

Governance reform of Moroccan Urban Public Transport Sector: Current state and Perspectives

Zehmed Karim and Jawab Fouad

High School of Technology (HST)

Sidi Mohamed Ben Abdellah University (SMBAU)

PB 2427 Imouzzer Road 30000 ,Fez, Morocco

zehmed.karim@gmail.com, jawabf@gmail.com

Abstract

The Urban Public Transport (UPT) is an essential service in view of its socio-economic effects and therefore ensuring efficient and effective delivery is a priority for most governments at both the local and national levels. The Moroccan UPT sector has a range of organizational, social, economic, financial and environmental issues. In this paper, we will focus on the governance issues to the extent that governance is a set of institutional, organizational and regulatory framework to organizing, coordinating and governing the urban public transport sector. The main aims of this paper are to analyze the current UPT governance arrangements in large Moroccan cities, to describe the reforms initiated by Moroccan government and discuss its main results, and to describe the target governance model of UPT and presents the progress of the measures taken to achieve it.

Keywords

Governance Model, Governance Reform, Urban Public Transport, Institutional Organization, Regulatory framework

1. Introduction:

Due to the fundamental changes underway in the Moroccan economy and society, urban growth and the resulting continuous spread of cities, the demand for urban mobility has sharply risen during the last years. In this context, urban transports now represents an important part of the economy of agglomerations and household spending. They also play a vital role in the lifestyle of urban populations. However, the performance of the urban transport sector is far below what it should be for the sector to contribute fully to the country's economy and social development. The most notable shortcomings of the sector are as follows (Crochet and Leyvigne, 2008):

- *Low modal share of public transport:* Due to a very low real offer, poor coverage of agglomerations, and insufficient quality of service, public transport does not respond well to the population's demand for travel, especially the poorest. The crisis of public transport is reflected in the financial difficulties of the delegated companies, the concentration of private concession operators on the most profitable lines, and the development of large taxis well beyond the economic logic.

- *A significant development of car travel:* Car trips (private cars and taxis) have increased significantly in Moroccan cities, making traffic conditions mostly difficult during peak hours and threatening the economic capital, Casablanca, with a real engorgement. As a result, people's access to services and economic activities is greatly reduced, and accidents, air pollution, and other nuisances are steadily increasing in cities.

- *Walking remains the dominant mode of transport in Morocco:* Despite the continuous spread of Moroccan cities, walking now accounts for more than half (54%) of urban trips, and this for sometimes very important routes.

The deficiencies presented above stem from fundamental problems that are found in many emerging countries. These problems are the institutional barriers, Organizational and management problems of public transport and inadequacies of the road network and the weaknesses of traffic and parking management.

In this paper, we will focus on the public transport issues, in particular the governance issues to the extent that governance is a set of institutional, organizational and regulatory framework to organizing, coordinating and governing the urban public transport sector. The main aims of this paper are to analyze the current UPT governance arrangements in large Moroccan cities, to describe the reforms initiated by Moroccan government and discussing its main results, and to describe the target governance model of UPT and presents the progress of the measures taken to achieve it.

The rest of this paper is organized as follows: First, we will present the organizational context of urban public transport services in Morocco, and then we will address the governance issues in the sector. Next, we will describe the first reforms and their results. Finally, we will outline the target governance model and the progress of the measures taken to achieve it.

2. Urban public transport services organization in the Moroccan context

2.1 The institutional framework

The municipalities (Cities), alone or in the framework of inter-municipal cooperation entities, are in charge of urban public transport, with the support and supervision of the central government. Indeed, the Organic Law N° 113-14 attributes to the municipality a proper competence in the creation and management of public services and facilities necessary for the provision of local services in different areas, including urban public transport. The Ministry of Interior (MoI), through the General Directorate of Local Governments (GDLG), is the line ministry of the sector. It is responsible for the support and supervision of urban transport activities in urban areas in addition to the design, implementation and monitoring of specific measures taken at the State level to promote the sector. The Ministry of Economy and Finance, especially its Directorate of Budget, is in charge of the allocation of financial resources through the General Budget for the implementation of the sector's policies and initiatives. The Ministry of Urban Planning oversees the regulation of land use in urban areas that strongly influences urban development and urban transport. The Ministry of Equipment, Transport and Logistics can provide technical support on the implementation of urban transport projects if required.

