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Public sector governance reforms and ‘advanced regionalization’ in Morocco:  
What role for the European Union?

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## **BORDERLANDS: Boundaries, Governance and Power in the European Union's Relations with North Africa and the Middle East**

Challenging the notion of Fortress Europe, the BORDERLANDS research project investigates relations between the European Union and the states of North Africa and the Mediterranean Middle East (MENA) through the concept of borderlands. This concept emphasises the disaggregation of the triple function of borders demarcating state territory, authority, and national identity inherent in the Westphalian model of statehood. The project explores the complex and differentiated process by which the EU extends its unbundled functional and legal borders and exports its rules and practices to MENA states, thereby transforming that area into borderlands. They are connected to the European core through various border regimes, governance patterns, and the selective outsourcing of some EU border control duties.

The overarching questions informing this research is whether, first, the borderland policies of the EU, described by some as a neo-medieval empire, is a functional consequence of the specific integration model pursued inside the EU, a matter of foreign policy choice or a local manifestation of a broader global phenomenon. Second, the project addresses the political and socio-economic implications of these processes for the 'borderlands', along with the questions of power dynamics and complex interdependence in EU-MENA relations.

Funded by the European Research Council (ERC) within the 7<sup>th</sup> Framework Programme, the BORDERLANDS project is hosted at the Robert Schuman Centre for Advanced Studies, European University Institute, and directed by Professor Raffaella A. Del Sarto.

For more information: <http://borderlands-project.eu/Home.aspx>



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## **Abstract**

This paper examines the recent, current and potential future role of the European Union in Morocco, especially with regard to public sector governance reforms under the ‘Hakama’ programme, and ‘advanced regionalization’. Based on several interviews with key EU officials in Rabat and Brussels as well as other key informants in donor organizations and academia and a thorough review of primary and secondary written materials, this paper first takes stock of the implementation of regulatory convergence under the ‘Advanced Status’ agreement. It then analyzes the ‘Hakama’ program and past twinning projects as a potential tool to further the EU’s influence, arguing that the EU’s approach of ‘more for more’, where financing disbursements are made conditional on concrete policy reform measures means that it can only push reforms slowly and with limited influence. However, this may be exactly what it wants to do at the current juncture: given its primary concern with stability, particularly post-Arab uprisings, the EU does not want to rock the boat while seeking to still pursue its interests – migration control, anti-terrorism cooperation, economic benefits, all through the effort of ‘exporting the EU order beyond the border’, though with mixed results. Morocco for its part is much less dependent on the EU than it used to be as it has more leverage on the migration and security fronts, and also because many other donors are available who are happy to fund under less stringent conditions. It can thus afford to pick and choose. In this context, the cautious approach regarding the advanced regionalization issue can be explained, as all of these factors mean that the EU does not seem to have a clear plan or vision on what to do or whether it is worth doing anything.

## **Keywords**

European Union, Morocco, advanced regionalization, public sector, governance, twinning



## Introduction<sup>1</sup>

This paper first reviews the current status of EU-Morocco relations, especially with regard to the implementation of regulatory convergence under the ‘Advanced Status’ agreement, and then focuses on the EU’s role in furthering public sector reform, particularly in the areas of budget and tax reform, as well as its potential future role in support of the ‘advanced regionalization’ agenda. While there is a large body of literature on the history and nature of EU democracy promotion in Morocco and other Southern neighbours (see for example Bicchi 2014, Lavenex and Schimmelfennig 2011, Maggi 2013, Mouhib 2014, Pace 2009, Reynaert 2011, Schumacher 2015, Teti 2012, van Hüllen 2012, Volpi 2010), relatively little has been written about these issues so far.

The paper will argue that the EU’s approach of ‘more for more’, where financing disbursements are made conditional on concrete policy reform measures means that it can only push reforms slowly. Morocco on the other hand, is not in a hurry at all to implement EU-funded reforms, mainly because it is much less dependent on the EU than it used to be, for various reasons which will be explained later on.

Rather than debating whether the EU’s relationship with its southern borderlands can be classified as either purely realist or normative (see Limam and Del Sarto 2015: 2 for a short review), this paper supports the argument that ‘the EU usually proceeds through a combination of both realist and normative policies.’ (ibid., p. 2). Both coercion/conditionality and norms diffusion are used in the European Neighbourhood Policy (ENP) towards Morocco and the earlier conclusion of the Association Agreement.

To give a brief background to EU-Moroccan relations,<sup>2</sup> the EU-Moroccan Association Agreement was signed in 1996 (and entered into force in 2000) in the framework of the Euro-Mediterranean Partnership (EMP), beefed up by the European Neighbourhood Policy (ENP) since 2004. Since then, Morocco has been regarded as a privileged EU partner in the Maghreb, and was granted the title of Advanced Status in 2008. This probably had more to do with recognizing Morocco’s efforts in thwarting irregular migration and drug trafficking into European countries than the EU’s confidence in Morocco’s intention and ability to make economic and political progress (Bertelsmann Stiftung 2009: 22). Indeed, being the first southern Mediterranean country to enjoy such status has provided the Moroccan monarchy with increased (symbolic) leverage domestically and regionally, even if substantial concessions in the fields of strategic interest for Morocco, such as agricultural trade liberalisation, human mobility or financial assistance were not to be introduced until 2014 (Colombo 2011:11). By 2011, Morocco was the largest recipient of EU aid in the Mediterranean, with €654 million earmarked for the period 2007-10 (Kausch, 2009: 166 cited in Colombo 2011: 11). A new EU-Morocco Action Plan was formally adopted in December 2013, including the Program “Succeeding the Advanced Status” (with a budget of €180 million), through which the EU supports the development of a National Convergence Plan in view of a possible accession to the EU internal market. Aid volumes have increased substantially, from an average of €4.7 per inhabitant in 1995-2006 to more than €8 per inhabitant and year during the EU financial period 2014-2020. Morocco's gradual integration into the internal market of the EU through legislative and regulatory convergence is arguably still the main objective in EU-Morocco relations, and negotiations for a *Deep and Comprehensive Free Trade Agreement* (DCFTA) were launched in 2013.

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<sup>1</sup> Research for this paper was conducted in the framework of the BORDERLANDS Project, funded by the European Research Council under grant agreement number 263277. The project is directed by Raffaella A. Del Sarto and hosted at the European University Institute, Robert Schuman Centre for Advanced Studies, Florence. The author is very grateful to Raffaella Del Sarto for her invitation to contribute this paper and for her guidance. Thanks are also due to two anonymous reviewers for their insightful comments which helped to substantially improve the argument of the paper.

<sup>2</sup> This section is based on [http://eeas.europa.eu/morocco/index\\_en.htm](http://eeas.europa.eu/morocco/index_en.htm) consulted on 22 February 2016 and Martín 2014.

