

# The Cost of Non-Europe in Development Policy

## ANNEX II

### Case study: Morocco

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#### **Abstract**

Lack of coordination among donors poses several problems: it results in higher administrative costs for both donors and partner countries and weakens aid effectiveness. This rationale is the basis for the OECD and EU political agendas on harmonisation and coordination, which have resulted in different coordination initiatives at both headquarters and field levels. However, despite the political agenda, recent studies show that for many donors and partner countries aid fragmentation has prevailed or even increased.

By means of a country case study in Morocco, this document explores the coordination initiatives and results –the costs and benefits of coordination– in a specific EU development partner country. Coordination initiatives may have proliferated but not necessarily triggered results in terms of joint work or donors' specialisation. The main obstacles to coordination are also identified: varied administrative procedures; diverse administrative architectures; resistance from leading donors to abandon or share flagship aid programs. In order to overcome these obstacles, a more political and realistic approach to donor coordination is proposed.

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## Executive Summary

Lack of coordination among donors poses several problems: it results in higher administrative costs for both donors and partner countries and weakens aid effectiveness. Moreover, in the case of the EU Member States, it might hinder the external projection of the EU as a global development player.

This rationale is the basis for the OECD and EU political agendas on harmonisation and coordination, which have been refined over the last decade. As a result, coordination initiatives have proliferated at both headquarters and field levels. However, recent studies show that for many donors and partner countries aid fragmentation has prevailed or even increased.

By means of a country case study in Morocco, this document explores the coordination initiatives and results—the costs and benefits of coordination—in a specific EU development partner country. This study shows that coordination initiatives have proliferated but not necessarily engendered results, in terms of joint initiatives or donors' specialisation. The main obstacles to coordination are also identified. These are technical, such as varied administrative procedures in Member States; institutional, including diverse administrative architectures; and, of course, political, namely resistance by leading donors to abandon or share flagship aid programs.

In order to overcome these obstacles, we propose a policy mix that combines: (i) a more nuanced approach to the coordination agenda and indicators, as coordination needs might vary from one country to another; (ii) greater incentives for delegated cooperation, in order to overcome technical obstacles to coordination and, partially, institutional limitations; (iii) a focus on Member States' internal institutional limitations to aid coordination, not just interstate problems; (iv) an enhanced political role for the European Union Delegation in the field, including the necessary institutional adjustments; (v) the promotion of a single local counterpart for development activities in the Government of Morocco; and (vi) the implementation of more selective and progressive, rather than maximalist, coordination targets. Although these recommendations are meant to approach the Moroccan problematic of aid coordination, they apply to other partner countries with similar social, economic, and political features.

## Introduction

The political agenda of aid coordination was set up decades ago in the Maastricht Treaty. But in the last few years we have witnessed a proliferation of summits, reports, and analyses thanks to the impulse of different institutions, particularly the OECD and the EU. This is an evidence-based agenda: several studies show that the lack of coordination between donors presents a considerable burden for both partner countries' administrations and donors' delegations in the field. At the same time, this limits the impact of aid on development. However, and despite the evidence and political agenda, coordination results remain weak within both the EU and the donor community as a whole. There are several explanations for this. First, the issue of coordination has been approached from a technical and institutional angle. There are, of course, technical issues, but donor coordination is mainly a political issue. Second, this is a maximalist agenda. Interim goals are set, but the final goal is to coordinate all development assistance—at least, all OECD and EU aid. This maximalist approach might prove unachievable from a political point of view. Third, coordination might have incurred the original sin of development agendas: the 'one-size-fits-all' approach. The wide variety of social, political, and economic circumstances of EU development partners calls for a more diverse approach to development and, therefore, to aid coordination.

In this study, we use the results of previous analyses that highlight the downsides of the lack of donor coordination. We try to take one step further, exploring whether the coordination initiatives that have taken place in Morocco—a strategic developing partner of the EU—have ended in effective coordination. To do this, we surveyed aid stakeholders in Morocco—EU donors, non-EU donors, and local counterparts—between March and May of 2013 about their coordination initiatives, costs and results, and main obstacles to greater levels of coordination.

The first section surveys previous studies on aid coordination and tracks the international political agenda on this issue. Section two describes the main features and challenges of development in Morocco and the map of development assistance in this African country. The third section includes the methodology and the fourth goes through the aid coordination initiatives and their results in terms of joint work (common diagnosis, programming, implementation, and monitoring and evaluation) and specialisation (concentration, delegated cooperation<sup>1</sup>, and exploring added value). Section five assesses the costs of donor coordination, in terms of both the administrative effective costs and the perceived opportunity costs. The sixth section describes the technical, institutional, and political obstacles to development aid coordination in Morocco. The final section proposes a policy mix of several key recommendations.

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<sup>1</sup> Delegated cooperation is a partnership or arrangement between donors. One or several donors ('silent donors') delegate authority to another ('leading donor') to act on their behalf in terms of administration of funds and/or sector policy dialogue with the partner government.

# 1. Why donor coordination? And how?

## *The rationale and the agenda for donor coordination*

In line with the Lisbon Treaty (TFEU, article 210), donor coordination can be seen as a “new opportunity to make EU development aid more effective, efficient, and successful, in terms of actual impact on the ground. It should also make a real difference in terms of EU impact and visibility” (EU, 2012: 73). Behind this statement is the assumption that related mechanisms of aid coordination—mainly division of labour (DoL) on the basis of comparative advantages—have potential economic (and political) benefits (Bigsten and Tengstam, 2012) (Box 1).

Theoretically, lack of coordination results in aid proliferation and fragmentation. This problem of “too little aid from too many donors” (OECD, 2011a: 3) increases transaction costs—a major problem in the current context of fiscal austerity<sup>2</sup>. This includes administrative costs (augmenting the administrative burden for recipients and donors); opportunity costs (deteriorating the absorptive capacities and quality of bureaucracies crowded out by aid bombardment); and indirect costs (weakening the accountability and predictability of aid flows). The result is a waste of scarce financial resources and a reduction in aid effectiveness, i.e. less economic growth (Roodman 2006; Acharya *et al.* 2006; Knack and Rahman 2007; Frot and Santiso 2008; Arimoto and Kono 2009; Grimm *et al.* 2009; Anderson 2011; Kimura *et al.* 2012). In addition, uncoordinated activities could lead to inefficient aid supply, generating aid orphans and aid darlings at the international level and across sectors (Svensson 2006; Bigsten 2006; Rachman and Sawada 2010; Annen and Moers 2012; Frot and Santiso 2011).

These are some of the challenging problems that must be tackled through EU coordination and, complementarily, in the development policy agenda since the Maastricht Treaty (TEC, articles 177-181). But a gap has been growing between rhetoric and deeds (Dearden 2008: 188; Aldasoro *et al.* 2009; Easterly and Williamson 2011; Karamalakov 2011), following the long trail of initiatives<sup>3</sup> taken after the *Paris Declaration on Aid Effectiveness* (2005) that called for a “pragmatic approach to the division of labour and burden sharing” (§33), and since the *Accra Agenda for Action* (2008), advanced in order to “[improve] the complementarity of donors’ efforts and the division of labour among donors, including through improved allocation of resources within sectors, within countries, and across countries” (§17).

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<sup>2</sup> For further analysis of transactions costs in foreign aid, see Vandeninden (2012) and Paul and Vandeninden (2012).

<sup>3</sup> Including the *European Consensus on Development* (2005), *GAERC Guidelines on Complementarity and Division of Labour* (2006), *EU Code of Conduct on Complementarity and Division of Labour in Development Policy* (2007), *EU Fast Track Initiative (FTI) of Division of Labour* (2008), *EU Toolkit for the Implementation of Complementarity and Division of Labour in Development Policy* (2009), *EU Operational Framework on Aid Effectiveness* (2009, and consolidated text, 2011), and *Increasing the Impact of EU Development Policy. An Agenda for Change* (2012). See Roeske (2007), Keijzer and Corre (2009), Domínguez (2010), Muñoz (2011), Hartmann (2011), and EU (2012).

The political agenda is based on the need to reduce transaction costs, as the OECD's Development Assistance Committee (DAC) reports acknowledge (OECD, 2011a; Bürcky, 2011). The European Commission (EC) initiated two consecutive studies to evaluate the costs, direct and indirect (and potential savings), associated with the lack of coordination among donors (Carlsson *et al.*, 2009; Bigsten *et al.*, 2011)<sup>4</sup>. According to these, the potential savings from reducing the number of countries are small in the short term, though larger in the medium term as countries graduate. The administrative costs of aid may increase substantially with a cut of budgetary support—on average, administrative costs of programme aid are only a third that of project aid—and the biggest gains are to be found in allocating aid more efficiently between countries (Maxwell, 2012).

### ***Political economy and institutional obstacles to improved donor coordination***

However, it is important to assess the political feasibility of aid coordination.

Despite the political agenda, lack of coordination has not changed dramatically. Problems of aid proliferation and fragmentation at the EU level remain. The DAC reports on DoL (OECD, 2009 and 2011a) show that the concentration ratio (Box 1) and, therefore, the progress towards greater coordination of 11 DAC members was below the DAC average in 2004, 2005, and 2009, with worsening records (between 2004 and 2009) for nine of them<sup>5</sup>. In addition, the three monitoring reports of the Fast Track Initiative (FTI), which involves the EC and Member States as facilitators to support DoL in 32 partner countries, evince a low level of progress in all areas (EU, 2009, 2010 and 2011). Meanwhile, the mid-term review of the European Development Fund (EDF) in 2011 describes overall progress on DoL as “disappointing” (cfr. DAC, 2012: 77); the *EU Accountability Report 2012 on Financing for Development* notes that in-country DoL “progress in sector concentration has been very limited” (EU, 2012: 76); and the *2011 Survey on Monitoring the Paris Declaration* indicates that, as a whole, the EU has met only 1 of the 12 indicators of donor performance, which is not related to harmonisation (OECD, 2011b). The problem is particularly acute in lower-middle income countries (LMICs)—Morocco's category—where nearly half of all relations are financially non-significant. Moreover, Africa's aid fragmentation increased from 33 percent to 36 percent between 2004 and 2009 (OECD, 2012b). The reason for these frustrating results in DoL is “reluctance of donors to leave

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<sup>4</sup> The calculations yield a magnitude of €3 to €6 billion a year in the first study, with additional savings of €1.4 to €2.5 billion in the hypothetical case of much better coordination (Carlsson *et al.*, 2009). Calculations in the second study amount to €5 billion (6 percent of EU ODA), with hypothetical gains of €7.8 billion (9 percent) from full coordination of country allocation, including the maximization of aggregate poverty reduction effects by changing the inter-country allocation of aid (Bigsten *et al.*, 2011). Meanwhile, Prizon and Greenhill (2012) projected the estimations of a 2010 OECD study to the EU, where results range from €8 to €16.5 billion.

<sup>5</sup> Also, the average number of EU donors active per sector in 86 countries covered by Paris Declaration Monitoring grew by 8.9 percent between 2005 and 2009 (and by 11.7 percent in the case of FTI countries). Therefore, “donors did not implement the guiding principles they set for themselves in the *EU Code of Conduct on Complementarity and Division of Labour in Development Policy in 2007*” (Bürcky, 2011: 29).

attractive sectors” (EU 2011: 14); this is a political economy problem that requires not only high political compromise, but also better technical instruments.

As such, the political economy of aid matters (Keijzer and Corre, 2009; Schulz, 2009). Coordination is expensive, not cost-free in economic and political terms (Svensson, 2006; Wolfgang and Kharas, 2010), and difficult due to the diversity of donors’ motivations, whatever they may be (Bigsten, 2006; Barder, 2009; Hartmann, 2011; Karamalakov, 2011; Barry and Bodin, 2012). Besides recipient needs or merits, in development cooperation donors’ features, values, and interests are also at play (Schulz, 2007; Broberg, 2011; Annen and Moers, 2012; Olivíe and Domínguez, 2013). This political economy problem is obviously transferred to aid mechanics in the field. “All donors want to *co-ordinate*, but no one wants to be *co-ordinated*” (Whittington and Calhoun, 1988)<sup>6</sup>.

To make matters worse, specifically for the EU, the problem of coordination after the Lisbon Treaty is doubly challenging from an institutional point of view: coordination of the EU Delegation—supported by an EC that “does not necessarily have the capacity or the expertise to lead the coordination” (IDC House of Commons, 2012: 32)—with Member States desirous to “plant their flags” (Easterly and Williamson, 2011: 1937) has to be combined with the coordination within delegations now integrated by European External Action Service (EEAS) and Commission staff. This includes two separate EC departments dealing with development aid and humanitarian aid, as well as additional staffs from the Member States (Muñoz, 2011; Seters and Klavert, 2011). These problems also arise in the particular case of development cooperation in Morocco, as we will see in the following sections.

So, is efficiency the right target?

Some effects of coordination seem problematic, especially the governance effect, which refers to the loss of national sovereignty and ownership in partner countries that follows more effective implementation of conditionalities and better monitoring of aid (Bigsten *et al.*, 2011). The same is true of the fear of this governance effect alone, as could be the current case for the Moroccan government (Sections 4 through 6).

Furthermore, partners are afraid of the potential negative consequences of DoL in terms of reduced volumes of official development assistance (ODA), loss of bargaining power or control over the domestic policy by cartelization of donors, and falling aid predictability (Cling, 2006; Deutscher and Fyson, 2008; Keijzer, 2008; Keijzer and Corre, 2009; Grimm *et al.*, 2009). In fact, the key conditions for a successful DoL approach are country ownership and consistent donor commitment. But, as has been pointed out in the Task Team on DoL of the Working Party on Aid Effectiveness (WP-EFF), “few

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<sup>6</sup> The traditional lack of capacity or political will of EC Delegations to fulfil a coordinating mandate; the scarcity of human resources of Member States’ delegations dedicated to coordination and their resistance to be coordinated; or the noise produced by the performance of the EC as the 16<sup>th</sup> European donor, given that the EC participates in donor coordination groups as one donor among others (Alasino, 2008; Lethinen, 2003).

developing countries have been in a situation to choose their donors” (WTT DoL, 2011: 6). An additional issue is the non-compliance of EU donors in the aid delivery commitments of Monterrey. Instead of 0.7 percent of gross national income (GNI) in 2015, forward spending plans now project aid delivery will be 0.44 percent of GNI (EU, 2012).

### *Technical limitations of aid coordination*

Specialization or DoL along comparative advantages—a notion that comes from the Ricardian theory of international trade—supposes a market for the aid industry that does not currently exist<sup>7</sup>. In a market economy, DoL is the result of individual uncoordinated decisions of agents, not the result of a negotiation<sup>8</sup>. In any case, the concept of comparative advantages used in the EU DoL agenda “escape[s] clear definition and measurement” (EU, 2011: 15-16), as criticism of literature on aid effectiveness has pointed out repeatedly (Mürle, 2007; Keijzer, 2008; Keijzer and Corre, 2009).

