

AFRICAN DEVELOPMENT BANK



**PROGRAMME: INCLUSIVE AND SUSTAINABLE DEVELOPMENT SUPPORT
PROGRAMME FOR AGRICULTURAL SECTORS (PADIDFA)**

COUNTRY: KINGDOM OF MOROCCO

Appraisal Report

RDGN/AHAI

May 2018

Translated Document

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CURRENCY EQUIVALENTS

(March 2018)

UA 1	=	13.37 Moroccan Dirham (MAD)
UA 1	=	EUR 1.18
UA 1	=	USD 1.45

FISCAL YEAR

1 January – 31 December

WEIGHTS AND MEASURES

1 ton	=	2204 pounds (lbs)
1 kilogram (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft.)
1 millimetre (mm)	=	0.03937 inch (")
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

ACRONYMS AND ABBREVIATIONS

ADA	Agricultural Development Agency
AFD	French Development Agency
AfDB	African Development Bank Group
AME	Energy Efficiency Agency of Morocco
A-PMV	Acceleration of the Green Morocco Plan
AS	Agricultural Sector
AUEA	Agricultural Water Users Association
AWF	African Water Facility
BAM	Bank Al-Maghrib (Central Bank of Morocco)
BO	Official Bulletin
CPS	Strategic Steering Committee
DDFP	Directorate for the Development of Production Sectors
DEFR	Education, Training and Research Directorate
DF	Finance Directorate
DIAEA	Irrigation and Farmland Development Directorate
DSS	Strategy and Statistics Directorate
EHF	Gender equity
E-PMV	Ecosystem of the Green Morocco Plan
ESMP	Environmental and Social Management Plan
EU	European Union
FAO	Food and Agricultural Organization
FDA	Agricultural Development Fund
GDP	Gross domestic product
GIS	Geographic Information System
GoM	Government of Morocco
HCP	High Commission for Planning
IA	Irrigation area
IGF	General Inspectorate of Finance
IMF	International Monetary Fund
IOM	Impact-Oriented Monitoring
IWRM	Integrated water resource management
JEA	Young Agricultural Entrepreneurs
JEV	Young Green Entrepreneurs
JICA	Japanese International Cooperation Agency
LOLF	Organic Law on the Budget Act
MAD	Dirham
MAPM	Ministry of Agriculture and Maritime Fishing
MDGs	Millennium Development Goals
MEF	Ministry of Economy and Finance
MEMEE	Ministry of Energy, Mines, Water Resources and the Environment
MIC	Middle-Income Country
MICF	Middle-Income Countries Fund
MTEF	Medium-Term Expenditure Framework
NA	North Africa
ONCA	National Agricultural Advisory Board
ORMVA	Regional Authority for Agricultural Development
PAAIM	Support Programme for the Acceleration of Industrialization in Morocco
PADESFI	Financial Sector Support Programme
PADIDFA	Inclusive and Sustainable Development Support Programme for Agricultural Sectors

PAPMV	Green Morocco Plan Support Programme
PAPNEEI	Project to Support the National Irrigation Water Conservation Programme
PBO	Programme-Based Operations
PEI	Irrigation Extension Programme
PGE	Government Equity Plan
PMF	Performance Measurement Framework
PMV	Green Morocco Plan
PNEEI	National Irrigation Water Conservation Programme
PPP	Public-Private Partnership
RTW	Reutilization of Treated Wastewater
SGG	General Secretariat of the Government
SNE	National Water Strategy
TA	Technical support
UA	Unit of Account
UAA	Usable Agricultural Area
VAT	Value-added tax
WB	World Bank

PROGRAMME INFORMATION

INSTRUMENT:	Sector Budget Support
PBO DESIGN MODEL:	Programme-Based Support Operations

LOAN/ GRANT INFORMATION

Client Information

BORROWER:	Government of Morocco
EXECUTING AGENCY:	Ministry of Economy and Finance

Financing Plan

<u>Source</u>	<u>Amount (EUR)</u>	<u>Instrument</u>
AfDB	200 million	Loan

Key AfDB Financing Information

Loan currency	Euro (EUR)
Type of Loan	Fully flexible loan
Maturity	To be determined (up to 25 years)
Grace period	To be determined (up to 8 years)
Weighted average maturity	To be determined (depending on amortization profile, maturity and grace period)
Reimbursement	Equal half-yearly instalments after the grace period or profile adapted to borrower's needs
Interest rate	Base rate + Funding margin + Lending spread + Maturity premium (this interest rate must be greater than or equal to zero)
Base rate	Floating (EURIBOR 6 months revised every 1st February and 1st August) A free-floating option is available to set the base rate.
Funding margin	The Bank's funding margin revised every 1st January and 1st July and applied every 1st February and 1st August with the base rate
Lending spread	80 basis points (8.8%)
Maturity premium	To be determined: <ul style="list-style-type: none">- 0% if weighted average maturity <= 12.75 years- 0.10% if 12.75 < weighted average maturity <= 15 years- 0.20% if weighted average maturity > 15 years
Front-end fees	0.25% of the loan amount, payable by the date of signature of the loan agreement
Commitment fee	0.25% per year of the non-disbursed amount, starting to accrue 60 days after the date of signature of the loan agreement and payable on the set payment dates
Base rate conversion option*	Besides the free base rate fixing option, the borrower may revert to the floating rate or reset all or part of the disbursed loan amount. Transaction fees apply
Rate cap or collar option*	The borrower may cap or collar the base rate for all or part of the disbursed loan amount. Transaction fees apply
Loan currency conversion option*	The borrower may change the currency of all or part of its disbursed or undisbursed loan to another Bank loan currency. Transaction fees apply.

Implementation Schedule - Key Milestones (planned)

Programme approval	15 May 2018
Effectiveness	30 June 2018
First disbursement	30 July 2018
Second disbursement	30 July 2019
Mid-term review	15 January 2019
Programme closure	31 December 2019

PROGRAMME EXECUTIVE SUMMARY

Programme Overview	<p>Programme Name: Inclusive and Sustainable Development Support Programme for Agricultural Sectors in Morocco (PADIDFA).</p> <p>Scope and Sector: National Territory / Inter-sector.</p> <p>Overall Schedule: May 2018 – December 2019.</p> <p>Operational instrument /Financing: Sector Budget Support / EUR 200 million to be disbursed in two tranches (2018 and 2019).</p>
Programme Outcomes	<p>The objective of PADIDFA is to help boost agricultural sector competitiveness with a view to ensuring inclusive and sustainable economic growth by promoting value chains, employment creation, improvement of the business climate and sustainable natural resource management. It builds on two components: (1) "Support to job creation through the development of agricultural and agro-industrial sub-sectors" which will ensure: (i) skills development for access to employment in agricultural and agro-industrial sectors; (ii) improvement of the investment climate and youth and female entrepreneurship in rural areas; and (iii) support for the structuring of agricultural sectors, processing of agricultural products, the development of agro-industry and exports; (2) "Support lasting rural employment through sustainable use of natural resources by the agricultural sector" which will ensure: (i) the strengthening of sustainable agricultural sector governance; (ii) improvement of water resource management to mitigate water stress and boost sustainability; and (iii) Support for energy transition in the agricultural sector.</p> <p>The implementation of these reforms will make it possible to support, by 2020, the following major outcomes: (i) Support to agricultural exports; (ii) Contribution to poverty reduction in rural areas; (iii) Mobilisation of additional private investments in the Sector Programme Contracts; (iv) Job creation for youth and women (nearly 3,000 jobs) ; (v) Irrigation Water Saving (a total of 990 million m³ in 2020) ; (vi) Extension of the use of renewable energies (solar pumping for 100,000 ha in 2020; (vii) Promotion of aggregation projects – PPP; (viii) Support for the establishment of four vocational guidance centres in rural areas; (ix) Formal recognition of all inter-professional associations in 2020 (21 inter-professional associations); (x) Validation of a Sustainable Development Action Plan for at least four key sectors (agriculture, water, energy, industry, etc.) by 2020; (xi) Annual training and qualification of nearly 300 trainers, 2,600 graduates as young agricultural workers or technicians, and certification of approximately 10,000 young daughters and sons of farmers benefiting from apprenticeship training.</p>
Alignment with Bank Priorities	<p>This sector budget support operation is fully aligned with the Bank's "High 5s", and directly contributes to creating an enabling environment for achieving the following three High 5s: "Feed Africa", "Integrate Africa" and "Improve the living conditions of the people of Africa". It also supports the green and inclusive growth objectives of the AfDB's Ten-Year Strategy for 2013-2022. It is perfectly consistent with Morocco's Country Strategy Paper (CSP) for the period 2017-2021, more particularly its Pillar II to "Improve living conditions through jobs for youth, women and in rural areas". PADIDFA is aligned on the Bank's Agriculture and Agro-Industries Sector "Feed Africa" Strategy. In particular, it supports the inclusive development of value chains and the sustainable promotion of strategic value chains. Lastly, PADIDFA is in line with the Bank's Gender Strategy (2014-2018) "Investing in Gender Equality for Africa's Transformation", particularly on Pillar II "Economic Empowerment". PADIDFA would also support the thrusts of the new economic model and is fully in line with the process of establishing the advanced regionalization system launched by the Government. The approach emphasizes interdependence and complementarity between agriculture, the environment, employment, water and energy to promote harmonious and sustainable economic and social development.</p>
Needs Assessment and Rationale	<p>Since 2008, Morocco has undertaken structural reforms to support the Green Morocco Plan. The Bank contributed to the Green Morocco Plan through two budget support operations (PAMV 1 and PAMV 2) which generated positive results. Based on lessons learned, PADIDFA adopts a holistic approach aimed at stimulating intra- and inter-sector synergies and complementarities within the Green Morocco Plan Ecosystem (E-PMV) and between the upstream and downstream sectors of agricultural value chains. Emphasis is laid on interactions and complementary synergies between the Green Morocco Plan (PMV) and other sector strategies, with a view to achieving common and shared objectives. This approach involves inter-sector design and a quest for convergence and consistency between the policies of stakeholder ministries (agriculture, employment, environment, water, energy, industry, etc.). Accordingly, this operation is a truly inclusive and sustainable ecosystem for the Green Morocco Plan. Based on these considerations, the proposed support programme would represent a new generation of inter-sector budget support. Essentially, it will engage in selective and optimal targeting of the main components of E-PMV in a bid to support accelerated, inclusive and sustainable growth, amplify the dynamics driven by PAMV 1 and 2, consolidate the achievements made and strengthen stakeholder mobilization to attain the appropriate objectives. It is not a mere counterpart to the implementation of a reform package. Rather, it fully fits into the national sustainable development policy and proposes to</p>

	bring real value added to national policy implementation by systematically strengthening the convergence and overall consistency of sector policies relevant to the agricultural and rural sector.
Harmonisation	During the preparation of this budget support, the Bank's team met with major donors in order to promote potential synergies and complementarities within the framework of this operation. Thus, this programme is designed in coordination with other donors, more particularly the World Bank, which recently approved results-based financing in December 2017 (USD 200 million) aimed at promoting agricultural value chains. The same applies to the European Union Delegation (D-EU) in Morocco, which supports the VMP in addition to other bilateral financing (in particular KfW, AFD, JICA, BTC, etc.). Generally speaking, donor coordination in Morocco is very satisfactory and takes the form of formal dialogue and exchange frameworks, of which the Bank is an active member. In addition, thematic groups, led either by the partners or by the administration, meet regularly to coordinate activities related to sector operations.
Bank's Value Added	The rationale for PADIDFA is the importance of agriculture in the Moroccan economy and its impact on employment, especially women's and youth employment in rural areas, and its role in adaptation to climate change and water stress. It follows upon and consolidates the two phases of support to the Green Morocco Plan (PAPMV-1 & 2), implemented over the 2012-2017 period, and a welter of interventions contribute to the inclusion and sustainability of the Green Morocco Ecosystem Plan (E-PMV) which require synergies and complementarities with other sectors. The promotion of agricultural sectors will enable Moroccan agriculture to play a pivotal role in the country's economic and social development. The Bank is better placed to support Morocco in the reforms of this sector given the investments it has financed, the numerous technical assistance operations provided and the success of the two budget support operations (80% of the measures fully implemented for PAPMV-1 and 91% for PAPMV-2). The choice of this instrument will also provide the government with the necessary financial resources to implement its development policy and continue its reform efforts with the Bank's support and assistance.
Contribution to Gender Equality and Women's Empowerment	The acceleration of the Green Morocco Plan and sustainability of its achievements will create lasting jobs, especially for youth and women, and build the institutional capacities of women's and youth organizations. This will have a positive impact on the standard of living of these target groups. Particular attention is paid in this programme to the capacity of agricultural sectors to generate additional employment, especially for rural women and youth. This requires a series of measures to improve the provision of training, adapt it to the needs of the rural world and promote entrepreneurship in rural areas.
Policy Dialogue and Related Technical Assistance	PADIDFA's preparation benefited from wide-ranging consultations, which enabled quality dialogue with all stakeholders, in particular the Moroccan authorities, trade associations, the private sector and civil society. These stakeholders were actively involved in the programme's design by focusing on a participatory and inter-sector approach that allows the views of the sectors to be superimposed and potential convergences to be identified. The quest for ownership of the measures was at the heart of the design process. This process was reinforced during the preparation and appraisal by the organisation of consultation and validation workshops with all the actors concerned (seven administrative departments and representatives of the trade associations) to discuss the proposed measures, their relevance and the expected impact. This consultation will be continued during implementation through the inter-sector steering committee.

PRELIMINARY RESULTS-BASED LOGICAL FRAMEWORK

Country and Programme Title: Morocco - Inclusive and Sustainable Development Support Programme for Agricultural Sectors (PADIDFA)
Programme Goal: Help boost agricultural sector competitiveness to ensure inclusive and sustainable economic growth through the promotion of value chains, employment creation, improvement of the business climate and sustainable natural resource management.