At the time of writing (July 2016), EU-Morocco relations were in limbo.<sup>3</sup> The European Court of Justice invalidated the 2013 agricultural and fisheries trade deal with Morocco<sup>4</sup> on 10 December 2015 in response to a suit filed by the Polisario Front back in 2012 which had challenged the inclusion of the disputed territory of the Western Sahara. The ruling was clearly considered by Rabat as challenging the sovereignty of the country. On 25 February 2016, the Moroccan government announced the suspension of relations with EU institutions, including its delegation in Rabat.<sup>5</sup> The EU Council of Ministers has filed an appeal to the Court, with the outcome expected later in 2016. A visit by Federica Mogherini, High Representative of the European Union for Foreign Affairs and Security Policy in early March, as well as a mix of pressure and concessions from the EU Commission and individual member states such as France, Spain and Belgium led to the agreement between the EU and Morocco to restart diplomatic contacts on 17 March. However, it is not clear whether the political dialogue in the association council as well as negotiations on the DCFTA will re-start soon.<sup>6</sup>

Indeed, the suspension of contacts at the working level seems to have been effective as of December 2015 already, and some parts of the Moroccan government are still hesitant to work with the EU even after the decision to revive relations in March. This means that there are now significant delays in terms of payments and new financial commitments, as well as in the implementation of existing and the negotiation of future programs.<sup>7</sup>

### **Implementing the Advanced Status to achieve regulatory convergence**

Before the crisis in relations starting in December 2015, the EU and Morocco were working on a new Action Plan, and Morocco produced a paper on governance and the rule of law which was appreciated by the EU.<sup>8</sup> Yet question marks remained about whether the paper reflected a genuine will to implement the 2011 Constitutions' progressive provisions on these matters, or whether it was just for 'show'. Morocco would probably like to keep receiving the considerable amounts of aid it used to get from the EU annually. However, due to the crisis, it seems that Morocco has been left behind in terms of negotiating the next phase of the ENP compared to the other countries in the region (such as Tunisia, Algeria, Jordan, Lebanon, and Egypt). The current single support framework (*cadre unique d'appui*) was adopted in 2014 and runs till 2017 (with an indicative bilateral allocation of between €728 and 890 million<sup>9</sup>), and the EU is keen to start discussing the priorities for the next one running

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<sup>3</sup> This is in addition to several crises in EU member states' bilateral relations, e.g. in April 2015, Sweden ordered an internal review of its position regarding the Western Sahara which led to Morocco blocking the opening of the first IKEA store in the country, and boycotting other Swedish companies, until mid-January 2016 when the Swedish Foreign Minister announced that Sweden would not recognise the territory as an independent state. French-Moroccan relations have also suffered tensions in recent months.

<sup>4</sup> The agreement was negotiated in February 2011 and provisionally applied until December 2011, when the European Parliament rejected it due to its perceived violation of international law. In December 2013, the European Parliament approved a renewed EU-Moroccan fisheries agreement, which, according to critics, still does not respect international law provisions, does not exclude the waters of the Western Sahara coast, and on which the Sahrawi population were not consulted during the negotiation process (see Limam and Del Sarto 2015: 13, footnote 69).

<sup>5</sup> <http://uk.reuters.com/article/uk-eu-morocco-westernsahara-idUKKCN0VY273> accessed on 3 May 2016.

<sup>6</sup> Interview with civil servant in the European Commission in Brussels, 8 April 2016, and comment by anonymous reviewer. Of course, even when relations are good, several months (or years) can pass from one negotiation round to the next in the case of important deals (comment by anonymous reviewer).

<sup>7</sup> Interview with civil servant in the European Commission in Brussels, 8 April 2016.

<sup>8</sup> Interview with civil servant in the European Commission in Brussels, 8 April 2016.

<sup>9</sup> With a sectoral breakdown as follows: Equitable Access to Basic Social Services (30%), Support to Democratic Governance, the Rule of Law and Mobility (25%), Jobs, Sustainable and Inclusive Growth (25%), and Complementary Support for Capacity Development and Civil Society (20%). See 'Single Support Framework, Morocco 2014-2017, Summary', available at: [http://eeas.europa.eu/enp/pdf/financing-the-enp/morocco\\_2014\\_2017\\_summary\\_of\\_the\\_programming\\_document\\_en.pdf](http://eeas.europa.eu/enp/pdf/financing-the-enp/morocco_2014_2017_summary_of_the_programming_document_en.pdf).

till 2020. Apart from the EU delegation in Rabat which coordinates budget support and co-financing programs in the areas of health, justice, growth and competitiveness, vocational training, public sector governance reforms, as well as renewable energies (with the European Investment Bank and the German KfW), other Directorate Generals within the EU Commission are eager to continue work on migration, climate change, and the DCFTA negotiations. The latter have been stalled since July 2014 due to Moroccan fears of negative impacts on its economy. Furthermore, the EU's support to implementing Morocco's Advanced Status, called 'Succeeding the Advanced Status II' (*Réussir le Statut Avancé II, Maroc* – RSAII) in the total amount of €87 million (mostly in the form of budget support) was approved in 2013 and signed at the end of 2014, but the EU has not yet received the request for the first phase financing. As mentioned earlier, the central idea under RSAII is to support the regulatory convergence between the Moroccan legal framework and the EU's "*acquis*".<sup>10</sup>

The initial EU-Morocco Action Plan 2013-2017 (Council of the European Union 2013: 3) to implement the Advanced Status states quite vaguely that the 'regulatory convergence could take the form of 1) a total gradual adoption (*'reprise'*) of the *acquis* in certain sectors, in the short or long term; 2) the adoption (*'transposition'*) of a part of the *acquis*, or 3) the adoption (*'reprise'*) of the main principles of the *acquis* or good practices in a given domain. It also says that at the end of the first two years of the Action Plan (i.e. by end 2015), the Moroccan government would adopt a 'national regulatory convergence programme with the EU' to determine the priorities, scope and rhythm, as demanded by the King's Throne Speech in 2010. However, this has not happened yet. Tellingly, in the section 'fundamental values', the EU's 'Action File' on the RSAII (p. 3) asserts that 'Morocco is a constitutional monarchy whose evolution towards an increasingly liberal and democratic system seems assured in recent years, even if progress still needs to be made.'<sup>11</sup> The same document (p. 4) says that 'regulatory convergence is not an end in itself, but represents an important means to increase Morocco's competitiveness and its economic growth'. And perhaps rather ominously, it goes on to point out that the regulatory convergence will bring about socioeconomic transformations which will have redistribution and resource reallocation effects whose social impacts need to be 'managed' (*'maîtrisé'*) to ensure their sustainability (ibid., p. 4). However, the fundamental belief in market and trade liberalisation as the main drivers of "inclusive" economic growth is not questioned at all.<sup>12</sup>