The concept of comparative advantages has been a mantra in the DAC peer reviews since 2001<sup>9</sup>. The EC adopted this uncritically from the *Paris Declaration* (§34 and §35) to the rhetoric of *European Consensus*, where it is related to the “added value” in the fight against poverty by Member States (§34) and in the services of harmonisation, promoting policy coherence, and providing complementarity by the EC (§46)—twin functions that the *EU Code of Conduct on Complementarity and Division of Labour in Development Policy* would later assume literally. The General Affairs and External Relations Council guidelines state that comparative advantage is based “on a wide range of issues as geographic or thematic expertise” (cfr. Mürle, 2007: 14). Mürle’s seminal study, acknowledging that absolute advantage (the concentration of a donor on activities that other donors cannot provide) “would be preferable”, decided to maintain the term of comparative advantage “not to be understood as a technical concept, but [to be] used as a normative reference point in discussions about the strength of donors and division of labour”. In the future, “independent comparative evaluations of donor performance” should provide an objective basis for DoL (Mürle, 2007: 14-15), but the *Code of Conduct* speaks only of self-assessments “endorsed by the partner government, and recognized by other donors”<sup>10</sup>.

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<sup>7</sup> There is no trade between agencies (which are, moreover, not direct producers of cooperation service), there is no consumer sovereignty of the service or intended beneficiaries (the purchasers are indeed the taxpayers, but the intended beneficiaries of aid have no political influence over the founders and decision makers), and there is no price mechanism (Munro, 2005; Barder 2009).

<sup>8</sup> One way to advance in a collaborative market of aid is to create more explicit contracts for development services based on results and to work through networks (Barder 2009).

<sup>9</sup> In 2001 peer reviews of the EC, Germany, Netherlands, the UK, and Portugal; in 2004 of Italy; in 2005 of Germany, Belgium and Sweden; in 2006 of the Netherlands, the UK, Portugal, and Greece; in 2007 of the EC, Denmark, and Spain; in 2009 of Italy and Sweden; in 2010 of the UK, Germany, Belgium, and Portugal; in 2011 of the Netherlands, Denmark, Greece, and Spain; and in 2012 of the EC, as well as in special reviews of the Czech Republic (2007), Poland (2009), and the Slovenian Republic and Slovakia (2011).

<sup>10</sup> For the case study of Morocco, we asked donors to self-assess their comparative advantage (Section 4).

If comparative advantage is a dynamic concept (Munro, 2005; Mürle, 2007) and coordinating the political parts of development cooperation—general political dialogue, overall development strategy, and sectorial policy dialogue—cannot be organised as a market because it is essentially political processes (Mürle, 2007), some kind of objective criteria is needed for negotiation. For the time being, three proposals are on the table. The first is a version of Hartmann’s proposal of specialization or a variation of ‘stick to the knitting’ (Munro, 2005: 433). This would imply a sort of free choice for core business agencies accompanied by reducing insignificant aid relations and transferring liberated funds to the EC (Hartmann, 2011). The second is contained in an OECD report on DoL: progressively phasing out non-significant relations and reallocating to significant interventions, while setting relative targets where donors below the average concentration ratio of the DAC (or the EU) could commit to improve their existing levels without a fixed target, but with a suggested deadline of 2015 (OECD, 2011a). The third is Kharas’ (2009) proposal to take account of “revealed” comparative advantage (RCA)<sup>11</sup>, which tackles the issue of aid darlings and orphans, taking a geographical approach to comparative advantage. In addition, and to avoid biases against donors who are global players with no particular geographical specialization, an alternative measure asks what share of a donor’s aid goes to countries where it has a comparative advantage greater than one (Kharas, 2009).

### ***Toward a new understanding of donors’ coordination: diversity***

The acknowledgement of these limits is beginning to emerge in the agenda of aid effectiveness under the new label of “diversity” (see, for instance, the 2011 *Busan Partnership for Effective Development Co-operation*). In this regard, the revisionist coordination arguments—perils of cartelization detrimental to ownership, transaction costs for donors arising from the new conditionalities, or the risk of delivering new orphans<sup>12</sup> (Cling, 2006)—are gaining momentum. In this new scenario for development cooperation “strong aid coordination does not mean uniformity” (Fengler and Kharas, 2010: 23). As they are experiments, more projects or programs will lead to a greater number of successful innovations by competition; competition multiplies the possibilities of synergies between projects and programs either at the national or international level, necessitating adaptive efficiency (Munro, 2005; Klein and Harford, 2005; Barder, 2009).

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<sup>10</sup> “At a cross-country level, the RCA for each donor measures the concentration of that donor’s giving across countries. If a donor gives a greater proportion of its aid to a given country than the share of global aid that that country receives, the RCA will be greater than one. Aggregate RCA indices for each donor are calculated by weighting the RCA by the share of aid. When donor giving is concentrated in one country, the RCA goes up. When it is diffused across many countries, the RCA goes down” (Kharas, 2009: 17).

<sup>12</sup> Against the meagre results on in-country DoL, the cross-country DoL of the EU in 2010 and 2011 resulted in 71 cases of exits by Member States from 43 partner countries—50 already completed and 21 to be completed between 2012 and 2016. The difference between concentration by exit and coordination is a focal point in Grimm *et al.* (2009). The latest OECD report on DoL notes that “unilateral decisions [of concentration] do not necessarily lead to improved cross-country allocations if they are un-coordinated” (OECD, 2011a: 19).

New models of aid and aid delivery – which are differentiated, diverse, and dynamic – are confronting the old planning paradigm for coordination, which can be “a factor in alienating small donors or new-comers” (Barder, 2009; Fengler and Kharas, 2010: 20). As Hartmann says, “a balance of some competition combined with cooperation is probably a more realistic and therefore a more valuable approach for development policy” (2011: 13).

Moreover the uniformity with which the ‘traditional’ agenda for coordination is built has impregnated the traditional technical tools, indicators, and targets of coordination. For example, both concentration and fragmentation ratios are calculated on the basis of activities by sectors; this disregards the fact that DAC sectors are very ample and donor DoL by sub-sectors of one broad sector could, in fact, lead to a more efficient distribution of aid activities. This particular limitation applies to the case of Morocco, as we will see in Section 6.

Lastly, it could be said that the donor coordination agenda, as the rest of the 2000s aid agenda, is built over the social and economic reality of a very concrete type of partner country – in short, Sub-Saharan and Asian least developed countries (LDCs). Other developing countries, including a great deal of EU neighbours and partner countries, show different development challenges that require a more nuanced, diverse, and subtle development cooperation and donor coordination agenda, as we will try to show in the following pages. In a few words, the ‘one size fits all’ way of doing things in development cooperation seems unsuitable in this field. In this sense, the results of this country case study are also meant to provide inputs for the on-going debate about differentiation (Herbert, 2013).

#### **Box 1: Key definitions**

**Aid proliferation:** Proliferation and/or duplication of aid activities by several donors that leads to an increase in the number of sectors a donor works in (proliferation of sectors per donor, both in and cross-country) (OECD, 2012b).

**Aid fragmentation:** Proliferation and/or duplication of aid activities in a given partner country or in developing countries as a whole (proliferation of donors in one partner country, in all developing countries, in a given sector...). Fragmentation occurs when there are too many donors giving too little aid in too many countries, thus further complicating the architecture and delivery of aid. This can seriously impair the effectiveness of aid. Fragmentation puts a strain on governments’ administrative capacities, increases donors’ costs, duplicates their efforts, and leads to uneven aid distribution (OECD, 2012b).

**Significant relation:** A significant aid relationship means that: a single donor accounts for a higher share of aid to a partner country than the donor’s overall share of global aid (e.g. Spain’s share of aid to Morocco (7.5 percent) is higher than Spanish share of global aid), and/or the donor is among the largest donors who altogether account for at least 90 percent of the partner country’s aid. For example, according to OECD data, the Arab Fund, EU institutions, United States, France, Japan, Spain, and Germany are the top donors; altogether, they channel 92 percent of development assistance to Morocco (OECD, 2009).

**Fragmentation ratio:** Defined from a partner country point of view, the aim is to maximise the number of significant donor relations and minimise the number of non-significant relations. On this basis, the fragmentation ratio measures the number of non-significant donors compared to the overall number of donors. This amounts to 67 percent in the case of Morocco according to OECD (2012b).

**Concentration ratio:** Defined from a donor's point of view, the overall aim is a concentrated portfolio with significant partner country aid relations. On this basis, the concentration ratio measures the number of donors' significant aid relations compared to all of its aid relations. The higher the concentration ratio, the less a donor's portfolio is fragmented (OECD, 2012b).

## 2. Morocco: development partner's profile

Located in the north-western frontier of the African continent, Morocco is a key geo-economic and geopolitical spot for both the EU and the United States, which, as we will see later, influences development cooperation policies. The United States considers the country a stable ally in the North African region. As for the EU, Morocco is included in the list of sixteen countries that conform the European Neighbourhood Policy (ENP), a policy established in 2004 in order to face the economic, social, and political dividing lines (in some cases, abysses) between the enlarged EU and its closest neighbours. As part of the ENP, Morocco is meant to hold a privileged relationship with the EU including political association, deeper economic integration, and increased people mobility<sup>13</sup>.

Morocco is a LMIC<sup>14</sup>, according to the current DAC classification of aid recipients. In 2011, it recorded a per capita income of USD 2,970.

The Human Development Index (HDI), published yearly by the United Nations Development Programme (UNDP), offers a general view of countries' development levels and processes, as it combines per capita income with education and health conditions. Morocco ranks 130 out of the 186 countries included in the index. Morocco belongs to the medium human development category of nations. UN data show that development conditions in the country have improved slightly over the last decade. In 2000, Morocco recorded an HDI of 0.512; in 2012, this rose to 0.591 (Chart 1). For the period from 2005 to 2012, the index increased yearly at an average of 0.82 percent, a lower rate than that of the whole medium human development category (1.19 percent). It should be noted, however, that this group of countries includes several of the most

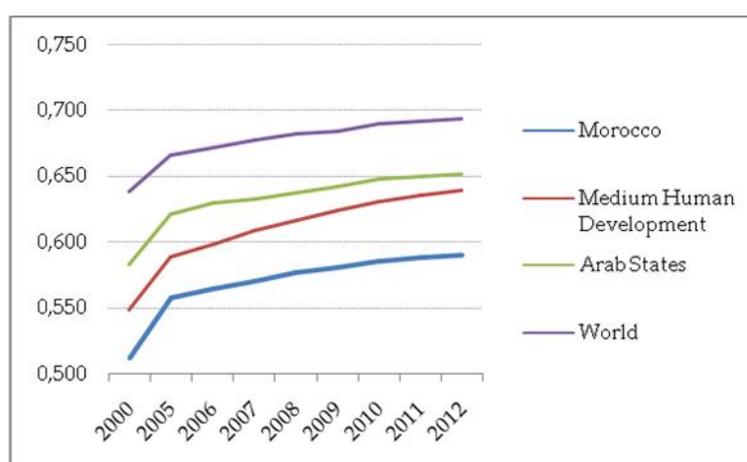
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<sup>13</sup> For more information, see [http://ec.europa.eu/world/enp/policy\\_en.htm](http://ec.europa.eu/world/enp/policy_en.htm)

<sup>14</sup> MICs are those that record a per capita income of between 1,006 and 3,975 current US dollars in 2010: <http://www.oecd.org/dac/stats/DAC%20List%20used%20for%202012%20and%202013%20flows.pdf>

dynamic emerging economies such as China, Thailand, South Africa, and Vietnam. Moreover, for that same period, the average annual HDI growth rates for the whole world and for the Arab States were 0.59 and 0.68, respectively. As such, according to these data, in recent years Morocco has performed worse than the rest of the medium human development countries and better than the world's and Arab States' average.

**Chart 1: Morocco's HDI**



Source: UNDP

One of the main development challenges of Morocco is high inequality that affects its society at all levels, in areas including income, education, health, and access to safe water. At 0.415, its inequality-adjusted HDI value is well below that of the medium human development category and the world's average—0.485 and 0.532, respectively. Inequality seems to affect education in particular (Table 1).

**Table 1: Inequality indicators**

	Inequality-adjusted HDI value	Inequality-adjusted income index	Inequality-adjusted education index	Inequality-adjusted life expectancy index
Morocco	0.415	0.430	0.243	0.686
Medium human development	0.485	0.456	0.395	0.633
World	0.532	0.522	0.453	0.638

Source: UNDP

According to World Bank figures, net ODA received by Morocco in 2010 amounted to 1.12 percent of GDP—decreasing from a peak of 1.70 percent in 2006. As for per capita ODA, it steadily increased from \$19.24 per capita in 2003 to \$46.33 in 2008. In 2010, the figure decreased to \$31.06. Therefore, Morocco is a low-aid country (LAC), according to Glennie and Prizzon's (2012) classification; if the trend continues, it could soon become a very low aid country (VLAC), referring to those that rely on ODA for less than 1 percent of local GDP.

Aid also appears to be highly fragmented (OECD, 2012b and table 2). Based on 2009 data, the OECD study shows that Morocco has relations with 27 donors. Non-significant relations (18) double significant ones (9), thereby explaining a very high fragmentation ratio of 67 percent—almost twice as high as the average for the whole African continent (Table 2 and OECD, 2012b). As for proliferation, Morocco has 11 donors per sector, well above the African average (9) and the average for the LMIC category (10.15).

**Table 2: Morocco's aid fragmentation**

Number of donors	27
Number of significant relations	9
Number of non-significant relations	18
Fragmentation ratio (%)	67
CPA (USD million)	1,119
Australia	-
Austria	-
Belgium	1.6
Canada	0.5
Denmark	0.1
Finland	0.0
France	23.5
Germany	8.5
Greece	-
Ireland	-
Italy	0.4
Japan	12.4
Korea	0.2
Luxembourg	0.1
Netherlands	0.2
New Zealand	-
Norway	-
Portugal	1.8
Spain	17.1
Sweden	-
Switzerland	0.0
United Kingdom	0.3
United States	5.1
Grand total	100.0
DAC countries (%)	71.9
Nr. of DAC countries	16
Multilateral agencies	28.1
Nr. of multilateral agencies	11

Source: OECD (2012b)

More recent data on aid commitments show a very similar picture. In terms of volume, most aid relations in Morocco are not significant. As shown in Table 3, for the period from 2007 to 2011, the DAC recorded operations from 38 donors. However, 31 of those relations were so insignificant that closer coordination among seven main donors would

have framed more than 90 percent of aid commitments. On the basis of these data, the fragmentation ratio would be as high as 81.5 percent. This also applies to EU's aid fragmentation, as 3 out of 18 European donors present in Morocco –France, Spain and the EU itself– were responsible for more than half of total aid commitments to this country between 1997 and 2011 (see table 3).

These features of the aid map are extremely relevant to our analysis on EU donor coordination, as more fragmented aid landscapes pose greater challenges in terms of aid coordination.

