



Royaume du Maroc
Le Chef du Gouvernement



المركز الوطني للتنمية البشرية
المركز الوطني للتنمية البشرية
Observatoire National
du Développement Humain

Performance Assessment of the National Initiative for Human Development

2005-2014

Executive Summary



The National Initiative for Human Development (NIHD): A Decade of Accomplishments

The National Initiative for Human Development (NIHD) was launched by His Majesty King Mohammed VI in his speech of May 18, 2005. A landmark project in the reign of his Majesty, the NIHD ultimately aims to reduce deficit in matters of human development. It was devised to fight poverty and social exclusion through focused programs that carry a social as well as a territorial dimension. It was implemented over two consecutive phases: NIHD 1 (2005-2010) followed by NIHD II (2011-2015)

As underscored in His Majesty's speech of August 20, 2005 in commemoration of the anniversary of the revolution of King and people, the NIHD's overarching goal is to "build on political achievements through the promotion of social and economic rights of citizens". It therefore adopts an inclusive, proactive and participative approach based on intangible values that pertain to the respect of human dignity, protection of women and children's rights, building the citizen's trust in the future as well as increasing the involvement of citizens from all walks of life in the economic development and the consolidation of social cohesion.

Being human-centered, the NIHD embraces principles of participation, consultation, transparency and should thus constitute a yardstick for good governance. Rather than calling into question the country's strategic areas of economic and social development, the NIHD seeks to substantially upgrade governance capacity. This policy falls very much in line with the teachings of his Majesty's speech of May 18, 2005, in which the King warns of "the limits of sector-based, isolated and non-integrative approaches and the dysfunctions that result from a wider dispersion of efforts and resources of stakeholders involved."

The challenge, therefore, is "to give impetus to a comprehensive and focused plan that will direct public policies towards the emergence of a genuine social engineering in our country through innovative, cost-effective and high-impact intervention schemes duly shored up by high-skilled human resources and oversight mechanisms that closely and objectively monitor patterns of poverty and social exclusion." Such social engineering would be otherwise closely linked to the NIHD's non-substitution principle as stated in the following excerpt from the 2005 platform. "Operations eligible for NIHD funding are those that do not overlap with operations pertaining to sector-based programs run by the state or local councils but do, nonetheless, maximize the impact of such operations on targeted districts and populations in matters of human development."

Ten years on from the launch of the NIHD, it must be noted that despite investments and efforts made thus far, Morocco, according to the UNDP's Human Development Report in 2014, still ranks 129th; clearly indicating that its Human Development Index (HDI) proceeds at a slower rate than that of many countries due to the persistent deficit in provision of education and healthcare. Such a state of human development has been laid out in his Majesty's enthronement speech on July 30, 2015, which openly states that *"Indeed, despite the development our country has achieved, it makes me sad to see hardships endured by some of our fellow citizens in remote and isolated areas, in the Atlas and Rif mountains, in the desert and dry Saharan regions, in oases and in some coastal and inland villages."*

As suggested in the enthronement speech of July 30, 2015, the NIHD is now called upon to operate in a new environment that is conducive to potentially accommodating 20 800 projects funded under a scheme for rural development, with a 50-billion MAD package set for a specific time span with a view to curbing deficit in infrastructure and basic social services.

The current report provided by the National Observatory for Human Development (NOHD, 2016), the third of its kind to be devoted to the assessment of the NIHD's operations, extends and streamlines reflection as well as propositions made by the board of the Observatory since 2008. It takes a fresh perspective on the NIHD's trajectory over the 2005-2014 period.

Previous NOHD reports identified major strengths of the NIHD and, by the same token, raised issues with regard to the NIHD's operational measures, namely:

- Efficiency in project implementation
- Relevance of programs in terms of geographical coverage
- Sustainability of operations
- Impact of operations

The 2016 report aims to approach the above-mentioned issues by raising the following questions:

What changes came into play in the transition from NIHD I to NIHD II? How does the NIHD address issues of poverty, social exclusion and human development at various territorial levels?