In Morocco, the three main actors involved in dealing with the regulatory convergence are the General Secretariat of the Government, the Ministry of Foreign Affairs and Cooperation, and the Ministry of the Economy and Finances. Under the first programme to support the implementation of the Advanced Status (RSAI), a special unit was created with six civil servants charged with the technical implementation of the regulatory convergence process, and dedicated focal points were appointed in all sectoral ministries. Launched in 2012, the RSAI programme included €70 million for budget support for convergence measures in six sectors (industrial norms, maritime transport, fisheries, sanitary and phyto-sanitary norms, employment and social protection, and water) leading to new laws and regulations (for example law 12-06 on industrial normalisation, certification and accreditation). The process was further supported with capacity building through technical assistance and twinning. However, in a rare instance of using self-critical language, the EU acknowledges (in the same 'Action File' on the RSAII) that these activities have been carried out in an isolated manner, outside of any strategic and structured regulatory convergence framework, and generally devoid of any

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<sup>10</sup> This paragraph is based on an interview with a civil servant in the European Commission in Brussels, 8 April 2016; a document with the overview of 'engagements' i.e. financial commitments in 2014 and 2015; and document entitled 'Annexe 2 à la décision d'exécution de la Commission approuvant le programme d'action annuel 2013: Fiche d'Action pour le Programme 'Réussir le Statut Avancé II, Maroc' "RSA II"', both received from the same official by e-mail. All translations from French language are the author's own.

<sup>11</sup> Document entitled 'Annexe 2 à la décision d'exécution de la Commission approuvant le programme d'action annuel 2013, Fiche d'Action pour le Programme 'Réussir le Statut Avancé II, Maroc' "RSA II"', p. 3

<sup>12</sup> See also Teti (2012: 278) for a similar analysis of the EU's *Partnership for Democracy and Shared Prosperity*, published on 8 March 2011 by the EU Commission.

ex-ante feasibility and ex-post impact monitoring. In the document, the EU also admits that these initiatives are dependent on the initiatives of the ministries concerned and their impacts are not well known. In order to address these issues, the allocations for technical assistance were almost doubled in the RSAII compared to RSAI. What is more, the various tranches of the RSAII funds would only be released when certain conditions would be met: the general conditions include satisfactory progress in the regulatory convergence process, and satisfactory macro-economic policy, public financial management, and budget transparency and control, to be evaluated in yearly reports; the specific conditions refer to the effective governance of the regulatory convergence process as measured by performance indicators ('Action File' on the RSAII, pp. 5, 9, 10, 17).

The fact that no disbursement has yet taken place under the RSAII suggests that Morocco prefers not to receive or can do without EU funds which come with detailed indicator matrices outlining the targets that need to be reached before new tranches are released. Indeed, with regard to the total EU financial support to Morocco between 2009 and 2014, the ratio between committed funds and actual disbursements has been reversed since 2011, resulting in dramatic disbursement lags especially in 2013 and 2014, and the total difference between committed but undisbursed funds reaching 417.7 million over the entire period (see Table 1 below).

**Table 1: EU financial support to Morocco including amounts committed under ENPI (European Neighbourhood and Partnership Instrument, 2007-2013) and ENI (European Neighbourhood Instrument, 2014-2020) (in EUR million) and actual disbursements**

	2009	2010	2011	2012	2013	2014	Total
Amount committed	145	158.9	166.6	207.0	334.9	218.0	1230.4
Actual disbursements	200.7	170.1	151.5	110.1	84.1	76.2	812.7

Source: European Commission 2014a: 64, European Commission 2015: 60-61

In terms of sectoral allocations, a comparison between EU support before the Arab Spring (2007-2010) and after (2011-2013) reveals a substantial increase in institutional support and a decrease in the economic sector, while expenditures in the social sector remained important. Support to governance and Human Rights only increased moderately and remained at modest levels (see Table 2 below).

**Table 2: A comparison of sectoral allocations of EU financial support (actual expenditures)**

Sector	2007-2010 (in percentages)	2011-2013 (in percentages)*
Social Sector	44.6	31.9
Governance, human rights	1.1	7.8
Institutional support	12.5	43.6
Economic sector	35.1	10.3
Environmental sector	6.7	6.4

Source: European Commission 2014a: 64.

\*This does not include the amount allocated through the SPRING programme.

The observed lag between committed and disbursed funds illustrates the point made by Bicchi for the entire European Neighbourhood and Partnership Instrument (ENPI) (2014: 319), that 'while the recent policy initiatives are often summarized with the motto 'more for more' (more reforms will bring more concessions from the EU), the picture of the ENP in the post-Arab uprisings context is rather 'less of the same', as the same principles are applied and less funds are disbursed against a worsening

socioeconomic context in a volatile political and economic environment'.<sup>13</sup> Bureaucratic delays due to new programmes and procedures partly explain this gap in spending, as well as the fact that important conditions attached to the funds have not been met on the ground (e.g. the organic laws to implement the 2011 Constitution in Morocco – see below), thus 'leaving the EU with little option but not to spend' (ibid., p. 327, quote on p. 328). In addition, the EU programming cycle means that funds committed in one year will take 3-4 years to spend as tendering and contract negotiation processes tend to be lengthy (ibid., p. 328 and interview with civil servant in the European Commission in Brussels, 8 April 2016).

Although officially there is not yet any information on the future priorities in EU-Moroccan relations due to the diplomatic crisis<sup>14</sup>, and the planned ENP review has also suffered delays, it is clear that Morocco can afford to take its time as the EU, and certain member states such as France, Spain and Belgium in particular, depend much more on its cooperation than Morocco on theirs, especially in the fields of anti-terrorism and intelligence cooperation, migration, and other security-related issues.<sup>15</sup>

Indeed, although the EU has expressed a new assertiveness in threatening to suspend aid if reforms were not implemented,<sup>16</sup> Morocco is seen by the EU as a solid rock in a stormy sea which it is in its own interest to support. This has to do with the fact that Morocco's Arab Spring was very short: a protest movement made up of cross-ideological coalitions of many existing civil society organisations but also a large number of previously unaffiliated youth erupted in February 2011 (calling itself the February 20 Movement – F20M), demanding greater social justice and a reform of the constitution, among other things. Only a few months later, on 1 July 2011, the new constitution was adopted in a popular referendum, and by January 2012, a new government coalition was in power, led by the Islamist Justice and Development Party, following parliamentary elections in November 2011 (see Bergh 2013). It is fair to say that the entire process was one of 'guided change' from above, i.e. by King Mohamed VI and his entourage, in order to minimize the social upheaval which to some extent was aimed at rocking the foundations of the monarchy (for details, see Bergh and Rossi-Doria 2015, Zardo and Cavatorta 2016: 10ff.).<sup>17</sup> Although it did not significantly reduce his powers, King Mohammed VI's reform was welcomed by EU officials. European reactions hardly showed any sympathy with the February 20 movement and EU institutions were not ready to support it, preferring to keep funding the same elitist and palace loyal NGOs that lacked legitimacy in the eyes of the F20M members. However, within the EU, there was a divide between southern and northern EU member states, with the former blocking all attempts by the latter to convey a message that reforms were not being implemented (Youngs 2014: 98, 111). In addition, as Youngs (2014: 123) points out, 'the Western Sahara conflict militated against European pro-reform support.'

