

environmental impact assessments when appropriate, and monitoring impact results from investments.

Ln. 3901-MOR Secondary, Tertiary and Rural Roads Project:
US\$121 million Loan of June 8, 1995: Effective Date: Not yet effective; Closing Date: June 30, 2000. Implementing Agency: Ministry of Equipment. The project includes: (a) improving about 1,133 km of priority unpaved rural roads to all-weather gravel standard, constructing 96 km of paved rural roads, and finalizing the road classification; (b) improving about 2,219 km of paved branch roads (formerly classified in the secondary and tertiary networks) by carrying out maintenance backlog resealings, structural overlays and/or widening works; (c) improving network management (technical support, planning and programming, improvement phasing and training) and renewal of essential road maintenance equipment; and (d) streamlining the road safety organization and supporting priority actions. Project is still in start-up phase.

Ln. 3928-MOR Financial Markets Development Loan:
US\$225 million equivalent comprising: US dollars and FRF600 million; Effective Date: Closing Date: June 30, 1998. Implementing Agency: Ministry of Finance and External Investment. The Financial Markets Development Loan (FMDL) is the first of a US\$600-700 million equivalent multi-year private sector development (PSD) lending program currently under preparation and scheduled for FY96-98. The FMDL would support a program of reforms in the financial sector and finance the temporary cost to the Moroccan Treasury of implementing this program. Beyond a transitional period of three years, the budgetary impact will remain limited to about 0.17 percent of GDP per year and, therefore, consistent with macro-stabilization objectives. The specific policy measures concern: (a) the reform of Treasury financing including the removal of mandatory placement ratios for banks in Treasury bonds at below market rates; (b) indirect monetary control including the liberalization of lending rates; (c) the development of capital markets; and (d) the banking system, in particular the privatization of the remaining state-owned banks and the establishment of an interbank foreign exchange market together with related prudential measures. A policy matrix details the specific actions to be supported by the FMDL and shows how they complement those already implemented.

Ln. 3935-MOR Emergency Drought Recovery Project:
US\$100 million Loan of August 30, 1995: Effective Date: not yet effective; Closing Date: June 30, 1998. Implementing Agency: Interministerial Commission (comprising Ministries of Finance, Population, Agriculture, Public Works, Public