2.2 Transport Modes and regulatory framework

Conventional buses currently provide the vast majority of public transport services in Moroccan cities. However, some major cities have introduced other modes of transport, namely Rabat and Casablanca, which put their light rail systems (Tramway) into service in 2011 and 2012 respectively. On other hand, the urban transport system also contains some less efficient modes such as shared taxis as well as the informal sector (illegal transport) in some instances. The regulation regimes for each transport mode is specified in the table below (table 1):

Table 1. Modes and regulatory framework

Urban public Transport Modes	Regulatory framework		Number of cities
	Regulatory regimes	Legal framework	
Conventional Buses	Concession service contracts	Law N° 54-05 on delegated management of public services	10
	Delegated service contracts		24
	Municipal-owned company	Public management	1
Bus Rapid Transit (BRT)	Delegated service contracts	Law N° 54-05 on delegated management of public services	1
Light Rail systems (Tramways)	Delegated service contracts	Law N° 54-05 on delegated management of public services	2
Collective Taxis (5 to 6 places)	Licence agreements	Ministry of interior/National Transport Commission	Present in almost large cities
Informal sector	Illegal transporters		

3. The public transport issues: focus on governance weaknesses

The Morocco's urban transport sector does not serve its population and economy as well as it should. The deficiencies of public transport services, the rise of congestion and traffic accidents are the main symptoms of this poor performance. The principal public transport problems are the inadequate supply and quality of services, the inadequacy of social sustainability and the inefficiency of intermodal transport.

The above-mentioned issues of urban mobility in general and public transport services in particular are due to structural shortcoming in governance, funding and investment. These weaknesses are often interrelated and their joint effects are greater than the sum of all (World Bank, 2015). We will focus only on the issues of urban public transport governance. They are described below around the two main weaknesses namely: Institutional coordination and capacity weaknesses and regulatory framework gaps.

3.1 Institutional coordination and capacity weaknesses

Institutional coordination at the local level continue to be deficient despite the introduction of the inter-municipal cooperation entities since the amendment of the former Municipal Charter in 2009 and their confirmation by the new organic law n° 113.13 relating to municipalities in 2015. This is because the required institutional arrangements for these entities have not yet been widely adopted and are not completely functional. At the agglomeration level, except for a few instances, there is a lack of formal and effective urban transport management and planning agencies to coordinate urban transport when needed. Moreover, different entities, especially ministries, regions, and other public entities may take measures, separately or through informal cooperation with cities, to tackle urban transport issues, each within their own competency (World Bank, 2015).

The capacity to manage the urban public transport sector at both central and local levels remains insufficient. The central government capacity to supervise the sector and to plan and implement technical support programs for the cities is still a work in progress. The Division of Urban Mobility and Transport within the MOI's General Directorate of Local Governments (GDLG) has sufficient capability and expertise to provide technical guidance to cities in preparing urban mobility master plans. However, its staffing is inadequately scaled to its expanding responsibilities. The MOI lacks a centralized monitoring and evaluation (MandE) system and other tools to manage the sector (World Bank, 2015).

At the local level, most cities have limited implementation capability due to the lack of experienced technical staff, despite training initiatives that proved worthwhile but limited in scope. Moreover, municipal services in charge of urban transport are in most time preoccupied with operational and administrative tasks. They lack experience in managing complex projects and large contracts with the private sector.