While some EU member states governments, and some civil servants in the EU Commission have doubts about the real substance in the new laws that have in the meantime been passed to implement the 2011 Constitution (see below), currently the general assessment seems to be that Morocco is doing

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<sup>13</sup> See also Limam and Del Sarto (2015: 7-8) for details of the EU's approach since 2011.

<sup>14</sup> But see EU Commission 2015 for the annual action program 2015 and 2016 (first part).

<sup>15</sup> Interview with civil servant in the European Commission in Brussels, 8 April 2016, and interview with official at the Konrad Adenauer Foundation, Rabat, 19 January 2016. On Moroccan anti-terrorism cooperation with Spain, see Reinares and Garcia-Calvo (2015) cited in Zardo and Cavatorta (2016:12). According to an informal interview with a staff member at the German Heinrich Böll Foundation, the EU has lost a lot of its appeal and credibility in terms of human rights discourse due to its harsh treatment of Syrian (and other) refugees. Young Moroccans increasingly look to other regions such as Canada in terms of where they would like to live and work.

<sup>16</sup> Limam and Del Sarto (2015: 1, 11) argue that Morocco's formal acceptance of the Mobility Partnership in June 2013 (which puts a heavy burden on Morocco without many tangible returns) was a result of the EU's Ambassador expressing such a threat, but Zardo and Cavatorta (2016: 12) caution that this should be seen mostly as a diplomatic victory at the rhetorical level given that implementation may not follow as conceived in the official documents.

<sup>17</sup> Youngs (2014: 75) states that 'behind the scenes, French and Spanish officials [...] were in close contact with the palace to advise on and nudge along the extent of reform under Morocco's new constitution'.

much better than most other countries in the region, certainly compared to Tunisia where security concerns weigh heavily on reforms processes. The King is perceived to be quite modern (especially when compared with the Moroccan Islamist prime minister) and to be using the EU's conditionalities to nudge the civil servants towards undertaking administrative reforms.<sup>18</sup> Overall, it seems that the EU is back to the same logic as before the Arab Spring in which (regime) stability is considered of utmost importance, and the increase in human rights violations are hardly mentioned at all.<sup>19</sup>

Thus, while the post-Arab Spring ENP consisting of a 'new partnership for democracy' and a 'new response to a changing neighbourhood' emphasized the need for democratic transformation and good governance principles more generally, it quickly became clear that the EU would continue to cooperate with authoritarian governments and push its neo-liberal economic agenda (Del Sarto 2016: 226). Indeed, as Lavenex and Schimmelfennig (2011) argue, with regard to EU democracy promotion, the EU keeps pursuing the 'governance model' which is less overtly political: 'Because democratic governance rules come as an attachment to material policies, do not target change in basic structures of political authority, and focus on the administration rather than societal actors, they are less likely to arouse suspicion and opposition by third country governments' (ibid., p. 900).<sup>20</sup> This point is illustrated by the EU's support to the 'technical' governance reforms under the Hakama programme and the emphasis placed on institutional twinning projects.

### **Supporting 'technical governance' reforms - the Hakama programme**

The Hakama (the Arabic word for 'public governance') program is aimed at increasing the effectiveness, efficiency and quality of public services through a more effective and equitable mobilisation of public finance and a better performing and transparent public and in particular, budgetary, management. It extends over four years (2013-2017) with a grant of €75 million, mostly in the form of budget support (whereof one fixed tranche is released upon signing the agreement, and three further variable tranches after that). A top-up amount of €9 million was agreed under the SPRING programme.<sup>21</sup> This is relatively modest in comparison with the two loans by the World Bank (First and Second Transparency and Accountability Development Policy Loans, Hakama I and II) in the amount of \$200 million each,<sup>22</sup> and the African Development Bank's support of €121 million for the same program, with joint identification and follow-up missions (and an agreement to jointly manage certain tax reform components with the IMF).

Before the Hakama program, the EU and the World Bank also cooperated in extending financing for public sector reform programs in Morocco, and in carrying out joint Public Expenditure and Financial Accountability Assessments. The Hakama program's three main priorities are, first, to support the budget reform and the implementation of the new Organic Finance Law. This was mentioned in the 2011 Constitution and is meant to shift the entire government administration to a system of performance-based budgeting with increased transparency at all stages of the budget cycle. Second, to improve the relationship between the government administration and the citizen based on

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<sup>18</sup> Interview with civil servant in the European Commission in Brussels, 8 April 2016.

<sup>19</sup> Informal talk with civil servant in the European Parliament's DG for External Policies of the Union, Brussels, 8 April 2016. See also Bertelsmann Stiftung (2016: 28, 30) and Isaac (2015b: 50).

<sup>20</sup> For a discussion of the EU's support to civil society through the European Instrument for Democracy and Human Rights (EIDHR) in Morocco, see Mouhib 2014. For an excellent analysis of the EU's human rights and rule-of-law promotion in Morocco, see Großklaus and Remmert (2016).

<sup>21</sup> See European Commission 2014b.

<sup>22</sup> In addition, the World Bank's New Governance Framework Implementation Support Project (a US\$4 million grant from the MENA Transition Fund) is supporting Hakama on three pillars: citizen engagement policies, budget reforms, and local finance reforms including transfers and capacity building (Interview with World Bank official in Rabat, 19 January 2016; and World Bank 2013a).

the Public Service Charter called for by the Constitution (article 154). This includes the (draft) laws on access to information, fighting corruption, legislative motions, and the citizen's right to petition, among others. Third, support to the reform of the tax administration. Two institutional twinning projects are planned to further this aim.<sup>23</sup>

As the passing of the Organic Finance Law was one of the general conditions attached to the release of the first financing tranche, the EU had to wait until this finally happened in June 2015. An internal assessment dated December 2015 regarding the general condition linked to national policy concluded that it had been fulfilled so a part of the funds have been disbursed then, while on other aspects such as the implementation of the action plan and training on the new organic finance law, progress has been lacking and therefore some amounts have not yet been disbursed.<sup>24</sup>

Given that the budget and tax reform processes were on the agenda long before the Arab Spring, I agree with Maggi's (2013:34) argument that 'switching towards less targeted financial assistance through budget support, the EU has limited leverage to promote policy change beyond adaptation of reforms that are already on the agenda of domestic actors.' In Morocco, the government's legislative plan for the period 2012-2016 foresaw the adoption of a total of 243 legal texts, including 21 organic laws, in order to implement the new constitutional provisions (World Bank 2015: 12). The EU (and other donors providing budget support) are thus to some extent held hostage by the Moroccan speed of reform, as the release of funds is conditioned by reaching certain indicators or triggers in the form of passing of laws, implementation of action plans, or organizing trainings. Morocco is thus seriously – if slowly - implementing a series of important public sector reforms, but the real impact of these reforms remains to be seen, e.g. to what extent the shift to performance-based budgeting will result in improved quality of public services.

