leader, Urban Transport DPL
Vikram Cuttaree, Task Team Leader, Program-for-Results Urban Transport Program

Rabat

Government of Morocco
Adelkrim El Amrani, Chargé de Mission auprès du Chef du Gouvernement,
Ministère des Affaires Générales et de la Gouvernance
Asmae Ibnattyya Andaloussi, Chargée de Mission auprès du Chef du Gouvernement,
Ministère des Affaires Générales et de la Gouvernance
Mohamed N’gadi, Chef de la Division des Déplacements Urbains et des Transport,
Direction Générale des Collectivités Locales, Ministère de l’Interieur
Samir Tazi, Directeur de la Privatisation et des Entreprises Publiques,
Ministère de l’Économie et des Finances
Azeddine Lakbakbi El Yaagoubi, Chef de Service de la Banque Mondiale, Direction du
Budget,
Ministère de l’Économie et des Finances

World Bank
Marie Françoise Marie-Nelly, Country Director
Nabil Samir, Transport Specialist

Agence Française de Développement (AFD)
Anne Isambert, Chargée de Mission

Deutsche Gesellschaft für Internationale Zusammenarbeit GMbH (GIZ)
Soukaina Eit El Quadi, Conseillère Technique Jr, Programme CoMun

Casablanca

Casa Transports
Youssef Draiss, Directeur Général
Aziz Berrahou, Directeur des Etudes et du Développement

M’Dina Bus
Othmane Benani Dakhama, Directeur des Opérations et Suivi Budgétaire
Mehdi Safouane, Directeur d’Exploitation des Etudes et du Développement
Appendix D: Borrower Comments

The Borrower did not provide comments.