

State-Region Program Contracts: Instruments of Advanced Regionalization – Challenges and Perspectives for the Fez-Meknes Region.

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Abstract

As part of Morocco's Advanced Regionalization (AR), the State-Region Program Contracts (CPER) are crucial for structuring territorial development by tailoring actions to local specificities. However, their implementation is hindered by major challenges. Drawing on New Public Management (NPM), institutional theories, and governance theories, this study explores the dynamics of these contracts through a qualitative analysis within the Fez-Meknes region council. The qualitative study was conducted through semi-structured interviews with 25 senior officials responsible for overseeing CPER projects, document analysis, and observations.

This study highlights several key issues in the implementation of the program contracts. Coordination and communication difficulties between actors undermine the effectiveness of the projects, while the lack of financial and human resources, as well as gaps in technical skills, and limit their potential. Moreover, the governance mechanisms and project monitoring systems are insufficient, leading to delays and inefficiencies. Lastly, economic crises and political changes have a significant impact on the stability and continuity of initiatives, complicating their long-term realization.

To improve the effectiveness of the CPER, the study recommends a set of criteria including context evaluation, stakeholder mobilization, performance, and flexible governance mechanisms. These recommendations aim to establish contracts that are better suited to regional realities, strengthening inter-institutional coordination.

Keywords

Advanced Regionalization, Program contract, New Public Management.

Introduction

The AR in Morocco represents a crucial stage in the process of decentralization and territorial development. At the heart of this dynamic, the CPER positions itself as a strategic tool, aiming to strengthen inter-institutional cooperation and adapt development actions to local specificities. In this context, the interest of this research lies in the analysis of the mechanisms and issues inherent to the operationalization of these contracts, which, although essential, face many challenges, and also assess the effectiveness of these contracts as tools to materialize advanced regionalization.

The fundamental question of this study is to explore how RSPs can act as effective levers for operationalizing advanced regionalization, and structural, organizational and strategic challenges that hinder their full implementation.

This research is part of a qualitative methodology, based on a case study of the Fez-Meknes region, recognized as a pioneer in the implementation of program contracts. The analysis will be conducted in two distinct phases:

As a first step, an exploration of the theoretical and conceptual dimensions of RSP will be undertaken (1). This analysis will highlight the NMP as a reference framework, while mobilizing institutional, economic, and governance theories, to end with a clear understanding of contracting, contracts, and the role of contracts-programs as a tool for operationalizing advanced regionalization in Morocco.

Then, an empirical analysis will be presented (2), adopting a qualitative approach based on the case study of the Fez-Meknes region. This phase will involve the review of institutional documents, semi-structured interviews, and field observations. Finally, to identify strategic recommendations and develop a design grid for program contracts to enhance their effectiveness and relevance in the context of advanced regionalization.

Theoretical and conceptual dimensions of State-Region program contracts: an integrated contextual framework

This section explores the foundations of New Public Management (1.1) as a framework for public contracting. Through a cross-analysis of emerging and evolving contractual theories (1.2), this section examines the conceptual and practical approaches to contracting (1.3), offering an in-depth reflection on the operationalization of Advanced Regionalization.

the NMP: contextual framework of public contracting

1.1.2. Definitions

Hood is the initiator of the term "new public management" in the academic sphere, this was done through writing from his pen in the year of Grace 1991 (Hood, 1991). By this designation, he sought to illustrate the directions he had examined in the recent administrative reforms implemented in many OECD territories. According to several scholars, the event marking the appearance of the new public management was the reorganization of the British administration, which was part of the dynamic of the emerging neoliberalism, at the time of the accession of Margaret Thatcher to power in 1979.

Bouckaert describes the NMP as a reform movement that focuses on results-based management, cost reduction, and the introduction of market mechanisms in the public sector. He emphasizes that the NMP is about making public administrations more accountable, transparent, and efficient (Bouckaert, 2004).

According to these authors, when the NMP does not lead to outsourcing of public administration activities through subcontracting, public-private partnerships, and privatization, it directs policy-makers towards another strategy: the professionalization of public administration managers.

1.1.2. The root theories of NMP

The NMP is based on several theoretical trends. It has its roots in the neoclassical movement, which values market efficiency and influences the design of public policies to make public organizations more effective.