### **Twinning projects in Morocco – a French-Moroccan affair?**

Turning now to a brief discussion of the EU's twinning program in Morocco, while at first glance the figures seem promising (see table 3 below), the recent crisis in EU-Morocco relations has also put a hold on the on-going twinning projects which are only resuming slowly now.

**Table 3: Overview of Twinning projects with Morocco, 2005-2016**

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Sub-Total
2	2	5	4	0	2	5	8	1	1	7	1	38
In addition to these 38 projects, there were four unsuccessful projects (one circulated in 2010, two in 2014, and one in 2015. The latter is with the Directorate General of Taxes under the Hakama program). So the total number of twinning projects is 42, including 8 ongoing projects.												

Source: Author's compilation based on a file received from civil servant at the European Commission, 8 April 2016 (with a list of all Twinning projects (untitled and undated)).

<sup>23</sup> See Union Européenne, Délégation auprès du Royaume du Maroc (undated), document entitled 'Fiche Action Maroc – Hakama (Gouvernance)', pers. comm. from civil servant in the European Commission in Brussels, World Bank 2014, and World Bank 2015.

<sup>24</sup> Document entitled 'Hakama – Décembre 2015 – dossier de décaissement – évaluation de la permanence de la politique sectorielle', pers. comm. from civil servant in the European Commission in Brussels, and interview with ibid. On 8 April 2016. See also European Commission (2014b: 11) for the disbursement conditions of the Hakama top-up programme.

A newsletter indicating the Twinning projects pipeline for January-June 2016 lists 11 projects, including the three ‘unsuccessful’ ones of 2014 and 2015.<sup>25</sup> However, according to the civil servant in charge of the TAIEX<sup>26</sup> and Twinning Programs, these will be delayed till the end of 2016, and no new requests have been received since December 2015. While EU staff mainly blame the diplomatic crisis for this state of affairs, it could also be the case that the EU lacks the political will to promote them effectively. It also seems to be increasingly difficult to find Resident Twinning Advisors (RTAs) - in for example the French government administration - willing to live in Morocco for two years, despite the excellent salary and other benefits.<sup>27</sup>

While TAIEX is designed for a maximum of five days expert mission or a conference in the beneficiary country or a study visit to a European Union member state, a Twinning project lasts for between 6 and 34 months (though commonly for two years) and involves a much more complex selection procedure. A Resident Twinning Advisor (RTA), i.e. a civil servant in one of the EU member states, will be seconded to a Moroccan Ministry for two years in order to accompany the ministerial department concerned in drafting a new law or policy or redesigning its organizational structure. The Twinning project is fully financed by the European Commission. The selection of the partner country (or countries, as it is possible to have senior and junior partners) lies with the beneficiary country, with the EU delegations in the country and the Commission in Brussels only having observatory roles.<sup>28</sup> France has been awarded by far the most Twinning projects in the European Neighbourhood Instrument (ENI) South region, and this is evident in the case of Morocco too: out of 39 projects for which the name for a leading country is given, 26 are with France as the senior partner and only one case where it is junior partner, with Spain, Italy and Germany leading most of the remaining projects.<sup>29</sup> This could be due to language reasons, or probably more likely, the fact that there have historically been close relationships with the French government administration, and many Moroccan civil servants have studied in France. In fact, ‘only France and Spain still apply for twinning projects in the Maghreb; the other member states don’t bother anymore.’ (Interview with civil servant at European Commission, 8 April 2016). This undermines to some extent the statement by an official at the EU delegation in Rabat who maintained that ‘the added value of the EU in twinning projects is to bring in the diversity of European experiences, compared to a bilateral donor.’<sup>30</sup>

From the Moroccan side, there could also be a financial incentive at play here, given that the total budget for the 42 twinning projects for Morocco during 2005-2016 amounted to €41.3 million.<sup>31</sup> As Del Sarto (2016: 220) points out, ‘Brussels pays, or contributes to, the salaries of dozens of government officials in ENP states, who are in charge of co-ordinating the EU’s training activities’. Most importantly however, twinning is explicitly aimed at exporting the EU’s *acquis communautaire* by training the administrative elites of neighbouring countries on practices adopted in the EU or at least in the EU member state(s) involved in the twinning project concerned (Del Sarto 2016: 220). And as Freyburg (2012: 2) argues, twinning can be seen as a means through which procedural elements of democratic governance find their way into administrative practices and legal provisions. Further research will have to be conducted to test this theory of change for the more recent twinning

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<sup>25</sup> Document entitled ‘European Neighbourhood, Twinning News Near, European Neighbourhood Twinning Projects Pipeline for first semester 2016 from January to June 2016’, received from civil servant at European Commission, 8 April 2016.

<sup>26</sup> TAIEX is the Technical Assistance and Information Exchange instrument of the European Commission.

<sup>27</sup> Interview with civil servant at European Commission, 8 April 2016.

<sup>28</sup> Interview with civil servant at European Commission, 8 April 2016.

<sup>29</sup> European Commission: TAIEX and Twinning Activity Report 2014 and file received from civil servant at the European Commission, 8 April 2016 with a list of all Twinning projects (untitled and undated).

<sup>30</sup> Interview with official at EU delegation in Rabat, 20 January 2016

<sup>31</sup> Author’s calculation from the data given in the overview file received from civil servant at EU commission on 8 April 2016.

projects in Morocco (and especially those that will be undertaken in the context of the Hakama program), but see Maggi (2016: 132ff.) for evidence on the twinning projects' influence on privatization reforms.<sup>32</sup>

### **Looking ahead – the EU's potential support to 'advanced regionalization'**<sup>33</sup>

A major aspect of the 2011 Constitution is decentralisation reform, called 'advanced regionalization', enshrining the principles of administrative autonomy of local governments (*libre administration des collectivités locales*), and subsidiarity (chapter 9, articles 135-146). This has been on the domestic agenda before Morocco's Arab Spring, and is arguably driven by the need to settle the Western Sahara issue (see below).<sup>34</sup> The Consultative Committee on the Region (*Commission Consultative de la Régionalisation* -CCR) was appointed by the King in January 2010 and its recommendations came out in early 2011 (CCR 2011). Many of them were integrated in the text of the new Constitution. However, although negotiations were held behind closed doors without a substantive societal debate and without taking into account the suggestions from civil society organisations, it took until July 2015 before the new organic laws on the region, province, and commune (municipality) were passed by parliament and published in the '*Bulletin Officiel*', and their official French translation was delayed until February 2016 (Hoffmann 2015: 5).