How does the whole initiative (NIHD) fit in within the dynamics of the present situation, namely regionalization programs as well as the implementation of funds for rural development that came to further supplement existing programs geared towards social cohesion, upgrading the social capacity of regions, providing housing support and urban integration?

To this end, the NOHD conducted an analysis of the NIHD's operations.

- 1) It performed an analysis of the NIHD's achievements based on data provided by the NIHD's National Coordination Board. The NOHD examined the following aspects:
 - The overall progression of NIHD's programs in between the two phases based on a cartographic assessment by zones and provinces
 - Targeting accuracy
 - Leverage and relations with partners
 - Content of operations
 - Project contracting authority with specific mention of each and every institutional stakeholder
- 2) The NOHD also carried out a study that examined the sustainability of the NIHD projects based on findings from a survey including samples of 406 projects. The study highlights factors involved in the sustainability of these projects as well as the beneficial and lasting effects of these very projects on target populations. The study was also supplemented by a qualitative survey on issues of efficiency, sustainability and impact analysis of the *Dar Taliba* program.
- 3) The National Observatory for Human Development assessed the impact of NIHD's operations on the socio-economic conditions of the target populations over the 2008-2013 period. Initially, the Observatory had to determine whether projects initiated during the 2008-2013 period had continued to have the same impact beyond 2011. Income increase was such effect registered for the first phase. Other effects would have required longer time spans before they could become noticeable. Such analysis, supplemented by a review of differentiated socio-economic patterns and the living conditions of populations in rural areas targeted or non-targeted by NIHD programs, was crucial for determining whether these patterns matched the impact of NIHD's operations on the target populations.

The studies and analyses conducted have highlighted NIHD's strengths and, by the same token, raised issues that are likely to be taken into account at subsequent stages of the NIHD, which is a landmark project in the reign of His Majesty King Mohammed VI.

1. The NIHD: A Promising Outcome

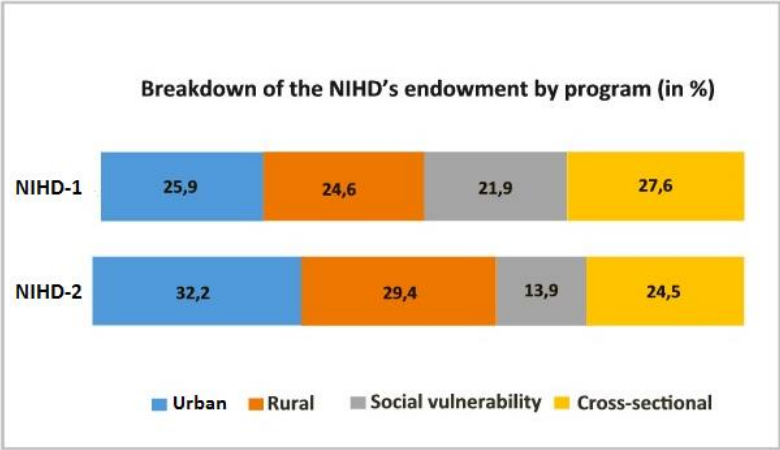
Since its launch, the NIHD adopted simplified implementation procedures that have stepped up its field operations. The NIHD proved to be a tool of territorial management endorsed by local authorities. It gained momentum, which, in turn, prompted stronger mobilization dynamics that cater for a compelling social demand.

1.1 . A Satisfactory Review of the NIHD Budget Execution

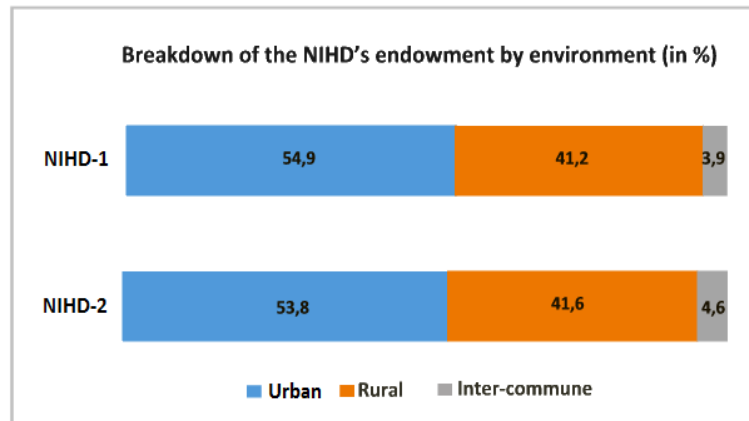
Over the 2005-2014 period, 45 874 projects of various scales and with different purposes were successfully initiated. On account of a 40,7% increase in leverage effect, the sum of 16,9 billion MAD committed to the NIHD programs has incurred additional resources amounting to 11,6 billion MAD.