Organization theory, developed by Taylor (1911), Fayol (1918) and Weber (1971) explores organizational structure and processes, providing a framework for rethinking public governance with results-based practices.

The agency theory, proposed by Jensen & Meckling (1979), the property rights theory of Alchian & Demsetz (1973), and the public choice theory of Buchanan (1984). Together, these theories enrich the NMP framework by focusing on efficiency, incentives, and organizational structure in governance.

1.1.3. Negotiation, partnership, and contracting; the triptych of NMP

Negotiation is a crucial process in partnerships, aimed at harmonizing the interests of the parties to achieve common goals. To ensure effective collaboration, clear objectives must be established from the outset, which promotes cohesion and strategic alignment (Brinkerhoff, 2002).

Complementarity and reciprocity strengthen engagement, while open and transparent communication helps anticipate conflict and maintain trust (Bryson et al., 2006).

In this context, contracting is a key instrument of the NMP. It clearly defines expectations, responsibilities, and incentives while introducing market mechanisms into public management. A well-designed contract provides the framework to prevent misunderstandings and manage risks, incorporating tailored clauses to ensure performance and fairness. However, these contracts must be flexible to adjust to changing circumstances (Yescombe, 2011).

Transparency and formalized communication protocols are also necessary to maintain trust and mutual understanding (Grimsey & Lewis, 2004). Finally, ongoing contract monitoring ensures that the commitments and objectives of the partnership are met.

1.2 At the crossroads: Emergence and evolution of contract theories

1.2.1. Institutional theories

These theories emphasize the role of institutions, rules, and norms in interactions between actors.

Theory of Institutional Change:

This theory examines how institutions evolve and transform over time, analyzing the factors that either promote or hinder this change. It introduces the concept of path dependence, whereby past decisions influence present and future options, as indicated by Pierson (2000), who stresses that initial choices can lead to lasting results, even if not optimal.

The theory also addresses discontinuous events, where crises or external shocks can catalyze significant reforms, as explored by Thelen (2003).

Ideas and concepts also play a key role. Blyth (2002) shows the role of economic paradigm shifts in the evolution of institutional reforms.

Theory of conventions:

Focuses on social norms and shared practices that govern relationships between actors. Lewis (1969) lays the foundations of convention theory by exploring how common expectations and shared beliefs influence economic decisions. This approach, inspired by the work of Paul Samuelson and John Maynard Keynes, highlights the central role of conventions in coordinating economic behavior, going beyond formal contractual mechanisms alone.

At the same time, Callon (1987) demonstrates how conventions are actively built and maintained by economic actors, playing a crucial role in the formation of markets and governance structures. His analysis highlights the importance of taking into account social and

cultural dimensions in understanding economic processes, thus broadening the traditional contractual perspective.

1.2.2. Economic theories

These theories focus on the economic aspects of contractual relationships, taking into account costs, resources, and entitlements.

Theory of property rights:

Analyses how property rights influence incentives and behavior of actors. The theory of property rights, mainly developed by Alchian & Demsetz (1973), is the cornerstone of the neoclassical approach to institutions. The central objective of this theory is to explain how property rights affect the efficiency of economic systems. It argues that private ownership, together with the functioning of the market, is the only way to ensure optimal allocation of resources and promote economic development. In this context, the company is characterized by a particular structure of property rights defined by a set of contracts.

Theory of incomplete contracts:

Explores the limits of contracts due to uncertainty and unpredictability of events. The theory of incomplete contracts, developed by Grosman & Hart (1986) and Hart & Moore (1990), represents the most recent and predominant contribution to classical economic theory. It is positioned as an attempt to rigorously formalize the analysis of integration presented by the theory of transaction costs.

It emphasizes the lack of completeness of contracts while maintaining the idea that agents are perfectly rational. It defines the enterprise as an aggregate of non-human assets subject to unified ownership and control, emphasizing that the distribution of this ownership influences investment levels.

Transaction cost theory:

Study the costs associated with negotiating and executing contracts. The Transaction Cost Theory, developed mainly by Williamson (1975) is concerned with the costs associated with coordinating economic activities within organizations. It highlights the importance of governance mechanisms, such as contracts and hierarchies, to minimize transaction costs resulting from opportunistic behavior and uncertainties in economic exchanges.