The regionalization agenda was informed by analytical work financed by the World Bank and the EU (see details below). The main features of this reform can be categorised into three areas: governance issues, finance, and regional planning.<sup>35</sup> As for the first, the number of regions was reduced from 16 to 12, with directly elected regional assemblies (they were previously indirectly elected). The regions' own competencies have been substantially expanded and include economic development, vocational training and employment, non-farming rural development, regional transport, culture, environment, spatial planning and development, and partnerships. Similarly, shared and transferable competencies have been expanded and clarified, although the principle of subsidiarity mentioned in the 2011 Constitution has not been applied by the organic laws. The transfer of sector specific competencies will be managed through contracts with the state, enabling to differentiate between the regions based on their priorities and capacity. The regional *wali* (appointed by the King, representing the Ministry of the Interior) no longer holds budget spending powers, and will no longer be the counterpart for donors, but has been replaced in these functions by the (elected) president of the regional assembly. Fourth, although there is still a *tutelle*, i.e. supervision/approval rights by the *wali*,

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<sup>32</sup> It is interesting to note that the World Bank seems to have copied the EU's twinning approach, and has used it to support the reform of the organic finance law in Morocco (with a twinning project with the French Ministry of Finance and contracting Canadian experts). This can be explained by the fact that the person in charge of public sector reform at the World Bank office in Morocco was previously working on twinning projects for the European Commission in Tunisia. According to him, he made it into a 'bankish twinning' model by keeping the positive aspects in the EU model and making it less rigid in managerial terms. As the World Bank is not bound to select advisers with an EU nationality only, they could look globally and invite experts also from Canada and Peru. Apparently the WB worked with the team who implemented performance budgeting in France from 2001-2006, but rather than having a permanent RTA, these experts would only come to Morocco for a few days now and then, which in the eyes of the official working at the EU delegation does not constitute a proper twinning project (World Bank 2015: 18, interview with World Bank official in Rabat on 19 January 2016, and interview with official at EU delegation in Rabat on 20 January 2016).

<sup>33</sup> Unfortunately, and despite several attempts at identifying and getting in touch with the person in charge of this issue at the EU Delegation in Rabat (most recently in September 2016), it was not possible to obtain more information about the underlying motivation for why the EU wants to support this reform area. In general terms, it seems that the EU wants to help with decentralisation reforms to ensure better targeting of public policies and budgets (Interview with official at the EU delegation in Rabat, 8 September 2016).

<sup>34</sup> See Suárez Collado and Ojeda García (2015) on the linkages, and BTI (2016: 27) for more background on the dispute.

<sup>35</sup> See Bouabid and Iraki 2015 for an excellent review of decentralisation in Morocco, including an analysis of the weak pre-reform status of regions in Morocco.

it is lighter than before, and the regional assembly's decisions can only be contested by the executive on legal grounds before the administrative tribunal. The organic law also foresees the citizens' right to petitions and to influence the regional council's agenda. The regional councils are obliged to respond to petitioners and to publish the minutes of the council meeting and its decision on the eligible petitions. This is expected to build citizens' trust in their new regional governments and to foster a more participatory local development process, also addressing the demands of the protest movements who mobilized in 2011 (World Bank 2015: 25-26; Hoffmann 2015; Interview with World Bank official in Rabat on 19 January 2016; Interview with (male) faculty member at INAU in Rabat on 21 January 2016).

Second, in the area of finances, the intergovernmental transfers to the regions will increase 10-fold over 10 years, and will be subject to the new legal framework for local governments which enshrines programmatic budgeting, performance management, and financial controls, in parallel with the reforms at the national level (World Bank 2015: 25-26). An 'Inter-regional Solidarity Fund' has been established (though the allocation criteria were only published in December 2015), along with a 'Social Improvement Fund'. It seems that the Ministry of the Interior tried to get a big chunk from deconcentrated sectoral/line ministries budgets but this was politically difficult with ministers and regional council presidents from different political parties. As a World Bank official pointed out (interview on 19 January 2016 in Rabat), this reflects the fact that the Ministry of the Interior was concerned about losing influence in the regions (with the powers of the *wali* being reduced) and tried to get some of this influence back through getting hold of financial resources from line ministries.

Third, in terms of regional planning, the regional councils who were for the first time directly elected in the September 2015 elections, are deciding on their own 2016 budgets and 6-year Regional Development Plans (RDPs), based on programming contracts with the Ministry of the Interior, and deconcentrated sectoral ministries (though not all sectoral ministries have regional offices yet). Regional Project Implementation Agencies will be established under the leadership of the president of the regional assembly in order to manage the regional projects and to strengthen the implementation capacity of the regional governments, but details on funding are still unclear (and the question remains of how to convert the existing Regional Development Agencies for the North, South and Oriental regions).<sup>36</sup> Interestingly, the region does not have any authority over the provinces and communes – the three separate organic laws (deliberately?) leave room for confusion, power struggles, ambiguity, and interpretation. This may allow the King to play the role of arbiter between various power centres and interests.<sup>37</sup> However, the organic law specifies that the RDPs will determine the development plans at the other levels. In the 2015 Organic Law on the commune, the former 'Municipal Development Plan' is now called 'Commune Action Plan' which could imply that the commune's role is no longer strategic but only to execute (regional development) plans.<sup>38</sup> In addition, and contrary to the expectation raised in the Constitution about increased popular participation, the participatory planning aspect of the former 'Municipal Development Plan' has been abolished.<sup>39</sup>

More generally, the 'advanced regionalization' system still retains some of the centralized features of the state that were inherited from the French protectorate, but seems to have been inspired also by the Italian, German, and Spanish models, and the global trends towards decentralisation and participatory local democracy more generally.<sup>40</sup>

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<sup>36</sup> Interview with official at UNDP, Rabat, 20 January 2016.

<sup>37</sup> Interview with (male) faculty member at INAU, Rabat, 21 January 2016.

<sup>38</sup> Interview with official at UNDP, Rabat, 20 January 2016.

<sup>39</sup> Interview with (male) faculty member at INAU, Rabat, 21 January 2016.

<sup>40</sup> Interview with (female) faculty member at INAU, Rabat, 18 January 2016; Interview with official at CoMun (GIZ), Rabat, 20 January 2016.

While the Consultative Committee on the Region (CCR) was the dominant actor in formulating the details of the reform, the regionalization agenda was also informed by analytical work financed by the World Bank and the EU. This included the MENA local governance policy review (World Bank 2007), the policy note on decentralization and devolution in Morocco prepared in 2009 (World Bank 2009), and a diagnostic study and technical assistance on the fiscal transfer and equalization system carried out in 2013-2014. The latter (a highly confidential document) apparently provides international benchmarking and recommendations for the sequencing of the fiscal decentralization reform. Indeed, it seems that the World Bank's advice was taken on board by the CCR leading the Moroccan government to change the sequencing of the reform by first focusing on the organic laws governing the three levels of local government (detailing their mandates and resources), hold elections, and only then revise the current transfer and equalization system (Interview with World Bank official, Rabat, 19 January 2016; World Bank 2015: 17, 29-30). According to the official at the EU delegation in Rabat, the EU has funded study visits to among others Italy to study the relationship between the central government and local authorities, as well as a study on various models of deconcentration in European unitary states which seems to have been very useful for the Ministry of the Interior, although it is difficult to gauge the precise extent of the EU's policy influence on the text of the organic laws.<sup>41</sup>

In terms of the underlying rationale, it is clear the Moroccan reforms are not resulting from a popular demand for regional autonomy based on regional identity as is the case in several EU member states (except perhaps for Berbers in the North), but rather from the need to give the same offer of autonomy as for the Western Sahara to all regions, also in order to strengthen the Moroccan position in the international negotiations on the issue.<sup>42</sup> Getting external support for the recognition of Morocco's claim on the territory of the Western Sahara has historically been seen as crucial to regime legitimacy and even survival (Bertelsmann Stiftung 2009: 19; Reifeld 2014: 104; Willis 2009: 233).