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS /MITIGATION MEASURES
		Indicators	Baseline Situation	Targets		
IMPACT	Improvement of agricultural sector competitiveness	Value of agricultural exports	MAD 21.3 billion	MAD 45 billion in 2030	MEF / Global Competitiveness Report	
	Improvement of the living conditions of rural communities	Rural poverty rate	9.5 % in 2014	5% in 2030	HCP/Human Development Report, UNDP	
OUTCOMES	I. Jobs created through the development of supported agricultural sub-sectors (support for inclusive development)	Contribute to jobs created for the youth and women in rural areas	42000 jobs, including 38,000 in rural areas in 2017	62000 jobs including 55,800 in rural areas in 2020	Annual HCP Report on Employment	Risks: External shocks and unfavourable international economic environment/fluctuation in the prices of hydrocarbons and commodities Climatic hazards and extreme weather events Mitigation Measure: Budget supervision committee established Targeted measures: management of shortages, promotion of localized irrigation, etc.
		Additional training for trainers, youth and girls	-	400 trainers, 2600 youths and 10000 girls trained in 2020	Specific training report (Ministry of Agriculture, Vocational Training).	
		Private investment in the agricultural sub-sectors supported by the programme	-	At least MAD 1 billion by 2020	Report from the Ministry of Agriculture, COMADER and FENAGRI	
	II. Sustainable management of agricultural sub-sectors improved, to ensure the sustainability of jobs created (sustainable development support).	Amount of water saved in million cubic metres (mm³).	880 mm³ (cumulative period 2008-17)	990 million m³ in 2020	Report from the Ministry of Agriculture	
		Utilization of renewable energies (solar pumping)	10,000 farms in 2017, or nearly 30,000 ha	30,000 farms in 2020, representing 100,000 ha.	Ministry of Agriculture and AMEE	
OUTPUTS	I. Support for job creation through the development of agricultural and agro-industrial sub-sectors					Risks: - Insufficient inter-sector coordination capacity between the various government departments involved in implementing programme reforms - Divergent interests of stakeholders Mitigation Measures: - Institution of the Steering Committee in MEF and strengthening of Agriculture/PMV, Water and Employment thematic groups - Strengthening of inter and intra-ministerial consultation, and creation of focal points
	1.1. Skills development to ensure access to employment in the agricultural and agro-industrial sub-sectors					
	Improvement of training tailored to private sector needs in rural areas	Operationalisation of the Centre for Pedagogical Engineering and Training of Trainers	Centre for Training of Trainers is non-existent	One (1) engineering centre functional before end-2019	Note on the centre's operationalization signed by DEFR.	
		Production of a Job-Competency Framework (JCF) and a Directory of Jobs and Trades (DJT) for the agricultural sector	Not available	JCF and DJT produced for the agricultural sector in 2018	Copy of JCF and DJT	
	Increased employment opportunities in rural areas	Creation and establishment of vocational guidance centres in rural areas	0 in 2017	Four (4) centres established before end-2018	Instruments creating the centres	
	1.2. Improvement of the investment climate and entrepreneurship among the youth and women in rural areas					
	Acceleration of investment in the agricultural sector	Transmission of the law governing the National Agricultural Registry (RNA) to the SGG	Bill prepared	Bill submitted to the SGG before end-2019	Letter of transmission to the SGG	
	Business creation support for the youth and women in rural areas	Completion of a study on the preparation of a national plan for the creation of regional incubators and establishment of two incubators	An incubator established in Larache	Study conducted and less than two incubators established in 2019.	Summary report	
	Improve support to sub-sector businesses	Signature of a framework agreement between ONCA and COMADER on	Not available	Copy of the signed agreement.		

	agricultural extension, training and support for farmers.				
Encouragement of women's entrepreneurship in rural areas	Conduct of a study on women's entrepreneurship	Not available	Study and action plan available before end-2019	Copy of an action plan for the guide	
Strengthening agricultural extension in the agri-food sectors	Preparation and signature of a partnership agreement between the DIAEA and ONCA for the development of agricultural extension in irrigated areas.	Not available	Agreement signed by end-2019	Copy of the signed agreement	
I.3. Support for structuring of agricultural sub-sectors, processing of agricultural products, and the development of agro-industry and exports					
Structuring of inter-professional associations	Continuation of the process of recognition of inter-professional associations	14 out of 21 inter-professional associations recognized	21 inter-professional associations recognized in 2019	Instruments of recognition	
Establishment of Agri-food Processing Areas (ZTAA) for the development and processing of agricultural products	Publication of the Order establishing the amounts, conditions and procedures for granting State financial assistance for units for the enhancement of fresh agricultural products and their by-products.	Not available	Order published before end-2019.	Summary note on support to CIAAs and copy of the signed Order	
Improvement of standards for the promotion of exports, particularly with African countries	Order defining complementary and special measures to combat the Newcastle disease and avian influenza in order to support poultry exports	Incomplete texts	Draft decree transmitted to the SGG before end-2018	Copy of the Letters of transmission to the SGG	
	Transmission of the draft law on fertilizers, their adjuvants and crop supports to the SGG.	Incomplete texts	Draft law transmitted to the SGG before end-2019	Copy of the Letter of Transmission to the SGG	
II. Support lasting rural employment through the sustainable use of natural resources					
II.1. Reinforcement of Sustainable Agricultural Sector Governance					
Promotion of green governance	Publication of the Decree setting up the sustainable development strategy committee before end-2018	Not available	Decree published in the OG before end-2018.	Copy of the OG	
	Validation of Sustainable Development Action Plans (PADD) in 2019	Not available	Four (4) PADD validated in 2019	Validation report	
II.2. Improvement of water resource management to mitigate the water stress and boost sustainability					
Strengthening of the institutional framework for integrated water resource management	Decree on the PNE, PDAIRE and Local Water Management Plans (2019)	Not available	Decree transmitted to the SGG before end-2018	Letter of transmission to the SGG	
	Decree governing the water resource information system	Not available	Decree prepared before end-2019	Letter of transmission to the SGG	
Improvement of adaptation to climate change	Preparation of regional vulnerability indices and regional CC adaptation plans	Not available	Study launched in three pilot regions before end-2019	Service order on the study	
II.3. Support for energy transition in the agricultural sector					
Reduction of the carbon footprint and further empowerment of small farmers	Presentation of the Energy Efficiency Strategy to the Governing Council (2030)	Not available	EE strategy presented to the government council before end-2018	Minutes of the Government Council	
	Strategic study on the promotion of renewable energy in agriculture (solar pumping)	Tripartite Convention (MEF-AGRI-ENV) available	Results of the study available before end-2019	Consultation notice Signed agreement	
Key Activities: <ul style="list-style-type: none"> - Signature of loan agreements and fulfilment of effectiveness and disbursement conditions - Implementation of adopted reforms, Government's half-yearly and annual reports, Bank supervision reports as well as the programme's mid-term review and completion reports. 				Financing: <ul style="list-style-type: none"> ▪ ADB loan EUR 200 million: Two disbursement tranches (2018 and 2019) 	

Schedule for Implementation of PADIDFA Programme Activities

Description of Activities	2018												2019												2020											
	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12		
1. Negotiations, Approval and Effectiveness																																				
Loan negotiations																																				
Loan approval by the Board																																				
Loan approval and effectiveness																																				
2. Programme Implementation																																				
Implementation of first tranche measures																																				
Mid-term review of the programme																																				
Implementation of second tranche measures																																				
Disbursement of the first tranche																																				
Disbursement of the second tranche																																				
Audit reports																																				
3. Programme Completion																																				
Submission of the PCR by the Government																																				
PCR completion mission by the Bank																																				
Validation of the PCR by the Bank																																				

I. INTRODUCTION: PROPOSAL

1.1. **This is a proposal to grant a EUR 200 million loan to fund the Inclusive and Sustainable Development Support Programme for Agricultural Sectors (PADIDFA).** It is a sector budget support operation in two tranches to be executed over the 2018-2019 period to help achieve the objectives of the Green Morocco Plan (PMV). The programme entails consolidation and deepening of reforms already implemented under PAPMV-1 & 2 between June 2012 and September 2017. Its design is informed by lessons from Phases I and II of PAPMV (cf. 4.4.3), the principles of the Paris Declaration as well as good practice principles for the application of conditionality. It will supplement other programmes financed by the World Bank, the European Union and bilateral funds (AFD, JICA, KfW, CTB, etc. see Annex 5).

1.2. **The programme objective is to contribute to the creation of sustainable jobs in the rural areas of Morocco by boosting agricultural sector competitiveness through the promotion of value chains, improvement of the business climate and sustainable natural resource management.** PADIDFA is based on Morocco's various strategic orientations and is consistent with the second pillar of CSP 2017-2021 by supporting the improvement of living conditions through employment for youth, women and rural areas.

1.3. **The programme is intended to sustain and consolidate the achievements of the Green Morocco Plan, and launch its acceleration phase (2017-2020).** It helps the authorities with the formulation and implementation of inter-sector strategic reforms to strengthen the social and environmental dimensions of the PMV and promote inclusion, sustainability and competitiveness in Morocco's agricultural sector.

II. COUNTRY CONTEXT

2.1. *Political Situation and Governance Context*

2.1.1 **Since adoption of its new Constitution in July 2011, Morocco has enjoyed outstanding stability while implementing reforms in tandem with multiparty politics.** The September 2015 regional and municipal elections were an important step towards implementing the decentralization process enshrined in the new Constitution. The October 2016 parliamentary elections resulted in the victory of the Justice and Development Party (PJD). In March 2017, Mr. El Othmani was appointed Head of Government by the King and a new Government was formed on 5 April 2017.

2.1.2 **In the last decade, Morocco recorded highly satisfactory results in good governance and corruption control.** On 28 December 2015, it adopted the National Anti-Corruption Strategy that covers various aspects, including the improvement of institutional and legal measures, the implementation of preventive and enforcement measures, and the strengthening of community education and awareness-raising. In November 2017, the decree to establish the Anti-Corruption Commission, placed under the authority of the Head of the Government, was published in the Official Gazette.

2.2. *Recent Economic Trends, Macroeconomic and Budgetary Analysis*

2.2.1 **In 2017, the estimated real GDP growth rate of the Kingdom of Morocco was 4.1%.** That year was characterized by an exceptionally good agricultural season. Hence, the Ministry of Agriculture announced in September that the overall cereal output reached 96 million quintals (compared to 33.5 million in 2016), representing an increase of 187%. This was the fourth best cereal output in the country since the launch of the Green Morocco Plan in 2008 that has expanded the use of certified seeds and targeted areas best suited for cereal farming. Hence, real GDP growth in 2017 was largely driven by an increase in agricultural value added (+15.1%). The non-agricultural value added also grew, albeit at a slower pace (+3.1%) but at a higher rate relative to 2016 (+2.2%), driven mainly by the processing industries, mining and tourism. The manufacturing sector production index improved by 1.9%, the largest increase since 2012. This robust performance in the sector is consistent with the excellent sales trends abroad for all major export sectors, including aeronautics (+20%), the food industry (+8.8%), electronics (+7.6%), automobile (+7.3%), textiles and leather (+6.1%).

2.2.1 Domestic consumption continues to be supported by controlled inflation and improved revenue. Household consumption increased in 2017, benefiting from the positive impact of a good agricultural season, an increase in remittances from Moroccans in the Diaspora (+4.5%) and the creation of 57,000 jobs (35,000 in rural areas). With regard to public consumption, the Government's investment efforts were sustained in 2017, and benefited from positive trends in outstanding equipment loans (+11.4%) and investment spending from the State budget (+5.1%). For 2018, the primary economic indicators point to the continuation of investments.

Table 1: Key Macroeconomic Indicators - PEA, 2018 (% of GDP, unless otherwise stated)

Indicators	2016	2017 (e)	2018 (p)	2019 (p)
Real GDP growth	1.2	4.1	3.1	4.1
Agricultural GDP growth	-12.8	15.2	-1.0	-
Non-agricultural GDP growth	3.1	3.0	3.6	-
Inflation	1.6	0.9	1.8	1.9
Budget balance (% of GDP)	-4.1	-3.6	-3.0	-2.6
Current account (% of GDP)	-4.4	-4.0	-3.2	-2.9

2.2.3 In 2017, Morocco continued its fiscal consolidation policy started in 2011. The budget deficit was expected to reach 3.6% of GDP in 2017 compared to 4.1% in 2016. External trade recovered in 2017 compared to 2016, mainly due to the net decline in wheat imports (owing to increased production and a fiscal policy change limiting imports) and consolidation of the growth pace of exports through the development of the “new industries of Morocco” initiative (automobile, aeronautics and electronics). Despite the increase in the energy bill (+30%), imports rose at a lower rate (+5.7% compared to 7.2%) in 2016, mainly due to the decline in grain imports (-22%). The current account deficit was estimated at 4% of GDP in 2017 compared to 4.4% in 2016. This improvement also stemmed from the increase in FDI and remittances from abroad, which rose in 2017 by +32% and +2% respectively, compared to 2016. Foreign exchange reserves remained at a reasonable level in 2017, i.e. approximately six months of import.

2.2.4 The public debt was estimated at 64.3% of GDP in 2017 compared to 64.7% in 2016. The authorities have set a debt target of 60% of GDP by 2021, to be achieved through the stringent budgetary control policy initiated in 2013. Although the Treasury debt continued its upward trend from 2010 (its ratio to GDP was 63.2% in 2014 compared to 62.3% in 2013 and 49% in 2010), it started declining from 2017. The debt ratio is expected to rise to 64% in 2018. It is worth noting that the increased debt since 2010 stems from the recovery plan to combat the effects of the international financial crisis and the sluggish growth in Europe. Nevertheless, since 2013, the State has initiated a public expenditure control strategy to gradually reduce the budget deficit to 3% and ultimately reverse the upward trend in the debt volume (scenario validated by the IMF). According to the latest IMF mission (July 2017), the public debt will remain sustainable in the medium term mainly because its composition and structure are dominated by domestic debts, which account for 78% of the total debt.

2.2.5 Morocco has an accommodating monetary policy and kept its interest rate unchanged in 2017 (2.25%) after a decline of 0.25 point in 2016. It will be recalled that Morocco has kept its key interest rate low in order to stimulate its economy by encouraging credit to businesses. Inflation remained low at an average 0.9% in 2017, although it is expected to double to 1.8% in 2018. Furthermore, in January 2018, Morocco announced the adoption of a new and more flexible exchange rate regime.

2.2.6 In terms of the economic prospects for 2018, the real GDP growth rate should reach 3.1%. This prediction is based on an “average” agricultural season that yields a lower forecast (-0.8%) for agricultural value added. Non-agricultural GDP will continue rising and is expected to reach 3.7%. The industrialists consulted during the economic situation survey conducted in the manufacturing sector by Bank Al-Maghrib expect an increased production and sales in 2018. Similarly, the forecasts for 2018 are also good for the tertiary sector, including tourism that grew by 32.3% in January 2018 compared to January 2017.

2.3. Public Finance Management

Morocco has initiated several reforms to modernize its financial management system, as defined in the new Constitution adopted in 2011. In accordance with Article 75 of the Constitution, Parliament adopted the Organic Finance Law on 2 June 2015. This law, which went into force in 2016, has been gradually and progressively implemented over five years to enhance ownership of the new budgetary, accounting and financial rules that it advocates. The new Constitution guarantees the independence of the Court of Auditors and enshrines regionalization and administrative decentralization by strengthening control at the regional level. Accordingly, a Court of Auditors will be established in each region to carry out more exhaustive management control of public bodies and municipalities.

2.4. Economic and Agricultural Sector Competitiveness

2.4.1 According to the Davos Global Competitiveness Report, Morocco was the fifth most competitive economy in Africa and the first in North Africa in 2017. The Kingdom has maintained its ranking (71st out of 137 countries) and confirmed its significant advance made in: (i) improvement of the effectiveness and efficiency of institutions (49th/137); (ii) infrastructure development (54th/137); (iii) macroeconomic stability (55th/137) and (iv) improvement of the efficiency of goods markets, in particular the efficiency of the Agricultural Policy, which ranks Morocco 16th/137.