**Table 3: ODA commitments to Morocco  
(average of annual commitments; period 2007-2011;  
in current USD millions and in % of total commitments in current USD millions)**

Nr.	Country	av. 2007-11	%	Nr.	country	av. 2007-11	%
<b>1</b>	<b>France</b>	<b>649</b>	<b>35.0%</b>	21	UNFPA	2	0.1%
<b>2</b>	<b>EU Institutions</b>	<b>244</b>	<b>13.2%</b>	<b>22</b>	<b>Denmark</b>	<b>2</b>	<b>0.1%</b>
3	United States	206	11.1%	<b>23</b>	<b>Netherlands</b>	<b>2</b>	<b>0.1%</b>
4	Japan	195	10.5%	24	UNICEF	1	0.1%
5	Arab Fund	168	9.1%	25	UNDP	1	0.1%
<b>6</b>	<b>Spain</b>	<b>139</b>	<b>7.5%</b>	26	AfDB	1	0.04%
7	Germany	96	5.2%	<b>27</b>	<b>Luxembourg</b>	<b>1</b>	<b>0.04%</b>
8	Belgium	34	1.8%	<b>28</b>	<b>Finland</b>	<b>1</b>	<b>0.03%</b>
9	Kuwait (KFAED)	32	1.7%	29	UNAIDS	0.4	0.02%
10	U.A.E.	28	1.5%	<b>30</b>	<b>Portugal</b>	<b>0.2</b>	<b>0.01%</b>
11	Global Fund	9	0.5%	31	WHO	0.2	0.01%
12	Canada	7	0.4%	<b>32</b>	<b>Greece</b>	<b>0.2</b>	<b>0.01%</b>
<b>13</b>	<b>Italy</b>	<b>7</b>	<b>0.4%</b>	<b>33</b>	<b>Austria</b>	<b>0.2</b>	<b>0.01%</b>
14	OFID	6	0.3%	<b>34</b>	<b>Ireland</b>	<b>0.07</b>	<b>0.004%</b>
15	Korea	5	0.3%	35	Australia	0.03	0.002%
<b>16</b>	<b>United Kingdom</b>	<b>4</b>	<b>0.2%</b>	36	Norway	0.02	0.001%
17	IFAD	4	0.2%	<b>37</b>	<b>Sweden</b>	<b>0.006</b>	<b>0.0003%</b>
18	GEF	4	0.2%	<b>38</b>	<b>Czech Rep.</b>	<b>0.001</b>	<b>0.0001%</b>
19	Switzerland	3	0.2%				
20	Isl.Dev Bank	2	0.1%		Total	1.853	100.0%

Source: OECD.Stat

### 3. Methodology

Assessing the costs and results of coordination efforts by EU donors in Morocco requires different research techniques. First, ODA flows and commitments published by the OECD<sup>15</sup> (OECD.Stat) were explored and analysed. This was the basis for the cooperation map (Section 2 and Annexes A and B) that let us identify the donor countries channelling assistance to Morocco. This was also the guide for contacting both EU and non-EU delegates in the field in order to conduct the survey on coordination costs and results.

An agenda of interviews was set and accomplished in Rabat in March and April of 2013. This series of structured interviews was guided by specific questionnaires. European Union donors and non-EU donors answered and/or filled different questionnaires, as the type of information required of each of them was slightly different.

In the case of EU donors, qualitative and quantitative data responding to over 60 questions were grouped into five blocks: (i) features of the donor (ODA evolution and sector distribution); (ii) costs of coordination (participation in coordination initiatives and assessment of human and financial resources devoted to coordination processes); (iii) results of coordination (common diagnosis, planning, implementation, monitoring and evaluation, as well as perception of donors' added value); (iv) costs of opportunity of improved coordination (both political costs in terms of the EU as a global player and perception of costs in terms of development impact); and (v) obstacles (both political and administrative) and opportunities for better EU coordination results.

#### **Box 2: Coordination results for the country case study**

##### **Joint activities**

Common diagnosis  
Common planning  
Common implementation  
Common monitoring and evaluation

##### **Specialization**

Sector concentration  
Delegated cooperation  
Perceived added value (as a proxy of comparative advantage and a basis for division of labour)

As for non-EU donors, the research team conducted interviews with a similar questionnaire. Nonetheless, the delegates were not questioned in relation to their coordination costs. The main reason is that the focus of the study is on the costs and

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<sup>15</sup> <http://stats.oecd.org>

results of aid coordination only for EU Member States. Moreover, given the small sample of non-EU donors, we consider the information collected in relation to the costs unsuitable for use as a control variable to measure the efficiency of EU donors in coordinating development cooperation. Therefore, questionnaires for non-EU donors included around 50 questions grouped into four categories: (i) features of the donor; (ii) results of coordination; (iii) costs of opportunity of improved coordination; and (iv) obstacles and opportunities for greater coordination results. Some questions were adapted to the different status of this group of donors – non-EU versus EU donors – such as whether the coordination results were specifically for EU donors only, self-perception as a EU donor, or the administrative bottlenecks for a more integrated EU development cooperation policy.

Structured interviews included a third type of stakeholder, which were the local, Moroccan, counterparts for international assistance. This questionnaire was also adapted to the features of the interviewees. Over 20 questions were aimed at collecting information on (i) the features of the institution (ministry or other government Department); (ii) the costs of coordination (for the local administration); (iii) opportunity costs; and (iv) obstacles and potentialities for better coordination results.

In almost all cases, interviewees had a very open attitude, something that let us complement the structured questionnaires with additional, relevant, and qualitative information collected in a semi-structured format, following the Dexter (2006) definition.

As previously mentioned, the sample of donors was designed on the basis of the map of international aid. Over 90 percent of total aid commitments to Morocco come from seven donors. That is, each of these seven donors holds financially significant aid relations with the Arab country (Table 3).

**Table 4: Donors' ranking in Morocco**  
(average annual commitments 2007-2011; current USD millions)

	MUSD	%	
1 France	649	35%	Significant relations
2 EU Institutions	244	13%	
3 United States	206	11%	
4 Japan	195	11%	
5 Arab Fund (AFESD)	168	9%	
6 Spain	139	8%	
7 Germany	96	5%	
8 Belgium	34	2%	Non-Sig. relation
9 Italy	7	0.4%	
10 United Kingdom	4	0.2%	
<b>Total sample</b>	<b>1,742</b>	<b>94%</b>	
<b>Total aid</b>	<b>1,853</b>		

Source: OECD.Stat

By enlarging this sample to three other European donors, we also took into account donor coordination, with relatively smaller EU donors—something that better captures aid fragmentation and its implications in terms of coordination results. By adding these small donors, the representation of EU donors in the sample increases to 7 out of 10 States, or 94 percent of total EU ODA to Morocco (Table 4).

Based on this list, key informers were identified by contacting the EU Delegation and accessing the database shared by most donors in the field that contains contact details of the donor representatives in different coordination initiatives. Most of them were embassy counsellors and only a few had operational responsibilities, but all of them had a common trait: they are officially appointed by their countries to participate in aid coordination initiatives. All European donors, as well as Japan and the United States, were accessible, agreed to be interviewed, and provided additional written information when needed. Only the Arab Fund had to be dropped from the list, as no informer was identified in the field or headquarters levels. Finally, although its aid volume in Morocco is not significant, the UNDP Country Director was included in the interviewees list as the coordinator of the UN system in Morocco and a key player in overall coordination initiatives.

**Table 5: Key informers**

Donor countries	Institution	# interviewees	Informer profile	ODA %
France	Embassy	2	Counsellor	35%
	AFD	1	Coordinator	
EU Institutions	EU Delegation	2	Coordinator-counsellor	13%
	BEI	1	Legal representative	
United States	USAid	2	Coordinator	11%
Japan	Embassy	2	Counsellor	11%
Spain	Embassy/AECID	2	Coordinator-counsellor	8%
Germany	Embassy	2	Counsellor	5%
Belgium	Embassy	2	Coordinator-counsellor	2%
Italy	Embassy	1	Counsellor	0,40%
United Kingdom	Embassy	1	Counsellor	0,20%
UN System	PNUD	1	Coordinator	0,33% <sup>16</sup>
Total final sample				<b>86%</b>
Recipient country	Institution	# interviewees	Informer profile	
Morocco	Min. of Finances	1	Financial and Administrative	
	Min of Agriculture	1	Technical coordinator	

Although the results of this study extend to other partner countries with similar development features, it should be noted that conclusions would be reinforced with the completion of other country case studies following this same research method.

<sup>16</sup> ODA from the UN System to Morocco does not measure the activity of its 20 agencies, funds and programs in the country as they channel aid accounted as bilateral ODA in OECD statistics, and also funding from the national Government.

## 4. Coordination initiatives and results

It is necessary to differentiate between coordination initiatives and coordination results. As mentioned previously, this study is based on the assumption that, as a result of the aid effectiveness agenda, coordination initiatives have proliferated but not necessarily led to increased coordination. Meanwhile, the initiatives impose further costs on both donor and partner countries.

We consider a coordination initiative to be any action on the part of a given donor, a group of donors, or the partner country that aims to obtain one or several coordination results. In the particular case of Morocco, coordination initiatives include regular cooperation counsellors meetings or thematic surveys, for example. We will consider these initiatives effective only if they result in (i) joint activities –referring to common diagnosis by EU donors of Morocco’s development and development cooperation needs, shared planning of cooperation programmes and projects, shared implementation of development cooperation activities, and/or a common system of monitoring and evaluation—and/or (ii) specialization—referring to delegated cooperation, namely DoL on the basis of comparative advantages (Box 2).

The following are the main coordination initiatives that have taken place in Morocco so far.

- *OECD surveys and workshops on the implementation of the Paris Declaration*  
OECD surveys on the *Paris Declaration* monitor progress in the implementation of aid effectiveness principles, including donor harmonisation. In the framework of these surveys, donors were gathered in workshops in 2008 and 2011. According to several interviewees, they significantly raised awareness about aid effectiveness issues in Morocco. As a result of the 2008 workshop, a specific thematic group on aid quality was launched. This group includes the overall donor community in Morocco and is co-chaired by the EU Delegation and the UNDP. Its main achievement so far is the set up of a geographic information system run by the Ministry of Finance. The project was launched in 2008 with the aim of improving donors’ alignment and harmonisation by means of enhanced government capacities in aid information management. The project was led by the UNDP and co-funded by Spain and the Moroccan Ministry of Finance. Most donors in Morocco have progressively updated the system, which is currently operational and accessible to the public online<sup>17</sup>.
- *EU Cooperation counsellors meetings*  
Cooperation counsellors meetings are the highest-level EU coordination activity in Morocco. Twice a year, representatives from all Member States in Morocco exchange information on development cooperation issues and promote more specific coordination initiatives, such as the thematic groups. Once a year, a field mission is organised and counsellors share information on the spot about

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<sup>17</sup> <http://sig-cdm.finances.gov.ma/>

different projects implemented by the EU Delegation and the Member States. From an operational point of view, these meetings have certain limitations as a coordinating body. On the one hand, they gather representatives from all Member States, whether they have aid programs running in Morocco or not. On the other hand, the represented position is the embassy counsellor, even though this position does not necessarily have direct responsibilities in bilateral implementing agencies—this is the case, for instance, in France and Spain. Despite these limitations, it is the highest-level coordination activity in the field and is meant to play a key role in achieving certain coordination challenges, such as a joint EU programming framework. Actually, this opportunity was missed for the next programming cycle, starting in 2014. According to several interviewees, all delegations in the field agreed to make Morocco one of the pilot plans of EU joint programming, but French and Spanish headquarters ultimately refused. An EC mission recently visited the country in order to set a road map to reach joint programming by 2018.

- *Thematic groups*

Thematic groups on health, energy, water, environment, social development, education, and quality of aid were considered by the *2012 OECD Survey on Aid Effectiveness* as the main achievement of donor harmonisation in Morocco<sup>18</sup>. These groups were promoted by the EU Delegation as a means of exchanging information among EU donors and were progressively opened to UN agencies, development banks like the World Bank and African Development Bank (AfDB), and non-EU bilateral agencies like the Japan International Cooperation Agency and U.S. Agency for International Development (USAID). Most of the groups are co-chaired by the EU Delegation and important EU bilateral donors in Morocco like France, Spain, Germany, and Belgium. National authorities also attend these meetings and, in cases like the thematic group on water, increasingly lead the agenda. These meetings have significantly contributed to the main results in donor coordination in Morocco so far: joint implementation of budgetary support in sectors like health and education. Thematic groups may have also facilitated delegated cooperation amongst EU and non-EU donors—namely Germany, Belgium, Switzerland, and the EU—but these initiatives result mostly from bilateral contacts between field delegations.

- *The Neighbourhood Investment Facility*

The Neighbourhood Investment Facility (NIF) is a fund combining (i) grants from the European Union (ii) Member States' contributions to a trust fund managed by the European Investment Bank (EIB), and (iii) loans from multilateral and bilateral European development finance institutions<sup>19</sup>. This

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<sup>18</sup> An eighth group on economic development will shortly launch following Germany's initiative.

<sup>19</sup> Institutions recognised by the NIF Board as "eligible Development Finance Institutions are the European Investment Bank (EIB); the European Bank for Reconstruction and Development (EBRD); the Council of Europe Development Bank (CEB); the Nordic Investment Bank (NIB); the *Agence Française de Développement* (AFD); *Kreditanstalt für Wiederaufbau* (KfW); Oesterreichische

allows European institutions to leverage significant resources to address major projects and encourages donor coordination by channelling Member States' resources for joint projects. Once a project is approved, implementation and monitoring and evaluation rely on the leading agency. As a blending initiative, it brings together both loans from development finance institutions and bilateral non-reimbursable aid from the EC and donor countries. In Morocco, NIF has made possible the financing of large-scale development initiatives in the transport infrastructures sector, including the Rabat-Sale Tramway and the National Rural Roads Programme. Both projects were led by the French Development Agency (AFD), and co-funded by the EIB. The NIF has also contributed to joint budgetary support in the education sector.

**Table 6: Coordination initiatives and results in Morocco**

Initiatives	Results
<ul style="list-style-type: none"> <li>▪ OECD surveys and workshops on the implementation of the <i>Paris Declaration</i>.</li> <li>▪ EU Cooperation counsellors meetings</li> <li>▪ Thematic groups</li> <li>▪ The Neighbourhood Investment Facility</li> </ul>	<ul style="list-style-type: none"> <li>▪ A joint project supporting the Ministry of Finance in aid management</li> <li>▪ Joint budgetary support in education</li> <li>▪ Joint budgetary support in health</li> <li>▪ Delegated cooperation in support to the National Initiative for Human Development</li> <li>▪ Joint projects in the transport sector</li> <li>▪ Joint budgetary support in education</li> </ul>

According to the methodology of this study, the following is a description of both achieved and unachieved coordination results by EU donors in Morocco according to the typology of coordination results shown in Box 2.

- *Joint activities*
  - (i) Common diagnosis  
Analytic works previous to strategy elaboration and implementation involve numerous field missions and information demands to recipient countries. The Morocco government cites donor country missions as the best example of how aid fragmentation negatively impacts its managerial and technical capacities. According to this research, analytic works are still as fragmented as aid flows. Joint diagnosis has only been produced as a previous step to joint budgetary support in two specific sectors: education and health. Conclusions drawn from the thematic group on aid effectiveness could also be considered a common diagnosis exercise by EU and non-EU donors,

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Entwicklungsbank AG (OeEB); *Società Italiana per le Imprese all'Estero* (SIMEST); *Sociedade para o Financiamento do Desenvolvimento* (SFD); and *Agencia Española de Cooperación Internacional para el Desarrollo* (AECID).

though this concerns a very specific issue. Finally, studies linked to infrastructure projects financed by the NIF were centralised by the leading development finance institution, AFD. In conclusion, only joint projects are based on joint studies, but efficiency gains still have to be explored for different projects based on common analytical works on a same sector or issue. Belgium, however, does not promote its own preparatory works and relies on the analyses of the UN and the EU Delegation.