An analysis of the breakdown of expenditure by program shows that the NIHD budget expenditure match, to varying degrees, with anticipated outcomes. Endowment funds for social vulnerability programs decreased whereas those set for cross-sectional programs increased in view of the expenditure earmarked by the NIHD to that end. For their part, endowment funds for urban exclusion and rural poverty rose considerably.

Likewise, the analysis of the breakdown of projects implemented over the 2005-2014 period reveals that 53% of the projects involved rural areas, while 43% concern urban areas. 3,1% of these projects relate to inter-commune operations.



Over the same period, the breakdown trend reversed with regard to funding these projects. 54,4% of endowment granted by the NIHD were urban-area related programs, while 41,4% of these involved rural areas. This gap is much wider in terms of overall funding considering that urban-based projects benefited from considerable additional funding plans covered by all stakeholders.



Projects for urban areas are endowed with an average amount 1.6 times bigger than those set for rural areas. The average amount per project varies accordingly, with 459 000 MAD in urban areas and 285 000 MAD in rural areas. Projects for rural areas are mostly small-scale operations meeting a pressing social demand. Of course, additional projects with bigger financial packages were accomplished.

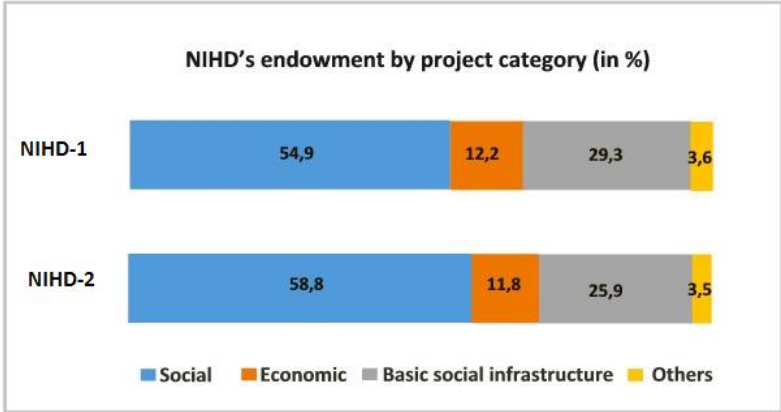
In its analysis, the NOHD classified the NIHD projects into three distinctive categories:

- A social category that includes sectors such as health, education, training, culture, sports, reception centers (social welfare facilities that provide support for younger people in social distress, students, the elderly and single mothers, etc...)
- An economic category that comprises areas such as crafts, agriculture, tourism, trade, fishing, small-size industries and local service facilities.
- A basic social infrastructure category that includes areas such as sewage sanitation systems, provision of drinking water, electricity delivery as well as environmental protection.

Although the three above-mentioned categories contribute to upgrading the well-being of the population and the improvement of human development indicators, it must be stressed that projects relating to the social category had a more direct impact on key areas of human development, namely health and education.

Over the 2005-2010 period, the NIHD allocated a 5-billion MAD budget to projects pertaining to the first category, which accounts for 58.8% of the NIHD's actual budget. Projects relating to the two other categories required the mobilization of 3,2 billion MAD, which constitutes 37,7% of the NIHD's actual budget.

Between 2011 and 2014, the first category of projects entailed the mobilization of 4,5 billion MAD. This accounts for 54,9 % of the NIHD’s actual budget and shows a contraction of 3,9 points compared to the first phase. Projects in the two other categories required the mobilization of 3,4 billion MAD and account for 41,5% of the NIHD’s actual budget.