2.4.2 This economic performance stems from considerable efforts made by the authorities to implement structural reforms that accelerate the transformation of the country's economic model and industrialization. In 2016, manufacturing sector exports accounted for 70.1% of total exports, compared to 65.8% in 2005. In 2017, export from Morocco's "global industries", such as aeronautics (+20%), the food industry (+8.8%), electronics (+7.6%) and automobile (+7.3%) increased remarkably.

2.4.3 Despite these economic diversification and sophistication efforts, the agricultural sector still accounts for a significant share of the Kingdom's GDP (14%) and its performance, which is highly sensitive to climatic fluctuations, considerably affects the country's economic growth (see §2.2.1). Nevertheless, the agricultural sector holds enormous potential in terms of development and job creation owing to its structuring of value chains and improvement of product quality (ADB, 2016).

2.4.4 The agricultural sector has experienced sustained growth since implementation of the Green Morocco Plan in 2008 that has boosted sector competitiveness. Since 2008, the Plan has helped to increase: (i) the irrigated surface area by over 25% (137,000 ha); and (ii) the fruit and vegetable yield by 70%. Exports of agri-food products increased sharply to over USD 4.8 billion in 2016, representing a 280% rise since 2001 (and more than 170% since 2008). Despite growing competition, especially from countries of the Mediterranean basin, Morocco is ranked among the five leading exporters of several products. **Mindful of the importance of the sector and of the underlying issues, Morocco triggered the acceleration of the Green Morocco Plan (APMV) in 2016 as an instrument for implementing the agricultural strategy, with emphasis on the agricultural downstream, promotion of agricultural value chains and convergence with other complementary sectors.**

2.4.5 Besides, competitiveness gains are possible because agricultural value chains remain little developed and fragmented. Agricultural production is characterized by the coexistence of a large number of small-sized farms (70% of the 1.5 million farms have a surface area below 5 ha), the low quality of their output, little market integration and a limited number of large farms with high value added whose output is mainly exported. In fact, the 1.5 million farms only account for 4% of exports, while the agribusiness sector, which is less labour-intensive (60,000 workers), accounts for 2%.

2.5. Inclusive Growth, Poverty Situation and Social Context

2.5.1 Efforts made to reduce social inequalities and poverty are beginning to bear fruit, with an estimated poverty rate of 4.2% in 2014. This result is the culmination of many reforms initiated in the 1990s. Poverty is on the decline but remains rooted in rural areas. The constitutional reform of 2011 promotes the universal character of the social safety nets. Since then, reforms are aimed at improving the coverage and efficiency of the social protection system, particularly regarding pensions, unemployment and health insurance. Nevertheless, this mechanism affects only a fraction of the population due to its fragmented targeting and the lack of an integrated strategy. In 2016, the authorities announced the establishment of a single identifier, coupled with the institution of a social identifier to improve targeting by 2021.

2.5.2 Morocco has also made significant efforts to achieve the SDGs, especially SDG4, although major challenges remain in terms of the secondary education dropout rate and efficient support to out-of-school youth. The country has almost achieved universal primary education and significantly reduced the literacy rate for youth aged 15-24 by 10.8% (HCP, 2018). However, the school dropout phenomenon and its management by the authorities remains a concern particularly in secondary education. Although data from the Ministry of Education shows a decrease in the dropout rate, the number of dropouts remained significant at 279,177 compared to 329,618 in 2016.

2.5.3 The persistent dropout rate and the poor diversification of the Moroccan economy tend to create structural unemployment for the youth and women, and increases underemployment in rural areas. In 2017, net job creation by the Moroccan economy was estimated at 86,000 jobs, comprising 32,000 in urban areas and 54,000 in rural areas, relative to a loss of 37,000 in 2016 especially in the agricultural sector. This is far from the target of 200,000 annual jobs referred to in the National Employment Strategy. Hence, the unemployment rate rose from 9.9% in 2016 to 10.2% in 2017. In rural areas, underemployment affects 10.8% of rural workers. Young people aged 14-24 are still the most vulnerable to unemployment at a rate of 26.5%, followed by graduates at 17.9%, and women at 14.7%. The low level of qualification for the youth who are not in education, employment or training (NEET) confines them to precarious jobs with little pay and no future prospects (approximately two thirds of employees have no work contract and almost 78.4% have no health insurance). Similarly, the poor matching of training to employment is one of the causes of unemployment among graduates from non-technical disciplines who predominantly come from the faculties of social sciences. Such graduates leave school with skills for which there is no demand in the domestic labour market and especially in the agricultural sector. Difficulties in ensuring the socio-professional integration of the youth prevent households from investing in education and fuel the school dropout rate.

2.5.4 The agricultural sector employs 40% of the labour force and over 93.2% of the female labour force in rural areas, thus playing a major economic, social and environmental role. The agricultural value added to the national economy increased by 13.5% in October 2017, thus by 3.9% year on year, compared to +1% during the same period in 2016 (HCP). In the third quarter of 2017, the agricultural sector (including fisheries and forestry) grew by 1.3%, creating a further 47,000 jobs nationally (40,000 in rural areas and 7,000 in urban areas), compared to losses of 75,000 jobs in 2014, 27,000 in 2015 and 66,000 in 2016. The agro-industrial sector employed 143,000 people in 2016 with an output mainly destined for the domestic market. This sector has 2,050 industrial units composed largely of SMEs. Agricultural exports accounted for approximately 12% of all industrial goods exported in 2016. Hence, the sector accounted for 5% of national GDP in 2016, representing almost 27% of industrial GDP with a value added of approximately MAD 30 billion.

2.5.5. Lastly, challenges in terms of gender inequality and the inclusion of small farmers in agricultural value chains persist. Women usually hold unskilled and non-permanent jobs with no social insurance. According to HCP data, over 93.2% of the rural female labour force is recruited by the agricultural sector, which often employs them as seasonal or occasional workers while men hold longer-term jobs. Although the presence of women at decision-making levels is increasingly affirmed, women are still confined to labour-intensive manual tasks that require no special skills while men occupy the more skilled positions. These inequalities are also observed in income distribution because women earn

less than men and the number of women entrepreneurs in agricultural and agribusiness value chains remains insignificant. Unpaid employment is estimated to account for 40% of rural jobs (ILO 2014) and concerns 74% of the female labour force and 68% of young people aged below 25 years. These differences limit women's opportunities to access skills development and entrepreneurship, increase their vulnerability in the labour market and further relegate them to the informal sector.

III. GOVERNMENT DEVELOPMENT PROGRAMME

3.1 *Government's Development Strategy and Medium-Term Reform Priorities*

3.1.1 Morocco has adopted a series of sector plans to accelerate growth, ensure sustainability and promote inclusion. The strategies marshalled are aimed at modernizing traditional sectors such as agriculture and fishing, and developing innovative sectors like renewable energy and services with high value added (industry, etc.).

3.1.2 In 2008, the Government rolled out its 2030 Strategic Vision for the agricultural sector and initiated the Green Morocco Plan. The objective of the Plan is to boost agricultural productivity and increase exports and private investment in the sector. The Plan will help to combat poverty, ensure food security and equip the Kingdom with the skills needed to cope with vagaries of the weather and preserve its natural resources (water, soil and energy).

3.1.3 The agricultural sector is also targeted by several other strategies. The National Industrial Acceleration Plan for 2014-2020 is aimed at integrating agricultural value chains to support the agri-food sector through the promotion and restructuring of strategic sectors (including staple food crops and export crops) by supporting the development of *agropoles* (integrated logistic platforms). Furthermore, the National Sustainable Development Strategy (SNDD) 2015-2030, the National Water Strategy 2009-2030 and the National Energy Efficiency Strategy 2008-2030 focus on sustainable natural resource management and protection. Consequently, there is need for a systemic vision to support the sustainability and inclusion of the Green Morocco Plan Ecosystem. In this regard, PADIDFA, which is consistent with all the above strategies and with the Government Gender Equality Plan (GEP), advocates inter-sector coordination and is fully in line with the process of establishing the advanced regionalization system.

3.2 *Constraints to Implementation of the National/Sector Development Programme*

3.2.1 The growth diagnostic (conducted by the Bank in collaboration with the authorities and MCC) identifies poor coordination between economic stakeholders as one of the constraints to private investment. There are numerous public policies aimed at accelerating Morocco's economic transformation and the development of value chains. However, the lack of coordination between public entities (agencies and ministries), private stakeholders (within value chains) and between the public and private sectors (promotion of trade agreements, for example) has a negative impact on the expected outcomes of public action. This problem is fundamental to agricultural development. The development of this sector requires support for concerted nationwide action at different levels, namely: (i) collaboration between the various departments of the Ministry of Agriculture; (ii) inter-ministerial coordination; and (iii) coordination between central and decentralized structures. For natural resources, such coordination involves the development of transversal governance and planning tools for the concerted monitoring of natural resource utilisation.

3.2.2 The growth diagnostic identifies human capital as a major constraint to more inclusive and robust growth. The agricultural sector faces three major challenges: (1) the skills developed should be tailored to the needs of sector stakeholders - the involvement of inter-professional associations in the training cycle and the streamlining of higher education are essential in this case; (2) research and development by public training-research structures must satisfy the needs of sector stakeholders; and (3) the adult population with a low human capital should not be excluded from value chain development. The development of human capital through agricultural vocational training in the regions is essential to improve the quality of the workforce, enhance salaried employment and promote self-employment.

Furthermore, there are other challenges to the encouragement of investment in agriculture, namely: (1) the low level of investment due to the fact that farm sizes in Morocco are limited by land tenure insecurity in rural areas as well as problems of joint ownership and fragmentation; (2) the lack of greater investor visibility in the agricultural sector; (3) the need for better promotion of recourse to PPPs; (4) the lack of dedicated logistics platforms that enable the private sector to develop synergies; (5) the lack of mechanisms that enable small farmers to come together and offer a common service of sufficient magnitude to other stakeholders in the chain; and (6) the need to strengthen advisory services (with private initiatives) to support agricultural production (in terms of quality and quantity).

3.2.3 Land tenure policy that facilitates investment in agriculture. Land tenure is one of the major obstacles that investors face. In particular, the growth diagnostic shows that the frequent lack of land titles in the agricultural sector limits investment by farmers and consequently undermines agricultural sector transformation. Several projects have been initiated to address this constraint. One example is the public-private partnership operation intended to make land of sufficient size available to private investors for a relatively long lease period. At the end of 2016, a surface area of 111,000 ha was made available to investors (particularly in the *agropoles*), who have ended up making actual investments of nearly MAD 14 million on the ground; i.e. 95% of planned investments. Furthermore, to address the constraint of land fragmentation and improve the management of small farms, aggregation around private stakeholders or professional organizations with significant managerial capacity was adopted and implemented. This model yields a win-win partnership between the productive upstream and the commercial and industrial downstream.

3.2.4 Resource overexploitation is a concern for Moroccan authorities. From an environmental standpoint, the agricultural sector is currently the bedrock of sustainable development in Morocco, given that it is the primary user of water and land resources, and one of the main users of energy resources directly (pumping, mechanical tools) or indirectly (fertilizers). In fact, agriculture uses 80 to 85% of the country's water resources. Another challenge for the sector is the achievement of sustainable growth through agriculture, considering the fragility of natural resources. This problem is even more acute as Morocco is encountering water stress. Rainfall is very low and the water is unevenly distributed among the various regions. The national water context is marked by increasingly growing scarcity, mainly due to climate change, irrational use and population growth. Morocco's natural water resources are among the lowest in the world. This potential is estimated at the equivalent of 700 m³/inh./year and this quantity could drop to 520 m³, compared to the critical threshold of 1000 m³/inh./year. Therefore, it is necessary to manage water demand efficiently by planning investments, synchronizing with dam water resources, controlling water extraction and organizing stakeholders, while stimulating the search for new non-conventional water resources. The issue of land and energy management, particularly the use of subsidized butane gas by this sector, is also the focus of attention. In this regard, there is a growing national advocacy for increased use of solar pumping.

3.2.5 Finally, particular attention should be given to rural women, who hold 61% of jobs in the sector. The inclusive transformation of this sector is possible only if special attention is paid to rural women who are considered fragile stakeholders.

3.3 Consultation and Participatory Process

Stakeholders were actively involved in programme design through a participatory and inter-sector approach that allowed for consideration of views of various sectors and identification of potential convergences. The quest for ownership of measures informed programme design. Stakeholders concerned (various administrative entities, representatives of professionals, private operators, civil society, etc.) were involved throughout the process. This process was reinforced during the preparation phase through the organization of a consultation workshop with all stakeholders (seven administrative departments and representatives of inter-professional associations) to discuss the proposed measures, their relevance and impact. A workshop on the ownership of measures involving civil society and the private sector, organized during the appraisal, made it possible to agree on common ground, find a better basis for addressing the interests of stakeholders, and produce a validated matrix of measures and programme performance indicators. This consultation will be continued during implementation phase through the inter-sector steering committee.

IV. BANK SUPPORT FOR THE GOVERNMENT'S STRATEGY

4.1. *Linkage with the Bank Strategy*

4.1.1 **This budget support programme falls under the second pillar of CSP 2017-2021 for Morocco, namely “improving living conditions through employment for the youth, women and rural areas”.** It contributes to the achievement of three of the High 5s, namely: “Feed Africa”, “Integrate Africa” and “Improve the quality of life for the people of Africa”. It pursues the green and inclusive growth objectives of the Bank's Ten-Year Strategy for 2013-2022 and is fully consistent with the 2016-2025 Feed Africa Strategy (agricultural transformation through value chains development) as well as the Bank's other sector strategies (including youth employment, the water and energy strategies, etc.). PADIDFA is also part of the Strategic Framework and Governance Action Plan 2014-2018 (GAP II).

4.1.2 **The Programme is justified by: (i) the importance of ensuring the sustainability of Morocco Green Plan (PMV) achievements and supporting its acceleration phase;** (ii) the magnitude of the financial needs created by the reforms implemented by the PMV and associated sectors (environment, water, energy and employment); (iii) the urgency of instituting rational natural resource management (through operationalization of the National Sustainable Development Strategy (SNDD), the implementation of the Sustainable Development Action Plan (PADD) in the agricultural and associated sectors, management of the water stress and disruption of the water resources balance, and the insufficient development of agricultural products and clean energies); (iv) insufficient inclusive development (social inclusion based on age, gender and geography; insufficient creation of employment particularly in the agro-industry ecosystem, etc.); (v) poor promotion of value chains, limited empowerment of inter-professional associations and low private sector involvement; and (vi) the urgency of addressing the demands of unemployed young graduates and marginalized rural women. The programme is also fully consistent with the advanced regionalization and inter-sector convergence process to sustain and support the impact of PMV and the PMV acceleration phase initiated in 2017.

4.2. *Compliance with Eligibility Criteria*

4.2.1 **As presented in the previous chapters, Morocco enjoys a political and economic environment that is conducive to the use of the reform support instrument.** The country has also demonstrated its commitment to the sector reform process, particularly in the agricultural sector (see Annexs 3 and 5).