This theory examines the costs associated with economic exchange, such as information retrieval, negotiation, and contract execution. It argues that companies choose to integrate activities internally rather than outsource them if the market transaction costs are higher than the internal costs.

Resource theory and capabilities:

Focuses on the resources and capabilities of actors in contract implementation. It is often associated with the Resource-Based View (RBV). Rumelt (1986) emphasized the importance of an organization's internal resources for its strategic performance. He stressed that companies should not only focus on external opportunities and threats but also on their internal strengths and weaknesses, which laid the foundations for resource and capacity theory. His work has encouraged further reflection on how internal resources can be used to create and maintain a sustainable competitive advantage.

Barney (1991), has made a significant contribution to the theory of resources and capabilities by formalizing the notion of "*distinctive capabilities*" as a source of sustainable competitive advantage for enterprises. He developed a rigorous theoretical approach to understanding how the internal resources of a company, such as its skills, technologies, and physical assets, can be exploited in a unique way to create value in the market and maintain a dominant competitive advantage.

1.2.3. Theories of governance

These theories analyze the mechanisms of management and coordination between the actors involved in contracts.

Agency Theory:

Studies the relationship between agents (regions) and principals (state), including problems of alignment of interests. The agency theory is represented by researchers such Holmström (1979), Grossman & Hart (1983). This theory explores how contracts are used to resolve conflicts of interest between stakeholders in an organization, as shareholders and managers. It emphasizes the importance of appropriate incentives in contracts to encourage agents to act in the best interests of the principals while limiting abuse of power. However, this theory has been criticized for being the basis of corporate governance theories that exclusively focus on shareholder interests. Finally, the management of contractual relationships is complicated by factors such as specialization of supervision and information asymmetries.

Contractual governance theory:

Focuses on contract-specific governance mechanisms, including monitoring and evaluation. It examines how contracts are used to structure economic relations between stakeholders. It focuses on the design of contracts and governance mechanisms to align interests and minimize potential conflicts.

Hart (1995) focuses on the interactions between the organizational structure of enterprises and the contracts that govern them, offering innovative perspectives on how economic decisions are made and relationships are managed.

Multi-level governance theory (MNG):

Examines the interactions between different governance scales. This theory is an analytical framework that examines how interactions between different levels of government, namely local, regional, and national, influence the formulation and implementation of public policies. This approach emphasizes that policy decisions are not made in isolation, but rather through complex networks of interaction between these levels (Bache & Flinders, 2004). By integrating the contributions of non-state actors, the NCG highlights the importance of collaborations and coalitions in the decision-making process, which enhances the legitimacy and effectiveness of public policies.

One fundamental aspect of the GMN is decentralization, which allows regional and local governments to adapt to the specific needs of the territories they represent. Hooghe & Marks (2003) point out that this dynamic promotes more effective policy management by bringing decision-making closer to citizens.

1.3 Conceptual approaches and contracting practices: Reflections on the operationalization of Advanced Regionalization

1.3.1. Contract and Contract: Test of Definitions

Contracting is defined as a mechanism whereby the central government delegates operational and management functions to decentralized entities, such as local authorities or public and private enterprises.

According to Bache & Flinders (2004), contracting can be understood as a method of regulating relations between the state and local entities that allows the establishment of reciprocal obligations and control mechanisms to ensure the effective implementation of public policies. They emphasize that this approach aims to formalize the commitments and expectations of each party in a contractual framework, thus facilitating a more rigorous management of public policies.

Several definitions have been given to this concept of contract, we refer to that of Gaudin (1999), the contract is a governance tool that structures the relations between the state and local actors, by enabling the establishment of monitoring and evaluation mechanisms for actions undertaken. This is a contractual framework that aims to ensure the transparency and

effectiveness of public policies implemented at the local level while ensuring an optimal allocation of available resources.

Thus, contracting provides the general framework and strategic guidance needed to guide actions and relationships between parties. Contracts, on the other hand, implement these directives by specifying the concrete actions to be undertaken, the resources to be mobilized and the performance criteria to be met.