1.2 The NIHD in Rural Areas: Endowment Funds Deliver Less Benefit in Two Key Areas of Human Development (Health and Education)

The NOHD analyses have shown that while the NIHD investments nationwide have been primarily geared towards projects relating to the first category, they have also integrated rural area aspects of the economy and basic social infrastructure.

Indeed, NIHD endowment funds set for these categories of projects amounted to 57.1% in rural areas where needs are much more pressing. The most plausible interpretation would be that deficits in social provision, namely in terms of health and education in rural areas, do not seem to warrant the same level of urgency as that of utilities (drinking water, roads, electricity, logistics) which are considered utmost priorities.

This affects the overall efficiency level of the NIHD program on account of the limited impact of its investment on health and education, which are two key areas in human development. Such a prognosis was corroborated by the study on the evaluation of the NIHD’s impact on targeted populations in rural areas.

Finally, the overall efficiency level of the NIHD programs is contingent upon the following provisions:

- A guaranteed funding of infrastructure projects in rural areas,
- A refocusing of the NIHD operations on key areas of human development (education and health),
- Setting up an efficient statistical system of observation, analysis and follow-up at the territorial level. This entity will provide local authorities and elected officials alike with the information required and, where relevant, enhance the development of comprehensive, consistent and focused action plans.

The need for the latter provision is most obvious in situations that call for geographical consistency in the NIHD programs. In fact, and for all the efforts made thus far, local players still lack such a territorial information system that could allow them to identify local social needs, measure deficits and/or determine priorities.

2. Weak Correlation between NIHD Allocations and the Geography of Poverty and Social Deficits Programs

The NIHD is predicated upon two core concepts:

1. Human development as a central of the whole Initiative
2. Targeting as a methodological tool based on a cross-sectional approach that proceeds by sectors and regions. The latter is a major innovation in territorial management.

Previous NOHD reports have underscored a weak correlation between NIHD's operational geography and the poverty map. It was therefore necessary to see whether the geographical correlation has improved during the in-between stage of the NIHD phases.

To that end, the NOHD had relied on a cartographic analysis of the endowments of the NIHD at the provincial level covering four programs and three categories of projects. The findings were then compared with poverty maps produced by the High Commissioner for Planning (HCP) as well as the Social Development Index (SDI) developed by the Observatory board for analytical purposes.

Considering average endowment per capita and by province with respect to projects and operations in the social category, findings show that during the first phase of the NIHD, provinces with higher SDI, such as Rabat, Boujdour, Oued Ed-eager or Smara, have been well provided for; while other provinces with lower SDI have received less endowment and therefore were at a disadvantage.

The launch of the second phase has not sufficiently remedied the situation as evidenced by cases of provinces such as Guercif, Taounate, Fqih Ben Salah, Youssoufia and Al Haouz whose social deficits had not been properly taken into consideration. Consequently, the correlation between the Social Development Index

(SDI) and NIHD's actual amounts invested in projects specific to the social category remains weak throughout the two NIHD phases.

More generally, analyses have highlighted a discord of the monetary poverty map, a targeting tool of intervention used by the NIHD since 2005, with both maps of social deficits and of the provincial breakdown of the NIHD expenditure. These expenses were not conducted systematically in the poorest areas nor in those where social deficits are the highest. Targeting optimization would have supposed a true overlap of these three maps.

To be an effective instrument of poverty reduction, geographic targeting needs to be combined with targeting within the municipality, particularly in areas that show higher heterogeneity in terms of poverty mapping (urban and peri-urban areas). Again, adopting a monetary poverty criterion based not on the communal poverty rate, but rather on the number of the poor by commune, could lead to a more equitable distribution of expenses of the NIHD, which would then meet better local needs.

Eventually, the revision of the terms and conditions as well as targeting criteria will prove highly crucial in the future as part of the advanced regionalization. Presumably, this would entail the substantial improvement of the scientific and statistical framing of social and geographic targeting. In this context, it is important to develop a territorial, integrated information system to ensure the monitoring and evaluation of development policies at the local level.