4.2.2 **Furthermore, from the fiduciary standpoint, the country meets the eligibility criteria.** The performance assessment results of Morocco's PFM systems obtained in 2016 using the PEFA methodology (including public procurement) confirm that the country fiduciary risk level is moderate. According to the report, the main conditions for budgetary and financial discipline have been met, especially budget reliability and the achievement of set stability objectives. It specifies that more strategic public resource allocation remains a priority objective for the Government and that this objective is central to the reform programme currently being implemented. Lastly, it points out that the current public finance management system contributes only moderately to the improvement of public service quality, which is why the LOF introduces a performance-based approach and provides for objectives and indicators for measuring the quality of services.

4.2.3 **The public finance management and procurement framework has undergone significant reforms in recent years to attain international standards, as reflected in satisfactory fiduciary assessments conducted by the Bank and other partners.** In particular, the Bank recently assessed Morocco's national public procurement system in November 2017 using the OECD/DAC methodology and the fiduciary risk for the procurement component at the national level was deemed moderate. The evaluation report of the national procurement system was validated with the participation of the major public procurement stakeholders and the key technical and financial partners.

4.3. Collaboration and Coordination with other Partners

4.3.1 Since 2010, a donor coordination process has been conducted by the Ministry of Agriculture (Directorate for Strategy and Statistics-DSS) to coordinate PMV support. Regular meetings are held in the presence of technical and financial partners. The Bank plays an important role in this process through its country office (COMA). Hence, the design of PADIDFA was characterized by sustained consultation with the DSS and close coordination with partners, particularly the World Bank, the European Union, French Cooperation (AFD) and Belgian Cooperation (CTB). Considering the programming schedules, parallel financing was recommended. Furthermore, Moroccan authorities harmonize interventions through the MEF. The design of this programme took into consideration complementarity with the other TFPs, especially the World Bank, which operates in the same field. Additional measures were recommended, including processing zones, the establishment of an agricultural register and strengthening of agricultural extension (supported by the EU).

4.3.2 In the water sector, coordination between the various donors is done through a thematic group established in 2011. This thematic group meets regularly to discuss sector trends, and to seek greater coordination and harmonization of sector interventions. The Bank has led this thematic group together with the AFD and the World Bank since 2016.

4.3.3 In the areas of training and employment, the Working Group on Youth (2016) and donor coordination on education and training (initiated in 2008) are the discussion platforms for employment and training issues. The Bank actively participates in these working groups while harmonizing its interventions bilaterally with those of partners. This coordination supplements the government's consultative framework through annual consultation meetings and discussions on sector strategies that impact skills development and employment.

4.4. Linkage with Other Bank Operations

4.4.1 The Bank's active portfolio in Morocco comprises 28 ongoing operations for a net commitment of UA 1.7 billion. The Bank's overall portfolio performance remains satisfactory in general, with an average total score of 2.7 on 3 in 2017. The portfolio covers seven sectors: energy (35.4%), transport (23.5%), water and sanitation (16.7%), social (5.7%), agriculture (3.6%), and multi-sector (15.1%).

4.4.2 Promoting inclusive and green growth, and inclusive value chain development is a crucial issue of particular interest to the Bank. This programme is linked to the Bank's investment operations in Morocco, notably PAPNEEI, which supports the irrigation sector, as well as operations that promote renewable energies. The programme also consolidates budget support for reforms aimed at improving the business environment, boosting competitiveness (PACEM and PAAIM) and ensuring training-employment matching (PAAFE). Furthermore, it supplements the two phases of the Green Morocco Plan Support Programme (PAPMV-1 & 2). The Bank also backs the establishment of a "Result Delivery Unit" within the Office of the Head of Government. Part of this support will be mobilized to monitor the results of SNDD implementation (see the measurement framework given as annex).

Table 2 : Lessons learned from PAPMV-1 & 2 and previous Bank operations in Morocco

Key lessons learned	Measures taken to factor the lessons into the programme
Adoption of an inter-sector approach to programme design that can generate institutional value added and rally stakeholders	An inter-sector approach was adopted to promote additional synergies among the various departments and strategies. The programme identified areas of convergence and inter-sector interests.
Importance of a collaborative approach and an inter-ministerial steering mechanism	Programme design was conducted through grassroots consultation (organization of consultation workshop with stakeholders during the design phase) and the consolidation of the inter-ministerial steering committee was recommended.
Ownership of measures guarantees sustainability	Consideration was given to ownership of measures and provision made for the necessary support items (measurement forms, ownership workshop, consultative validation process, etc.).
Enhance the management of preliminary dialogue to reduce the timeframe for adopting regulatory and legislative texts pertaining to stakeholder ownership	Consideration was given to dialogue on ownership and measures were balanced, thus giving rise to texts containing direct action measures on the effective implementation of reforms.
Need to sustain the PMV and strengthen water sector governance and regulation	Provision was made for measures relating to the Supreme Council for Water and Climate (at the central level) and Water Basin Councils (at regional level).

4.4.3 Furthermore, the two PMV (PAPMV-I & 2) support phases generated conclusive results with highly satisfactory performance. The programme managed to satisfy virtually all the proposed measures through its two phases. Of the 56 measures planned under PAPMV-1, 45 were fully executed and 11 were partly implemented. At PAPMV-2 completion, a high implementation rate was recorded for the various measures (91%, or 30 out of the 33 scheduled measures plus two measures partly completed). For some measures, progress has been significant and achievements have exceeded set targets (national irrigation map, inter-sector coordination mechanism, institutional reform road map, measures to promote local products and organic production, agricultural insurance, support for the agricultural development fund, adoption of more than 10 laws, including those relating to aggregation, inter-professional associations, the private agricultural advisory services, water law, the law on organic production, the framework law on the environment and sustainable development, the law setting up ONCA, approval of the National Strategy for Sustainable Development by the Government Council, support for the establishment of four *agropoles* and one *zoopole* (livestock sub-sectors) development of the national agri-food strategy and signing of framework programme contracts with inter-professional associations, etc.). The main lessons learned from PAPMV I and II were strategic and enhanced the design of PADIDFA (see Table 2 and more details in the technical annex).

4.5. Analytical Work Underpinning the Budget Support

Programme design was informed by the results of several analytical studies conducted by the Bank, the Government and technical and financial partners. The results of the Bank's 2014 growth diagnostic remain valid. They highlight the economic and social role of the agricultural sector (almost 40% of jobs, 61% of which are held by women). However, the report highlights several sector challenges, including: (a) human capital problems especially in rural areas; (b) microeconomic distortions and especially access to titled land; (c) lack of coordination among stakeholders, which impedes the promotion of value chains; and (d) the disturbing water resources situation. The approach advocated by the programme helps the authorities to resolve these challenges. Component I focuses on improving access to employment through value chain development (skills improvement, etc.), while Component II focuses on sustainable employment. Sector upgrade and stakeholder mobilization are crucial. Stakeholder coordination is central to this budget support, either to improve natural resource management (in particular water, soil and clean energy) or to structure and develop value chains.

Table 3: List of AfDB Analytical Work (with partners)

Studies	Contribution to Programme Design
Growth Diagnostic	Identifies the major constraints to more robust and inclusive growth – particularly skills and land.
Study on the development of Agri-food Processing Areas (ZTAA)	Identifies opportunities for promoting various crop sectors and agricultural value chains.
Strengthening agricultural value chains to feed Africa	IDEV study recommends an appropriate scope and scale for DCVA interventions and profitability for all CV stakeholders.
Agricultural production, food security and value added in North Africa	Recommends an increase in the share of value added for farmers to strengthen food security, reduce poverty and create more jobs.
Technical assistance on assessing the quality of vocational training centres	Establishment of a reference framework for assessing quality and internal output of vocational training (delegated or through apprenticeship).
Feasibility study on a centre of excellence for the promotion of entrepreneurship to support employability in North Africa	Recommends the development of entrepreneurship through the generation/dissemination of knowledge and networking; support for resource mobilization and institutionalization of the platform.
Technical assistance for development of the model in Morocco Attanmia Souk to boost youth and women's entrepreneurship	Recommends: (i) the improvement of access to funding and technical support for entrepreneurs; and (ii) strengthening of the ecosystem and of the entrepreneurial culture in Morocco with specific access for the youth and women.

V. PROPOSED PROGRAMME

5.1. Programme Goal and Objective

The programme objective is to help boost agricultural sector competitiveness to ensure inclusive and sustainable economic growth through the promotion of value chains, job creation, improvement of the business climate and sustainable natural resource management. The programme is intended to support the Green Morocco Plan 2008-2020, mainly in terms of the acceleration and

sustainability of achievements as well as the strategies of associated sectors (National Sustainable Development Strategy, National Water Strategy, Energy Strategy, National Employment Strategy and Industrial Acceleration Strategy). Hence, PADIDFA will help to: (i) support the PMV ecosystem and amplify its impact; (ii) promote the inclusion of vulnerable stakeholders (especially the youth and women); and (iii) build agricultural sector resilience. It is an important institutional lever for creating synergies between strategies governing agriculture, the environment, water, energy and employment.

5.2. Programme Components

5.2.1 The creation, sustainability and improvement of employment quality in agricultural sub-sectors are essential to the reduction of multidimensional poverty in rural areas and thus remains the focus of national concerns. Based on data from the 2014 population census, the number of people living in multidimensional poverty rose from 80% in 2004 to 85.6%. Hence, among the 3.9 million poor Moroccans identified through the multidimensional poverty mapping exercise conducted in 2014, over 3 million live in rural areas. Therefore, the development of agricultural value chains remains a major challenge for their socioeconomic integration. PADIDFA supports a series of medium- and short-term strategic reforms to improve the quality of life for the people through quality jobs and self-employment in rural areas, and the protection of such jobs through sustainable natural resource management.

Component I: Support to Job Creation through the Development of Agricultural and Agro-Industrial Sub-sectors

5.2.2 This component seeks to lay the institutional and operational foundations for the inclusive development of agricultural sub-sectors in Morocco, which create better quality jobs that particularly benefit women and the youth in rural areas. Job creation will be enhanced through: (i) skills development; (ii) improvement of the business climate and support to agricultural entrepreneurship; (ii) structuring of agricultural and agribusiness sub-sectors; and (iv) support for agricultural produce processing.

Sub-Component I.1: Skills Development to Ensure Access to Employment in the Agricultural and Agro-Industrial Value Sub-sectors

5.2.3 Problems and Constraints. Despite the considerable investments in human resource training under the PMV, the skills and qualifications deficit continues to limit access to employment. This deficit also affects the productivity and competitiveness of agricultural enterprises, and reduces the potential of agro-industrial exports, de facto affecting job creation. Hence, the problem is twofold. According to businesses, difficulties pertaining to unreliable access to quality raw materials, informal processing in production processes, product selection and packaging as well as poor traceability and certification partly stem from the lack of technical skills at the grassroots to ensure quality-at-entry, especially for products coming from cooperatives and small farmers. This situation further limits access to large markets and the creation of supplementary value added. Similarly, the limited access of agri-food VSEs and SMEs to business support services and highly-qualified personnel hampers quality improvement and an increase in product value added. The insufficient number of trainers, the quality of training programmes and the limited involvement of inter-professional associations are major challenges to be met in the medium term.

5.2.4. Recent Action by the Government. Training and research are major levers of the Green Morocco Plan to: (i) support the development of agricultural value chains by providing a skilled workforce and anticipating skills needs in the medium term; and (ii) build the capacity of structures responsible for the national agricultural training and research system. The government has established an agricultural vocational training scheme with 52 schools covering all regions of the Kingdom to satisfy the demand for skilled labour in the various sub-sectors, boost their competitiveness and promote the socio-professional integration of rural youth. The new and current modes of work-related vocational training and apprenticeship partly meet the needs of the production sectors retained under the Green Morocco Plan but still fail to achieve the objectives of the Green Morocco Plan quantitatively and qualitatively, and meet the emerging rapidly evolving inter-professional needs.

5.2.5. Programme Activities and Expected Outcomes. To meet the demand for training skills in the medium and long term, the programme will support: (i) the extension of the agricultural apprenticeship training mechanism; and (ii) the strengthening of research and development in partnership with universities, inter-professional associations and the private sector. In this regard, the following measures will be taken: (1) the establishment and operationalization of the Centre for Pedagogical Engineering and Training of Trainers; (2) the opening of an additional centre for local agricultural vocational training; (3) signature of the amendment to the delegated management agreement on the livestock production *zoopole*; (4) signature of an implementation agreement between the Vocational Training Department and the Ministry of Agriculture to increase the number of apprentices in agricultural apprenticeship training programmes; (5) launching of a call for projects under the competitive fund to focus research more on the needs of inter-professional associations with the greater involvement of universities and the private sector; (5) production of JCF and DJT for the agricultural sector; and (6) creation and establishment of vocational guidance centres in rural areas. Yearly, these actions will lead to the training and qualification of nearly 300 trainers and 2,600 young agricultural workers or technicians, and the certification of approximately 10,000 farmers' daughters and sons who would receive apprenticeship training. These are work-based short-term training courses (10 months) that yield a vocational qualification in about 30 professions leading to recruitment in agricultural enterprises or to self-employment (see Annex - Volume 2).

Sub-component I.2: Improvement of the Investment Climate, Access to Employment and Entrepreneurship for Rural Youth and Women

5.2.6. Problems and Constraints. As indicated in paragraph 3.2.3, the growth assessment shows that the frequent absence of land titles in the agricultural sector limits farmer investments and consequently agricultural sector transformation. In terms of financing, ignorance of the existing mechanisms and limited access to seed loans remain the major challenges for agricultural entrepreneurs. Despite their diversity, existing financing instruments are often unknown to rural youth and are intended more for project proponents who demonstrate maturity and experience in agricultural value chains and who present robust and bankable business plans. This raises the problem of a deficit in entrepreneurial culture and education as well as in long-term quality technical support. However, most young people embarking on agricultural entrepreneurship do not have the requisite technical skills to ensure the success of their businesses due to a lack of training, social capital and an entrepreneurial culture. The establishment of an environment conducive to dynamic, integrated and quality support for entrepreneurs as well as market access for young farmers remain a priority.

5.2.7 Recent Measures Adopted by the Government. To overcome the major financing challenge, the Moroccan Government has developed a range of tools for start-ups through the establishment of competitive funds and guarantee mechanisms for independent entrepreneurs, start-ups and VSEs/SMEs. The State also supports several promising incubator/accelerator programmes including Réseau Entreprendre Network, Eirene 4 Impact, Espace Bidaya which target innovative start-ups with high potential, and Dare INC which supports social enterprises from ideation to growth and international markets. However, the pilot nature of these programmes and limited access opportunities for rural youth reduce their potential impact on self-employment, owing to the remote location of these youth and concentration of the programmes in large urban centres. The State has also undertaken to formulate a legal framework that grants access to work and income-generation opportunities to the most isolated rural communities.