1.3.2. Reflections on the implementation of advanced regionalization

The integration of public policies in advanced regionalization is a fundamental issue to ensure effective, transparent, and locally relevant governance. Indeed, as the Economic, Social and Environmental Council (CESE, 2016), points out in its report on the requirements of advanced regionalization, this integration is crucial to optimize the use of resources and to meet the expectations of citizens and economic actors coherently. Within this framework, each region is required to formulate a regional development plan and a regional spatial planning scheme, both of which play an essential role in ensuring the coherence of sectoral strategies at the regional level.

In addition, the promotion of a permanent evaluation and communication system is essential to ensure accountability and transparency of actions at the regional level. The organic law on regions stresses the need to evaluate the projects carried out and identify remaining challenges, in order to facilitate timely and informed decision-making (Organic Law n° 111-14 on regions, 2015). This regular evaluation helps to strengthen good governance, ensuring that resources are used efficiently and regional development objectives are met.

As the EESC report points out, this process must include key steps towards participatory democracy through regional forums which allow progress to be reviewed and good practice to be exchanged, and compare the commitments made. (CESE, 2016).

1.3.3. State-region contracting as a tool for operationalizing advanced regionalization

Since 2012, Morocco has begun a significant evolution towards more efficient and transparent governance, illustrated by the introduction of the Moroccan Code of Good Governance for Companies and Public Institutions. This framework has paved the way for more systematic contracting between the state and its institutions, offering an adapted response to the challenges of managing public services. Contracting, as a flexible and efficient mechanism, not only allows to management of the unforeseen but also aligns the efforts of the different actors around common objectives. (CNGE, 2012).

The history of this contracting is part of a desire to improve the performance of public services, but it is not the result of a uniform process. Each organization develops its contractual process, taking into account its specific capabilities and objectives. The Ministry of Economy and Finance has defined key steps to guide this approach, ranging from strategy definition to evaluation of results. These steps, which include the identification of objectives and the development of action plans, promote a structured and methodical approach to ensure that desired outcomes are achieved.

In this context, the program contracts between the State and the regions are positioned as a strategic instrument for implementing advanced regionalization. These contracts are designed in a participatory way, involving the various stakeholders in defining financial commitments and resources needed to carry out projects. By their nature, these contracts reinforce accountability and transparency while ensuring a rigorous follow-up of the commitments made. They make it possible to anchor regionalization in a logic of integration of public policies, thus promoting effective coordination of actions at the territorial level.

Research guidelines and empirical analysis

This second section presents the research proposals and the methodology adopted (2.1) to study the dynamics of RCE. It then offers a rigorous analysis of the results obtained (2.2), highlighting the issues and challenges of their operationalization. Finally, this section offers a forward-looking perspective (2.3), paving the way for strategic recommendations to optimize these instruments in the context of AR.

Research proposals and methodology adopted

2.1.1. Research proposals

Based on the conceptual and theoretical framework, we will formulate research proposals and their interrelationship with the theories mobilized, highlighting their contribution to our analytical and empirical approach.

We present research proposals as follows:

- Explore the role of interactions and negotiations between the different actors involved in the process of developing and implementing the RSPM, particularly concerning conventions.
- Study the costs associated with drafting, negotiating, and executing program contracts and agreements, as well as their ability to adapt to changes in local projects and needs.
- Analyse governance structures that facilitate cooperation between actors, as well as mechanisms for monitoring, evaluation, and conflict management within the RSP.

- Analyse the influence of inflation and the COVID-19 health crisis on the implementation of projects included in the State-Region (CPER) program contract.
- Study the impact of past decisions and changes in government on the contractual relationship between the state and the regions, with emphasis on adaptation to new political mandates.

2.1.2. Epistemological framework and paradigm

We place our research within the framework of radical constructivism, insofar as this paradigm provides a relevant theoretical framework for understanding how actors perceive and interpret state-region program contracts.

Radical constructivism, as defined by Von Glasersfeld (2001), argues that knowledge is intrinsically linked to individual experience and that individuals construct their reality through perceptions and interpretations. This paradigm highlights several aspects that are essential for our research.

We explore how the perceptions of authors influence the application and effectiveness of program contracts, without claiming an objective or universal truth.