Apart from (co-)financing some analytical studies and organizing study visits, the EU has thus so far not supported decentralisation/regionalization per se (in contrast with the UNDP who launched its AGORA program in 2013, anticipating the need for competent human resources at the regional level, and the World Bank<sup>43</sup>). Instead, according to an official in the EU delegation in Rabat, the EU preferred to wait for the CCR report to come out and not interfere in what is perceived as a 'sovereign dossier'.<sup>44</sup> According to another official there, the financing agreement was supposed to be signed in 2016 but due to the delays on the Moroccan side with implementing this reform, this has been postponed until 2017.<sup>45</sup> Another likely reason is probably that there are many bilateral and multilateral donors who are very keen to support the 'advanced regionalization' reform through the department in charge of local authorities at the Ministry of the Interior (known by its acronym, DGCL). However, internally, the department faces power struggles and differences of opinions between an older and younger guard regarding the implementation of the organic laws (and how to deal with the legal ambiguities mentioned earlier), and thus prefers not to have donors involved until the situation has settled down and the internal debate has led to some agreements.<sup>46</sup> Previously, the DGCL received substantial amounts of donor funding to support the implementation of the 2002 and 2009 Municipal

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<sup>41</sup> Interview with official at EU delegation in Rabat, 20 January 2016.

<sup>42</sup> See Reifeld 2014 for a discussion of the 'Projet Marocain d'Autonomie' for the territory of the Western Sahara.

<sup>43</sup> See [http://www.ma.undp.org/content/morocco/fr/home/operations/projects/democratic\\_governance/agora/](http://www.ma.undp.org/content/morocco/fr/home/operations/projects/democratic_governance/agora/). (accessed on 18 January 2016). The World Bank's US\$4.55 million grant for a Local Government Support Program (PACT) started in 2013 and focuses on working with units in the DGCL to design the setup for local single window support centers for local governments as well as inter-municipal cooperation structures and new Public Asset Companies. It is due to end in 2018 (see World Bank 2013b).

<sup>44</sup> Interview with official at the EU delegation in Rabat, 20 January 2016.

<sup>45</sup> Interview with official at the EU delegation in Rabat, 8 September 2016.

<sup>46</sup> Informal interview with a German independent consultant, Rabat, 21 January 2016; interview with (male) faculty member, INAU, Rabat, 21 January 2016; Interview with official at CoMun (GIZ), Rabat, 20 January 2016.

Charters (from USAID, Canada, France<sup>47</sup>, Spain, the World Bank, UNPD, and others<sup>48</sup>) but according to a faculty member at the INAU, accepting donor funds at this point in time would amount to undue interference by outsiders in Moroccan internal affairs. By accepting the funds, the DGCL would allow the donors to co-define many of the points on which there is not yet agreement internally and the DGCL would be held accountable to them. As he put it, ‘aid would have the smell of interference’. Donor funds may also open up more overtly political implementation channels which may not be favored by the King and the Ministry of the Interior, such as the Association of Regional Presidents.<sup>49</sup>

Previously, the EU has supported the National Initiative for Human Development (INDH; for a critical analysis, see Bergh 2012), worked with some communes in the North, and conducted a Twinning program with the *Agence de développement du Nord*.<sup>50</sup> According to an internal document outlining the preliminary thoughts on support for ‘integrated territorial development’,<sup>51</sup> the mission in charge of developing the EU’s support programme in this area found that the ‘advanced regionalization’ reform is at best still ambiguous with regard to the scope and extent of local autonomy, which is manifested in a ‘continued confusion’ [sic] between local planning and the ‘territorialisation’ of national (development) plans. Reducing local development to the localisation of national policies is being critiqued as neglecting the potential of local authorities to mobilize a large range of resources that are specific to each territory (such as social capital and generally all the human, physical, financial, political, institutional and cultural resources), and which could be used to respond to the needs of and in partnership with local communities and the private sector. The EU therefore argues for the need to develop a system of sub-national planning which would be both distinct from but articulated with the system of national planning of the central administration. Such a system would include and support both the planning process of autonomous local authorities and efficient horizontal and vertical coordination mechanisms of these local plans with those of the other local authorities, and other planning units. Among the guiding principles for the EU’s future support are a greater responsabilisation of the commune within the framework of ‘advanced regionalization’. This would be done by making the EU’s support part of the country’s rural development strategy. The emphasis is thus on bottom-up, community-driven development but within the legal framework of the advanced regionalization reform. The document goes on to say that this approach could be tested in a pilot region. Furthermore, the financing of local development initiatives could be done through contractual agreements between the Rural Development Fund (*Fonds de développement rural*, FDR) and the communes. Finally, the document asserts that it is not desirable that the EU would make a financial contribution to the FDR given that it has sufficient own resources (the King has promised 50 billion Dirham which is about €5 billion). Although the text is not very clear on this point, it seems that EU support would be limited to €50 million as part of the national budget allocation to the FDR. If this is the case, it would underline the point made earlier, namely that the EU’s capacity to influence Morocco is quite low since Morocco does not depend on the EU to carry out the reforms it wants.<sup>52</sup>

While there is no space here to discuss the domestic political dynamics around the FDR<sup>53</sup>, it seems that the EU is not planning to work squarely with the regionalization agenda (as in that case, it would

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<sup>47</sup> See Bouabid and Iraki (2015: 82ff) for details on the support to decentralisation programme (PAD) by the French development cooperation (€11 million between 2005-2009). They argue that the DGCL used this project mainly to finance its own modernization rather than support local authorities.

<sup>48</sup> See DGCL 2012 for details – the EU is not mentioned in the overview of donors supporting decentralisation reforms.

<sup>49</sup> Interview with (male) faculty member, INAU, Rabat, 21 January 2016.

<sup>50</sup> Interview with official at EU delegation in Rabat, 20 January 2016.

<sup>51</sup> Document received in pers.comm. from the civil servant at EU delegation in Brussels, 8 April 2016.

<sup>52</sup> Comment by anonymous reviewer.