3.2 Regulatory framework gaps

Public transport services in Morocco are mostly provided by delegated services contracts or concessions from cities to private operators. Since 2006, the framework for private provision of public transport services has been governed by the law on delegated management of public services (Law 54.05). This law is well conceived but needs to be strengthened in particular with regard to the procedures for selection of operators, the standard contracts, and the processes for contract supervision and management. Most operators are currently remunerated through net-cost contracts, where the operator retains revenues generated from users in exchange for the provision of a specified service. This situation imposes a substantial commercial risk on the private sector, given the absence of a level playing field in the competition with intermediate modes, such as shared taxis and the informal sector. Consequently, the sector suffers from financial unsustainability: most operators are currently unprofitable, causing occasional service lapses in some routes and frequent renegotiations of contract terms. Furthermore, most current public transport contracts in Moroccan cities were procured before Law 54.05 and are applied within a weak legal framework, usually without effective contractual stipulations on service quality nor any effective supervision by the public authorities (World Bank, 2011).

4. The First governance reform program

To cope with the growing difficulties in the field of urban mobility and, in particular, the inadequacy of public transport, the Moroccan government has decided to embark on a process of reform that began in 2006 and is ongoing until today. Adopting a participatory approach and with the technical assistance of World Bank, the Moroccan State have launched a national strategy of urban transport in 2008. This strategy have been accompanied with a short-and-medium term priority action program in 2011. The main objectives of this government program reform are to (i) improve the governance of urban transport sector, (ii) to improve the efficiency and increasing the supply of urban transport services and infrastructure, and (iii) to improve the environmental and social sustainability of urban transport.

4.1 The description of the measures to be taken

Improving the governance of the urban transport sector is one of the main objectives of the reform program undertaken by the Moroccan government. The reform of the governance of public transport services and infrastructures is very important since the public transport play a key role in the urban mobility. Hence, the first government reform contains some actions related to the governance reform of public transport in both central and local levels. In this section, we will describe only objectives and actions related to urban public transport Governance reform.

At national level, the establishment of an appropriate institutional framework to initiate and coordinate Government actions in the urban transport sector. This objective will be achieved through two actions. First, the establishment of an urban transport division within the General Directorate of Local Governments of the Ministry of Interior (MOI) in order to provide technical assistance to local governments, build capacity, manage MOI's support programs, and monitor and evaluate sector development. Second, The establishment of the National Urban Transport Commission (NUTC) including the Ministries of Economy and Finance, Equipment and Transport, and Housing and urban Development. The responsibilities of the NUTC will be to (i) coordinate the strategies of the participating ministries so far as they have an impact on urban transport and prepare specific measures to be taken at

the central level to promote the sector; (ii) review proposals submitted by local governments for financial support by the national budget; and (iii) monitor progress in the implementation of the Government's program for urban transport (World Bank, 2015).

At local level, the first objective is the establishment of an appropriate institutional framework in each large Moroccan urban area. This objective will be achieved through the establishment of urban transport planning and management agencies for each large urban area. These agencies would be responsible for preparation and monitoring of the cities' multimodal urban transport strategies, selection of investment priorities, organization and management of public transport, and traffic management and parking. The reform program has given the priority to the creation of this agency in Casablanca agglomeration (The largest Moroccan urban area). Then, to establish similar agencies in Morocco's other large urban areas, particularly the Rabat-Sale-Temara agglomeration.

The second objective is to improve the regulatory and institutional framework for public private partnerships. The delegated management of public services Law 54.05 provides a suitable legal framework for this despite it needs strengthening. For this, the government will address the remaining gaps of this legal framework especially by (i) the clarification of the procedures to select private service providers and the main stipulations of concession contracts, (ii) the development of model contracts, and (iii) the improvement of the procedures for management and supervision of such contracts by local authorities as well as development their capability to do so (World Bank, 2015).

4.2 Results of implementation

Given the failure in some actions implemented in national and local level like the establishment of an appropriate institutional framework to initiate and coordinate Government actions in the urban transport sector hindered by the non-operationalization of the NUTC and the establishment of an appropriate institutional framework in great Casablanca hindered by the dissolution of the AODU. The target outcome of improving the governance of urban transport sector has been only partially achieved.