5.2.8 Programme Activities and Expected Outcomes. To facilitate investment, the programme will help to secure agricultural land mainly through: (1) transmission of the law on the National Agricultural Register (RNA) to the SGG; and (2) transmission to the SGG of the four decrees implementing Law No. 113-13 on the management of pastoral and sylvo-pastoral areas. In particular, the programme supports the promotion and active participation of young people and women in the development of agricultural and agro-industrial sectors through reforms and affirmative employment initiatives that favour rural women and youth, including greater access to active employment programmes. Specifically, the programme will support the establishment of an entrepreneurial and employment support ecosystem to inform, guide and accompany young people and women wishing to invest in agricultural sub-sectors. It will also support businesses in the various sub-sectors in general. This entails: (3) implementing a national plan for the

establishment of regional agricultural incubators; (4) drafting and implementing a framework agreement with COMADER on agricultural advisory services, training and support for farmers; (5) transforming the framework agreement into specific agreements; (6) conducting a gender diagnostic in two vocational training establishments; (7) conducting a study on women's entrepreneurship; and (8) drafting and signature of a partnership agreement between DIAEA and ONCA for the development of agricultural advisory services in irrigation areas.

Sub-Component I.3: Support for Structuring of Agricultural Sub-sectors, Processing of Agricultural Products, and Development of Agro-Industry and Exports

5.2.9. Problems and Constraints. The agricultural sector needs to develop its value chains and boost its competitiveness, sustainability and productivity to meet national and export needs for products with comparative advantages and to generate more jobs. Despite the economic performance of the sector, Moroccan agriculture still faces challenges in developing its agricultural products, especially on the international scene. Although commendable efforts have concentrated on upstream production (modernization and upgrading of facilities, improvement of production and productivity), focus should shift to the processing and enhancement of agricultural products (agribusiness, etc.). There is need to develop processing and logistics platforms to accommodate agro-industrial processing units. Similarly, agro-industry support structures for ensuring compliance with standards, particularly those responsible for the promotion of Moroccan agricultural and agri-food exports, such as ONSSA (National Authority for the Health Safety of Food Products), still face a legislative deficit in certain areas. Consequently, the regulations must be reviewed and/or enhanced to create a conducive framework for the upgrade of agricultural products in order to boost their marketing and export value and volume.

5.2.10. Recent Measures Adopted by the Government. In a bid to consolidate the achievements of PMV 2 and promote the inclusive development of agricultural sectors, Morocco has embarked on a thorough effort to restructure inter-professional associations covering 21 sub-sectors and ensure the formal recognition of 14 inter-professional associations. To accelerate agro-industry development and boost exports, Morocco has embarked on the implementation of an Agro-food Sector Development Strategy covering promotion, export and distribution on the domestic market. A programme contract for the agri-food industry was signed for the period 2017-2021. This contract is intended to increase turnover, exports and value added in the sector. It specifically targets the promotion of certain agri-food sectors (the CP forecasts an investment volume of MAD 12 billion, including MAD 8 billion to be borne by the private sector). Similarly, the 2014-2020 Industrial Acceleration Plan was implemented in the Souss-Massa region in January 2018 and 8 agreements were signed on that occasion, thus creating a competitive economic hub. The Ministry of Agriculture, Maritime Fisheries, Rural Development, Water and Forestry is also planning to set up Agro-Food Innovation Centres (CIAA). Moreover, two of the seven *agropoles* scheduled under the Green Morocco Plan are already operational (Meknes and Berkane). These *agropoles* are expected to be a major lever for the agricultural sector. They seek to enhance the processing and marketing of agricultural products by providing a framework for the integration of all the segments of the value chain. Finally, ONSSA (National Office for the Health Safety of Food Products) set up in 2010 under the PMV and under the supervision of the Ministry of Agriculture, is continuing its efforts to promote agri-food product exports.

5.2.11 Programme Activities and Expected Outcomes. This sub-component is intended to develop Agro-food Processing Zones (ZTAA) while improving standards to boost exports especially to the rest of Africa. There is a dual social inclusion challenge at this level, namely: ensuring the transformation of very small agricultural enterprises and increasing the qualitative participation of small farmers in value chains. Therefore, the programme will support the development of inclusive mechanisms that ensure the participation and equitable remuneration of these vulnerable groups through a unified and more inclusive vision of value chains, including increased and improved access to production resources, markets and social coverage for agricultural workers. It provides for: (1) support for the creation and revitalization of agricultural cooperatives; (2) publication of the decree introducing the new FDA subsidy rates for agricultural processing units; (3) revision of legal instruments developing new legislation in the field of food safety – ONSSA's legal arsenal (involvement of various structures in control activities; supervision of professionals; pesticides; exports; plant health; fertilizers); (5) drafting and transmission to the SGG of

new sanitary instruments governing the export of poultry products and preparation of terms of reference (CPS). These measures will support small producers, facilitate the processing of agricultural products and accelerate agricultural exports through the improvement of standards.

Component II: Support Lasting Rural Employment through Sustainable Natural Resource Utilisation by the Sector

5.2.12 This second component targets the long-term protection of jobs created in the agricultural sector through promotion of sustainable natural resource management (especially water) by the agricultural sector, and encouragement of renewable energy usage in rural areas.

Sub-component II.1: Strengthen Sustainable Development Governance

5.2.13 **Problems and Constraints.** As in other countries in the region, promoting green governance in Morocco is now an absolute priority for meeting the challenges posed by climate change in particular. Nevertheless, these challenges must be addressed as part of an inter-sector approach that includes the agricultural sector. Coordination around these objectives is crucial to the protection of created rural area jobs that are threatened by dwindling resource availability.

5.2.14 **Recent Measures Adopted by the Government.** Morocco also played a major role on the international scene by undertaking to reduce its greenhouse gas emissions under COP 21 and organizing COP 22 in 2016, which included water resources on its agenda. For COP 21, Morocco undertook to reduce greenhouse gas emissions by 13% before 2030. This target could be raised to 32% if international funds (estimated at USD 45 billion) are mobilized. As regards climate change mitigation, 50% of the projects focus on energy. They include: (i) the determination to increase the share of renewable energy in the installed electricity capacity from 34% in 2015 to 42% by 2020; and (ii) the improvement of energy efficiency. As regards adaptation, the programme includes: (i) the substitution of overexploited groundwater with surface water; and (ii) the acceleration of desalination programmes, construction of dams and recycling of wastewater by 2030. Water conservation is an essential pillar that can be developed through appropriate technologies and improved efficiency in usage. The National Sustainable Development Strategy (SNDD) was drawn up and presented to the Government Council on 1 June 2017, and adopted by the Council of Ministers of 25 June 2017. It received backing under the second phase of the Bank's support to the Green Morocco Plan (2015-2017). This strategy seeks to achieve Morocco's vision of a green and inclusive economy by 2030. In total, seven major challenges have been identified as pillars and have been broken down into 31 strategic sub-pillars and 137 objectives with precise indicators. This makes it a reference and convergence tool for various public policies aimed at ensuring Morocco's sustainable development. Thus, the Sector Sustainable Development Action Plans (PADD) specifying the contribution of each department to the implementation of this Strategy, as well as the Action Plan relating to State exemplariness have been drafted. To achieve these objectives, a governance framework is being established that comprises two committees: a Strategic Committee that has a policy and guidance role, and a Steering Committee that has an operational role.

5.2.15 **Programme Activities and Expected Outcomes:** In a bid to support the operationalization of the SNDD, promote green governance and give impetus to a new inter-sector governance drive, the programme proposes the following measures: (1) Publication of the decree creating the Sustainable Development Strategy Committee in the Official Gazette; (2) Validation of at least four Sustainable Development Action Plans (PADD) in 2019; and (3) Design of a monitoring and evaluation system for the SNDD in 2019. The expected outcomes from implementing these measures are: (i) the scheduling of meetings of the strategic committee; (ii) the drafting and adoption of a ministerial order institutionalizing the steering committee mentioned in Article 6 of Decree No. 655 to create the strategic committee for implementing the SNDD; (iii) implementation of the PADDs of four sectors validated in 2019; (iv) strengthening of the steering and of the monitoring/evaluation strategy as well as improvement of decision-making.

Sub-Component II.2: Improvement of Water Resource Management to Mitigate the Water Stress and Boost Sustainability

5.2.16 Problems and Constraints. The renewable water resource rate is less than 600 m³/person/year (the critical threshold being 1000 m³/person/year). Although drinking water production increased fivefold over the past three decades, the 145 dams have a storage capacity that is below the population's annual water consumption. Climate trends in the sub-region are disturbing due to declining rainfall estimated at 30% by 2050. This pressure on water resources is compounded by the development of irrigation (1.5 million hectares), although efforts are underway to convert large-scale conventional irrigation systems to drip irrigation. In response, Morocco has initiated the development of non-conventional resources such as seawater or wastewater. The adoption of an integrated approach to ensure water resource sustainability is crucial to the development of sustainable and job-creating agriculture.

5.2.17 Recent Measures Adopted by the Government. The National Water Sector Strategy formulated in 2009 is the strategic framework followed by: (i) the National Water Plan - PNE (focusing on demand management, especially demand for irrigation and water development); (ii) supply management and development (including non-conventional resources); and (iii) water resource conservation and adaptation to climate change. With the Bank's support, under PAPMV-2, the Government adopted a new Water Law in 2015 (Law No. 36-15), which introduced innovations in water planning, water governance and adaptation to climate change.

5.2.18 Programme Activities and Expected Outcomes: The proposed measures are essentially aimed at implementing the new Water Law through promulgation of its main implementing instruments. These measures are: (1) transmission to the SGG of the decree governing the Supreme Council for Water Resources and Climate; (2) as regards water resource planning: transmission to the SGG of implementing decrees relating to: (i) planning documents (National Water Plan, Integrated Water Resource Management Master Plan, Local Water Management Plans); (ii) the water basin boards (including the publication of the decree governing water basin agencies in the Official Gazette) and (iii) Presentation of the PNE to the Interministerial Water Commission; (3) as regards the water information system: preparation of the decree relating to the Water Information System, preparation of the reference frameworks for agricultural water needs per region for rational use of irrigation water. To improve adaptation to climate change, regional vulnerability indices and Regional Climate Change Adaptation Plans for three pilot regions should be developed. These actions will strengthen the legal framework for planning and governance for the concerted, territorialized and sustainable use of water resources. These actions will also help to build stakeholder resilience to climate change.

Sub-component II.3: Support for Energy Transition in the Agricultural Sector

5.2.19 Problems and Constraints. Faced with the challenges of climate change and the energy bill, a drive is already underway to use renewable energies, especially solar pumps, in agriculture. However, this drive remains essentially limited to large farmers. Small farmers are still difficult to reach, mainly because funding problems force them to rely on butane gas, which is still subsidized. Butane gas is frequently used to pump irrigation water and its consumption has even attained alarming proportions for some crops, thus putting pressure on the compensation fund (for 2017, a structural increase in butane gas compensation was noted, with a total subsidization cost of over MAD 9.9 billion in 2017 compared to MAD 6.7 billion in 2016). In the agri-food industry, additional efforts are also needed to reduce the energy bill of agri-food companies. Hence, public authorities should support increased energy development for agricultural holdings and agro-industrial units. Furthermore, the development of agro-industry and irrigation systems generates a certain amount of waste (plastics, agricultural product processing by-products, etc.) that is beginning to increase in volume and needs to be treated and recycled to avoid environmental pollution and contribute to job creation.

5.2.20 Recent Measures Adopted by the Government. Morocco has a clear desire to optimize its economy through the adoption of energy efficiency in several sectors (with agriculture included among the five priority sectors). This drive is essentially based on the National Energy Efficiency Strategy for 2030, which seeks to achieve a renewable energy share of 52% instead of 34% in 2015. This strategy provides for the adoption of a programme contract between the State, the Moroccan Energy Efficiency

Agency (AMEE) and priority sectors (industry, construction, agriculture, transport and public electrification). *Crédit Agricole du Maroc* (CAM) introduced a special financial product (called “EcoTaqa”) to finance initiatives that promote renewable energy. Through its Nationally Determined Contribution (NDC), Morocco has undertaken to cut its greenhouse gas emissions by 42% of projected emissions by 2030. The use of solar energy in the agricultural sector is a highly publicized strategy (solar pumping is part of the energy efficiency programme contract). In this regard and in partnership with GEF/UNDP, AMEE has launched the “Development of photovoltaic pumping systems for irrigation” project, which is part of implementation of Morocco’s commitments to develop renewable energy and combat climate change. For the climate change adaptation component, Morocco has adopted a National Climate Change Adaptation Plan and drawn up a green sectors promotion plan under the law on waste management (adopted in 2006).

5.2.21 Programme Activities and Expected Outcomes. The programme provides for the following measures: (i) Presentation of the Energy Efficiency Strategy to the Government Council (by 2030); (ii) conduct of the strategic study and provision of mechanisms to support the promotion of solar pumping; and (iii) preparation of a skills directory for energy auditors to support the energy optimization for farms and agro-industrial units. These measures will promote renewable energy and energy efficiency, and facilitate butane substitution in the agricultural sector.

5.3. Policy Dialogue

The Government is moving towards the PMV acceleration phase by 2020 following the mid-term evaluation of the Plan. The major themes to be addressed in the policy dialogue during the programme implementation period are: (i) inter-sector coordination; (ii) sustainable natural resource management (reforms related to agricultural water use, agricultural land tenure, renewable energy support, energy efficiency and agricultural institutions); (iii) capacity-building (agricultural register, monitoring system, private agricultural advisory services, empowerment of inter-professional associations, competitive agricultural research mechanisms); (iv) development of green sectors and of the circular economy; and (v) the promotion of agro-industry and value chains. Furthermore, policy dialogue will be conducted in coordination with development partners, through the existing PMV thematic support group and under the *G20 Compact with Africa* programme.

5.4. Loan Conditions

Preliminary Measures - Triggers: Dialogue with the Government led to the identification of relevant measures that can support the programme and which the Government has undertaken to implement. These preliminary measures were selected based on their maturity status, relevance and significance. They are summed up in the table below:

Table 4: Preliminary measures - Triggers

Component	Preliminary measures
<i>Measure 1</i>	Publication in the OG of the Decree setting up the Sustainable Development Strategy Committee Evidence: Copy of decree published in the OG
<i>Measure 2</i>	Draft decree on the composition and operation of the Higher Council for Water Resources and Climate Evidence: Copy of the letter of transmission to the SGG
<i>Measure 3</i>	Start of construction work on a local agricultural vocational training centre Evidence: Copy of the service order launching the works

5.5. Good Practice Principles for the Application of Conditionality

The five good practice principles for the application of conditionality were factored into the programme design in accordance with the Bank's policy governing programme-based support operations (PBO), namely: (i) strengthening of national ownership by emphasizing on dialogue with the Government throughout the design and implementation of the Bank’s CSP 2017-2021 for Morocco in general, and the budget support programme in particular, due to the fact that PADIDFA was designed with the active collaboration of the authorities; (ii) the existence of a coordination drive initiated between TFPs; (iii) alignment of the Bank's support procedures on national priorities, including the priorities of the PMV acceleration phase 2017-2020 and the strategies of associated sectors; (iv) the targeting and

streamlining of disbursement measures and conditions resulting from the matrix developed in close coordination and cooperation with Moroccan authorities; and (v) alignment of Bank support with the country's budget cycle, especially for FY 2018 and 2019 and the 2018 Budget Act.