The radical constructivist also allows a dynamic approach where reality is seen as being constantly constructed through social interactions. By taking this perspective, our research can capture the changes in stakeholder perceptions and program contract implementation over time, taking into account interactions and contextual changes.

In the context of our research, abductive reasoning will be used to formulate hypotheses about the challenges and weaknesses of program contracts, based on subjective perceptions of actors and document analysis.

We are taking a qualitative approach. The main objective is to grasp the complexity of the phenomena linked to state-region program contracts, requiring a thorough understanding of the perspectives and experiences of the actors involved.

2.1.3. Data collection methods

• The case study

We chose the Fez-Meknes region as a case study, the choice of this region is justified by several key elements. As the first Moroccan region to adopt this system, it represents an emblematic example of the implementation of regional development policies.

In addition, this region provides an ideal framework for learning lessons and identifying good practices, thus contributing to the improvement of the application of CPER in other regions of Morocco.

• Data collection techniques

In our research, the case study will be enriched by various data collection methods such as literature review, semi-structured interviews, and observation.

- *The literature review:*

We have chosen to review various documents, including:

The Regional Spatial Planning Scheme

Regional Development Plans for the periods 2015-2021, and 2022-2027.

The program contracts are associated with the 2020-2022, and 2024-2027 periods.

Agreements related to program contracts that allow us to understand the operational modalities of their implementation.

- *Semi-directional interviews:*

We have opted for semi-structured interviews with the Council officials of the Fez-Meknes region, who have been actively involved in the entire process of implementing the RSP. This includes the negotiation phases with stakeholders and the stages of implementation, which require the signing of agreements relating to the projects to be carried out.

In addition, we also interviewed representatives of the Wilaya of the Fez-Meknes region, which is considered the main coordinator for monitoring the achievements of projects related to program contracts.

The total number of interviewees was determined based on the results obtained, thus taking a data saturation approach.

- *Project implementation observation:*

In our research, direct observation of the implementation of RSP projects is a key element in understanding operational dynamics on the ground. This method collects valuable qualitative data on the actual progress of projects, going beyond formal speeches and reports.

This observation is made through:

- Participation in project-related follow-up and coordination meetings, by attending these meetings, we have the opportunity to observe decision-making processes, the exchange of ideas, and how information flows between stakeholders.

- Monitoring the implementation of projects included in specific agreements relating to the implementation of the RSP.

2.2 Presentation and discussion of results

2.2.1. Document analysis

The analysis of the documents allowed to detail the stages of implementation of the program contracts, anchored in the strategic orientations of the regional land use plan (SRAT) and the territorial development plan (PDT). The projects in the first program contract are aligned with the long-term objectives of the SRAT and the short-term priorities of the TDP, ensuring strategic coherence. The second contract includes new projects from the second Regional Development Plan (RDP 2), integrating lessons learned from the first contract and evaluations of the initial RDP.

Data from the literature review include:

• Pre-development phase:

- The development of projects in the program contract is based on the guidelines of the SRAT for the region of Fez-Meknes, which aims at an integrated, sustainable, and inclusive development. This development must overcome challenges related to business competitiveness, innovation, resource conservation, and the reduction of inequalities.

-The development of the projects in the program contract must take into account the PDR, which offers a medium- and long-term vision, integrating the 97 projects approved under the CPER (2020-2022) and endowed with 11.2 billion dirhams.

Before designing the program contracts, four strategic prerequisites should be considered: improving the economic attractiveness of the territories, supporting productive sectors and employment, preserving resources and heritage, and reducing social and territorial disparities. These are essential to ensure the consistency and effectiveness of future projects.

• Development phase:

The methodology adopted for the development of the CPER is based on four fundamental axes, it is a partnership approach, territorial, mobilizing, and convergent.

The new CPER 2024-2027 was developed in response to the challenges of the old program contract, corrected within the framework of the 2022-2027 Regional Development Plan. This process involved consultations under the supervision of the region's Wali, leading to an inventory of consensus projects, forming the basis for a partnership between the state, the region, and other actors.

The main objectives of this new CPER include the development of an integrated territorial offer, the acceleration of economic growth, the reduction of territorial disparities, and the

strengthening of social services while promoting cultural development and improving resilience to climate change.