- (ii) Joint programming  
As explained above, donor representatives at the headquarters level did not endorse the consensus at the field level regarding the need for a common programming framework for both EU institutions and Member States<sup>20</sup>.
- (iii) Joint implementation  
As explained in the paragraph on common diagnosis, the NIF and the sector budgetary support have resulted in joint implementation. There also have been a couple of experiences of delegated cooperation, as explained below.
- (iv) Joint monitoring and evaluation  
Again, joint projects like transport infrastructure funded by the NIF or sector budgetary support are followed up and evaluated in a coordinated way. In the first case, the EC and the EIB rely on the leading agency, AFD, to hire evaluators. In the second, the EC launched a joint evaluation of the overall budgetary support to the eight sectors: health, education, water and sanitation, financial sector, transport, energy, private sector, governance, and multisector. This involves not only contributions from the EU and its Member States, but also from the World Bank and the AfDB.

It is remarkable that main achievements in EU joint activities are favoured by the use of a specific type of aid: budget support. This instrument obviously favours national authorities' ownership, and therefore contributes directly to the implementation of the Paris Declaration on Aid Effectiveness. According to OECD statistics, the EU has been a key supporter of Moroccan authorities ownership by this mean. Data for 2009 and 2010 show that Morocco is the main recipient of EU budget support, and has benefited from 386 million USD that represent more than 9% of total EU budget support to developing countries, and 91% of assistance from EU institutions -the EC and the European Investment Bank- in the country. Furthermore, in the health and education sector, this has leveraged coordinated resources from member States like France and Spain <sup>21</sup>.

- *Specialization.* Besides common efforts described earlier in this section, the survey to donors included questions related to the other vector of donor coordination: specialization (Box 2). The results shown below refer to initiatives and results oriented to the DoL among donors.

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<sup>20</sup> France and Spain have finally agreed to joint programming in 2013, but this new consensus will not produce results before 2016.

<sup>21</sup> stats.oecd.org

- (v) **Sector concentration**  
According to the OECD (2012), aid fragmentation in Morocco is increasing. The number of donors per sector was 10,2 in 2005 and 12,1 in 2009. However, the donors interviewed, who accounted for 86 percent of total ODA in Morocco between 2007 and 2011, have quit certain activities in order to increase concentration in three main lines; this is not reflected in OECD sector data—sometimes not even in sub-subsector figures. Therefore, OECD fragmentation indicators for Morocco may be hiding the fact that main donors concentrate an increased amount of resources in main programs, while small interventions from donors of all sizes are still disseminated in different sectors.
- (vi) **Delegated cooperation**  
There exists only one experience of delegated cooperation among EU donors in Morocco: support from Germany and Belgium of the country's National Human Development Initiative (NHDI) via the EU Delegation. Switzerland's support to Morocco in the field of water is also channelled via Germany, based on its comparative advantage in that sector.
- (vii) **Perceived added value**  
Most European donors thought to add value through their aid activities by transferring knowledge and reinforcing the Moroccan government's capacities. In fact, when asked specifically about their added value, all donors mentioned the same sector: governance. Only a few of them, like Germany and Belgium, referred to specific sectors in which they concentrate resources.

This might seem to contradict the identification of comparative advantages. However, it must be taken into account that, when describing the activities in which they thought they performed well, all donors mentioned different aid projects in the same wide field of governance. For instance, USAID sees support to political parties as an asset, while the French are more focused on building capacities for civil servants. Once again, traditional aid quality indicators might not be suitable for catching the nuances of the aid map in a country like Morocco.

The results of coordination are obviously conditioned by the features of coordination initiatives. In general terms, those that have led to deeper coordination of donors are limited to specific sectors—for instance, education and health—and may be conditioned by the instruments in use: budgetary support and blended finance of infrastructure projects. In these cases, coordination results in common diagnosis, implementation, and even monitoring and evaluation. Nonetheless, when it comes to coordination of cooperation activities by the entire community of EU donors, results appear to be very poor. As mentioned above, there is only one coordination activity specific to EU donors and distinct from coordination processes that includes the entire donor community. This is the half-yearly coordination meeting of EU donors that has yielded no direct tangible results.

These results are consistent with those found in the study on aid effectiveness in Morocco recently published by the OECD (2012a). When it comes to coordination for the specific

case of Morocco, country programmable aid (CPA)<sup>22</sup> amounted to only 59 percent of total aid in 2010, with a target of 66 percent of total assistance in the framework of the aid effectiveness international agenda. Moreover, there has been a setback since 2007, when the share of CPA was 70 percent. As for coordinated donor missions, they improved from 12 percent in 2007 to 19 percent in 2010 but are still very far from the 40 percent target. The OECD (2012a) states that there is a great variability behind this indicator, with some donors not performing at all—such as Canada and the United States—and others being extremely committed to this common procedure. Donors’ use of coordinated country analytic works behaves in a similar fashion. These should have been at a level of 66 percent by 2010. In the case of Morocco, this proportion has increased from 27 percent in 2007 to 44 percent in 2010.

In fact, most interviewees acknowledged the fact that there is great room for improvement when it comes to EU donors’ coordination. However, most of them insisted that coordination initiatives—again, little more than regular meetings—have yielded at least two results. First, there is information sharing. Now, at least, the EU Delegation in Morocco is aware and informed of the cooperation activities conducted by other Member States. Moreover, this information sharing highlights the weaknesses and lack of procedural coordination of EU development cooperation policy in the field. This might provoke a certain change of political culture, in terms of the need to transform activity-based development cooperation into result-based development policies.

**Table 7: Specific results from coordination activities in Morocco**

		Joint activities				Specialization		
		Common diagnosis	Common planning	Common implementation	Common M+E	Sector concentration	Delegated cooperation	Perceived added value
Initiatives	OECD surveys and workshops			x				
	EU Cooperation counsellors meetings							
	Thematic groups	x		x	x		x	
	The Neighbourhood Investment Facility	x		x	x			

<sup>22</sup> CPA, also known as ‘core’ aid is defined by the OECD as the portion of aid donors programme for individual countries, over which partner countries could have a significant say.

## 5. What is the cost of coordination?

Assessing the quantitative, effective costs of EU aid coordination in Morocco requires two previous considerations. First, costs are mixed. This means when reporting the amount of human and financial costs delegations find it difficult to separate costs of coordination of different natures. For instance, Germany devotes the lion share of its coordination time to intra-coordination—between different German official institutions that channel development cooperation to Morocco. As for Spain, the costs reported do not separate EU donor coordination processes from the costs of coordinating their activities with the whole community of donors in the field. Second, some coordination costs are not included in our study. Take, for instance, direct costs of the report on EU development cooperation in Morocco published in 2010 or the geographic information system (see previous section). These costs are intentionally excluded as our aim is to give a picture of the structural and permanent costs of EU coordination mechanisms, rather than those of extraordinary initiatives.

**Table 8: Cost of donor coordination**

<b>Costs reported by EU donors</b>	<b>Average</b>
▪ No. of employees participating in coordination processes	5
▪ Share of total working hours (%)	19,82%
▪ Average gross salary devoted to donors coordination (€, annual)	25.395€

Besides real, effective costs (Table 8), lack of coordination results may also entail opportunity costs in at least two aspects: development impact and, in political terms, the EU as a global player. According to previous studies on aid coordination (Section 1), better aid coordination may lead to more effective aid and, therefore, to greater impact on development; eventually, this should lead to poverty reduction. A quantitative assessment of this cost of opportunity is obviously beyond the scope of this study (see Section 1 for such approaches). Nevertheless, we included a question in all three types of questionnaires in order to collect the perceptions of stakeholders on this issue. The interviewees were asked if they felt there was a link between aid coordination and aid effectiveness—in other words, if they believed in the aid effectiveness agenda for the particular case of Morocco. There was a quasi-consensus: 100 percent of the respondents agreed that better aid coordination in Morocco would produce a greater impact by this external policy on development levels in the recipient country. Moreover, all felt the rest of the EU donor community shared this opinion; 8 out of 10 respondents thought non-EU donors shared this opinion, too. Moroccan representatives interviewed also agreed on this point. However, only 5 out of 10 donors think that Moroccan authorities truly believe that there is a nexus between aid coordination and development impact.

Is the EU (or is the EU perceived) as a single development player in Morocco? Probably not. When asking EU bilateral donors and the EU Delegation if they thought non EU

stakeholders believed this, the answer was yes only 50 percent of the time. Moreover, although they generally think other EU donors see them that way (seven out of eight positive answers), not even all EU delegates self-identified as part of a single EU group of donors (again, seven out of eight answers), and only half of them identified as a single group of donors by non-European actors (four out of eight). More strikingly, when it comes to identifying a leader in the EU group, not one single European respondent mentioned the EU Delegation (not even the EU Delegation itself), while France was mentioned 9 out of 10 times as a leading donor, Spain 7 times, and Germany 4 times.

<b>Box 3: Delegates' perceptions of opportunity costs of a weak coordination among EU donors in Morocco</b>	
Would a better coordination of aid activities lead to a wider impact of international assistance on development?	Yes (100%)
Do you identify the bilateral/multilateral cooperation that you represent is part of a EU group?	Yes (87,8%)
Do you think non-EU stakeholders see you that way?	Yes/No (50/50 %)
Is there a EU donor leader?	Yes: France 1 <sup>st</sup> (80%) and Spain 2 <sup>nd</sup> (66%)

## 6. Main obstacles to a more coordinated EU development cooperation policy

As mentioned above, the questionnaires include questions about the main administrative and political barriers to greater result in terms of aid coordination (Section 3). According to the respondents, there are four main bottlenecks.

- i. The very different procedures of each EU donor – and the EU Delegation, for that matter – were mentioned in most of the interviews. EU Member States and Delegation have very diverse, and sometimes complex, administrative procedures when it comes to sub-contracting, transferring funds to partner countries, or signing agreements with other Member States. Differences in programming methods are a good example of this. While the EU Delegation's aid is programmed in four-year cycles, Germany negotiates bilateral agreements with Morocco every two years and runs complementary five-year programs at a regional scale.
- ii. Additionally, the political interests and institutional architecture of the Moroccan government seem to play a role. Many respondents mentioned the 'divide and rule' approach by the local government. If this is so, the Moroccan elites might be more interested in both a fragmented community of donors, and a local institutional design of fragmented counterparts (similar results were found in previous studies; see Section 1). In fact, as already mentioned, there is neither a

national development plan, nor one single counterpart with a say about development and/or the development cooperation strategy. The Ministry of Finance has been identified by donors as the strategic counterpart, but the truth is that its role is somehow limited to the financial control of ODA flows – still an important role given the high proportion of refundable assistance.

- iii. Donors may also have a bilateral political agenda. As mentioned before (Section 2), Morocco is not only a developing-partner country, but also a strategic geopolitical and geo-economic spot for Western countries – something which affects the entire map of international relations and development cooperation. In this context, leading donors might be more interested in emphasizing their role as bilateral counterparts at the expense of the EU role as a global development player. Most respondents who pointed out this obstacle were referring to France and Spain.
- iv. Lastly, there is intra-donor lack of coordination. The institutional designs of development cooperation policies of several EU donors are quite fragmented. German cooperation is divided into several agencies with different roles – grants *versus* credits, for instance. The person in charge at the German Embassy in Rabat is fairly informed about the activities in Morocco of the cooperation agencies and offices that do not depend on the Foreign Affairs Ministry, but she does not have the political power to plan, implement, or monitor and evaluate those funds. Something similar happens with the United States, where USAID and the Millennium Challenge Corporation (MCC) operate as separate agencies; France, where the cooperation aggregate at the embassy and the delegate of the AFD do not coordinate their activities; and even the EU Delegation, which works as an additional Member State, but independently from the EIB<sup>23</sup>.

**Box 4: Obstacles to coordination of EU development cooperation policies in Morocco**

- Different procedures of EU Member States
- Morocco's political interests and institutional architecture
- Bilateral donors' political agenda
- EU donors' institutional design

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<sup>23</sup> USAid: United States Agency for International Development ([www.usaid.gov](http://www.usaid.gov))

MCC: Millenium Challenge Corporation (<http://www.app.ma/index.php?page=mcc--maroc>)

AFD: Agence Française de Développement ([www.afd.fr](http://www.afd.fr))

EIB: European Investment Bank ([www.eib.org](http://www.eib.org))

## 7. Conclusions and recommendations

### *Insights on aid effectiveness, comparative advantages, and division of labour*

Morocco is a LMIC with a relatively high degree of development in certain aspects and areas, as a result of being a medium human development country with high inequality levels. As such, development needs, and development cooperation needs, are not necessarily those of lower income countries (LICs) or LDCs. However, most aid quality indicators—meant to be suitable for all donors and all recipients—are built to measure the quality of aid in very low development contexts. Take, for instance, proliferation ratios (number of donors per sector) or donors' concentration at the partner level (number of sectors in which a given donor participates) (Box 1). It makes sense to assess aid effectiveness with such indicators when the development needs of the partner countries require the allocation of massive local and foreign resources to very few health, education, or alimentary sectors for fighting problems such as child malnutrition, female education, or maternal mortality at a macro scale.

However, as already mentioned (Section 1), Morocco's development needs probably require—at least in some cases and on the part of donors—more targeted, focused, micro or meso-cooperation activities with a strong institutional component in order to break vicious circles of underdevelopment. This would yield diverse consequences for the EU agenda on aid effectiveness, comparative advantages and DoL.

#### ▪ *Aid effectiveness*

An interesting result of the survey conducted for this study is that, when asked if donors had abandoned projects or programmes in the last 10 years, 77.8 percent of those surveyed responded that they had, the main motivation being a trend towards concentration. This figure seems to contradict figures on aid fragmentation in Morocco published by the latest OECD report (2012a). However, when digging into that response, it appeared that, in some cases, donors remained in the same sectors for years but concentrated in a smaller number of sub-sectors within each sector. That is, concentration can be compatible with low performance in OECD proliferation ratios. Also, regarding comparative advantage, certain specialization patterns may, in fact, disseminate very small amounts of aid in different sectors, while main contributions from main donors increase and ensure concentration of the most significant programs (see Section 4).

Therefore, an adapted concentration indicator is proposed in Box 5. It tries to overcome some of the limitations of current OECD indicators. Our proposal aims to be consistent with a more selective and progressive, rather than maximalist, coordination agenda, leaving some room for diversity and innovative competition among donors.

#### ▪ *Comparative advantage*

When asked if they thought they had a sector comparative advantage with regard to other donors, 80 percent of both EU and non-EU donors pointed to the same sector:

governance. Moreover, when describing the details of their governance projects, differences between donors arose in sub-sectors. For instance, USAID focuses on institutional support to political parties, the British Embassy concentrates on parliamentary issues and policy communication, and the French cooperation supports all kinds of information exchange activities among civil servants. Moreover, according to OECD accounting standards, institutional and governance support can be implemented through a wide variety of sectors. Take, for instance, donors specializing in capacity building programmes for civil servants or support to civil society organizations. Such specialization patterns, based on the type of beneficiary rather than the sector, may show a high degree of proliferation, implying too little money for too many sectors by one single donor.