<sup>53</sup> In October 2015, the Islamist (PJD) Prime Minister Benkirane decided that the minister of agriculture (Akhannouch) should be in charge of the FDR rather than the Minister of Finance, Boussaid, who belongs to the RNI party. In fact, the PJD wanted parliament to amend the budget law so that the Fund would come under the direct authority of the prime

have targeted its support to the regions rather than the communes) but rather is looking for a 'back door' to support rural development at the commune level via the FDR. Perhaps doing so is also a way to avoid having to deal with the (as of yet unresolved) ambiguities between the various levels of local government, as well as with the DGCL itself, or to avoid any activity that could be perceived as touching on the Western Sahara issue.<sup>54</sup> Indeed, local governance is a sensitive topic if it is not presented as a technical exercise; for example, the GIZ's CoMun programme (to create thematic networks of municipalities<sup>55</sup>) produced a training film on politicians' perceptions of civil society and vice versa which was banned by the Ministry of the Interior because it did not involve the 'right' politicians (though the official reason was that they did not have the proper permits to film).<sup>56</sup> Given that donors are also increasingly irritated at the DGCL's secrecy about their partnerships with other donors (and not keen on putting them in touch with each other) and its practice of 'shopping around' for the best offers, they increasingly work with NGOs or local politicians on these issues.<sup>57</sup>

According to an official in the EU delegation in Rabat (interview on 20 January 2016), EU support on this matter could also take the shape of a twinning agreement. It will be interesting to see which communes will be targeted. Based on interviews with several representatives of bilateral and multilateral donors and a review of relevant websites, it seems that donor coordination in the area of decentralisation and advanced regionalization is virtually absent, despite commitments made in the 2005 Paris Declaration on Aid Effectiveness. Every donor seems to have 'chosen' one or several geographical region(s) where they have worked in the past and/or have good contacts, and there are tacit agreements to respect these choices. For example, the UNDP's AGORA program is largely based on the previous ART Gold program in terms of the regions it is targeting.<sup>58</sup>

Ultimately, donor influence in the area of advanced regionalization, including that of the EU, will be limited mainly to national-level reforms. At the local level, the real extent of decentralisation will depend on the local dynamics, i.e. pre-existing institutional capacities, resources, as well as the political weight of the regional assembly president and his relationships with the *wali* and other officials representing the central state.<sup>59</sup>

## Conclusions

From the review of EU-Morocco relations with regard to funding levels and conditionalities presented in this paper, we can conclude that the EU is cautious and slow in pushing reforms. Morocco for its part does not seem to be in a hurry at all to implement EU-funded reforms – with the EU's apparent acquiescence. There are three main reasons for this: first, the EU's primary concern with stability, particularly post-Arab uprisings; second, the EU's lofty ambitions to nevertheless provide funding and to also introduce some sort of conditionality and accountability – which in practice means that Morocco gets to set the pace of reforms; and third, and perhaps most importantly, the fact that Morocco is much less dependent on the EU than it used to be – because of migration, anti-terrorism

(Contd.) \_\_\_\_\_

minister, but this did not go ahead. There are speculations that this is due to the PJD wanting to strengthen its presence in the rural areas ahead of the 2016 legislative elections. See: <http://www.marocbuzz.com/fr/2015/10/26/fonds-de-developpement-ruralboussaid-vole-au-secours-dakhannouch-pour-le-ministre-rniste-des-finances-le-chef-du-gouvernement-ne-pouvait-pas-ne-pas-etre-au-courant-reper/> (accessed on 3 May 2016).

<sup>54</sup> According to Mouhib (2014: 363), the EU delegation in Rabat earlier excluded a project in favor of human rights promotion in the Western Sahara which was proposed for EIDHR funding.

<sup>55</sup> See <http://www.co-mun.net/maroc>, accessed 18 January 2016.

<sup>56</sup> Interview with official at CoMun (GIZ), Rabat, 20 January 2016.

<sup>57</sup> Interview with official at CoMun (GIZ), Rabat, 20 January 2016 and with official at the Konrad Adenauer Foundation in Rabat, 19 January 2016.

<sup>58</sup> Interview with official at UNDP in Rabat, 20 January 2016.

<sup>59</sup> Interview with (male) faculty member at INAU, Rabat, 21 January 2016.

and other issues, and also because so many different potential donors are available, which are happy to fund with less stringent conditions. For example, EU funding levels are low compared to Gulf assistance funds to Morocco which amounted to a \$5 billion allocation in 2011 (through to 2017) to developmental projects (Isaac 2015a: 264, BTI 2016: 28).<sup>60</sup> In other words, Morocco may pick and choose. In this context, the cautious approach regarding the advanced regionalization issue can be explained, as all of these factors mean that the EU does not seem to have clear plan or vision on what to do or whether it is worth doing anything.

The EU is however rather coherent in its efforts not to rock the boat while seeking to still pursue its interests – stability, migration control, anti-terrorism cooperation, economic benefits, all through the effort of ‘exporting the EU order beyond the border’, with mixed results. Similarly important is the question of leverage and interdependence here – with Morocco apparently having quite a say and space of maneuver in the current situation.

Through the Hakama program, the EU has had some influence on the reform of the organic budget law and the budgeting guidelines and practices more generally as well as tax reform, but given its close cooperation with the World Bank in this area, it is difficult to define the precise extent of its influence. The same is true for the aid spent under the ‘Succeeding the Advanced Status’ programs, as strong M&E systems are lacking.<sup>61</sup>

This paper thus confirms the more general findings by Richard Youngs (2014: 219ff.) for the Moroccan case, i.e. that the EU policies’ impact on the reforms triggered by the Arab Spring in various countries of the southern Mediterranean was marginal, and that ‘where reform remained blocked, European policy was not assertive or unequivocal enough to neutralize regimes’ resistance.’ (ibid, p. 220). Rather, and as we have seen in this paper with regard to the reforms under the Hakama programme and as will potentially be the case with its support to advanced regionalization, the EU only had some identifiable impact on “technical” governance issues<sup>62</sup> (ibid, p. 222). We can thus expect that despite – or perhaps even because of – the Arab Spring, the role of the EU will continue to be limited to ‘assisting in the realization of already planned reform processes without actively shaping the outcome’, as Maggi (2016: 137) found for the EU’s earlier support to privatization reforms.

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<sup>60</sup> Another strategic partner for Morocco is of course the US. According to BTI (2016: 28), the US initiated a “Bilateral Strategic Dialogue, focusing on security issues” with Morocco in 2012, with Bilateral Foreign Assistance amounting to around \$35 million per year. In addition, Morocco benefits from U.S. regional aid programs such as the Middle East Partnership Initiative. The bilateral relationship is particularly strong in areas of military and law enforcement cooperation (Thompson and McCants (2013: 1-2) cited in Zardo and Cavatorta (2016: 12).

<sup>61</sup> In addition, the OECD has emerged as a new player in Morocco, with a two-year country programme having been signed in June 2015 consisting of 17 policy reviews, adherence to nine OECD legal instruments and reinforced participation in nine OECD bodies. It is built around three main policy areas: economic growth and competitiveness, social inclusion and public governance. It remains to be seen to what extent these activities will be coordinated with those of the EU Commission.

<sup>62</sup> By this, I mean governance issues that are framed as “technical” rather than political problems or challenges, which therefore require “technical” solutions.

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