3. INHD Project Sustainability is Subject to Guaranteeing Operating Capital Loans and Increasing the Liability of Local Actors

From the outset, operation sustainability stands as a core issue in view of the nature of the NIHD itself. The NIHD is endowed with a fund primarily set to fund the whole or part of rehabilitation or construction works, which themselves constitute as investments.

Project sustainability, however, appears to be essentially subject to operating capital loans once the investment has been made. By entrusting the operation initiative to the holder of the investment loan, there is a potential risk that the operation and maintenance of the project may not be upheld by any institutional actor, thereby putting in jeopardy the completion of the project as it has been the case in several situations.

3.1 Growing Commitment of Municipalities in Project Implementation

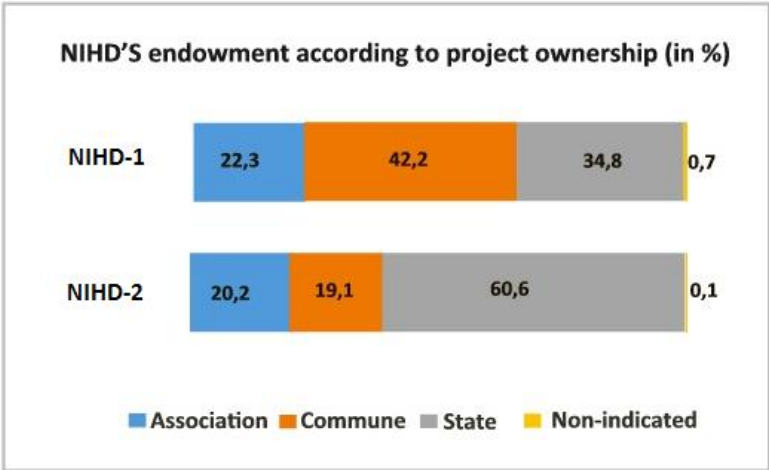
Previous assessment reports on the first phase of the NIHD revealed little involvement of municipalities in project management. The lack of mobilization of the

Communes proved problematic insofar as the vast majority of the projects was, in principle, subject to the local jurisdiction.

Between the two phases of the NIHD, the latter's project operations fell under local contracting authority. It has made significant progress insofar as the sustainability of investments depends largely on their appropriation by the Communes and their commitment to its operation.

This breakthrough has occurred mostly in rural areas where most operations requested by the targeted populations are those with a direct impact on the improvement of their living conditions, which are precisely the attributes and responsibilities of the Communes. The percentage of municipal project management went therefore from 33 % to 60.5% between the first two phases of the NIHD.

The level of commune involvement in the second phase accounted for 29.6% in NIHD's projects, compared to 9.4 % during the first phase. Additional efforts ought to be made in the context of decentralization.



A transfer of project management to rural Communes can, by all means, be achieved without having to overhaul the structure of the system as long as it involves small projects which are more often reasonably well-controlled by local authorities. In urban areas, however, such an approach would involve more radical changes in the working methods of the NIHD.

3.2 Enhancing the Conditions of NIHD Project Sustainability

On the basis of a sample of 406 NIHD projects, the NOHD carried out a qualitative survey that revealed a relatively low rate of project failures, barely exceeding 15%. This result reflects a relatively satisfactory level of project management. In addition, the study showed the existence of real "success stories" of projects initiated and carried out by the civil society, particularly in the field of fundraising initiatives and income-generating activities for projects such as *Dar Taliba*.

More importantly, the study highlighted the main factors that are likely to enhance the sustainability of the NIHD projects as decision-making was conducted in a collegial manner by project managers who also had to demonstrate proven managerial skills and a certain level of training and/or professional experience. Regarding the infrastructure and community facility projects, their sustainability would be particularly enhanced if, in addition to the factors already mentioned, they were managed by a public organization.

Nonetheless, findings of the same study conducted underpin the potential risks weighing on the sustainability of the projects. They would be linked to the level of accountability of the actors involved and their empowerment in terms of capacity management, guarantees of operation, maintenance and renewal of equipment.