It provides for the implementation of 340 projects at a total cost of 29.3 billion dirhams, divided into several strategic axes, ranging from attractiveness for investment to scientific research and environmental preservation.

2.2.2. The analysis of semi-structured interviews

The analysis of semi-structured interviews has allowed us to draw the following elements:

• Dynamic interactions between actors:

Interactions between actors often reveal coordination and communication challenges. This is reflected in the verbatim by saying, "The region proposes projects but there are always delays in getting approval from headquarters."

In these interactions, power issues may emerge, such as the question of regional autonomy from central decisions. Some relevant verbatims could include: "We often find ourselves having to justify our projects to national authorities, even if these projects meet the specific needs of our region".

In addition, each actor has different expectations of the program contract, which can generate friction, especially in terms of development priorities.

• Human and financial resources:

The economics of program contracts are critical to their success. Several participants stressed the importance of mobilizing adequate financial resources to ensure the effectiveness of initiatives. As one participant mentioned, "For contracts to work, you need to mobilize financial resources. Without it, even the best ideas fail." Another speaker stressed the need to link investment to concrete results. These perspectives therefore highlight the importance of conducting rigorous and ongoing project evaluation to ensure sustainability and contribution to economic development.

The availability of resources and institutional capacity is also a frequent issue in interviews. Although some resources are available, gaps in technical and managerial skills sometimes compromise their full use. "We have resources, but often we lack the technical skills to use them effectively," says one actor. Another participant spoke of the need for skills development. These testimonies highlight that the development of technical and managerial skills is essential to optimize the effectiveness of CPER, thus ensuring a more autonomous and proactive management of projects.

• **Governance and monitoring mechanisms:**

Interviews reveal weaknesses in the clarity and robustness of the governance mechanisms of the program contract, which hinders effective project implementation. The lack of regular monitoring and coordination between the different actors creates an environment where projects risk getting stuck, with decisions that are slow to materialize. As one participant noted, "There is not always rigorous monitoring of ongoing projects, which can create delays." This point illustrates the urgent need for more structured procedures to ensure that each stage of the project is adequately supervised, thereby reducing delays.

In addition, the decision-making processes within the steering committees appear to be unresponsive, which affects the adaptability and dynamics of ongoing projects. Another participant confirms this difficulty. This slow pace in implementing decisions highlights the need to strengthen internal procedures and establish governance mechanisms that not only facilitate decision-making but also accelerate implementation to meet the needs of the field promptly.

• **Implementation process:**

Interviews reveal several significant challenges related to the program contract implementation process. One of the main obstacles is the slow start-up of projects. As one participant explained, "Project activation times are too long. This is hindering our ability to act quickly." This observation highlights the impact of bureaucracy on team responsiveness and project dynamism.

There is also some confusion surrounding the responsibilities of each actor, as one participant pointed out: "There is often confusion about responsibilities. We need clarification to move forward." This lack of clarity in the distribution of roles creates uncertainty that slows down decision-making and compromises operational efficiency. These testimonies therefore illustrate the need for greater clarity of responsibilities and coordination among different stakeholders to ensure that projects can be implemented more smoothly and quickly.

• **Transaction Costs and Flexibility of Agreements:**

The interviews highlight that transaction costs are a major barrier to implementing program contracts, including research, negotiation, and execution costs. Research costs, which include the time and resources required to identify and collect relevant information, are often considered excessive by stakeholders. One participant said, "It takes a long time to gather the necessary basic data. This delay is holding up progress." This difficulty in obtaining the right information creates delays and limits the initial effectiveness of the process.

Negotiation costs also pose a significant challenge, especially when actors need to agree on the terms of the contract and ensure that all parties share a common understanding. This highlights the complexity of interactions and the time constraints that negotiations can impose on stakeholders.

Implementation costs arise when obstacles or unforeseen events increase the time required to implement projects. This highlights the need for more resources to manage project contingencies, which highlights the rigidity of current processes.

