



International
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Progress Report - MOROCCO

01/08/2021 – 31/12/2022

BUILDING SOCIAL PROTECTION FLOORS FOR ALL - PHASE II

Project Code (GLO/21/34/MUL)



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Donor: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Admin Unit: SOCPRO

Project title:	BUILDING SOCIAL PROTECTION FLOORS FOR ALL - PHASE II
Report type (pick one):	Annual
Reporting period:	From August 2021 to December 2022

Linkages:

Strategic Policy Outcome: Outcome 8: Comprehensive and sustainable social protection for all

Country Programme Outcome: MAR 127 Capacities of social security institutions are strengthened in order to improve and extend social coverage and the services provided

Sustainable Development Goal: SDG 1: End poverty in all its forms everywhere

Preparation and Review

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► ILO Global Flagship Programme on Building Social Protection Floors for All

Annual update 2022 – Morocco

1. Country context

Framework Law 09.21 on social protection, adopted on 15 March 2021, constitutes one of the most important developments in the extension of social protection in Morocco with the generalization of four benefits:

- The generalization of the Compulsory Health Insurance scheme, or Assurance Maladie Obligatoire (AMO), by the end of 2022, by broadening the base of beneficiaries of this insurance to include vulnerable categories benefiting from the Medical Assistance Scheme, or Régime d'Assistance Médicale (RAMED), and the category of self-employed and non-salaried professionals, so that an additional 22 million people benefit from AMO, which covers the costs of treatment, medicines and hospitalization.
- The generalization of family allowances by 2023/2024, enabling households not receiving these allowances to receive benefits covering child-related risks, or lump-sum benefits for protection against child-related contingencies (such as dropping out of school) for 7 million school-age children.
- Broadening of the pension scheme coverage in 2025 to include around 5 million people who are employed and not receiving a pension, through the inclusion of self-employed professionals and workers in the informal economy.
- The generalization of the unemployment benefit scheme, or Indemnité pour Perte d'Emploi (IPE), in 2025 to cover all persons in stable employment through the simplification of the eligibility conditions and the extension of beneficiaries.

The generalization of these four social protection branches is based on two elements: the extension of the contributory schemes and the subsidizing of contributions for people living below a determined income level. The Moroccan Government estimates that by 2025, the generalization of social protection will require a total annual budget equivalent to approximately 5 billion US dollars, of which 2.3 billion US dollars will be financed by the general State budget.

2. Progress report

Outcome: In Morocco: Enhanced knowledge of the ILO's stakeholders with the development of decision-making support tools and capacity-building on financing the extension of social protection

The overall objective of the Flagship Programme in Morocco is to support Government stakeholders and social partners to achieve the financial sustainability of the different components of the reform while ensuring the adequacy of benefits. To that end, the Flagship Programme's interventions have the following main objectives:

- Support stakeholders to identify and adopt financial options and mechanisms for ensuring a sustainable and comprehensive implementation of its social protection reform
- Enhance capacities of key stakeholders for financing social protection through knowledge transfer and training.

Early in 2022, the ILO conducted consultations with several Government stakeholders, UN agencies and development partners supporting the different axes of the reform to promote synergies and to streamline the activities of the Flagship Programme. In July 2022, the ILO began its support for the Government of Morocco in building capacity for the Government officials involved in the different key Ministries leading the social protection reforms. Trainings on social protection financing and on actuarial modelling took place, and the implementation of some social protection activities relating to the unemployment, health and family allowances branches commenced.

Complementing Framework Law 09.21, Decree law No. 2.21.532 of 29 November 2021 defined the governance of the implementation of the social protection reform and the coordination of the action of the public authorities with all the stakeholders concerned with the generalization of social protection. Two governance bodies have been created, namely the Ministerial Steering Committee for the reform of the social protection system, which is chaired by the Prime Minister; and the Technical Committee for following up on the reform of the social protection system, which is chaired by the Minister of Economy and Finance and who is in charge of the budget.

Through the “Building Social Protection Floors for All; Support to the 2nd phase of the ILO Global Flagship Programme (2022–2025) - GIZ contribution”, the ILO has since July 2022 engaged with Moroccan partners to support the implementation of the Framework Law 09.21.

Also since July 2022, the ILO has received two official requests from Moroccan key stakeholders for technical assistance in the implementation of the social protection reform: firstly, the Ministry of Economy and Finance submitted a request on 31 October 2022, articulated around three axes:

- "- Technical support for the implementation of an actuarial model specific to the Ministry of Economy and Finance, allowing the monitoring and ensuring the financial equilibrium of the social protection schemes, in particular with regard to the component related to health insurance;
- Carrying out studies on the cost and fiscal space for the following components: health insurance, family allowances and old age pensions;
- Capacity-building for executives and managers involved in the implementation of the above-mentioned social protection reform, in the areas of actuarial modelling and financing of social protection”.

