Why a Macro-Micro Approach to Assess Policy Intervention in the water Sector in Morocco

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Water Public Policy
What is it all about?
Overview of macro-micro links
Almost Reciprocal

Mexico

- 32% of runoff
- 77% of population
- 86% of G.D.P.
- 92% of irrigation area
- 75% of industrial activity

Southeastern Mexico

Northwestern, Northern and Central Mexico

Morocco

Annual Rainfall Distribution

More than 900 mm
600 to 900 mm
400 to 600 mm
200 to 400 mm
Less than 200 mm
Policies and interventions that the model can and addressed in Morocco

**Top down (Macro)**
- **Removal of trade barriers**
- Labor
- Fiscal
- Regional preferences
- Electricity Subsidy removal
- Food processing subsidy removal
- **Inter-regional Water transfer**
- Climate change
- Population growth

**Bottom up (Micro)**
- Pricing of irrigation water
- Pollution taxes
- Ag Input taxes
- Subsidies for water saving technologies
- Investment regulations
- GW regulations
- **Water rights**
### Policies and policy linkages analyzed in Morocco

<table>
<thead>
<tr>
<th>Key Policy Issues affecting the use and productivity of irrigation water</th>
<th>Likely Impacts</th>
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</thead>
<tbody>
<tr>
<td><strong>Macro Policies</strong></td>
<td><strong>Micro Policies</strong></td>
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<tr>
<td>1. Modification of policies to allow Morocco better access to the EU-Market</td>
<td>1. Change in farm-level and regional water policy: Institutions, water entitlements, water pricing.</td>
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<tr>
<td>2. Free trade agreement with the US on access to agricultural markets.</td>
<td>2. Agricultural development policy: Expansion in irrigation area, investment in water conveyance infrastructure, investment in farm-level irrigation technology/management, fertilizers and other input pricing.</td>
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</tbody>
</table>
Results in the case of Morocco?

- Exactly the same (for the analyzed items) as in Mexico

- The only difference: DIRHAM rather than PESO
Enjoy the session