5.6. Financing Needs and Mechanisms

5.6.1 The 2018 Budget Act provided for a budget of MAD 276.1 billion compared to MAD 285.6 billion in 2017. This decrease stems from the reduction in operating expenses pursuant to the restrictive policy adopted by the Kingdom since 2012. Capital expenditure increased slightly by MAD 2.4 billion. **According to the Budget Act, the overall financing requirement for 2018 is estimated at MAD 33.3 billion** or approximately EUR 3 billion. Nearly 57% of these needs will be covered by domestic loans and 43% by external loans, representing EUR 1.3 billion. The increased recourse to domestic borrowing is consistent with the Kingdom's prudent debt management policy. This debt allocation enables Morocco to hedge against exogenous shocks, especially against exchange rate risks. ***PADIDFA will be implemented in two tranches of EUR 100 million.*** In 2018 and 2019, the Bank's budget support will cover 3.4% of total budget financing needs (4.5% of the external financing need in 2018). AfDB financing will cover 3% of the current account financing requirement in 2018, helping to stabilize external debt by preserving foreign exchange reserves.

Table 5: Projected Financing Needs and Sources in MAD/USD Million (Source: LOF 2018; IMF 2017)

	Items	2018 (MAD million)	2018 (EUR million)	2019 (MAD million)	2019 (EUR million)
A	Total revenue and grants	236 800	20 899	241 282	21 295
	<i>Including: non-tax revenue (excluding budget support)</i>	<i>22 000</i>	<i>1 942</i>	<i>14 700</i>	<i>1 297</i>
B	Total expenditure and net loans	276 100	24 368	278 802	24 606
	<i>Including: public debt interest payments</i>	<i>27 100</i>	<i>2 392</i>	<i>29 036</i>	<i>2 563</i>
C	<i>including investment expenditure (*)</i>	<i>60 300</i>	<i>5 322</i>	<i>63 623</i>	<i>5 615</i>
D	Special account	6 000	530	5 000	441
E	Net financing requirement (commitment basis) (A-B+D)	-33 300	-2 939	-32 520	-2 870
F	Gross external funding	25 000	2 206	10 000	883
M	<i>Including external AfDB funding</i>	<i>8 100</i>	<i>715</i>	<i>8227</i>	<i>726</i>
F	<i>Amortization</i>	<i>16 900</i>	<i>1 492</i>	<i>1 773</i>	<i>156</i>
I	Net external financing (E-F)	1 133	100	1 133	100
J	Net domestic financing	16 400	1 447	30 747	2 714
K	Residual financing gap (E+I+J)	0	0	0	0

VI. PROGRAMME IMPLEMENTATION

6.1. Programme Beneficiaries

PADIDFA will benefit the Moroccan population in general, and the youth and women in the rural areas in particular. It will specifically benefit: (i) local councils; (ii) inter-professional associations and professional organizations; (iii) agricultural VSMEs and organizations (crop sectors, waste management, etc.); (iii) the private sector (training, research, private agricultural councils, etc.); (iv) project proponents and young agricultural and rural entrepreneurs due to improvement of the business environment; and (v) women's associations and rural women (access to value chains, land tenure security, local services, etc.).

6.2. Impact on the Environment and Climate Change

6.2.1 Environmental Impact. The programme concerns the implementation of sector reforms and will not have any direct or indirect negative impact on the natural environment. Consequently, in accordance with Bank guidelines, it is classified in environmental and social category 3. It will enhance environmental protection through: (i) improvement of the environmental and social performance of

agricultural activities through the development and popularization of tools; (ii) promotion of resilient and sustainable agriculture through operationalization of the National Sustainable Development Strategy (2015-2030), particularly in the agricultural sector; and (iii) rational management and protection of water resources.

6.2.2 Climate Change. The programme will have a positive impact by promoting the establishment of a legal, institutional and organizational framework that facilitates the development of climate change mitigation and adaptation measures. Accordingly, it will significantly contribute to the reduction of GHG emissions resulting from irrigation activities by replacing diesel and/or gas-powered pumps with solar pumps. It will also enable Morocco to play its role under the Paris Agreement and the Nagoya Protocol.

6.2.3 Social and Gender Impact. Given the social objectives of the programme, social risks are virtually non-existent since the programme will ensure the social protection of rural communities and the promotion of Moroccan youth and women. In particular, it will focus on: (i) youth and women's integration through the creation, preservation and quality improvement of employment in agricultural value chains; (ii) the definition of a framework for protecting and developing agricultural value chains; (iii) the inclusion and strengthening of the resilience of women small-scale farmers under the general drive to boost the productivity and competitiveness of agricultural businesses. In addition to the 21 inter-professional associations identified, the programme will benefit young people, particularly women under 35 who are likely to be absorbed into agricultural value chains as self-employed entrepreneurs, farm employees, members of cooperatives or farmer's daughters/sons wishing to perpetuate their family farming business. The programme targets 20,000 young people who will benefit from agricultural training or support services in rural entrepreneurship. Besides, the economic empowerment activities of the inter-professional associations and the signing of delegated training management agreements will improve the productivity of their members and develop their marketing and market integration skills at the national and international level. The programme will also facilitate the integration of out-of-school youth into rural family homes and agricultural apprenticeship training centres where they will be trained in various trades, including agricultural production, processing and marketing techniques. Finally, the programme will support the development and implementation of an action plan for women's entrepreneurship that will help, in the medium term, to eliminate the major constraints that still hinder the full commitment and economic empowerment of women in promising agricultural sectors.

6.3. Impact in Other Areas

6.3.1 Apart from the major impacts cited, the programme will support South-South cooperation with other African countries. Strategic value chains are likely to initiate and consolidate this cooperation (e.g. poultry, olive, red meat, milk, etc.) as well as capacity-building activities on training by inter-professional structures (e.g. the Casablanca *zoopole* which is a PPP success story).

6.3.2 The programme can also generate an impact in other areas, such as regional integration (development of regional agricultural trade and exports), food security (increase in agricultural production and product development), skills development in the various value chains, agricultural entrepreneurship (PMV stakeholders) and the development of private initiatives (resulting from the initiatives of inter-professional associations, promotion of the circular economy and waste management, etc.). It also targets synergy between PAIIM (general budget support) and PADIDFA (sector budget support).

6.4. Implementation, Monitoring and Evaluation

6.4.1. As was the case for PAPMV-I & II, the programme executing agency will be the Directorate for Strategy and Statistics (DSS) in the Ministry of Agriculture. As far as inter-sector measures are concerned, the Budget Directorate will be charged with the strategic coordination of the programme. Based on the results recorded, these directorates are qualified and have the required skills. The programme provides for the establishment of technical coordination within the Ministry of Agriculture and a strategic committee within MEF. The Bank adopts an approach that stimulates synergies between the various sector strategies, ensures stakeholder involvement and strengthens the complementarity of donor interventions. Special attention will be given to results-based management. This operation is of particular interest to seven ministries, namely: (i) MEF (DB); (ii) MA (DSS, DIAEA,

DF, DDFP, DEFR, ORMVA); (iii) the sector ministries in charge of water resources, the environment, energy and employment and vocational training; and (iv) the inter-professional associations concerned. Local involvement is reflected through local structures such as ORMVA, the WBAs and ONCA's and DEFR's decentralized agencies, etc.

6.4.2. The matrix of measures agreed upon with the Government and the Performance Measurement Framework will serve as PADIDFA's monitoring/evaluation tools (Annex 2). The MA will collect data, coordinate monitoring/evaluation and provide information to the Bank through MEF. In this regard, it will produce half-yearly reports providing necessary information on programme's progress. Supervision missions are planned during the implementation phase to assess progress. The Bank's country office will continuously monitor the implementation of programme reforms. At programme completion, the Government will prepare and submit a completion report to the Bank. That report will serve as the basis for organizing the programme completion mission.

6.5. Financial Management, Disbursements and Procurement

6.5.1. ***The ERFPA or CFRA was conducted by the Bank in September 2016 through a review of Morocco's public finance management.*** It concluded that ***the overall fiduciary country risk is moderate***, thanks to the generally satisfactory public finance management processes. The September 2016 PEFA report confirms this finding because Morocco obtained the following 30 ratings out of 31 public finance management performance indicators: 5 As, 14 Bs and B+, 5 Cs, 6 Ds and D+.

6.5.2 The outcomes of these assessments confirmed Morocco's implementation and execution of the reforms set out in LOLF No. 130-13 of 2 June 2015. These include strengthening public management performance through a programme budget; establishing principles and rules on the financial balance of the Budget Act; ensuring public finance transparency; and increasing the role of Parliament in budget discussions and public finance control. On this subject, Morocco has initiated a major reform implementation drive through a progressive and evolutionary approach. Some reforms have been implemented and others are underway. However, the challenge remains optimizing the functional organization of MEF to improve reform implementation, which has generated an ongoing study. Fiduciary risks relating to the management of programme fund flows are low at Bank-Al-Maghrib, which holds the Single Treasury Account. Budget appropriations management mechanisms are in place in the sector ministries involved in the programme and remain under the supervision of the internal and external State control bodies. Although these ministries have sector strategies, the strategies are sometimes not fed with sufficient data. Due to the weaknesses noted, an LOF training plan is organized for the sectors by the Budget Sub-Directorate.

6.5.3 ***Considering Morocco's fiduciary country risk level, the vast public finance management reform drive and the fiduciary assessment of the sectors concerned, the programme's overall fiduciary risk is also moderate.*** ***Capacity-building needs*** were expressed in the areas of triennial budgetary programming, programme evaluation, performance measurement, risk mapping package, procedures manual and control system, etc.

6.5.4. **Financial Management and Disbursement Mechanisms.** MEF will manage the fiduciary aspects of the operation. By its very nature, the operation will help to cover the 2018 and 2019 budget deficits, subject to the Borrower meeting its general and specific conditions. Programme funds will be tracked through the budget revenue circuit on external funding and in accordance with national regulations governing public finance management. The accounting regarding the funds will be based on the budget revenue nomenclature. At the Borrower's request, the Bank ***will make disbursements*** in two tranches in accordance with principles of fungibility (single till) and the single treasury account. Each year, the Moroccan Government tables ***the Audited Budget ("Loi de Règlement") (BRL) on the execution of the Budget Act (FL)*** before Parliament in the first quarter of year n+2. This BRL is accompanied by the report of the Court of Auditors on the implementation of the FL and the general statement of conformity. The IGF will carry out the ***specific audit of programme fund flows and performance audit*** because of its proven experience in auditing the Moroccan PBOs financed by the Bank. The ToRs for the specific audit of fund flows were drawn up by the IGF and discussed with the Bank. The time limit for submission of the audit report to the Bank will be six months from closure of the programme. The programme could be subject to ***fiduciary supervision***.

6.5.5 Public Procurement Trends and Reforms. The national public procurement system made remarkable progress with the installation in January 2018 of members of the National Public Procurement Commission (CNCP), which is responsible for investigating complaints from competitors concerning public procurement and issuing legal opinions on disputes between public procurement holders and the Administration concerning the application of the regulations governing public procurement. In a bid to further improve public procurement transparency, the following key actions will be implemented by the National Public Procurement Commission (CNCP): (i) creation and commencement of trials for the effective operationalization of the CNCP website; (ii) preparation of the Ethics Charter, the internal rules of the Commission (including for ad hoc experts), the procedures manual per mission (processing of complaints, request and analysis of opinions, standing committees); and (iii) preparation of the strategy document on a rolling three-year programme. With regard to reforms, the decree creating the CNCP will be reviewed with a view to including the essential function of data-collection and production of statistics, among others.

6.5.6 Sector Context of Public Procurement. Sector analysis highlights the following findings: (i) Social sector: the procurement timeframe (from publication of the bid invitation to contract signature) is three months on average; the definition of needs (to prepare a CPS for the construction of a building for example) can take up to one year. The Ministry reported limited productivity among the staff who need training in public procurement. (ii) Agricultural sector: in the Ministry of Agriculture, the definition of needs takes three to six months. The General Inspectorate of Agriculture carries out audit missions for all eligible contracts in accordance with the public procurement decree. However, the summaries of the control and audit reports are not published in accordance with Article 165 of the said Decree. (iii) Environment sector: on average, the Ministry of Environment launches a maximum of 15 bid invitations for rehabilitation of landfills and two to three for delegated management (design, construction, operation). The ministry has introduced terms of reference with ecological specifications (air, biogas) in compliance with environmental regulations. (iv) Water sector: minor weaknesses were noted in the management of public contracts, for instance the accumulation of incompatible tasks at the internal control level (e.g. needs determination and participation in the bid opening).

6.5.7 Procurement of goods and services. Being a multisector budget support operation (agriculture, water, environment, social), the resources provided by the Bank will be fungible with those of the Treasury and used for the country's current needs and procurements, in accordance with the national procurement system whose regulatory framework is governed by Decree No. 2-12-349 of 20 March 2013. The Bank conducted the latest review of this system in November 2017 through a country procurement system assessment using the OECD/MAPS methodology (BPAR), and concluded that the risk level was moderate. An assessment of procurement practices in the sectors concerned reveals that no significant procurement element would justify the application of a fiduciary risk assessment in identified sectors that is different from the situation at the national level. Consequently, usage of the national procurement system will guarantee the efficient use of resources to be allocated under this operation, thanks to acceptable procurement procedures and an effective and reassuring control mechanism. However, the assessment mission identified measures to enhance the transparency of the national procurement system and improve the effectiveness of control and audit mechanisms in the agricultural and water sectors (see Technical Annex, Volume 2, procurements). To reinforce these improvements in public procurement, the government is undertakes to:

- Publish the opinions issued by the CNCP on its website. This site, currently being finalised, will be operational by 31 December 2018 at the latest;
- Ensure latest 30/06/2018, the effective application of Article 165 of the Public Procurement Decree through publication by the Ministry of Agriculture and Maritime Fishing (MAPM) of the summaries of all control and audit reports for contracts exceeding MAD 5 million (OC) or for negotiated contracts exceeding MAD 1 million DH produced as of 31/12/2017 in the public procurement portal. In this regard, the General Inspectorate of the Ministry of Agriculture shall submit the verification report to the Bank latest 30 June 2018;
- Ensure latest 30/06/2018, the effective application of Article 165 of the Public Procurement Decree through publication by the Ministry of Water Resources of the summaries of all control

and audit reports for contracts exceeding MAD 5 million (OC) or for negotiated contracts exceeding MAD 1 million DH produced as of 31/12/2017 in the public procurement portal. In this regard, the General Inspectorate of the Water Resources Secretariat shall submit the audit report to the Bank latest 30 June 2018.