4.2.1 The non-operationalization of the National Urban Transport Commission (NUTC)

Effectively, the Minister of Interior has issued a Circular dated October 14, 2010, establishing the National Urban Transport Commission (NUTC). To fulfil their duties cited above (section 3.1), the NUTC should meet at least twice a year but this did not materialize. The first (NUTC) meeting took place on May 23, 2012, and it has not met again. The NUTC did not become operational and thus did not perform any of its designated functions because it did not have the convening power or legitimizing authority to prevail over the multiple ministries and local governments to harmonize and oversee their urban transport programs.

4.2.2 The Division for Urban Mobility and Transport (UMT) grew sufficiently strong and assumed many of NUTC's designated roles.

The UMT's Division was established in the MOI's General Directorate of Local Governments. With World Bank support for its institutional strengthening, DUMT soon became the focal point for managing the government's urban transport programs, notably the fund dedicated to the preparation of urban transport master plans. In addition to centrally collecting and disseminating urban transport sector information, DMUT 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. Since the CNDU has ceased to operate, DUMT is expanding responsibilities now including oversight responsibilities for the recently established Urban Transport Fund and the development of a monitoring and evaluation (MandE) system for the urban transport sector.

4.2.3 The dissolution of the urban transport planning and management agency of Casablanca

The urban transport planning and management agency was effectively created in July 2008 under the French name of "The Autorité Organisatrice des Déplacements Urbains du Grand Casablanca (AODU)". AODU had become partially operational in 2009 through a work plan, a budget, a core group of technical experts, and some technical assistance. 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. In December 2011, the bus route network restructuring plan had been completed. However, 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. Currently, the Tramway Company Casa Transports is performing planning and coordinating roles for Greater Casablanca, which were originally assigned to AODU.

4.2.4 The procurement process for outsourcing public transport services needs to be tested in practice.

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 concessionaires, 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.

5. The urban public transport governance: Towards a new model

Given the failure in implementing some governance action reform as well as the remaining issues like the institutional capacity and coordination weaknesses and the regulatory framework gaps, central government officials, and city representatives have reached consensus on the need to experiment with a new governance model (see figure 1) for the planning and delivery of public transport services and infrastructure.

5.1 The institutional design of the new governance model

The institutional design of this model of governance has been presented and discussed by the Ministry of Interior on many occasions, particularly in the national urban transport days held in Casablanca in September 2013 and the CIVITAS Forum conference held in September 2014. Based on the case of The Rabat-Salé-Tamara Agglomeration, the ministry of Interior have developed the new governance model that is built on three key levels:

- **The strategic level**, which brings together local political decision makers (inter-municipal cooperation entities), State and other potential Stakeholders;
- **The tactical level**, which is based on a local joint-ownership company (municipally owned company) which responds to the orientations given by its shareholders (Stakeholders intervening at the strategic level) and assumes at least two essential functions:
 - Delegated project management for public transport infrastructures in own site;
 - Delegating authority for public transport (tram and bus);
- **The operational level**: public or private transport operators that could only assume the industrial risk linked to the operation of public transport services.

The principles and tools of the new model are:

- Adopt the appropriate perimeter to think about the issue of urban mobility, particularly through the creation of Agglomeration Groups (Inter-municipal cooperation entities) in agglomerations with a strong supra-municipal character (example of the Al-Assima Groupement created in 2011 for the Rabat-Salé-Temara agglomeration);
- Separate investment activities and operating activities in order to protect operators from commercial risk. For this, municipally owned companies can be created in the form of local joint-ownership companies.

