

# National Urban Policy Review of Morocco (Executive summary)

**The complete book is available in French:**

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Morocco has experienced rapid urban growth in recent decades, with urban population increasing from 38.0% of the Moroccan population in 1975 to 65.2% in 2024, and projected to reach 67.8% by 2030. Morocco's urbanisation has been characterised by the presence of a few large coastal cities, the emergence of new development corridors such as the Euro-Mediterranean, the Trans-African and the Trans-Atlantic corridors, and an urban network based on numerous small and medium-sized cities in the interior of the country, with more than three-quarters of the 58 functional urban areas in Morocco (according to the OECD/EU definition of functional urban areas) having fewer than 250 000 inhabitants. The distribution of Moroccan cities by size is similar to that of Spain, Poland and Colombia.

Moroccan cities are the economic engine of the country. They concentrate 80% of productive activity (industry and services) and 75% of the country's jobs. The region of Casablanca-Settat, a predominantly urban region that accounts for a quarter of the total Moroccan population, generates one-third of national GDP alone. Moreover, rapid urban growth has led to marked advances in human development due to several proactive policies that have contributed to significant improvements in living conditions in cities, such as the Villes sans Bidonvilles policy.

However, economic development in Moroccan cities faces several hurdles. Difficulties in accessing land, along with weaknesses in land management, are a major barrier to both public and private investment and hamper economic growth. The lack of efficient transport, communication and logistics infrastructure, especially between cities and their peripheries, as well as congestion and high transport costs, hinders the mobility of goods, services and workers, thereby reducing the attractiveness of cities and limiting the potential benefits of agglomeration economies. The persistence of the informal sector (which accounts for nearly 40% of jobs, excluding agriculture) is another barrier to the attractiveness of cities for investment. Since cities are the main driver of the Moroccan economy, better harnessing their economic potential is a major challenge that needs to be addressed in order to converge more quickly with high-income countries, create more jobs and achieve the goals of the New Development Model (NMD).

Despite significant improvements in housing and living conditions in Moroccan cities between the last two censuses of 2004 and 2014 thanks to major interventionist policies such as social housing programmes and the Villes sans Bidonvilles policy, Moroccan cities continue to face substantial housing needs as well as the persistence of slums and other substandard housing (accounting for 20% of the urban housing stock). Moroccan households have also experienced a rise in rents (by 24% between 2010 and 2019), particularly affecting middle- and low-income households. Moreover, rapid urban growth has also led to a

massive increase in waste production, posing major challenges for waste management in cities – the recycling rate not exceeding 10% – resulting in harmful consequences for the environment and public health. Finally, Moroccan cities are facing increasing climate and natural risks, particularly in terms of droughts and floods, exacerbated by various vulnerability factors such as the location of cities on coasts and the persistence of substandard housing.

Morocco faces governance challenges that hinder the development of compact, sustainable and resilient urban areas. Urban development in Morocco is guided by various planning tools at the national, regional and local levels, which have enabled the creation of public amenities, activity zones, housing and recreational areas. However, these planning tools suffer from rigidity, a lack of adaptation to climate change challenges, the involvement of multiple stakeholders without clear responsibilities, complex procedures, and insufficient use of data and indicators. Additionally, some projects are driven by land opportunities rather than rational land use, leading to urban sprawl. Finally, the financing of urbanisation in Morocco remains insufficient to meet the growing needs of urbanisation.

Morocco has a long history in urban development, with the history of modern urban planning laws and urban policies and legislation dating back to the early 20<sup>th</sup> century and the foundational Urban Planning Law of 1914. Structural reforms implemented by Morocco, such as the 2011 Constitution, the New Development Model, advanced regionalisation, the Deconcentration Charter, and the Investment Charter, partly address the challenges of urban growth. In 2022, the National Dialogue on Urban Planning and Housing marked a turning point in national discussions on urban planning and housing, bringing together all stakeholders to "establish a national reference framework for transparent, equitable, sustainable, and incentive-driven urban development." In this context, numerous major projects have shaped urban development in Morocco, such as the Tangier-Med port project, the construction of the high-speed rail line between Casablanca and Tangier, the West Med and Kenitra ports, and the construction of solar power plants in Ouarzazate, among others.

Despite a strong political will that has emerged over the past several years, Morocco currently does not have an explicit national urban policy, defined by the OECD/UN-Habitat/UNOPS as "a formally articulated and identified policy that is based on a coherent set of decisions through a deliberate government-led process of co-ordinating and rallying various actors towards a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term." Building on the progress made and in response to increasingly complex and multidimensional challenges, Morocco should develop an explicitly formalised national urban policy that aligns the various existing policies. With major events such as the 2025 Africa Cup of Nations and the 2030 FIFA World Cup looming ahead, the development of such a national urban policy could help drive the necessary investments in infrastructure and contribute to macroeconomic objectives.