VII. LEGAL DOCUMENTATION AND AUTHORITY

7.1. *Legal Documentation*

7.1.1 **The legal document to be used under this programme is the Loan Agreement. The parties to this Agreement are the African Development Bank and the Government of the Kingdom of Morocco.** The Loan Agreement shall become effective subject to fulfilment of the conditions provided for in Section 12.01 of the General Conditions for Loan Agreements.

7.2. *Conditions Associated with the Bank's Intervention*

7.2.1. **Conditions precedent to presentation of the programme to the Board.** Through dialogue with the Government, it was agreed that the Government will implement certain preliminary measures before the programme is presented to the Bank's Board of Directors. These conditions are outlined in Table 5 on preliminary conditions.

7.2.2. **Disbursement in two tranches.** Disbursement of the loan shall be subject to fulfilment of the following preliminary conditions:

First tranche (EUR 100 million in 2018): Provide the Bank with proof of: (i) the opening of a Treasury Account in Bank-al-Maghrib acceptable to the Bank and intended to receive loan resources; (ii) the establishment of an inter-sector coordination mechanism, including the creation of: (a) a Programme technical coordination team in the Ministry of Agriculture; and (b) a strategic coordination committee of the programme in the Ministry of Economy and Finance; (iii) signature of a framework agreement with COMADER on agricultural advisory services, training and support for farmers; and (iv) an Order defining additional and special measures to combat the Newcastle disease and avian influenza with a view to promoting poultry exports.

Second tranche (EUR 100 million in 2019): Provide the Bank with proof of: (i) transmission of the bill on the National Agricultural Register (RNA) to the SGG; (ii) signature of a partnership agreement between the ONCA and DIAEA for the development of agricultural advisory services in irrigation areas; (iii) transmission of the draft law on fertilizers, their adjuvants and crop supports to the SGG; and (iv) proof of validation of four (4) Sustainable Development Action Plans (PADD).

7.3. *Compliance with Bank Group Policies*

PADIDFA complies with Bank Group policies and guidelines on programme-based support. It helps to create an environment conducive to the achievement of the High 5s and the operational priorities of the Bank's Ten-Year Strategy 2013-2022 and the Country Strategy Paper 2017-2021 for Morocco. No exemption from Bank guidelines is requested under this operation.

VIII. RISK MANAGEMENT

8.1 **Major risks could arise from external shocks caused by unfavourable international economic conditions and hydrocarbon price trends.** These could be compounded by severe vagaries of the weather and extreme phenomena as well as weak inter-sector coordination capacity. With regard to components, the risks stem from the overexploitation of natural resources, the marginalization of certain groups of stakeholders, divergent interests of stakeholders, the limited capacity of users and stakeholders in the cooperative sector, and sociocultural resistance on gender issues.

8.2. **Mitigating the anticipated risks depends on government's ability to rollover certain measures (especially insurance to mitigate climate risk);** set up integrated flood forecast and warning systems (flood event management); and draft water shortage management plans (drought management). These plans should contain measures established in advance in accordance with the degree of scarcity and that include all user sectors for proactive water scarcity management. It would also require the **strengthening of inter-sector coordination through high-level support from the country's authorities**. At component level, provision is made for consultation committees (working groups) to facilitate the search for solutions, particularly on key issues (water, environment, energy and social), as well as institutional and legal measures to protect all stakeholders. Each reform is also accompanied by awareness-raising and communication actions, particularly on gender and youth issues. Follow-up workshops will be organized with the support of the Bank's Office (COMA) to strengthen inter-sector coordination.

IX. RECOMMENDATION

It is recommended that the Board of Directors approve an African Development Bank loan, not exceeding **EUR 200 million**, for the Kingdom of Morocco to fund the Inclusive and Sustainable Development Support Programme for Agricultural Sectors in accordance with the conditions set out in this report.

LETTER OF DEVELOPMENT POLICY**KINGDOM OF
MOROCCO**

Le Ministre



الوزير

Morocco-AfDB Cooperation**Programme to Support the Inclusive and Sustainable Development of Agricultural Sectors****(PADIDFA)**

Letter _____ of _____ Development _____ Policy
addressed to the African Development Bank (AfDB)

The global economy is witnessing profound changes in production methods and trade patterns as well as the emergence of new growth poles in the South. Indeed, a new economic order presents Africa with enormous challenges and opportunities that could, if effective policies are designed accordingly, lead to a far-reaching socio-economic and political transformation that would propel the continent to the rank of a new global growth pole.

In Morocco, the agricultural sector plays a decisive role in the country's macroeconomic balance. It bears a huge social burden, given that 80% of the 14 million rural inhabitants depend on agriculture for their incomes. Also, it is worth recalling that this sector shoulders a heavy responsibility since it provides food security for nearly 34 million consumers.

The Green Morocco Plan has given a strong boost to the agricultural sector. This dynamic was largely supported by public and private sector investment, and assistance from key national and international technical and financial partners, testifying to the credibility which the Action Programme of the Department enjoys in the eyes of the country's financial partners.

I. PRESENTATION OF THE AGRICULTURAL SECTOR

The Agriculture is a key development pillar in Morocco. Its economic and social weight, as well as its structuring association with the rural community, and the multiplicity of its function - especially concerning the food, economic, social and environmental aspects - make it a natural driver of development.

Indeed, the importance of the agricultural sector is reflected in its significant contribution to the formation of national GDP (13%) and to job creation, particularly in rural areas, where agriculture remains the major employer and the main source of income for farmers.



The agri-food industries sector is one of the pillars of the economy, with a production value of DH107 billion in 2013. It is the leading sector of the national industry and one of the best development assets of the country (accounting for 30% the national industrial fabric). The sector had more than 2 000 enterprises in 2013 compared with 1 910 in 2007. It generated about 141 000 jobs in 2013 versus 94 763 in 2002. The value of the sector's exports stands at approximately DH 25 billion.

II. AGRICULTURAL STRATEGY OF THE GOVERNMENT

11.1. PRESENTATION

The Kingdom of Morocco launched in 2008 an innovative agricultural strategy known as the Green Morocco Plan – a strong, intersectoral and integrated long-term strategy for a competitive, socially integrated and sustainable agricultural system.

The Green Morocco Plan (PMV) is all-encompassing and takes into consideration:

- **All sub-sectors:** crystallized by the adoption of 20 programme contracts;
- **All farmers: crystallized** by the choice of bipolar development concerning both modern agriculture (Pillar I) and collective farming (Pillar II);
- **All agricultural regions:** which involves implementing the objectives of the PMV on a region-by-region basis and signing regional agricultural plans with local partners; and
- **A series of supporting measures** relating to the rationalization of resource allocation, the improvement of financing and doing business, risk management, improvement of domestic marketing and export promotion, etc.;

In order to ensure the mobilization of all the sector's stakeholders around a common vision, the PMV was divided into two major areas of focus: sub-sectors and regions.

Indeed, the said strategy was broken down into 12 Regional Agricultural Plans (RAPs), in consultation with local partners (local communities, chambers of agriculture and ministerial departments concerned). These plans make up the agricultural development road map for each region and represent each region's own translation of the PMV into reality, in terms of projects, investments, employment and exports.

In order to enhance agricultural production and ensure the sustainability of the achievements of the Green Morocco Plan strategy through better integration upstream and downstream, a programme contract was signed in 2017 between the Government and the Profession for the implementation of the agribusiness development programme by 2021 through the realization of concrete and targeted actions affecting the main activities of the sector.

11.2. SUMMARY OF ACHIEVEMENTS

Through its structure and responsible governance, the Green Morocco Plan has unleashed a new momentum in the agricultural sector which is already beginning to bear fruit. Thanks to the active involvement of all stakeholders in the Green Morocco Plan strategy and the resources mobilized, the agricultural value-added - a key and synthetic indicator of the performance of the agricultural sector - rose from DH 70-80 billion (2005-2007 average) to DH 120 billion currently (2015-2017 average), representing an increase of +60%.

Morocco's economy registered an average annual growth rate (chain prices for 2007) of 7%, with the PMV making a significant contribution. With a growth rate of 1.6 percentage points, agriculture accounted for an estimated increase in GDP of nearly 4% in 2017, and helped improve incomes in rural areas (by +68% per capita), which has significantly increased the purchasing power of rural inhabitants.

Nationally, agriculture remains the main provider of jobs, followed far behind by other economic sectors. In rural areas, almost three-quarters of the workforce derive their income from the agricultural sector. Investment opportunities in the rural agricultural and non-agricultural sector will provide more jobs for rural residents.

1. *Financing agricultural investment*

Agricultural sector investment credit for the period 2008-2017 stood at close to DH 74.3 billion, representing an increase around +139%.

The buoyancy of the agricultural sector was also welcomed by several national and international donors. The Green Morocco Plan thus helped to underscore the crucial role of financial organizations in aggregation mechanisms, as well as in the revival of agricultural investment and in enabling the access of rural communities to funding.

The Moroccan Government through its agricultural policy laid out in the "Green Morocco Plan" raised nearly DH 29.9 billion between 2008 and 2017, including about DH 12.64 billion in grants and DH 17.27 billion in loans from multilateral and bilateral donors. Almost 62% of the total amount raised has been disbursed.

2. *Public service adaptation:*

This adaptation is twofold, namely:

> *Institutional adaptation*

Major reforms were initiated in the modes of intervention and public supervision as part of the Green Morocco Plan, with considerable impact on all agricultural sub-sectors (reorganization of the Ministry of Agriculture and Maritime Fisheries, establishment of the Agricultural Development Agency and a National Food Safety Authority, establishment of 12 Regional Directorates of Agriculture and 12 Chambers of Agriculture, establishment of the Agency for the Development of Oasian and Argan Areas, setting up of the National Office of Agricultural Council, and setting up of the Directorate for the Development of Rural and Mountain Areas in 2013).

> *Regulatory adaptation*

An important aspect of the implementation of the Green Morocco Plan was the legal recasting of the legislative and regulatory instruments governing the agricultural sector. Since the 2008, several draft legal instruments have been initiated. These instruments were designed to reflect the vision of the Green Morocco Plan in terms of supervision of the sector, improvement of its standards and support to farmers.

The main instruments and reforms that were published concerned:

- Aggregation;
- Organic production of agricultural and aquatic products;
- Organization of the agricultural advisory profession;
- Organization of the agricultural advisory profession;
- Food safety, quality protection and local products and organic production of agricultural and aquatic products;
- Distinctive signs indicating the origin and quality of foodstuffs and agricultural and fisheries products

3. *Improvement of the business environment*

> *Strengthening of the role of stakeholders*

The Green Morocco Plan has opted for a participatory and partnership-based approach guaranteeing a strong involvement of the various actors operating in the sector through:

- The signing of 19 Sector Programme Contracts since 2008 between the State and professionals,
- The establishment of 18 inter-professional organizations bringing together all the actors of the value chains;
- The signing of 12 Regional Agricultural Contracts representing each region's own translation of the Green Morocco Plan (PMV) into reality terms of projects, investments, employment and exports. These regional contracts currently being updated following the new administrative territorial division;
- The signing in 2017 of the agri-food industry programme contract for the period 2017-2021.

> *Agricultural development reform*

The FDA is an essential tool for modernizing the agricultural sector and which enables farmers to procure the production tools (tractors, drip irrigation equipment, etc.) required to improve the productivity of production sectors in order to meet local and export market needs.

The key amendments introduced by the new agricultural subsidy system implemented since March 2010 are:

- Introduction of new subsidies affecting all plant and animal production chains both upstream and downstream, and mainly concerning agricultural equipment, plantations, intensification of animal production, export valorisation and promotion units;
- Strengthening of aid to certain categories, particularly by providing farms with localized irrigation equipment. The equipment is now subsidized up to 100% for small farmers with less than 5 hectares and farmers belonging to an aggregation project, and up to 80% (instead of the previous 60%) for other categories of farmers;
- Encouragement of aggregation projects through an incentive scheme that benefited both the aggregator promoting an aggregation project and the aggregated farmers.

> *Improvement of the Insurance System*

The agricultural sector is faced with a multitude of risks, including those related to climate hazards, sanitary and phytosanitary diseases and market fluctuations. In this context, the challenge is to pursue the implementation of the strategic guidelines of the Green Morocco Plan, particularly by controlling the risk dimension and promoting new risk management methods based on an anticipatory approach (ex-ante), anchored on instruments for preventing and insuring against agricultural risks.

To that end, the Department of Agriculture adopted an ambitious risk management strategy and established an agricultural insurance system, adapted to each type of stakeholder and covering all the main sub-sectors of our agriculture.

It is in this context that a product known as the "Comprehensive Climate Insurance" was introduced at the beginning of the 2011/2012 crop year, to cover cereal and legume crops against a range of climatic risks, including drought. Since its launch, this initial product has generated remarkable interest among farmers.

This product has been a great success with farmers since the insured area has steadily increased, reaching 1 080 000 hectares in 2015-2016, surpassing the target of one million hectares set for that year. During the 2016-2017 crop year, the insured area reached nearly 1 million ha for a membership of 41 027 farmers, representing a 15-fold increase from the figure for 2010-2011, the year preceding the introduction of the cereal and legume insurance system.

Buoyed by this great success, the Department of Agriculture launched a second guarantee programme, specific to tree-fruit farming and offering coverage against the main risks threatening the sub-sector. The total area insured in 2017 reached 5 662 ha for a membership of 1 040 farmers, representing an increase of 5% compared with 2016 and a two-fold increase compared with 2014 (the year this programme was launched). The aim is to reach an annual insured area of 50 000 ha by 2020.

Still in this light, the Ministry also launched future projects, such as parametric insurance that will improve coverage, increase the reliability of expertise, reduce management costs and speed up the compensation process.

> ***Support to upgrade the sub-sectors***

In accordance with the provisions of the programme contracts with the Inter-professional organizations, the Government is committed to supporting the various sub-sectors of the agricultural sector through the activities of professional organizations, carried out within a contractual framework.

Thus, for 2016, amount of DH 53 million was paid to inter-professional organizations for the conduct of the activities provided for under specific agreements. This State contribution represented an increase of almost 71% compared the 2015 contribution.

> ***Improvement of the agricultural statistics component***

The Green Morocco Plan aims to sustainably improve productivity, especially by increasing agricultural investment, empowering stakeholders through the organization, contracting and the intelligent use of natural resources.

As part of the modernization of the agricultural sector and the mechanisms for supporting the Green Morocco Plan and the improvement of agricultural sector governance in all development programmes and projects, the Ministry is striving to ensure the monitoring of the agricultural sector through various projects.

These include information systems and databases and the geographic information and remote sensing system.

>: ***Establishment of the National Agricultural Register (RNA)***

In order to modernize and improve its tools for operations in the agricultural sector, better serve farmers, enhance project governance and the targeting of agriculture-related public initiatives, the Department of Agriculture introduced the farmer register in February 2016, covering the entire kingdom,.