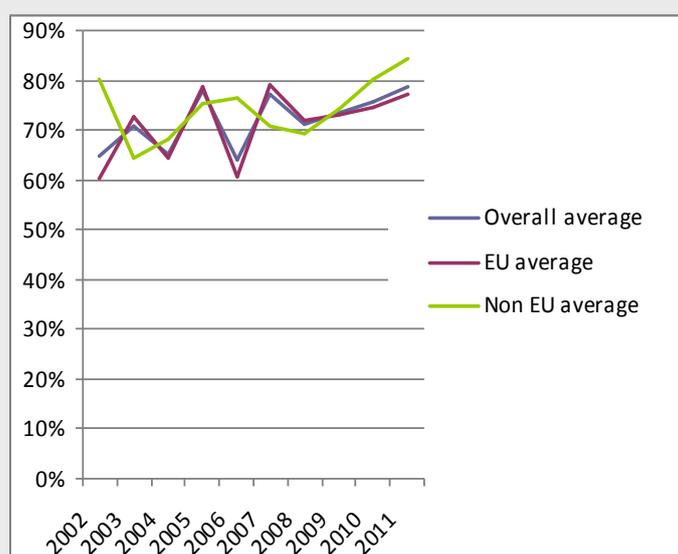
- *Division of labour*

As shown in Section 1, according to the international guidelines for donors' DoL such as the *Paris Declaration on Aid Effectiveness* or the *EU Agenda for Change*, donors should focus on a small number of sectors in each partner country. If this is applied in Morocco on the basis of the standard indicators for sector definition, regardless of the peculiarities of the development context (which are, by the way, shared by a great number of EU developing partner countries), the EU would probably miss the opportunity to target the real development bottlenecks in this North African country.

### Box 5: Proposal of an adapted concentration indicator

Aid fragmentation in Morocco is increasing according to the OECD. The number of donors per sector was 10.2 in 2005 and 12.1 in 2009. However, according to interviews, main donors in Morocco have left certain activities and increased resources allocated to two or three focal sectors. The increase along the time of the share of three main sectors in every donor's portfolio could be a complementary indicator for concentration and fragmentation trends.

% of ODA concentrated on three focal sectors - A new concentration indicator?



**Gross disbursement in three focal sectors (% of total current USD Millions)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Belgium	71%	78%	73%	73%	64%	63%	52%	70%	73%	78%
EU Institutions	0%	100%	0%	58%	60%	76%	66%	54%	48%	60%
France	89%	89%	86%	85%	80%	75%	69%	80%	74%	80%
Germany	89%	85%	88%	91%	87%	88%	83%	84%	80%	87%
Italy	93%	98%	55%	94%	87%	97%	72%	55%	84%	91%
Japan	95%	72%	76%	82%	70%	68%	77%	87%	88%	90%
Spain	80%	58%	50%	51%	46%	55%	63%	80%	73%	61%
United Kingdom	0%	0%	100%	100%	0%	100%	98%	89%	89%	84%
United States	66%	57%	60%	68%	82%	74%	62%	61%	72%	79%
Overall average	65%	71%	65%	78%	64%	77%	71%	73%	76%	79%
EU average	60%	73%	64%	79%	61%	79%	72%	73%	75%	77%
Non EU average	80%	64%	68%	75%	76%	71%	69%	74%	80%	84%

Source: OECD.Stat

In other words, donors in Morocco feel they are doing a good work with institutional support projects and technical cooperation. These require very targeted—and cheap!—cooperation activities, but this leads to disastrous standard aid quality indicators such as fragmentation and proliferation. To the extent that aid quality indicators are also a guide to how and on what ground donor coordination should be implemented, this development context might need a different, more complex system for assessing aid quality.

***The coordination of EU donors in Morocco is weak (but it does produce some results)...***

- *There is a lack of strong, specific EU coordination*

As shown in Section 4, there is not a clear distinction between EU coordination results and other results. In fact, what seems to be the weakest coordination mechanism of all—the EU annual meetings—is the only EU-specific initiative. Most successful coordination activities involve both EU and non-EU donors; take, for instance, the budget support for health and education. It is difficult to extract a recommendation from this conclusion for fostering both development impact and a stronger role for the EU as a global player. If an efficient coordination mechanism is put in place for the sake of cooperation effectiveness, should it not include as much donors as possible (whether they are European or not)? In this particular sense, there seems to be a trade-off between cooperation effectiveness and the role of EU as a global, integrated player.

- *Different administrative procedures*

Different procedures among EU Member States are obstacles to donors' coordination (Section 6). Several delegates highlighted the difficulties in working toward a standard procedure for all Member States. Even if this were a political option, it might take a great deal of time.

- *Messy institutional architecture in some Member States*

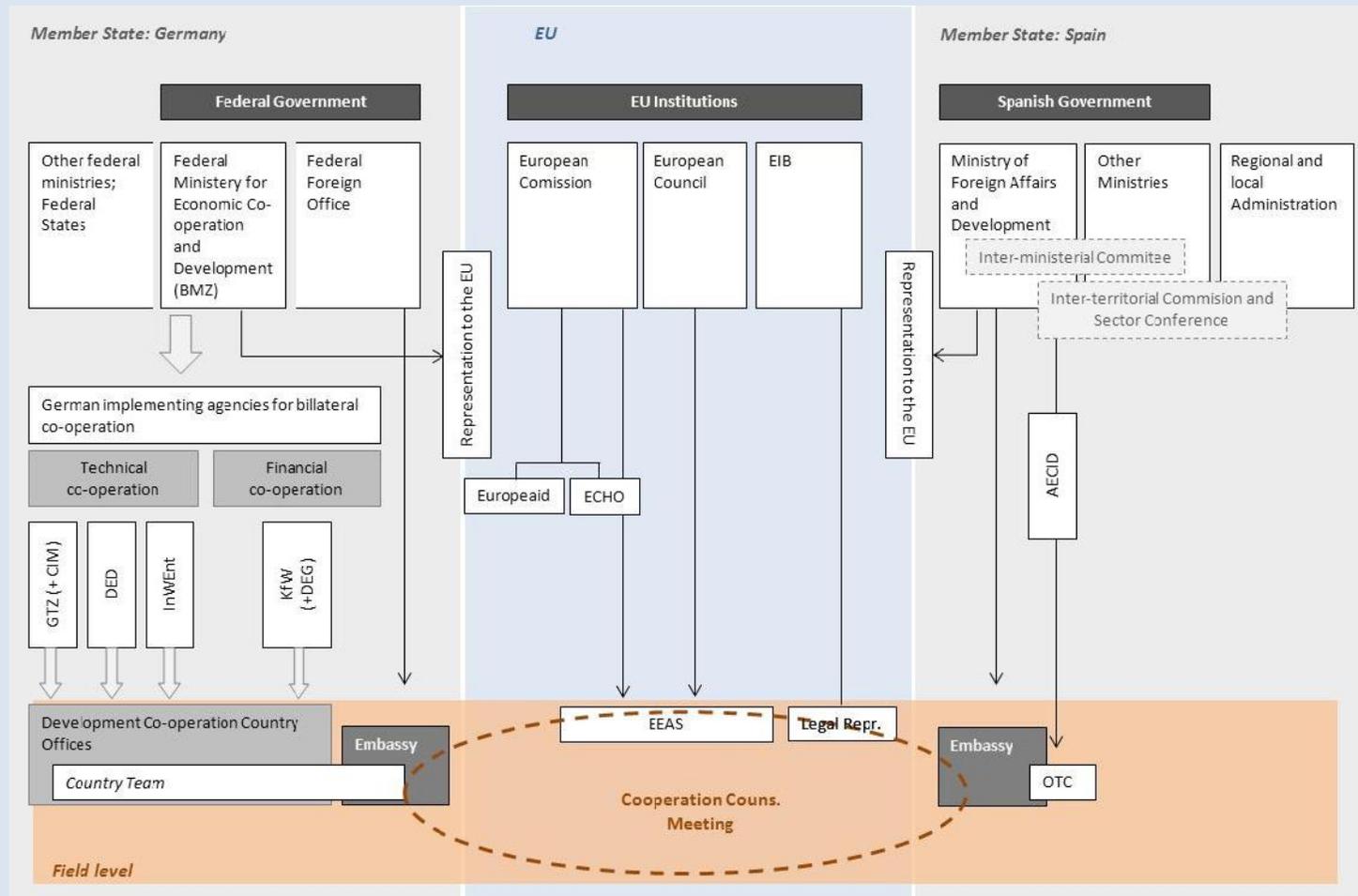
In 2011, there seemed to be enough political will in the field for EU delegates to propose to Brussels a joint programming initiative for all EU development cooperation in Morocco. However, later that year, it was stopped in Brussels. The two countries that blocked this process at their headquarters were France and Spain. This might be a reflection on the lack of political will to deepen the European integration process, at least in the cooperation field.

However, several interviewees commented on the leadership of the Spanish cooperation office in Morocco in this initiative. The same country that led the initiative blocked it in Brussels. This case demonstrates that, on top of the lack of horizontal coordination at the state level, there might also be a problem with vertical coordination policies of EU Member States (Box 6).

Therefore, a simpler and more efficient communication channel should be installed. This is particularly pertinent given the current process of implementation of the European External Action Service (EEAS).

The lack of intrastate coordination is a serious obstacle to intra-EU coordination (Section 6). Complex institutional structures of cooperation policies – where there are too many offices in charge of international aid and, above all, not one single political head – pose serious difficulties for advancement in both CPA and coordination at the partner-country level. EU headquarters should explore the political and technical ways to set an agenda for internal coordination of Member States linked to the intra-EU coordination agenda.

**Box 6: Can cooperation counsellors' meetings in the field ensure EU donor coordination?**



- *Delegated cooperation, an opportunity for donor coordination on a project basis*

Donors' procedures and organizational charts can be so complex and diverse that donor coordination becomes inefficient. Some European representatives pointed to delegated cooperation as a good and efficient solution, as it relies on one single donor institution and set of procedures. EU donors have not explored such efficiency gains in the field and although most of them seem very positive about the idea of being a leader in delegated cooperation, they do not plan on delegating to others. However, at the headquarter level, the introduction of the NIF has facilitated a sort of delegated cooperation between EU institutions and Member States' financial institutions. Contributions from the EU budget may have acted as an incentive for coordination in this case.

- *Is there enough political will, anyway?*

As explained above, the NIF mechanism is one example of how EU coordination is not only desirable, but also feasible. Besides "good mechanisms experiences", there are "good EU donor experiences". For instance, small donors with a limited capacity, like Belgium, rely entirely on on analytic works previously conducted by other countries. This pattern should be progressively extended to the whole EU community. One EU delegate actually stated that all the institutional and administrative bottlenecks pointed out in the study were only 'excuses'; political will could solve all of these problems. Progress toward joint programming on the field level and obstacles at the headquarters level reinforce such statements.

However, if political economy aid matters, as explained in Section 1, definition of aid effectiveness targets should be based on not only development goals, but also political feasibility. Again, if donors follow a new, more selective and progressive agenda for donor coordination, they could focus on those sectors and activities where coordination is feasible.

- *The EU Delegation should become a political leader and real coordinator in the field*

In any case, the EU Delegation seems to lack political leadership (Section 5). As a donor, it behaves as an additional Member State. Its role has been more administrative than political, as shown by the survey conducted for this study. Again, the EU should take advantage of the ongoing EEAS process in order to upscale the political role of the EU Delegations in partner countries.

Besides, in order to improve the current coordinating mechanisms, the delegation must assume that these coordination processes also have costs and that these costs can be lowered when bilateral donors find incentives in joint activities, delegate implementation to each other, and pose coordination proposals that are not maximalist and politically unrealistic.

A realistic and selective way of improving coordination could be to focus on certain sectors and tasks. Knowing that proliferation of donor missions to the field is the most frequent example of the costs of aid fragmentation, the evaluation launched by the EU

Delegation in Morocco, covering all sector budgetary support from Member States, might be a good practice to generalize. Analytical works and monitoring and evaluation missions could be centralized by the EU Delegation if Member States find budgetary incentives to do so. This would reduce costs for the recipient country, facilitate knowledge and information exchange among EU donors, and be a step forward in reducing market barriers in cooperation services. According to interviewees, protectionism in aid markets is one of the obstacles for further donor coordination.

***Limitations of the context: Morocco's institutional and political barriers***

Morocco lacks a national development plan (Section 6). Development needs and development cooperation activities must be planned at the sector level, thereby hindering any possibility of synergy between sectors. Nor does the country have a 'political head' acting as a strategic counterpart for donors. As such, EU donors have serious difficulties coordinating and aligning with one single counterpart.

**Box 7: Key recommendation: an approach toward greater coordination requires a policy mix**

- (i) A more nuanced approach to the coordination agenda and indicators
- (ii) Greater incentives for delegated cooperation
- (iii) A focus on Member States' internal institutional limitations to aid coordination—not just interstate problems
- (iv) An enhancement of the political role of the EU Delegation in the field
- (v) The promotion of a single local counterpart and strategic framework in the partner country
- (vi) The implementation of more selective and progressive, rather than maximalist, coordination targets

Whether this is the result of a political strategy by the local government (“divide and rule”); a reflection of the current Moroccan landscape (according to one respondent, the political fragmentation of the ruling coalition has led to a de facto distribution of competences inside the administration); a consequence of all factions working separately; or a simple lack of interest in improving the institutional architecture for better development policy, a single counterpart and a national development plan should be implemented.

EU donors could promote the creation of a single Moroccan counterpart and a national development plan by establishing the right incentives. Tools like the aforementioned NIF

are a good reference. Inter-sector aid packages by EU donors could be conditioned on the acceptance of pools of several EU donors and a unique counterpart in the local government.

Being a LMIC with a low aid dependency ratio, this should not be major obstacle. After all, Uruguay's cooperation agency was created with the support of Spanish cooperation (Rivero, 2013), despite the very low dependency ratio of the American country – average ODA amounted to only 0.14 percent of GDP between 2006 and 2010.

