



International
Labour
Organization

Progress Report – Morocco

01/01/2023 – 31/08/2023

ILO GLOBAL FLAGSHIP PROGRAMME ON BUILDING SOCIAL
PROTECTION FLOORS FOR ALL - PHASE II

Project Code GLO/21/34/MUL



01 December 2023

Donor: Germany, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Admin Unit: ILO Country Office for Algeria, Libya, Mauritania, Morocco and Tunisia (CO-Algiers)

Project title:	ILO GLOBAL FLAGSHIP PROGRAMME ON BUILDING SOCIAL PROTECTION FLOORS FOR ALL PHASE II - MOROCCO: ACCELERATING PROGRESS ON SDG TARGET 1.3 SOCIAL PROTECTION SYSTEMS AND MEASURES FOR ALL
Report type (pick one):	Annual
Reporting period:	From January 2023 to August 2023

Linkages

ILO Strategic Policy Outcome: Outcome 7: Universal Social Protection

ILO Country Programme Outcome: MAR127: Les capacités des institutions de la sécurité sociale sont renforcées pour améliorer et étendre la couverture sociale et les services fournis

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

Preparation and Review

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1. Country context

The Framework Law number 09.21 on the generalization of social protection was adopted on March 15, 2021 and represents one of the most significant steps in the extension of social protection in Morocco, with the generalization of four benefits:

- The generalization of compulsory basic health insurance by the end of 2022, by broadening the base of beneficiaries of this insurance to include vulnerable categories benefiting from the Medical Assistance Scheme, and the category of self-employed professionals and non-salaried persons, who exercise a liberal activity, so that 22 million additional people benefit from this insurance, which covers the costs of treatment, medicines, and hospitalization.
- The generalization of family allowances by 2023/2024, enabling households that do not benefit from these allowances to receive indemnities covering child-related risks, or lump-sum indemnities for the protection of child-related dangers (school wastage) for 7 million school-age children.
- Broadening the membership base of pension schemes by 2025 to include around 5 million people who are employed but not receiving a pension, by covering autonomous and self-employed professionals and non-salaried workers, in order to encompass all relevant categories.
- The generalization of compensation for loss of employment by 2025 to cover all people in stable employment, by simplifying the conditions of access to this compensation and broadening the base of beneficiaries.

In this context, the ILO received official requests from the Ministry of Economy and Finance and the Economic, Environmental and Social Council (ESEC) to support the different components of the reform, including the extension of the unemployment benefit, for which an actuarial study and model were developed within the context of this project. The study should provide technical grounds for the financial equilibrium of the scheme, while contributing to ensure that it reaches its goal in terms of coverage extension and benefit adequacy.

2. Progress report

Outcome 1: Improved national knowledge base and capacities in Morocco to inform social protection financing

The project aimed to provide ILO key social protection stakeholders in Morocco, substantive technical inputs and enhanced technical capacities in the context of the reform. To that end the ILO developed an actuarial study and scenarios of reform for the unemployment benefit in close collaboration with the National Social Security Fund (CNSS), under the supervision of the Ministry of Economy and Finance (MEF), and the Ministry itself. It has also developed capacity building activities for social protection stakeholders related to social protection financing and actuarial modelling.

Output 1. Support stakeholders to identify and adopt financial options and mechanisms for ensuring a sustainable and comprehensive implementation of its social protection reform

Output status: Completed

Activity 1.1 Development of the actuarial study and scenarios of reform of the unemployment benefit

This activity will lay the groundwork for the upcoming roll-out of the unemployment benefit component of the social protection reform in 2025, as established in the Framework Law number 09.21. The results and recommendations of the actuarial study and the actuarial tool itself should be adopted by the MEF, while engaging in dialogue with social partners, and guide the way towards an adequate and sustainable extension of the unemployment benefit to self-employed workers.

In this sense, the status of this activity is as follows:

- First draft of the study has been submitted to the MEF and comments have been received.
- Preliminary conclusions and recommendations resulting from the study highlight the need of separating the funds by kind of benefit; establishing a specific financing approach for the unemployment benefit regime; specifying the financing approach for ancillary benefits linked to the unemployment benefit; relaxing eligibility criteria for benefits; ensuring regular increases in the insurable income ceiling; and regularly assessing the adequacy of the monthly benefit.

Although outside of the project scope, it should be highlighted that the ILO continues to invest in the consolidation of this work, through the following the activities:

- An actuarial training to the MEF actuarial team has been undertaken on the new actuarial model. A three-day training programme will take place during a workshop scheduled in April 2024.
- A presentation of the final actuarial study is planned to take place in April 2024.
- The actuarial model will be transferred to the MEF during the April 2024 workshop.

Output 2. Enhance capacities of key stakeholders for financing social protection through knowledge transfer and training

Output status: Completed

Activity 2.1 Capacity building activities

Within the framework of the project, previously identified capacity building needs, which were then explicitly conveyed through a request from the MEF, have been addressed. Given the financial magnitude of the reform, trainings on financing as well as on actuarial methodologies and tools were delivered in order to support governments efforts to observe the financial equilibrium of the reform.