• **Impact of economic and health conditions:**

The analysis of the interviews reveals that economic and health conditions, such as the COVID-19 pandemic and recent inflation, have had a significant impact on the implementation of the RSP. The pandemic has particularly disrupted the timelines and priorities of many projects, highlighting system vulnerabilities. One participant noted, "With COVID-19, many projects have been suspended or postponed and this has created a gap in our planning." This testimony highlights the sudden interruptions and reorganization of resources needed to deal with the crisis, slowing down initial objectives.

Inflation is also seen as a major financial challenge, affecting material and labor costs, and thus project viability. As one speaker put it, "The initial budgets are no longer keeping up with rising prices; there is a constant need to reassess costs and this puts projects at risk." This increase in costs requires budgetary adjustments and renegotiation of contract financial terms, which complicates the implementation of initiatives.

In addition, these economic and health crises have led to a reassessment of regional priorities, sometimes leading to reallocations of funds. "The funding is being redirected to the health emergency and economic recovery, which deprives us of the means to move forward in other sectors," shared another actor. This testimony reflects the mismatch between immediate needs and long-term commitments, highlighting the importance of flexible planning to adapt contracts to unforeseen circumstances.

• **Evolution of contractual relations:**

Interviews reveal that the evolution of contractual relationships under program contracts is influenced by changes in government and regional council, often having repercussions on project continuity and coordination between actors. Changes in government can redefine priorities and reorient program contract objectives, as one participant pointed out: "With each new government there are adjustments, and this affects the stability of commitments."

The renewal of regional council members can also influence contractual dynamics, as it often involves changes in approaches and interpersonal relationships. As another speaker said, "When members change, we need to re-explain and sometimes renegotiate the terms. This creates a waste of time and energy."

These changes can also undermine trust between partners, as each actor may doubt the sustainability of commitments made by former leaders. These verbatims show that strengthening institutional continuity and contractual mechanisms that protect projects from political fluctuations are essential to ensure successful program contracts.

The RPEF for the Fez-Meknes region is thus faced with challenges of coordination, financing, and governance. The differences in priorities between local and national actors hinder regional autonomy, while the lack of qualified human resources limits the effectiveness of projects. Monitoring mechanisms lack responsiveness, hindering implementation. Inflation and the pandemic have also increased pressure on budgets and priority management. Finally, the continuity of projects is threatened by political changes, which accentuate the need for institutional stability.

2.2.3. The observational analysis

Direct observation of the processes involved in implementing the RSP has revealed several critical elements that impact the effectiveness of these initiatives. First, it appeared that the negotiation stage with stakeholders is particularly time-consuming. This extended delay can lead to significant delays in project launch.

In addition, the approval delays for program contracts themselves are relatively long, which is an obstacle to the responsiveness and adaptability required within the framework of effective regional governance.

Once the program contract is approved, implementation requires the drafting and signing of agreements, a process that in turn takes an extended period of time, requiring advance budget planning.

It is also important to note that the budget allocated to these projects is often insufficient. As a result, the region was forced to borrow from the Community Facilities Fund (CEF) and the International Finance Corporation (IFC) to cover additional costs.

The implementation of projects stipulated in the agreements involves a complex sequence of stages, managed by contractors, whose contract execution time is often slow.

In addition, issues related to the state of the land may arise, making some projects not compliant with regulatory requirements. Budget overruns are also a worrying reality, exacerbated by the

increase in post-pandemic construction costs, which further complicates project implementation.

Finally, political decisions significantly influence the process, especially with regard to delays in obtaining visas for certain projects from the Ministry of the Interior. This highlights the importance of effective inter-institutional coordination and strong political support to ensure successful program contracts and, as a result, regional development.

2.3 Prospects

2.3.1. Recommendations for better operationalization of program contracts

To enhance the effectiveness and sustainability of program contracts, the following recommendations are proposed to improve their operationalization and ensure successful outcomes:

- Establish regular platforms for dialogue between stakeholders to align priorities and promote regional autonomy.
- Implement continuing training programs to strengthen the technical skills of the teams in charge of managing program contracts. Ensure rigorous monitoring of results to justify investments.
- Develop clearer and more responsive governance procedures, including performance indicators for project monitoring. The creation of more agile steering committees can facilitate rapid decision-making and project adaptation to changes.
- Simplify administrative procedures and clarify the roles and responsibilities of each actor to reduce project activation delays. Setting binding deadlines for approvals can also help speed up implementation.
- Assess research and negotiation costs upstream and introduce flexibility clauses in contracts to adapt quickly to contextual changes.
- Develop contingency plans to address economic and health crises, with adjustable budgets that take into account inflation and other risk factors. Flexible planning is essential to ensure project resilience.
- Put in place clear transition mechanisms during policy changes, ensuring that new decision-makers are informed of past commitments. The creation of stable institutional arrangements can strengthen trust between partners and ensure continuity of projects.