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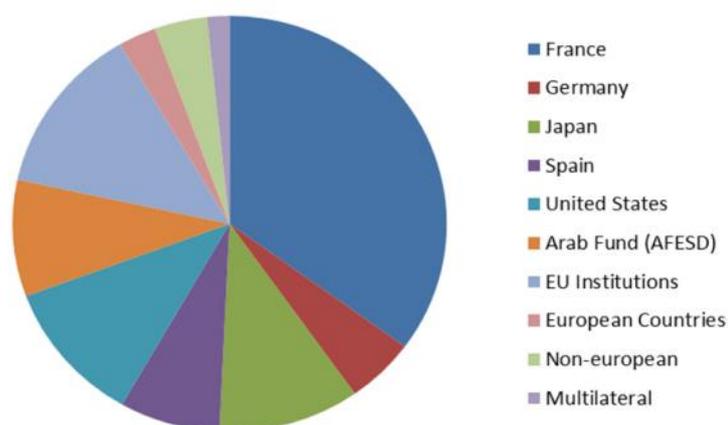
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## Annex A: Donor mapping in Morocco

*Overview: a donor ranking*

### ODA to Morocco: Annual commitments and share, average 2007-11.

Million USD (current prices)							
Nº	Country	average 07-11	%	Nº	Country	(average 07-11)	%
1	France	649	35.0%	21	UNFPA	2	0.1%
2	EU Institutions	244	13.2%	22	Denmark	2	0.1%
3	United States	206	11.1%	23	Netherlands	2	0.1%
4	Japan	195	10.5%	24	UNICEF	1	0.1%
5	Arab Fund (AFESD)	168	9.1%	25	UNDP	1	0.1%
6	Spain	139	7.5%	26	AfDB	1	0.04%
7	Germany	96	5.2%	27	Luxembourg	1	0.04%
8	Belgium	34	1.8%	28	Finland	1	0.03%
9	Kuwait (KFAED)	32	1.7%	29	UNAIDS	0.4	0.02%
10	United Arab Emirates	28	1.5%	30	Portugal	0.2	0.01%
11	Global Fund	9	0.5%	31	WHO	0.2	0.01%
12	Canada	7	0.4%	32	Greece	0.2	0.01%
13	Italy	7	0.4%	33	Austria	0.2	0.01%
14	OFID	6	0.3%	34	Ireland	0.07	0.004%
15	Korea	5	0.3%	35	Australia	0.03	0.002%
16	United Kingdom	4	0.2%	36	Norway	0.02	0.001%
17	IFAD	4	0.2%	37	Sweden	0.006	0.0003%
18	GEF	4	0.2%	38	Czech Rep	0.001	0.0001%
19	Switzerland	3	0.2%				
20	Isl.Dev Bank	2	0.1%				
				<b>Total</b>		<b>1.853</b>	<b>100.0%</b>



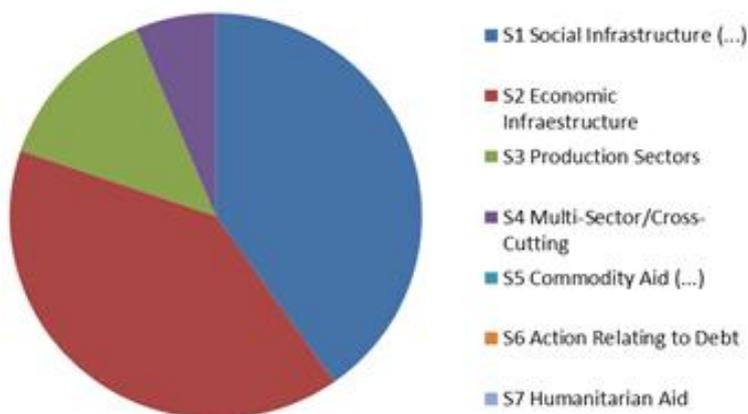
Source: DAC. OECD

## Sector and channel breakdown per donor

### France

- Position # 1
- Volume: 649 Million USD
- Share: 35%
- Coordinating office in the field: French Embassy
- Other relevant agencies: Agence Française de Développement (AFD)

ODA to Morocco: Sector distribution, average 2007-11

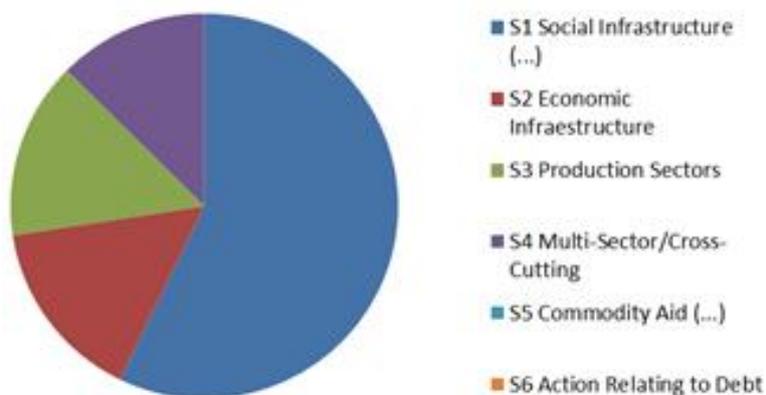


Source: DAC. OECD

### EU Institutions

- Position # 2
- Volume: 244 Million USD
- Share: 13 %
- Coordinating office in the field: EU Delegation
- Other relevant agencies: BEI

ODA to Morocco: Sector distribution, average 2007-11

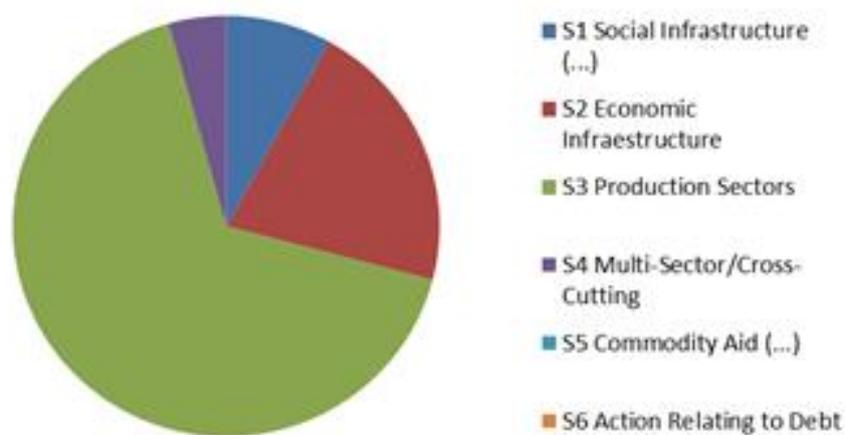


Source: DAC. OECD

### United States

- Position # 3
- Volume: 206 Million USD
- Share: 11 %
- Coordinating office in the field: US Aid
- Other relevant agencies: MCC

**ODA to Morocco: Sector distribution, average 2007-11**

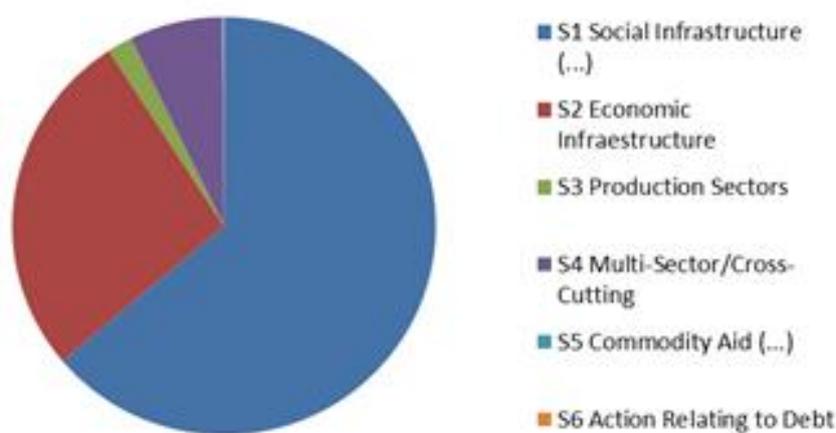


Source: DAC. OECD

### Japan

- Position # 4
- Volume: 195 Million USD
- Share: 10.5 %
- Coordinating office in the field: Japanese Embassy
- Other relevant agencies: JICA

**ODA to Morocco: Sector distribution, average 2007-11**

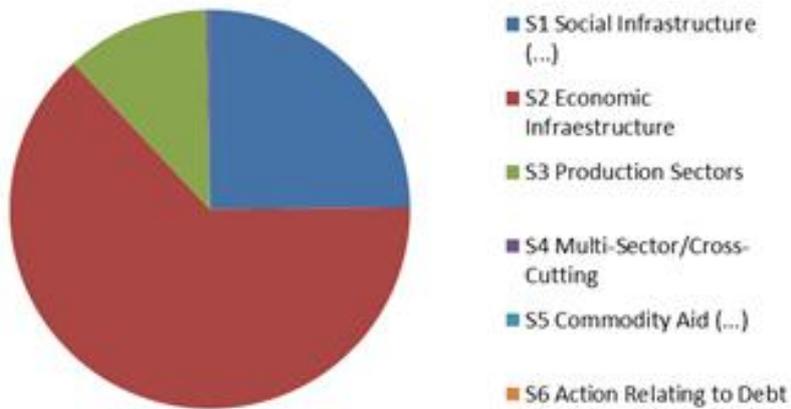


Source: DAC. OECD

**Arab Fund**

- Position # 5
- Volume: 168 Million USD
- Share: 9 %
- Coordinating office in the field: None

**ODA to Morocco: Sector distribution, average 2007-11**

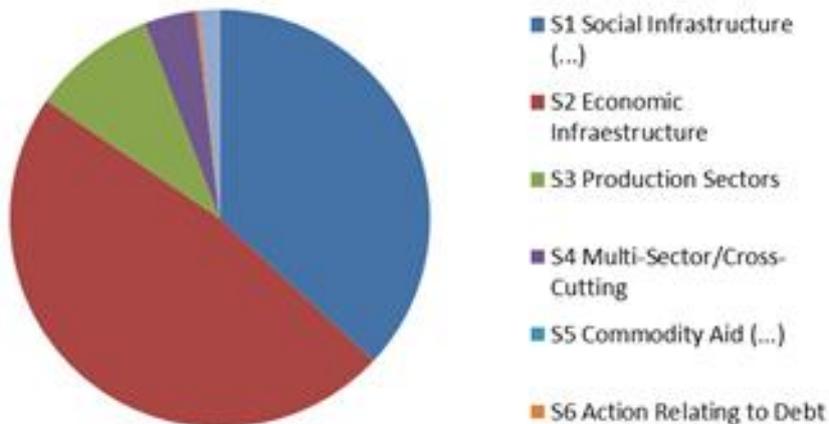


Source: DAC. OECD

**Spain**

- Position # 6
- Volume: 139 Million USD
- Share: 7.5 %
- Coordinating office in the field: AECID

**ODA to Morocco: Sector distribution, average 2007-11**

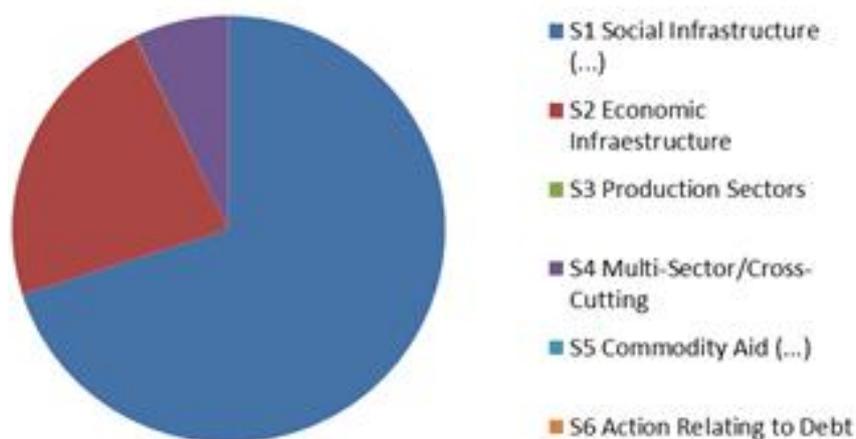


Source: DAC. OECD

## Germany

- Position # 7
- Volume: 96 Million USD
- Share: 5 %
- Coordinating office in the field: German Embassy
- Other relevant agencies: KfW

**ODA to Morocco: Sector distribution, average 2007-11**



Source: DAC. OECD

## Other EU Donors

### **Belgium**

- Volume: 34 Million USD
- Share: 1.8 %
- Main agency: Belgian Embassy

### **Italy**

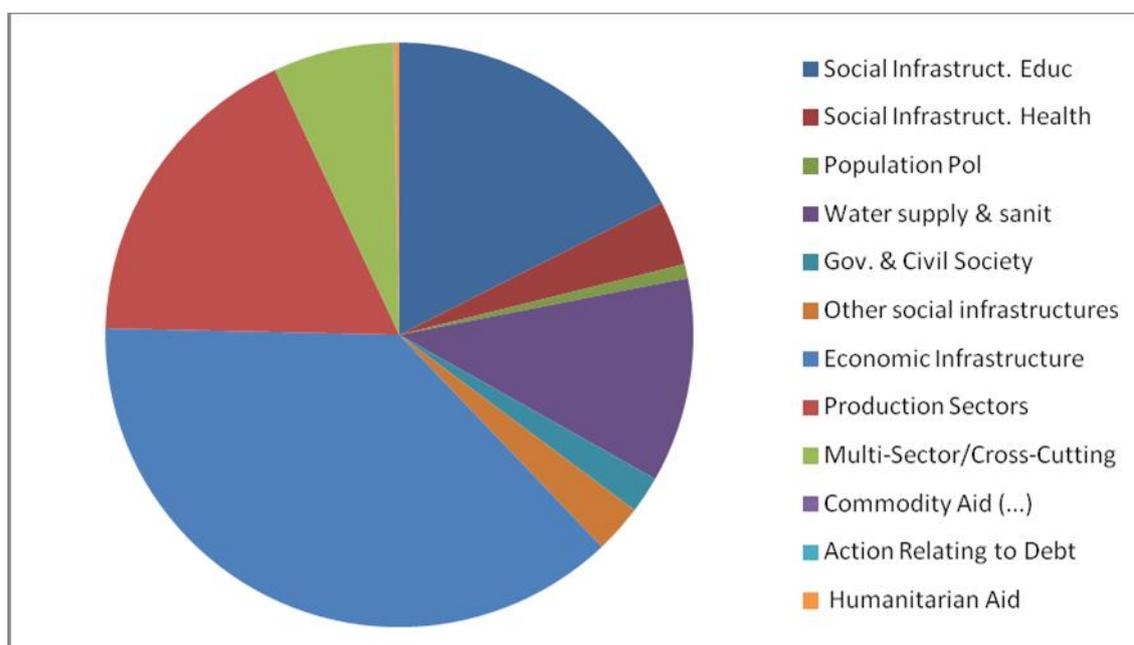
- Volume: 7 Million USD
- Share: 0.4 %
- Main agency: Italian Embassy

### **United Kingdom**

- Volume: 4 Million USD
- Share: 0.2 %
- Main agency: British Embassy

## Annex B: Donor mapping in Morocco 2: a sector approach

ODA to Morocco: Sector distribution of annual commitments. 2007-11 average.<sup>24</sup>



Million USD (current prices)							
N°	Sector	average 07-11	%	N°	Sector	average 07-11	%
1	Economic Infrastructure	650	35%	7	Health	62	3%
2	Productive Sector	307	17%	8	Other social infrastruct.	61	3%
3	Education	304	16%	9	Population Policies	13	1%
4	Water Supply	248	13%	10	Humanitarian Aid	5	0.3%
5	Multi-Sector/Cross-Cutting	115	6%	11	Action Relating to Debt	0.5	0.03%
6	Government & Civil Society	76	4%	12	Commodity Aid	0.4	0.02%

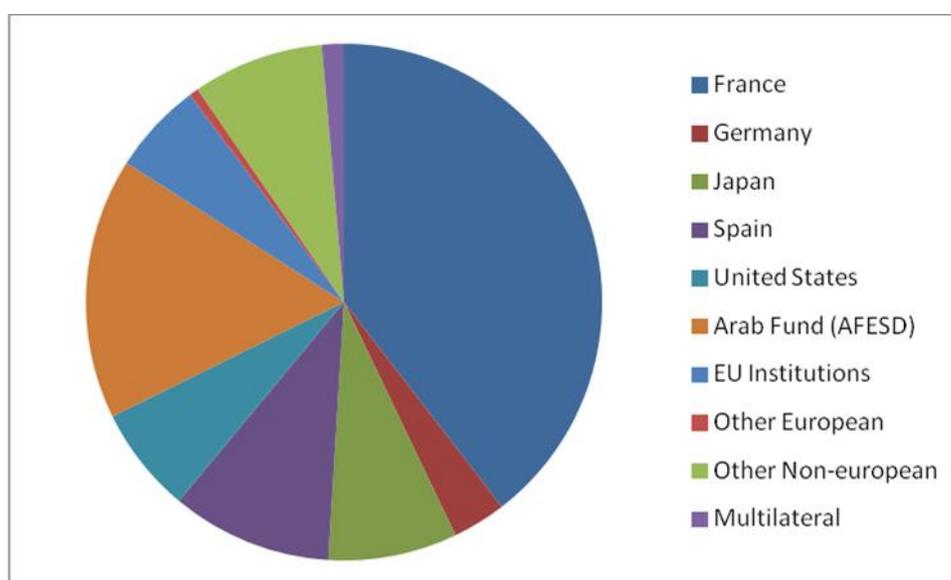
Source: DAC OECD

<sup>24</sup> Sectors correspond to main sectors according to OECD statistics, except for social infrastructure which has been split into Education, Health, Governance and Civil Society, Population, Water Supply and other social infrastructure