This observation raises the issue of the progression of long-term projects and the institutional basis for the empowerment of these projects; in other words, the assignment of tasks and responsibilities of public and private actors in the design of the project. Therefore, this calls for a drafting of the terms and conditions of partnership undertaken by the NIHD in accordance with the respective non-substitution and subsidiarity principles, which it upholds on behalf of both the sector-based operations and those of local councils.

4. A Significant Impact on Incomes

In 2008, the NOHD conducted a baseline survey with a representative sample of municipalities targeted by the NIHD and another sample of untargeted communes which held a poverty rate close to 30%.

The two following surveys, carried out in 2011 and 2013, respectively at the end of the first phase of the NIHD and mid-term review of the second phase, helped track the trend over a five-year period, most particularly in the years 2008, 2011 and 2013, with respect to the main socio-economic characteristics of surveyed households and their living conditions.

4.1 Descriptive Analysis

In terms of descriptive statistics, the results of the survey show:

- A 21% increase in the average income of households in targeted rural communities, compared to 5 % only in those not targeted;

- A sharp 41% increase in the assets of households in communes targeted, compared to 29% in those not targeted, a situation reflected in a noticeable decline in recourse to loans by -13,3% for the first category, and -11,4% for the second;
- A significant decline of multidimensional poverty, especially with regard to the dimensions relating to the living conditions. This downturn has affected both the rural communes whether targeted or not targeted;
- A widening of inequalities of income in these two categories of municipalities, which shows that the programs put in place, including those of the NIHD, have not been "pro-poor", in favor of the poor.

Similarly, over the 2008-2013 period, results show that, in targeted municipalities, 46.7% of households are considered beneficiaries, i.e. their incomes have improved faster than the means/median income at the level of their respective commune, compared to 43.1% in not targeted communes.

4.2. Measuring the NIHD Impact

Relying on the previous descriptive approach is not enough to measure the impact of the NIHD because other programs may, indeed, have contributed to the aforementioned changes. In this respect, the NOHD performed an impact study, according to an econometric methodology known as Regression Discontinuity Design (RDD) that showed that income rise is indeed due to INDH's support action plans. However, it was noted that this increase had especially benefited the less poor households in targeted municipalities.

Regarding access to the basic services (water and electricity), child schooling and child health, the NIHD does not seem to have a statistically significant impact. Eventually, the two key areas of human development, namely, education and healthcare, do not seem, thus far, to have been impacted significantly by the NIHD projects and programs.

Furthermore, findings show that the gains occurred mainly between 2008 and 2011. The next evaluation study of the impact of the NIHD, scheduled to take place by end of 2016, should provide a clearer insight to see whether the dissipation of the NIHD effects between 2011 and 2013 is cyclical or not.

Finally, the study pinpoints the difficulties to single out the specific weight of the NIHD impact not only on certain benefits such as water supply or the connection to the electricity grid but also schooling in areas where national programs related to these three sectors have concerned both untargeted Communes and those targeted by the NIHD.

RECOMMENDATIONS

In his speech on July 30, 2015, his Majesty King Mohamed VI urged national actors concerned with human development projects “Hence, we need to pause and look for innovative solutions that will enable that category to catch up with the others.”

Building on the undeniable achievements of the NIHD in the later stages, new conceptual, methodological and operational approaches should be adopted to upgrade measures to fight deficits identified in the rural and marginalized areas as well as neighborhoods on the urban periphery.

This is the ultimate goal of the following recommendations: They are territorial, targeting the governance within the NIHD, with its focus on human development and the sustainability of projects. Their implementation in the context of a sector-based convergence and territorial development vision should also ensure the necessary links with the Rural Development Program launched by His Majesty the King.

1) Targeted Territorial Performance is Subject to Social Engineering

Targeting is an essential principle of the NIHD. To be operational, projects should be driven by the expression of organized requests as by those from populations from remote areas (or weak social ties, in particular, of the existence of conflicts or insufficient presence of local leaders and/or associations).