Secondly, the Economic, Social and Environmental Council (ESEC), a tripartite institution, sent a request to the ILO on 16 November 2022, which included two parts:

- “- To request the technical support of the ILO in following up on the efforts of the Economic, Social and Environmental Council (ESEC) undertaken in the Referral Report 32/2021 on unemployment benefits (IPE), in particular the formulation of scenarios for the extension of the coverage of unemployment benefits (IPE), the development of an actuarial model specific to unemployment benefits (IPE) in Morocco, as well as the realization of an actuarial study based on this model. The results of this study can subsequently be submitted to the competent authorities.

- In addition, in order to pursue the objectives of the generalization of Framework Law 09.21 and also of Sustainable Development Goal 1.3, both of which are linked to the universalization of social protection, we would also like to avail ourselves of instruments for monitoring the extension of social protection through the Social Security Inquiry (SSI), as well as from training in the use of this ILO tool”.

a) Capacity-building activities

In response to requests, the ILO has undertaken a series of training programmes for national partners in the following areas:

- Social protection financing:

44 Moroccan officials were trained according to the following timeline:

September 2022: Online training of eight civil servants with the ILO International Training Center ILO-ITC (Ministry of Economy and Finance and Ministry of Health and Social Protection);

October 2022: Training at the Economic, Social and Environmental Council (ESEC) of 25 Moroccan officials (National Social Security Funds; Ministry of Economy and Finance; Ministry of Investment, Convergence and Evaluation of Public Policies);

October 2022: Training at the Ministry of health and Social Protection of 11 civil servants.

- Actuarial modeling:

36 Moroccan officials trained according to the following timeline:

October 2022: Training at the Economic, Social and Environmental Council (ESEC) of 25 Moroccan officials from the National Social Security Funds; Ministry of Economy and Finance; Ministry of Investment, Convergence and Evaluation of Public Policies;

October 2022: Training at the Ministry of health and Social Protection of 11 civil servants from the Social Protection Division.

- Health actuarial modeling:

Six Moroccan officials were trained according to the following timeline:

November 2022: Holding of a webinar on the ILO Health actuarial model with the participation of six officials from the Ministry of Economy and Finance.

- Unemployment benefit actuarial modeling:

36 Moroccan officials trained according to the following timeline:

October 2022: Training at the Economic, Social and Environmental Council (ESEC) of 25 Moroccan officials from the National Social Security Funds; Ministry of Economy and Finance and the Ministry of Investment, Convergence and Evaluation of Public Policies;

October 2022: Training at the Ministry of Health and Social Protection of 11 civil servants from the Social Protection Division.

Overall, more than 50 Government officials have been trained in different aspects of social protection programmes.

b) Family allowances

Jointly with UNICEF, the ILO has engaged with the Moroccan authorities in the calculation of different scenarios for the extension of family allowances using the ILO Rapid Assessment Protocol (RAP). The first draft of a report has been completed and another report concerning a fiscal space analysis for the financing of family allowances is also being drafted.

c) Unemployment benefits

In partnership with the Economic, Social and Environmental Council (ESEC), the ILO set up a team to deliver an actuarial valuation of unemployment benefits. A first multi-stakeholder meeting was scheduled to place in January 2022. The ILO team was composed of a senior actuary and two social protection specialists and recruited an international actuarial consultant specialized in unemployment benefits and a national actuarial consultant.

d) Advocacy on social protection extension

Several ILO officials, including the Director of the ILO's Social Protection Department, promoted the extension of social protection floors and the universalization of social protection during the World Social Security Forum in Marrakech, October 2022.

3. Collaboration and partnerships

In implementing the Project, the ILO mainly collaborated with the Economic, Social and Environmental Council (ESEC), which is a tripartite institution, the Ministry of Economy and Finance in charge of the financing of the social protection reform and the Ministry of Health and Social Protection, which has social protection as part of its mandate.

4. Challenges and actions

The main challenge encountered is in stimulating social dialogue, including among Government institutions. It is important to initiate a national dialogue informed by cooperation in the various studies on the reform of the social protection system and with collective support.

5. Summary and outlook

The project undertakes two types of activity:

The ILO works towards the improvement of financial tools for use in decision making regarding social protection. It is anticipated that these tools will be used in the identification and adoption of financial options and mechanisms that ensure a sustainable implementation of the social protection reform. This goal is to be realized through the development of an actuarial model adapted to unemployment insurance in Morocco and through the production of an actuarial study on unemployment benefits (IPE), and through joint efforts with UNICEF that contribute to the to the formulation of a costing tool for family allowances.

These activities are go hand in hand with strengthening the capacity of the Government and social partners in financing social protection through knowledge transfer and training in the following areas: training in unemployment insurance actuarial techniques and application of the ILO unemployment

insurance model, adapted to unemployment benefits (IPE); training on the ILO actuarial model for health insurance; training in actuarial techniques for old age/retirement insurance; and training on international social protection standards - in particular the ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102) which has been ratified by Morocco.

Both types of activity are necessary for achieving a successful implementation of the extension of social protection as planned in Framework Law 09.21.