The OECD Principles on Urban Policy, adopted in 2019 during the 4th Ministerial Meeting of the OECD Regional Development Policy Committee (RDPC) in Athens, provide a solid framework to guide the development of Morocco's national urban policy. This policy could also draw on international frameworks and commitments, including the Sustainable Development Goals (SDGs), the New Urban Agenda, and the commitments of the Paris Climate Agreement. This Review proposes that the national urban policy of Morocco be structured around four pillars:

- **Fostering economic development and reducing territorial disparities** by strengthening the role of metropolitan areas as drivers of economic activity, competitiveness, employment, and innovation in Morocco, particularly through the New Investment Charter; leveraging digital transformation, as seen in Finland with the "Innovative Cities" programme; enhancing intra-urban connectivity, as well as connectivity between city centres and peripheries through quality infrastructure and effective, transparent land management; maximising the potential of small and medium-sized cities as growth hubs and relays, inspired by France's "Action Cœur de Ville" policy; and reinforcing interdependencies and collaboration between urban and rural areas, as practiced in Poland.

- **Promoting inclusive growth in cities** by ensuring that all residents of urban and peri-urban areas have access to essential services and key drivers of social inclusion, such as water and sanitation, energy, education, and culture; promoting local actions to support employment and entrepreneurship in cities; refocusing the *Politique de la Ville* on its original objectives of combating poverty and exclusion; driving a reasoned, higher-quality, and better-targeted social housing policy, as experimented with the variable social housing subsidies in Chile; and enhancing access to public spaces for all, particularly for young people, women, seniors, and people with disabilities.
- **Building environmentally sustainable cities that promote climate change mitigation** by encouraging the decarbonisation of the built environment and urban infrastructure, particularly buildings and urban and peri-urban public transportation; promoting active mobility through the development of dedicated infrastructure such as bike lanes and sidewalks that ensure safe walking; strengthening incentives to encourage energy efficiency in urban planning documents; by implementing nature-based solutions, such as the creation of urban parks and green spaces, and supporting biodiversity protection and solutions like urban agriculture; integrating water management at the heart of the national urban policy, as done in Australia; improving solid waste management in cities, particularly through the implementation of circular economy strategies inspired by Spain; and accelerating the transition to a more sustainable tourism sector.
- **Strengthening the economic, social, and environmental resilience of cities**, particularly their ability to adapt to climate change, by integrating risk considerations into all territorial plans and by ensuring the resilience of infrastructure, services, the economy, and populations in urban planning documents; increasing investments in the construction and renovation of infrastructure and buildings capable of withstanding extreme events; systematically incorporating climate change adaptation priorities into urban planning, as done in Italy; raising public awareness of risk and resilience culture; and by maximising the potential of data and new technologies to model risks and their impacts on populations and infrastructure, drawing inspiration from climate mapping for resilience and adaptation implemented in the United States.

To enable the realisation of these four pillars, several key success factors are necessary:

- **Promote strategic and integrated urban planning:** Morocco could further encourage the use of data to enable a forward-looking approach to urban planning, similar to the National Zoning Atlas in the United States. Morocco should also prioritise densification and urban renewal over urban sprawl, and adopt a flexible planning approach that takes into account territorial specificities without systematically resorting to exceptional urbanism, drawing inspiration from France's Operations of National Interest (OIN) and Concerted Development Zones (ZAC). Lastly, it will be important to ensure better coherence between different planning documents and levels, as well as among various stakeholders, and to improve the monitoring and evaluation of planning efforts.
- **Strengthen vertical and intersectoral co-ordination at the national and local levels, between municipalities, and promote stakeholder participation and engagement:** To achieve this, Morocco could institutionalise principles and mechanisms for vertical and horizontal co-ordination by implementing incentives and regulations to manage trade-offs. Establishing an interministerial commission on urban development chaired by the head of government, inspired by Finland's Urban Policy Committee, could be beneficial. Morocco could also promote governance and territorial policy that extend beyond the administrative boundaries of cities to encompass functional urban areas by strengthening intermunicipal co-operation and transforming some Intercommunal Co-operation Establishments (ECIs) into metropolitan authorities, as was done in the Netherlands with the creation of the Rotterdam-The Hague Metropolitan Region. Finally, institutional mechanisms are needed to ensure the participation of vulnerable population groups and to facilitate dialogue with the private sector, academia, associations, and civil society.

- **Promote the systematic evaluation of national urban policy and its outcomes and impacts:** Several actions can be implemented in Morocco to achieve this: i) clarify the objectives and targets to be achieved by the national urban policy; ii) integrate an evaluation approach for urban policy by defining key performance indicators to assess the actions implemented, drawing from the territorial indicators system developed by the OECD and Morocco, and inspired by Chile's system of urban development indicators and standards, while establishing observatories at the metropolitan and regional levels responsible for this evaluation; iii) promote the use of data in public policy decision-making including big, smart, open, and geospatial data; and iv) strengthen accountability mechanisms to prevent corruption risks, engage citizens, and promote integrity and transparency, particularly in municipal public procurement.
- **Optimise urbanisation financing:** To meet the current and future needs of urban development in Morocco such as housing, infrastructure, transportation, and public services, Morocco must mobilise adequate funding. This could involve tapping into a wide range of public and private financing tools beyond taxes and fees, such as land value capture instruments like development rights fees in Brazil, public-private partnerships, or social and environmental impact financing, such as Mexico City's green bond.
- **Strengthen strategic, technical, and human capacities at the national and subnational levels:** This includes encouraging municipalities to develop a clear understanding of their current capacities, promoting synergies between resources and capacities at the appropriate scale to provide efficient, effective, and high-quality local public services and facilities, promoting continuous training for their staff, establishing a school for urban professions, and using digital tools, including artificial intelligence, to help strengthen capacities.