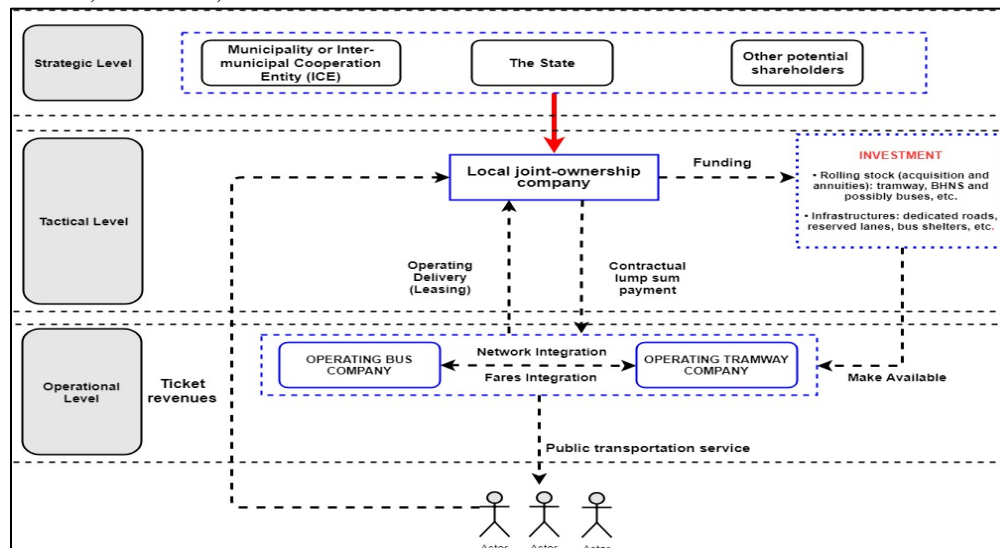


Figure 1: The target institutional design of the proposed governance model
Source: Adopted from (Boutayab, 2014)

5.2 The measures to be taken to achieve the new model

The strengthening of the institutional design of this governance model was among the priority objectives of the second reform program of urban transport launched by the government for the period 2016-2019. In addition to this objective, the reform program also aims to strengthening of the sector's sustainable financing mechanism and development of urban transport corridors to improve access of citizens to economic opportunities and social services. This reform program has also benefited from the technical and financial assistance of the World Bank in the form of a Program-for Results Loan (PfRL). The World Bank support program has been approved in December 2015.

The government's reform program addresses both the central and local levels: At the Central level, the reform program aims at strengthening central government's capacity to monitor the urban transport sector. At the local level, the objectives are to strengthening; (i) institutional coordination between cities at the agglomeration level; (ii) cities' technical resources to plan urban transport, (iii) cities' capacity to deliver and monitor infrastructure and services and (iv) contractual arrangements between cities and private operators.

5.3 Progress in the implementation of the reform program

Progress in implementing urban public transport governance reforms is measured by indicators developed by the World Bank as part of its financial support for the government's reform agenda. The disbursement of the loan depends on the achievement of the results that will be measured by these indicators. The objectives, results indicators, target values and deadlines as developed by World Bank are presented below:

The main Program Development Objective (PDO) of World Bank that related to Governance reform area in the government program is to strengthen the capacity of urban transport institutions to plan, implement and monitor infrastructure and services. The PDO indicator of this objective is the Number of cities (with more than 100,000 inhabitants) that improved their urban transport institutional assessment score by at least 10 percent. The target value of this indicator is to achieve 12 and 15 cities by the end of 2018 and 2019 respectively. Currently, and according to Results Report of The World Bank (Nakat and Salim, 2018), the number of cities is only six at March 2018 which constitutes only 50% and 40% of the expected results in 2018 and 2019 respectively. Broadly speaking, this result indicates that the progress to the new governance model is slow.

As regarding to first objective of the governance reform, which is strengthening central capacity to plan and monitor urban transport, the Intermediate Results Indicator is to have a strengthened MandE system for the urban transport

sector. The target value of this indicator is to have a revised MandE system that has been implemented in at least nine cities by the end of 2019. Currently, the system is in principle operational and deployed in at least three cities (Nakat and Salim, 2018).

At local level, the objective is to strengthened local capacity to plan, implement and monitor urban transport. The first Intermediate Results Indicator for this objective is the number of operational inter-municipal cooperation entities (ICE). The target value of this indicator is to have three operational inter-municipal cooperation entities by the end of 2019. Currently, these ICEs have been created in Rabat-Sale-Temara, Nador, Agadir and Casablanca. However, the ICEs of Agadir and Casablanca are the most operational ones (Nakat and Salim, 2018).