Also, new approaches of social engineering of the NIHD ought to be applied to fairly meet the needs of disadvantaged sections of society. This requires, on the one hand, a good command of the methods detecting needs by the poorest populations that do not have the skills and means to identify social priorities; and on the other hand, the mastery of more conventional approaches to participatory strategic planning, social support and monitoring as well as follow-up and evaluation. All these dimensions require appropriate skills and analytical competencies.

By and large, it would be better to underline one of the fundamentals of the NIHD, namely that social engineering be the one approach to implementing NIHD projects.

2) New Modes of Governance for Greater Efficiency in the NIHD implementation

If, during these first two phases, the NIHD projects covered a variety of areas, ranging from social and economic to basic infrastructure projects, this should not suggest that the NIHD serves to substitute other relevant sectorial departments, but rather to be the catalyst and the rallying point of specific operations at the level of municipalities and target neighborhoods, ensuring the mobilization of all the actors.

Again, in the interest of governance and with reference to the guidelines of the platform in the 2011-2015 NIHD, we should reaffirm the principle of no substitution, convergence and social engineering in all modes of implementation of the NIHD programs by all bodies concerned:

- Consolidate the role of the interdepartmental strategic committee, the steering committee and the national coordination of the NIHD in the selection of priority operations at the national and territorial levels. These should be invariably based on top-down and bottom-up processes to facilitate their appropriation by all local, regional and national actors. The allocation of funds then would be based on targeting to now reach as farther afield as the douar (small settlement) level in rural areas, not only based upon material poverty but also on social deficits.
- Bringing together operations at the territorial level and thus substantially involving the public sector (state, agencies, public institutions, etc...) within the framework of program contracts. Other options could be gradually considered alongside the maturation of the regionalization, decentralization and de-concentration processes.
- Set the terms and conditions of implementation of convergence at various territorial levels on the basis of inter-departmental agreements and contracts programs that are expected to take into account local specificities on the basis of the targeting and arbitration of territorial distribution of the NIHD investments.

Here again, given the experience accumulated by the NIHD and its achievements, it would be appropriate to consider an organic law dedicated to:

The organization and functioning of the NIHD entities;

- Setting the terms and conditions of the partnership designed as a tool of territorial convergence of public policy at the various territorial levels, and according to the principles of no substitution, institutionalization and accountability;
- The establishment of a framework of coordination of public, private and civil interventions pertaining to social development, in order to overcome their current fragmentation.

3) Refocusing NIHD Operations around Key Areas of Human Development

The territorial refocusing of the NIHD operations should concern in particular:

- Poorly-equipped rural areas;
- The outskirts of cities and poor neighborhoods within cities featuring most often under the category of nonstandard housing,

One recommendation made with regard to rural areas would be to refocus the NIHD on key areas of human development, namely education and health, while providing support for all the actors involved (supervision departments, local authorities, private sector, associations, etc...) but without acting as a substitute for the departments and operators concerned. This redeployment should give priority to education and health coverage for the rural population. To meet such objective, other initiatives should be initiated to supplement the rural development program.

In urban areas, the expansion of cities often leads to deficits in human development, especially in the peri-urban areas and haphazard neighborhoods. In this context, it seems appropriate that each city has an urban project where action plans are drafted and scheduled. Operations adopted in the context of the NIHD should then be viewed within the logic of these urban projects and proceed according to contracts with the municipalities concerned. The role of the INDH would be to foster the emergence of urban promotion projects that partake at least of the neighborhoods. This presupposes that project teams are equipped and trained to handle this kind of operation. In this regard, the support from the Divisions of Social Affairs (DAS) would be very useful, hence the need to strengthen their human resources.

4) NIHD Project Sustainability beyond Operating Funds

The inherent constraints to the operation of projects under the NIHD are particularly so strong that the participation of local communities in project management remains low and the cost of operation of the latter is not allowed for in the budgets of local actors.