The activities delivered in 2023 are as follows:

- Launch workshop and consultation on the actuarial study on the unemployment benefit (indemnité pour perte d'emploi-IPE) with social partners, February 2023. Representatives from Democratic Confederation of Labour (Confédération démocratique du travail-CDT), General Union of Moroccan Workers (Union Générale des Travailleurs du Maroc-UGTM), Moroccan Workers' Union (Union Marocaine du Travail-UMT) and the General Confederation of Moroccan Enterprises (Confédération Générale des Entreprises du Maroc-CGEM), took part in the information and consultation meeting on the actuarial study of the IPE. The objective of the meeting was to present to the social partners the requests of the Moroccan government received by the ILO to support the reform foreseen by the Framework Law number 09/202 and to collect their related insights.
- Launch workshop on the actuarial study on the unemployment benefit (indemnité pour perte d'emploi-IPE) with Economic, Social and Environmental Council (CESE) and the Ministry of Economy and Finance (MEF), February 2023. With the presence of 29 representatives from various institutions

including the CESE, the MEF, the Ministry of Health and Social Protection (MSPS), the National Social Security Fund (CNSS), the High Commission for Planning (HCP), the GIZ staff based in Morocco, among others, the ILO presented the introductory elements for the actuarial work of the IPE.

- ILO-UNICEF joint training on social protection public finances, June 2023. Eight participants from the MEF joined this training, which had the objective of enhancing the capacity of key players involved in social protection to better plan the financing of national social protection systems.
- Unemployment insurance experience-sharing webinar; system parameters in Europe, July 2023. With support of the National Professional Union for Employment in Industry and Trade (Unédic) of France a webinaire on the different parameters of the unemployment benefit schemes in Europe was delivered to several government constituents with the purpose of providing a benchmark of the different unemployment insurance models in the continent.

OUTPUTS: Overall delivery assessment ¹			
<input type="checkbox"/>	Highly satisfactory Implementation of almost all (>80%) outputs is on schedule as envisaged in the implementation plan and almost all (>80%) indicator milestones have been met.	<input checked="" type="checkbox"/>	Satisfactory Implementation of the majority (60-80%) of outputs is on schedule as envisaged in the implementation plan and the majority (60-80%) of indicator milestones have been met.
<input type="checkbox"/>	Unsatisfactory Some (40-60%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only some (40-60%) indicator milestones have been met.	<input type="checkbox"/>	Very unsatisfactory Few (<40%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only a few (<40%) indicator milestones have been met.

► Gender and non-discrimination

The project encouraged participation of 50 per cent female participants in every consultation conducted.

¹ This is a self-assessment.

Summary of outcome(s)

OUTCOME ACHIEVEMENT ²				
Indicator	Baseline (before project start)	Indicator Milestone (compare planned against actual)	Target (end-of-project goal)	Immediate Outcome Summary
Outcome 1: Improved national knowledge base and capacities in Morocco to inform social protection financing				
Output 1: Support stakeholders to identify and adopt financial options and mechanisms for ensuring a sustainable and comprehensive implementation of its social protection reform.	0	Partially achieved: study of the IPE delivered to the Ministry of Economy and Finance. Remarks have been provided. Launch is yet to take place.	A final report has been submitted to Government	On track: most milestones met
Output 2: Enhance capacities of key stakeholders for financing social protection through knowledge transfer and training.	0	Achieved: Training on social protection financing and actuarial modelling for different social protection branches delivered to tripartite constituents.	Capacities of stakeholders for social protection financing have been enhanced.	

² Based on the M&E plan

3. Collaboration and partnerships

Training activities were coordinated with other UN agencies, in particular with the UNICEF. A joint ILO-UNICEF training on social protection public finances with a MEF delegation at the ILO-ITC Turin center took place in June 2023.

The ILO also contributed technically to the costing analysis of the family benefit extension -second axe of the reform- which has been developed under the responsibility of UNICEF, by featuring an adapted version of the Rapid Assessment Protocol, ILO's main costing tool for social protection extension.

Social partners have been consulted on every mission and invited to training on social protection financing in February 2023.

Social partners were consulted on the implementation of the 2021 Framework law for the IPE unemployment benefits reform. The ILO engaged some consultations and requested them to share scenarios of reforms of the IPE Unemployment benefits scheme, for which they are involved as board members of the CNSS (managing the IPE). Consultations between social partners and the ILO also took place in the preparation of the CNSS governing body, which led to some tripartite decisions on the IPE unemployment benefit scheme.

It is also relevant to mention that the ILO Bureau for Employers Activities (ACT/EMP) provided part of the financing for the actuarial study of the unemployment benefit.

4. Main challenges and corrective actions

Given the financial threshold of the project related to staff recruitment, no national staff could be recruited as part of the project, which increased the challenges of getting the prompt involvement of tripartite partners.

5. Summary and outlook

- The development of the actuarial study and scenarios of reform on the unemployment benefit and the actuarial tool to be transferred to the MEF constitute very timely technical support which is likely to set the stage for upcoming discussions and guide both the financial and policy decisions regarding the roll-out of the benefit, taking place in 2025.
- Capacity building activities not only addressed the training needs of constituents, but also allowed to promote International Labour Standards and best practices regarding actuarial work and social protection financing.
- Given the financial and political weight of the social protection reform a continuation of the support provided would be key.
- As the newly-recruited actuarial team at the Social Protection Division of the MEF is relatively young, it would be relevant to continue to build capacity of this team and peer-review their actuarial work.
- Technical assistance for the upcoming roll-out of the pension component, also taking place in 2025, is a high-level priority for this year and onwards. Engaging in initial discussions for an eventual reform of the work injury and occupational diseases branch, currently privatized and excluded from the reform, is likely to become a priority in the next years.