### *Economic infrastructure*

- Position # 1
- 650 Million USD
- Fragmentation<sup>25</sup>: 16
- Scope: Transport and storage, communications, energy, banking and business services.
- Coordination activities: Thematic group on energy
- Leading donor: European Union Delegation / United Nations Development Program

**ODA to Economic Infrastructure in Morocco:  
Donor distribution of 2007-11 average of annual commitments.**



Million USD (current prices)					
Country	average 07-11	%	Country	average 07-11	%
France	257	40%	Arab Fund (AFESD)	106	16%
Germany	22	3%	EU Institutions	37	6%
Japan	52	8%	Other European	4	1%
Spain	65	10%	Other Non-european	53	8%
United States	43	7%	Multilateral	9	1%

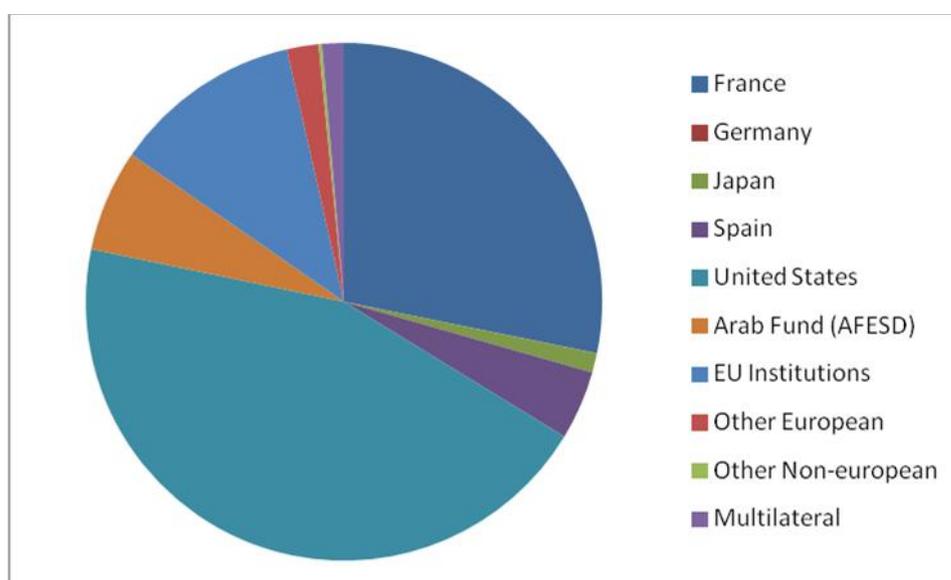
Source: DAC OECD

<sup>25</sup> Number of donors per sector

### *Productive sector*

- Position # 2
- 307 Million USD
- Fragmentation: 15
- Scope: Agriculture, forestry, fishing, industry, mining, trade and tourism.
- Coordination activities: thematic group on environment, agriculture and natural resources
- Leading donor: Germany and Belgium

**ODA to Productive Sector in Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



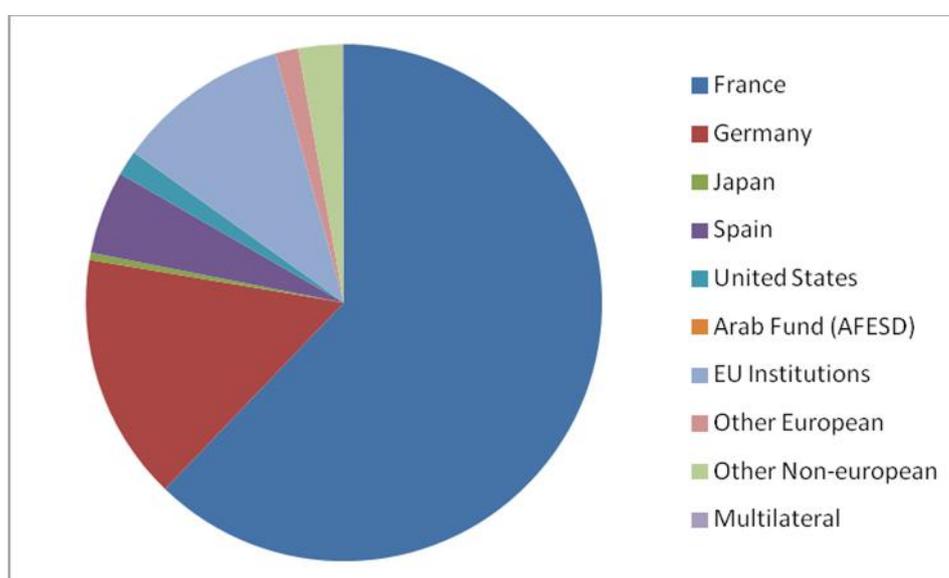
Million USD (current prices)					
Country	average 07-11	%	Country	average 07-11	%
France	87	28%	Arab Fund (AFESD)	20	6%
Germany	0.01	0.01%	EU Institutions	36	12%
Japan	4	1%	Other European	6	2%
Spain	13	4%	Other Non-european	0.7	0.2%
United States	137	45%	Multilateral	4	1%

Source: DAC OECD

## Education sector

- Position # 3
- 304 Million USD
- Fragmentation: 17
- Scope: Basic education, secondary education, post-secondary education
- Coordination activities: Thematic group on education
- Leading donor: France (AFD) / European Union Delegation

**ODA to Education Sector in Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



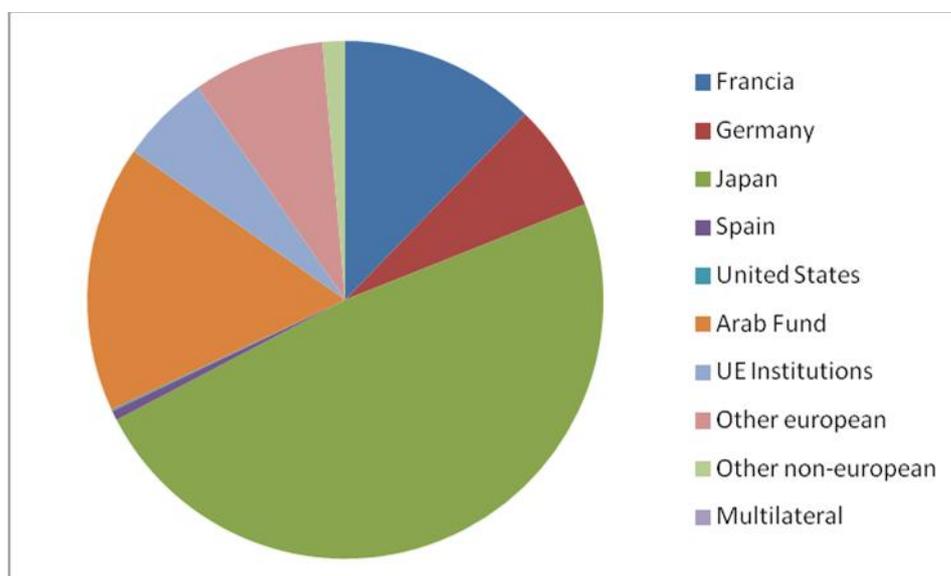
Million USD (current prices)					
Country	average		Country	average	
	07-11	%		07-11	%
France	189	62%	Arab Fund (AFESD)	0.04	0.01%
Germany	47	15%	EU Institutions	33	11%
Japan	1	0.5%	Other European	4	1%
Spain	16	5%	Other Non-european	8	3%
United States	5	2%	Multilateral	0.3	0.1%

Source: DAC OECD

### Water supply sector

- Position # 4
- 248 Million USD
- Fragmentation: 15
- Coordination activities: Thematic group on water
- Leading donor: France (AFD) / European Union Delegation

**ODA to Water Supply in Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



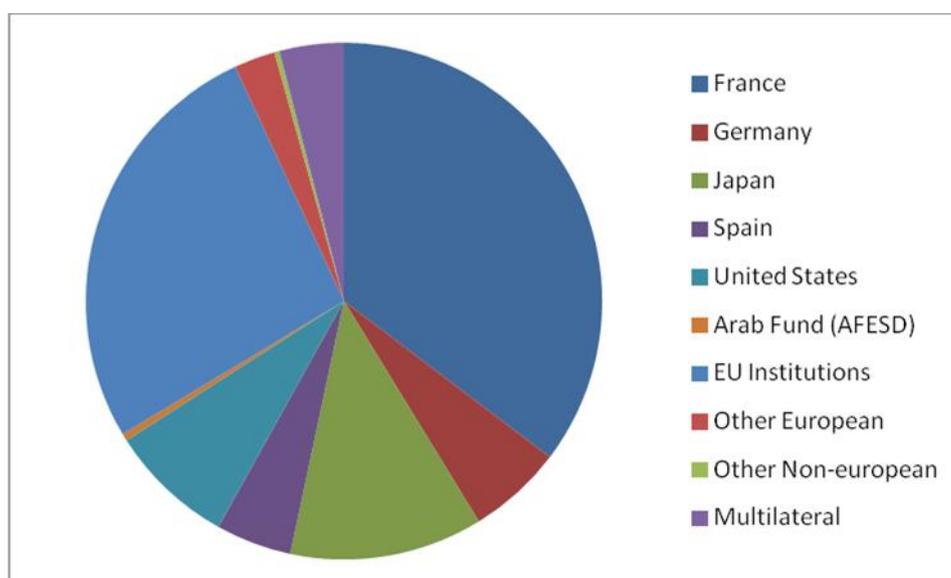
Country	average		Country	average	
	07-11	%		07-11	%
France	30	12%	Arab Fund (AFESD)	42	17%
Germany	17	7%	EU Institutions	14	6%
Japan	120	48%	Other European	21	8%
Spain	1	0.6%	Other Non-European	4	1%
United States	0.3	0.1%	Multilateral	0.00001	0%

Source: DAC OECD

### *Multisector Aid*

- Position # 5
- 115 Million USD
- Fragmentation: 23
- Scope: General environment protection. other multisector aid

**Multisector ODA to Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



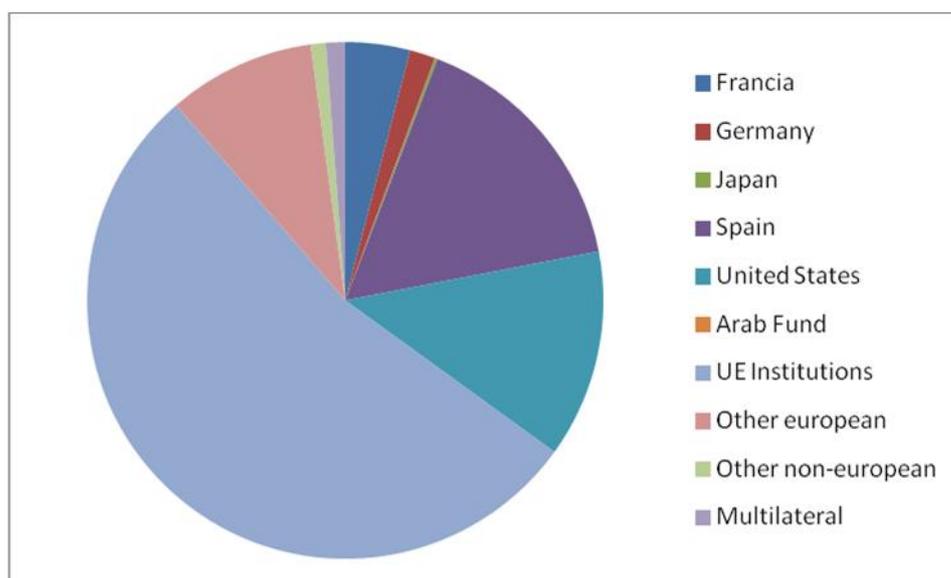
Country	average		Country		Million USD (current prices)	
	07-11	%	07-11	%	07-11	%
France	40	35%	Arab Fund (AFESD)	0.5	0.5%	
Germany	7	6%	EU Institutions	31	27%	
Japan	14	12%	Other European	3	3%	
Spain	5	5%	Other Non-European	0.4	0.3%	
United States	9	8%	Multilateral	5	4%	

Source: DAC OECD

### *Governance & civil society sector*

- Position # 6
- 76 Million USD
- Fragmentation: 25

**ODA to Governance and civil society sector in Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



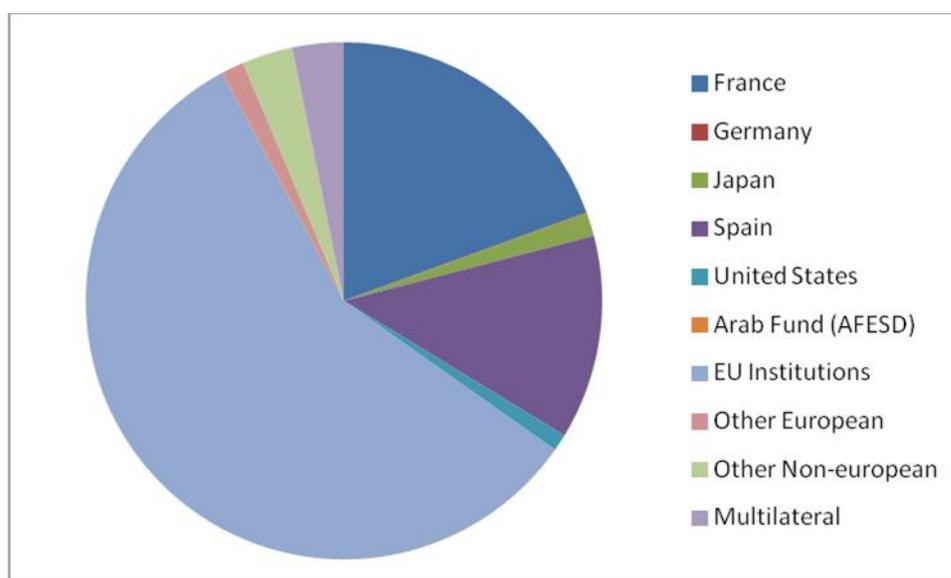
Country	average		Country		Million USD (current prices)	
	07-11	%	07-11	%	07-11	%
France	3	4%	Arab Fund (AFESD)	0	0%	
Germany	1	2%	EU Institutions	41	54%	
Japan	0.1	0.2%	Other European	7	9%	
Spain	12	16%	Other Non-european	0.7	0.9%	
United States	10	13%	Multilateral	0.9	1%	

Source: DAC OECD

### Health sector

- Position # 7
- 62 Million USD
- Fragmentation: 19
- Coordination activities: Thematic group on health
- Leading donor : Spain / European Union Delegation