The rule would be to entrust the operation to an institution or an actor who decides on the initial investment. This actor or institution should demonstrate the right skills and good governance and also have within reach a viable and credible system of information, monitoring and evaluation of projects. Other factors may intervene in the sustainability of the projects. They relate to the strengthening of the dialogue and the participation of all the actors involved in the development of projects of the NIHD to facilitate their inclusion and commitment.

Finally, with a view to consolidating the partnership between the actors involved (project, leaders, field services, local human development committees and DAS), preliminary partnership agreements, would be also a decisive condition to facilitate the proper functioning and sustainability of the NIHD projects.

5) Specific approaches to spatial and social equity at various territorial levels: Towards an innovative interaction of the NIHD with the programs of rural development

It is important to point out that the creation of a Fund of 50 billion MAD announced by his Majesty the King, in favor of disadvantaged rural areas targeting especially the *douars* (smaller settlements), in terms of the scale of landmark national programs (dams, one million hectares irrigated, etc.) is dedicated to the Kingdom's poorest rural areas for the first time in the history of the country.

This real paradigm shift requires new designs and approaches in interventions. In view of the scale of this shift, the NIHD can play a key role alongside other actors and/or in partnership at grassroots level, reaching out to remote and isolated *douars*. This requires reliable competencies of analysis and identification of needs and local problems, project-drafting skills and the implementation of monitoring and evaluation mechanisms. It also means the adoption of participatory approaches at the level of *douars*. As communities, *douars* could gradually acquire a status of a legal entity and act in full responsibility and in consultation with their partners.

A territorial development approach is thus necessary. It would ensure the consistency of the territorial network in infrastructure and equipment (channels of communication, social facilities) and the prioritization of human settlements, including the *douars*, depending on their size, their levels of equipment and their space radiation. It would draw convergence across the territories and prescribe ways to enhance their attractiveness according to their economic, environmental and cultural potential.

An appropriate and coherent development of these *douars* cannot be achieved without taking into account their current and future positions in this territorial coverage and, accordingly, their location in relation to larger centers that can play the role of regulation and recovery workflows between the rural and urban areas. The development of these centers would generate economies and efficiency through the agglomeration of essential public services (territorial administration, high schools, hospitals, health centers, etc...). The consolidation of the economic activities in these centers would result in substantial positive effects, notably in terms of job creation and curbing rural exodus, thus contributing to the easing of social tensions in cities and their peripheries.

Such an approach, which would fit in the perspective of territorial upgrading, would promote reduction of deficits affecting the areas of education and health, while providing the best economic and social basis for public investment.

In this context, the NIHD could play an essential role of social engineering and providing support towards the empowerment of the *douars*, on one hand, and contribute with other sectors in narrowing territorial and social disparities through a balanced territorial structuring on the other hand. Such a structuring should range from the small village to downtown or to the small town, which is frequently an area capital, as it were, through the small urban center which corresponds to the capital centre of the commune in the area. The NIHD operations would fit naturally in the context of integrated rural development plans including the essential vectors, such as agricultural development, tourism, crafts, the infrastructure and basic facilities, the preservation of the environment and natural resources and most importantly, access to educational services and quality healthcare.

About 100 small towns and urban centers, selected according to objective criteria, may be monitored in such a way. With their attraction areas, these centers could be integrated operations, with strong participation of social engineering of the NIHD alongside other partners. Such dozen capitals of circles, one or two per region, could be set up in pilot territories where operations of rural development would be carried out over a short time span, in order to showcase experiences that could be reproduced or extended on a much larger scale.

On the whole, these recommendations call for an upgrading of the NIHD approaches and methods, particularly in terms of institutional changes generated by the process of implementing the 2011 Constitution, providing advanced regionalization and new strategic directions quoted in the Royal speech of July 30th, 2015. The NIHD, a landmark project in the reign of His Majesty King Mohammed VI, would enter a new phase where its operations on the levers of human capital, social capital and institutional capital, its intangible development factors, would be stepped up, allowing it to live up to the lofty ambition expressed by His Majesty the King at the launch of the NIHD in the Royal speech of May 18, 2005, to "hoist the human development indicators in our beloved country to a level comparable to that of developed countries".