The second Intermediate Results Indicator for this objective is the number of urban mobility master plans prepared using a structured process and a participatory approach. The target value of this indicator is to have six and seven prepared master plans by the end of 2018 and 2019 respectively. At present, Masterplans have been finalized and approved in El Jadida, Oujda and Agadir cities. Others are being finalized in Fes, Safi and Kenitra cities.

The third Intermediate Results Indicator for this objective is the number of Operational municipally-owned urban transport enterprises. The target value of this indicator is to have for Operational municipally-owned urban transport enterprises by the end of 2018 and 2019 respectively. Currently, theses enterprises have been created in Marrakech, Agadir and Khouribga cities but are not all operational yet. The most operational one is in Marrakech.

6. Conclusion

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.

The urban public transport issues are partly the results of weaknesses in governance and a significant underinvestment in the sector. In this paper, we have highlighted the governance problems faced by the Moroccan urban public transport sector in particular the institutional coordination and capacity weaknesses and the lack of a regulatory framework. We also discussed the first reforms initiated by the Moroccan state to improve governance as well as the reasons for failure to implement certain reform actions. We finally describe the target governance model of UPT and presents the progress of the measures taken to achieve it.

References

- Boutayab, N.-E. *Quel rôle de l'Etat pour un transport public structurant dans les agglomérations marocaines ?* Presented at the I. Plenary session 2: The Structural Role of Public Transport in Urban Mobility | CIVITAS Forum Conference, Casablanca, September 2014. Retrieved from https://civitas.eu/sites/default/files/documents/day_2_plenary_session_ii_nour-eddine_boutayeb_0.pdf
- Crochet, J.-C., and Leyvigne, J. *Maroc - Secteur des déplacements urbains : Note de stratégie sectorielle*, No. 40199, pp.1–94, Washington, DC: The World Bank. 2008. Retrieved from <http://documents.banquemoniale.org/curated/fr/493761468054558670/Morocco-Secteur-des-deplacements-urbains-note-de-strategie-sectorielle>
- Nakat, E., and Salim, Z. *Disclosable Version of the ISR - Morocco Urban Transport Project (P4R) - P149653 - Sequence No : 04*, Implementation Status and Results Report No. ISR30536, pp. 1–0, Washington, DC: The World Bank, 2018. Retrieved from <http://documents.worldbank.org/curated/en/363931524574510686/Disclosable-Version-of-the-ISR-Morocco-Urban-Transport-Project-P4R-P149653-Sequence-No-04>
- World Bank. *Morocco - Urban Transport Sector Development Policy Loans Program*, Program Document No. 58010, pp.1–71, Washington, DC: World Bank. (2011) Retrieved from <http://documents.worldbank.org/curated/en/662331468274201499/Morocco-Urban-Transport-Sector-Development-Policy-Loans-Program>

World Bank. *Morocco - Program-for-Results Urban Transport Program Project*, Project Appraisal Document No. 101010, pp. 1–127, Washington, DC: The World Bank, 2015. Retrieved from <http://documents.worldbank.org/curated/en/917751468179088130/Morocco-Program-for-Results-Urban-Transport-Program-Project>

Biographies:

Zehmed Karim is a PhD student in Research Laboratory of International Management, Decision-making techniques and Logistic at the High School of Technology (HST), Sidi Mohamed Ben Abdellah University (SMBAU), Fez-Morocco. He holds a master degree in economics and management; He is interested in the field of governance and performance of urban public transport.

Fouad Jawab is a lecturer and researcher at High School of Technology of Fez, Sidi Mohamed Ben Abdellah University (SMBAU). Fez-Morocco. He's Director of the research laboratory in International Management, Decision-making techniques and Logistic (IMDLOG). He is interested in the fields of Logistic, Transport and Supply Chain Management.