2.3.2. Strategies for RSP improvement

To ensure the success of the new generation of CPER, it is essential to focus on sustainability, inclusivity, and transparency throughout the project lifecycle. This includes adopting comprehensive measures to assess and mitigate environmental and social impacts, as well as ensuring that all relevant parties are actively involved. Below are key elements that should be integrated into the project development process:

- Integration of Environmental and Social Requirements:

Integrate an environmental impact assessment from the design stage of projects to identify potential effects on the environment and society, and assess social sustainability to ensure the rights of local communities are respected and included in decision-making.

- Strengthening Stakeholder Participation :

Organize consultations with stakeholders at the early stages of design to gather their views and concerns, and establish channels of communication to allow citizens and local actors to provide input throughout implementation.

- Development of a Monitoring and Evaluation Framework:

Develop indicators to assess the sustainability of projects in terms of environmental and social impact. And to establish regular reports on the progress of projects, including the results of impact assessments.

- Capacity Building and Awareness :

Provide training on best practices in social and environmental responsibility for stakeholders involved in projects.

2.3.3. Grid for the development of the new generation of State-Regions program contracts (CPER)

The new generation of State-Regions program contracts (CPER) aims to enhance regional development by aligning environmental, social, and economic objectives with effective governance and planning. To ensure that the project reaches its full potential, a comprehensive framework is necessary, focusing on strategic objectives, stakeholder involvement, financing, and sustainability. This table summarizes the principal elements to adopt the new generation of CPER, serving as a guide for developing these contracts, ensuring the identification of key issues and stakeholders, fostering collaboration, and implementing measurable results.

Table 1- New generation CPER development grid.

Elements	Description
Project Context and Objectives	Analyze the regional context. Define clear, measurable and aligned strategic objectives (short, medium, long term)
Impact Assessment	Conduct EIA and social sustainability assessment.
Stakeholders	Identify all stakeholders and establish consultation mechanisms. Define roles and responsibilities of actors.
Financing plan and resource mobilization	Develop a detailed budget including resources for implementation of environmental requirements. Develop a funding strategy.
Planning and implementation	Define the timeline and action plans.
Performance Indicators	Develop indicators to monitor environmental and social impact.
Governance and Monitoring Mechanisms	Establish a regular monitoring framework to assess progress and adjust as necessary. Strengthen governance structures.
Flexibility and adaptability	Adopt review mechanisms and flexibility clauses.
Training and Awareness	Plan training sessions to build the capacity of actors.
Final Evaluation	Include an evaluation at the end of the project to measure results and commitments, and evaluation reports.

Source: Established by us

Conclusion

In conclusion, the advanced regionalization in Morocco, as an essential pillar of decentralization and territorial development, is accompanied by many challenges and opportunities. Program contracts between the state and the regions, as illustrated by the case of the Fez-Meknes region, are proving to be potentially powerful instruments for realizing the ambitions of this regionalization. However, their effectiveness depends heavily on the ability of the actors involved to overcome the structural, organizational, and strategic obstacles identified in this research. Despite their promise to strengthen inter-institutional cooperation and adapt actions to local specificities, these contracts need to be improved to better meet the objectives of regional autonomy and optimization of local skills.

This study highlights the need to design more incentive contractual frameworks, integrating mechanisms of contextual adaptation and rigorous monitoring, to allow real empowerment of regions in the context of advanced regionalization. The results of this research contribute to a better understanding of contractual dynamics and their impact on the operationalization of decentralization while providing strategic recommendations to enhance the relevance and effectiveness of program contracts. Through a refined design and targeted application, these instruments could not only facilitate the implementation of appropriate territorial policies but also play a key role in consolidating strong and sustainable regional governance in Morocco.

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