**ODA to Health Sector in Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



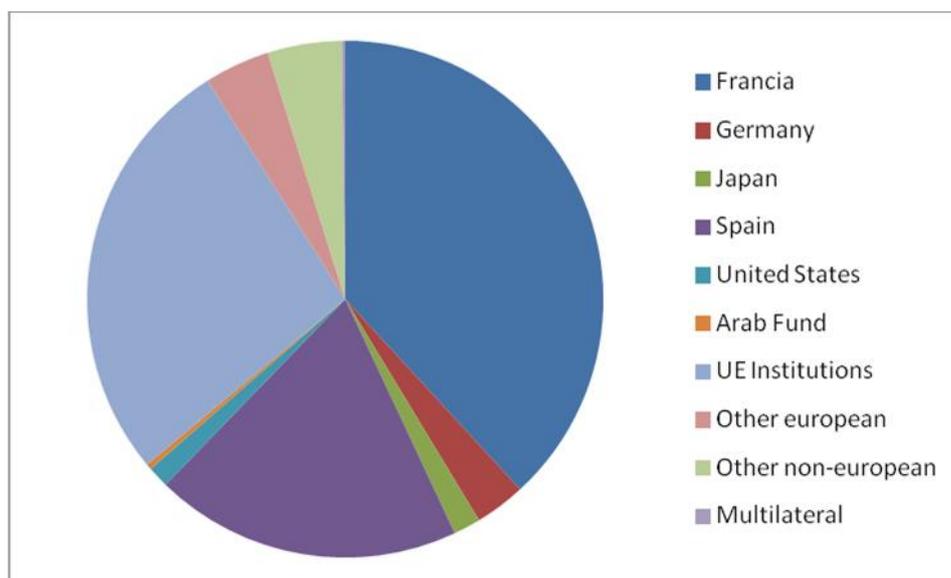
Country	average		Million USD (current prices)		
	07-11	%	Country	average 07-11	%
France	12	19%	Arab Fund (AFESD)	0	0%
Germany	0.03	0.1%	EU Institutions	36	57%
Japan	0.9	1%	Other European	0.9	1%
Spain	8	13%	Other Non-european	2	3%
United States	0.7	1%	Multilateral	2	3%

Source: DAC OECD

*Other social infrastructure sector*

- Position # 8
- 61 Million USD
- Fragmentation: 20

**ODA to other social infrastructure in Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



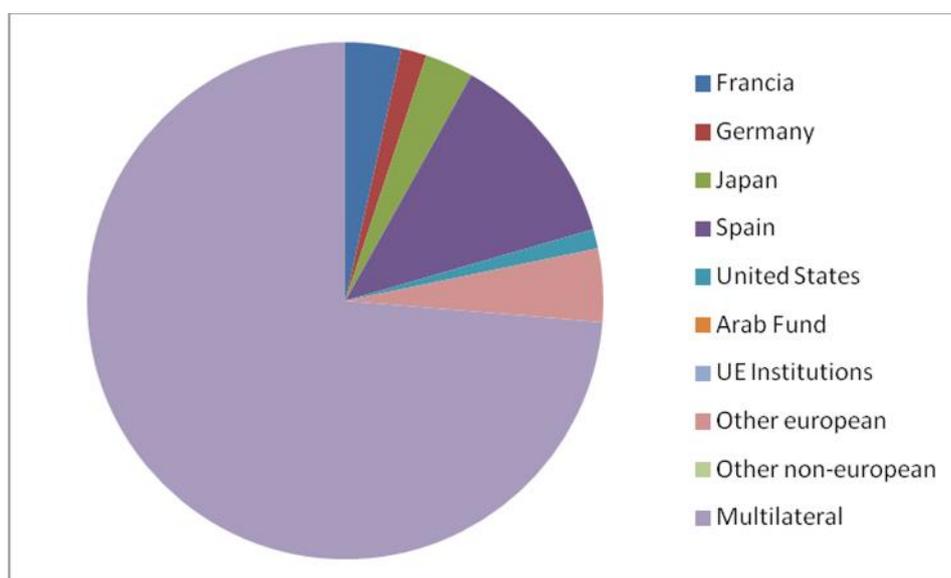
Country	average		Country	average	
	07-11	%		07-11	%
France	23	38%	Arab Fund (AFESD)	0.2	0.3%
Germany	2	3%	EU Institutions	16	27%
Japan	1	2%	Other European	2	4%
Spain	12	19%	Other Non-european	3	5%
United States	0.8	1%	Multilateral	0.1	0.2%

Source: DAC OECD

### Population policies sector

- Position # 9
- 13 Million USD
- Fragmentation<sup>ii</sup>: 13
- Coordination activities: Thematic group on development and social protection
- Leading donor : Spain / European Union Delegation

**ODA to Population Sector in Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



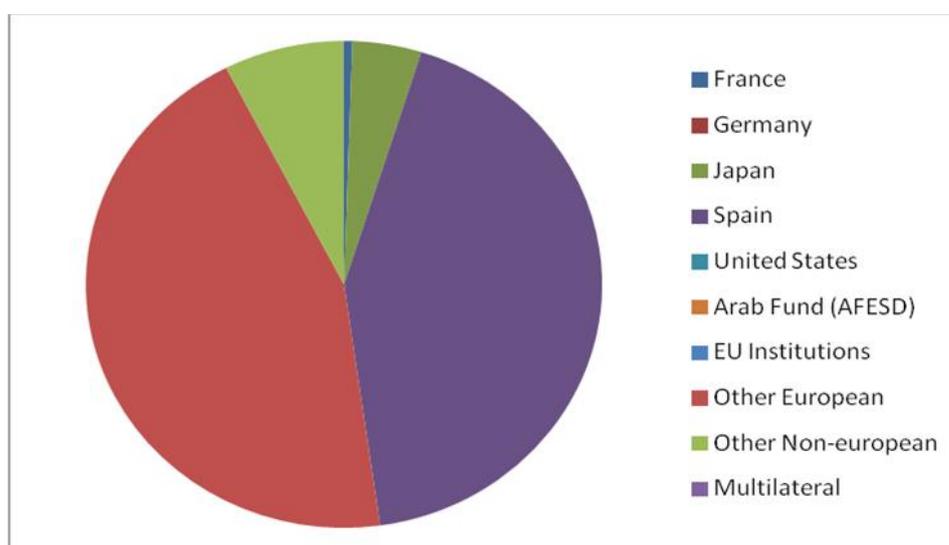
Country	average		Country		Million USD (current prices)	
	07-11	%	07-11	%	07-11	%
France	0.5	4%	Arab Fund (AFESD)	0	0%	
Germany	0.2	2%	EU Institutions	0	0%	
Japan	0.4	3%	Other European	0.6	5%	
Spain	2	12%	Other Non-european	0.0002	0%	
United States	0.2	1%	Multilateral	10	74%	

Source: DAC OECD

## Humanitarian Aid

- Position # 10
- 5 Million USD
- Fragmentation: 12
- Scope: Emergency response, reconstruction relief & rehabilitation, disaster prevention & preparedness

**Humanitarian ODA Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



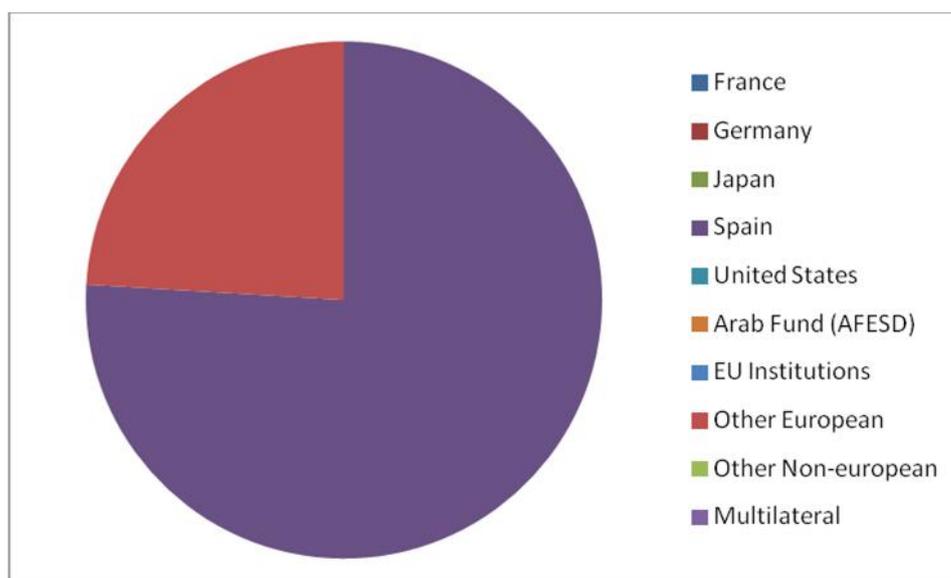
Country	average		Country		Million USD (current prices)	
	07-11	%	07-11	%	07-11	%
France	0.03	0.5%	Arab Fund (AFESD)	0	0%	
Germany	0	0%	EU Institutions	0	0%	
Japan	0.2	4%	Other European	2	45%	
Spain	2	43%	Other Non-european	0.4	8%	
United States	0	0%	Multilateral	0.001	0.02%	

Source: DAC OECD

*Action relating to debt*

- Position # 11
- 0.5 Million USD
- Fragmentation: 2

**Action relating to debt ODA Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



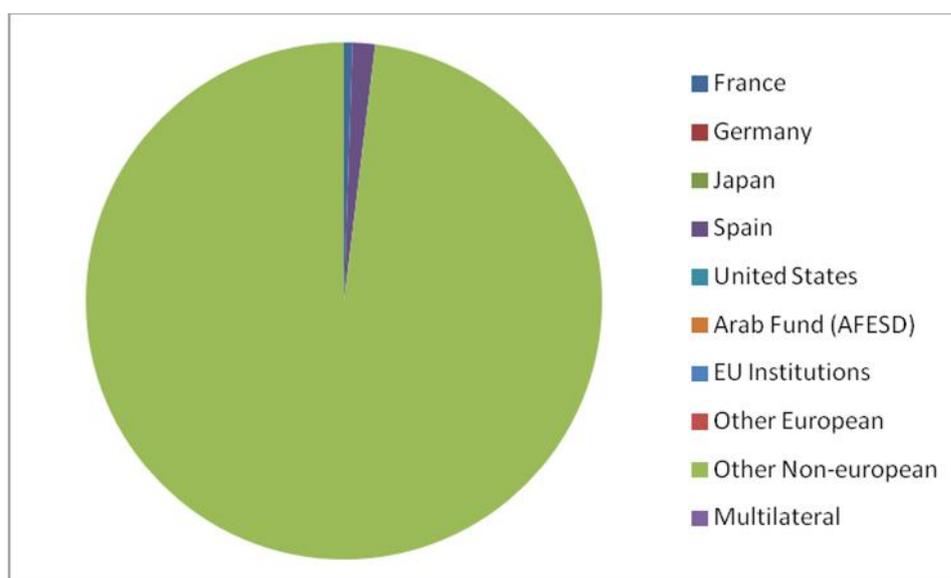
Country	average		Country		Million USD (current prices)	
	07-11	%	07-11	%	07-11	%
France	0	0%	Arab Fund (AFESD)	0	0%	
Germany	0	0%	EU Institutions	0	0%	
Japan	0	0%	Other European	0.1	24%	
Spain	0.4	76%	Other Non-european	0	0%	
United States	0	0%	Multilateral	0	0%	

Source: DAC OECD

## Commodity Aid

- Position # 12
- 0.4 Million USD
- Fragmentation: 3
- Scope: Food aid, food security assets

**Commodity aid Morocco:  
Donor distribution of annual commitments. 2007-11 average.**



Country	average		Million USD (current prices)		Country	average	
	07-11	%	07-11	%			
France	0.002	1%	Arab Fund (AFESD)	0	0%		
Germany	0	0%	EU Institutions	0	0%		
Japan	0	0%	Other European	0	0%		
Spain	0.01	1%	Other Non-european	0.3	98%		
United States	0	0%	Multilateral	0	0%		

Source: DAC OECD

## Annex C: List of key informers

#	Titre	Prénom	Nom	Fonction	Organisme	PAYS
1	M.	Jean Claude	KOHLER	Attaché de Coopération	Service de Coopération et d'Action Culturelle - Ambassade de France	France
2	M.	Sami	ASALI	Chargé des relations avec les organisations internationales et la société civile	Service de Coopération et d'Action Culturelle - Ambassade de France	France
3	Mme	Ingrid	BARTH	Conseillère de Coopération	Ambassade d'Allemagne	Allema gne
4	M.	Marc	DENYS	Conseiller de Coopération et Chef de Bureau	Ambassade de Belgique, Bureau de Coopération	Belgique
5	M.	Carlos	LIETAR	Conseiller au développement	Ambassade de Belgique, Bureau de Coopération	Belgique
6	Mme	Christina	GUTTIE REZ	Coordonnatrice Générale - Conseiller de Cooperation	AECID - Ambassade d'Espagne	Espagne
7	M.	Vicente	ORTEGA	CoordonnateurGénéral a.i.	AECID - Ambassade d'Espagne	Espagne
8	Ms	Chantel	CARE	Political Officer	Ambassade de Grande - Bretagne	Grande- Bretagne
9	M.	Claudio	MARTIN ELLO	Premier Secrétaire, Chargé de la Coopération	Ambassade d'Italie	Italie
10	M.	Guido	PRUD'H OMME	Représentant	Banque Européenne d'Investissements	BEI
11	M.	Satoshi	IKOMA	Premier Secrétaire, Chef de la Coopération	Ambassade du Japon	Japon
12	M.	Tomoya	SAITO	Premier Secrétaire, Chargé des Affaires Economiques et Commerciales	Ambassade du Japon	Japon
13	Mrs	Tamika	CAMER ON	Program Management Officer	USAID	United States
14	Mrs	Lyne	PAQUET TE	Contrôleur	USAID	United States
15	M.	Bruno	POUEZA T	Coordonnateur Résident du Système des Nations Unies	Programme des Nations Unies pour le Développement	ONU
16	M.	Joël	DALIGA ULT	Directeur	Agence Française de Développement	France
17	M.	Youssef	FARHAT	Directeur Adjoint Direction du Budget	Ministere des Finances	Maroc
18	Mme.	Loubna	CHAMI M	Chef de la Division de la Coopération	Ministère de l'Agriculture et de la Pêche Maritime	Maroc

## Annex D: Thematic groups

Thematic groups	Leader	EU donors	Scope
1. Health	ES / EU	FR (Afd) + SNU, BM, BAD	Maternal health
2. Energy	DE / DUE	FR (Afd), BE, BEI + BAD BM, JICA, PNUD	Energy policy Climate change
3. Water	FR / DUE	ES, BE, DE, (KfW), PT, IT NL, BEI + Suisse, BAD, BID, JICA, SNU	Water policy Potable water Sanitation
4. Environment, agriculture and natural resources	DE / BE / Dpt. Eau	ES, IT, DK, FR(AFD), NL+ JICA, BAD, SNU, BM, FAO, ACDI, FIDA, KOICA	Agriculture Rural development Climate change
5. Social development and protection	ES / DUE	FR, BE, DE, IT, DK + SNU, ACDI	Habitat Fight against poverty Social exclusion Gender
6. Education	FR / DUE	ES, BM, BAD, BEI, JICA, ACDI, SNU, USAID	Alphabetisation Vocational training University cooperation Research
7. Aid quality	DUE / PNUD	All donors	Aid effectiveness Geographic information system