The National Agricultural Register (RNA) is intended to be a comprehensive and extensible collection of nominative data on farmers and their farms georeferenced with a single identifier.

The National Agricultural Register will consist of a single common core of the various interventions of the Ministry of Agriculture and Marine Fisheries, aimed mainly at:

- Providing an immense monitoring capacity, better knowledge of agricultural landscape; ensuring greater targeting the activities and mechanisms of the Green Morocco Plan (PMV);

- Modernizing modes of governance for projects and actions undertaken;
- Structuring stakeholders and agricultural activities;
- Accelerating the modernization of small and medium-sized farms; and
- Evaluating the degree of penetration of public policies for the agricultural sector.

To carry through this ambitious project, the Department of Agriculture, including all its structures, are involved in its setting up, preparation and implementation.

4. Dynamics of investment projects

> Pillar I projects

During the period 2008-2017, **933** Pillar I projects (aggregation and private-public partnership projects) were launched, representing **97%** of the target set for 2020, and covering an area of 548 221 ha, or 76% of the 2020 target, for an investment of DH 57 billion.

> Pillar II projects

.During the period 2008-2017, 700 Pillar II projects were launched, surpassing the target of 28% set for end-2020, and covering an area of approximately 804 000 ha, or nearly 49% of the 2020 target, for an investment of DH 16.4 billion (82% of the 2020 target), with 764 750 beneficiaries (81% of the 2020 target).

> Projects launched in the context of public-private partnership

Public-private partnership concerning State-owned agricultural land consists in releasing the said land to private investors on a long-term rental basis at an attractive price.

In this context, and from the start of the Green Morocco Plan and up to end-2017, nearly 104 068 ha were made available to investors in four tranches comprising 780 projects, representing an investment of DH 20.838 billion.

> Irrigation modernization programmes

The Green Morocco Plan gives pride of place to the management and rational use of water resources as a strategic lever for the development of agriculture. Thus, three major structuring programmes were adopted to meet this challenge:

- The National Irrigation Water Saving Programme.(PNEEI) focuses on the conversion of existing inefficient irrigation techniques in terms of water use to localized irrigation over a total area of about 555 000 ha, which will ultimately help to save nearly 1.4 billion m3 of water a year. In this regard, 395 000 ha were developed in large-scale irrigated areas and 160 000 ha in the small- and medium-scale irrigated areas (private irrigation);
- The Irrigation Extension Programme (PEI) downstream of planned or constructed dams: This programme concerns providing irrigation equipment for an area of about 160 000 ha by 2020, of which 85 250 ha will require large-scale irrigation and 74 750 ha small- and medium-scale irrigation. The programme will concern eight regions of Morocco and is estimated at DH 21.5 billion, overall. At end-2017, an area of 84 680 ha had been completed or was in the process of being completed, representing just over 54% of the programmed area.
- Promotion of public-private partnership for the development and management of irrigation:

The PPP irrigation programme concerns the following:

- New hydro-agricultural development projects: extension of irrigation in Gharb (30 000 ha), development of new irrigated areas downstream of the Adossa dam (5 442 ha) and the Saiss plain (30 000 ha), located downstream of the Mdez Dam ,and extension of irrigation in the Dakhla irrigated area using desalinated water (5 000 ha);
- Irrigation safeguard projects in areas with high agricultural production potential: the seawater desalination-based irrigation project in the Shtouka area in Souss-Massa (15 000 ha) and the Azemmour-Bir Jdid coastal area irrigation project (3 200 ha).

5. *Enhancement of agricultural production*

> *Promotion of agricultural exports*

Enhancing agricultural and food exports has always been one of the fundamental objectives of Morocco's agricultural policy. The Green Morocco Plan attaches special importance to the development and diversification of agricultural exports. It plans to triple the export volumes for citrus fruit and vegetables and fruit by pursuing efforts to promote exports to new destinations and also to traditional markets such as the European Union.

Also, in order to help strengthen the competitiveness of the agricultural sector and ensure its integration into the European market, financial and technical support was provided by the European counterpart under the advanced status arrangement. The support targets the modernization of the agricultural sector as a whole and provides for assistance in the process for aligning the Moroccan normative framework with the European normative framework on sanitary and phytosanitary matters, which would ultimately allow the elimination of non-tariff barriers limiting access to Moroccan products.

Moreover, to enhance and promote production quality, Morocco and the European Union concluded, in accordance with the terms of the Agricultural Agreement, an agreement on the reciprocal protection of geographical indications (GIs) for agricultural products, including fisheries products. This GI protection agreement was initialled by both parties in January 2015 in Berlin.

> *Development of local products*

The Department of Agriculture designed a comprehensive strategy for increasing existing supply of local products and established a legal framework encouraging farmers to promote and market their produce.

It thus triggered a momentum that motivated the collective upgrading of small-scale farming, particularly in mountain and oases areas, where agriculture is characterized by remarkable specificities and the products have specific qualities, often bearing witness to the time-honoured traditions and secular know-how of the local people.

Thus, the implementation of Law No. 25-06 on the distinctive marks of origin and quality (SDOQ) for foodstuffs and agricultural and fisheries products created the necessary legal framework for the recognition and protection of products with a specific quality linked to the country.

The Moroccan system of labelling, implemented since the entry into force of Law 25-06 in 2009 and up to the end of 2017, has led to the recognition of 53 distinctive marks of origin and quality (SDOQ), including 43 marks for Protected Geographical Indication (PGI), 5 for Protected Designation of Origin (PDO) and 5 Agricultural Labels.

> *Agropoles for enhancing the value of agricultural products*

As part of the implementation of the Green Morocco Plan, the Department of Agriculture

established 7 agropoles at Meknès, Berkane, Tadla, Souss, Haouz, Gharb and Loukkos to enhance the value of agricultural products through agro-industry.

Furthermore, in a bid to build the capacity of stakeholders and support the efforts of professionals to improve the productivity of competitive and high-potential sub-sectors and enhance the value of each region's agricultural products, the Department of Agriculture set up in each Agropole a Food *Qualipole* comprising 3 groups of specific operational laboratories (ONSSA, INRA and EACCE) and common spaces (reception centre, conference centre, accommodation area and restaurant).

III. PRESENTATION OF THE WATER SECTOR

The water sector in Morocco has been of special interest to public authorities and a central concern of the economic policies because of its crucial role in ensuring the country's water security and supporting its development, especially in the area of irrigated agriculture.

In this context, Morocco has for long been engaged in a dynamic policy to build major hydraulic infrastructure, in an effort to improve access to drinking water, meet the needs of industries and tourism, and develop large scale. irrigation.

Indeed, Morocco has managed to build an efficient water management model specific to the country and cited as an example internationally.

This undeniable success was based on:

- The water resource control and mobilization policy involving the construction of large reservoir dams (major hydraulic infrastructure comprising 140 major dams with a total capacity of nearly 17.6 billion m³), water transfer structures and several wells drilled for groundwater;
- The development of technical skills and applied scientific research;
- The launch of a long-term planning policy in the early 1980s that allows decision-makers to anticipate water scarcity by giving public authorities long-term visibility (20 to 30 years); and
- Lastly, major advances in the regulatory and institutional spheres, such as Law No. 10-95, which consolidated the integrated, participatory and decentralized management of water resources by establishing watershed agencies and introducing financial mechanisms for the protection and preservation of water resources.

As part of the modernization of the arsenal of legal provisions on the water sector, the Government revised Law No.10-95 on water in order to have a comprehensive, clear, precise and applicable legal and institutional framework. Indeed, the new Law No. 36-15 on water, published in August 2016, strengthened the achievements of the Law No.10-95 and incorporated new aspects, including:

- Consolidation and strengthening of management and decentralized, integrated and participatory planning of water resources;
- Strengthening of consultation and coordination bodies and agencies by setting up the Basin Council, which is a regional forum for discussion of water management issues;
- Establishment of legal bases for the diversification of supply through the use of unconventional water resources;
- Strengthening of the institutional framework and mechanisms for the protection and preservation of water resources through participatory management contracts; and
- .Integration of the management of extreme events related to climate change.

Moreover, in order to consolidate the above-mentioned achievements and meet water-related challenges, the Government drafted the National Water Plan (PNE), which is an extension of the guidelines of the National Water Strategy presented to His Majesty on 14

April 2009 in Fez.

The main principles considered in the development of the PNE action plans focus on:

- Integrated and concerted management of water demand and water resources;
- Strengthening of the country's water security and adaption to climate change;
- Solidarity in its various dimensions;
- Promotion of good governance in the water sector and the search for efficiency in the activities of stakeholders, the search for convergence and the alignment of sector programmes; and
- Search for mechanisms and means of financing the water sector combining public subsidies and the direct recovery of costs through water rates.

The PNE is based on three pillars, namely:

- Management of water demand and water valuation;
- Supply development; and
- Preservation of water resources, the natural environment and adaptation to climate change.

Currently, and in accordance with of the new Law No. 36-15 on water, the National Water Plan (PNE) and the Water Resources Integrated Development Master Plans (PDAIRE) are being updated to cover the period up to 2050, taking into account impacts of climate change.

IV. PRESENTATION OF THE NATIONAL ENERGY EFFICIENCY STRATEGY

The 2030 National Energy Efficiency Strategy, which is part of His Majesty King Mohammed VI's far-sighted vision for energy transition and the reinforcement of renewable energies, aims to achieve a target of 52% of renewable energies in Morocco's energy mix.

This strategy will be translated into a programme contract between the State and the Moroccan Energy Efficiency Agency (AMEE). It includes several measures planned for the period 2018-2021, affecting the most energy-intensive sectors, notably the Transport sector, the leading energy consumer sector with a consumption rate of 38%, followed by the construction sector with 33%, and industry with a final energy consumption share of 21%. The agricultural sector and public lighting, with an energy consumption rate of 8%, are also targeted.

Today, the energy bill remains high, given the Kingdom's energy dependence on outside sources. This bill amounts to approximately DH 52.5 billion annually, of which 93.3% is for imported energy, whereas Morocco has an institutional, legal and organizational environment that could enable it to guarantee the sustainability of this service and to diversify its sources of energy.

When this strategy was presented to the Government Council, the latter decided to further review the measures and commitments of the ministerial departments concerned by the strategy and to verify the indicators in an effort to enable collective participation and mobilization of the sectors concerned, and indicated that the National Energy Efficiency Strategy would be adopted by a Council of Ministers.

V. AFRICAN DEVELOPMENT BANK SUPPORT FOR THE GREEN MOROCCO PLAN

The Moroccan Government uses the agricultural strategy of its Green Morocco Plan to capitalize on its experience and wishes to deepen its cooperation with the African Development Bank through a multi-sectoral support programme for the inclusive and sustainable development of agricultural sub-sectors, covering the following components:

- Support for job creation through the development of agricultural and agro-industrial sectors,
- Support for the sustainability of rural employment through the sustainable use of

natural resources by the agricultural sector.

VI. MODALITIES FOR THE MONITORING AND IMPLEMENTATION OF THE PROGRAMME

Based on the first two experiments with the Support Programme of the African Development Bank for the Green Morocco Plan, an institutional framework will be formalized, focusing on the technical responsibility of the relevant ministries and on the overall coordination of the Budget Directorate of the Ministry of Economy and Finance.

Ministre de l'Economie et des Finances
Signé: Mohammed Boussaid

MOROCCO - Inclusive and Sustainable Development Support Programme for Agricultural Sectors - PADIDFA
PROGRAMME LOGFRAME AND STRUCTURE

Morocco - Inclusive and Sustainable Development Support Programme for Agricultural Sectors (PADIDFA)	
Programme goal: Help boost agricultural sector competitiveness to ensure inclusive and sustainable economic growth through the promotion of value chains, employment creation, improvement of the business climate and sustainable natural resource management.	
SUB-COMPONENTS	SUB-TARGETS
I. Support to job creation through the development of agricultural and agro-industrial sub-sectors	
I.1. Skills development and access to employment in the agricultural and agro-industrial value chains	<i>Increase the supply of training that is tailored to the needs of the rural private sector</i>
	<i>Develop intermediation for access to employment in rural areas</i>
I.2 Improvement of the investment climate as well as entrepreneurship among the youth and women in rural areas	<i>Improve information on agricultural land tenure to accelerate investments</i>
	<i>Facilitate business creation for young people and women in rural area</i>
	<i>Improve business support in the various sub-sectors</i>
	<i>Develop entrepreneurship among the youth and women in rural areas</i>
	<i>Strengthen the agricultural advisory services in Agri-food sub-sectors</i>
I.3 Support to structuring of agricultural sub-sectors, processing of agricultural products, and development of agro-industry and exports	<i>Mentor and support small farmers to structure their businesses</i>
	<i>Promote the enhancement and processing of agricultural products</i>
	<i>Improve standards to promote exports, particularly to African countries</i>
II. Support lasting rural employment through the sustainable use of natural resources by the sector	
II.1 Strengthen agro-pastoral sector governance	<i>Promote green governance</i>
II.2. Improve water resource management to mitigate the water stress and boost sustainability	<i>Strengthen the institutional framework for integrated water resource management/ various stakeholders</i>
	<i>Improve the rational use of water resources by the agricultural sector and the development of non-conventional water sources</i>
	<i>Improve adaptation to climate change in order to build farmers' resilience</i>
II.3. Support energy transition in the agricultural sector	<i>Reduce the carbon footprint and further empower small farmers</i>

**MOROCCO - INCLUSIVE AND SUSTAINABLE DEVELOPMENT SUPPORT PROGRAMME FOR AGRICULTURAL SECTORS
(PADIDFA)
MATRIX OF PROGRAMME REFORM MEASURES**

Objectives	PADIDFA: 2018 Measures	PADIDFA: 2019 Measures	Targeted Output Indicators	Key Impact Indicators	Sources of Verification & Entities in Charge
I. Support to job creation through the development of agricultural and agro-industrial sub-sectors					
I.1. Skills development and access to employment in the agricultural and agro-industrial sub-sectors					
<i>Increase the supply of training that is tailored to the needs of the rural private sector</i>		Operationalization of the Centre for Pedagogical Engineering and Training of Trainers	Engineering Centre operational before end-2019	Number of training sessions and persons trained per year;	SV: Note on the operationalization of the centre signed by DEFR EIC: DEFR
	Launch of construction works on a local agricultural vocational training centre		Construction works on an agricultural training centre launched before end-2018	A local agricultural training centre is built in 2019	SV: Service order launching the construction works EIC: DEFR
	Signature of the amendment to the delegated management agreement of the Ain Jemmâa livestock production <i>zoopole</i> between the Ministry of Agriculture (MAPMDREF) and the Moroccan Association for Management of the <i>Zoopole</i> (AMAZO) for livestock value chains (milk, red meat and poultry)		An amendment to the delegated management agreement signed before end-2018	Number of trainees in agricultural vocational training receiving practical training at zoopole level.	SV: Copy of the amendment signed EIC: DEFR
		Signature of an implementation agreement between the Secretariat of State for Vocational Training (FP) and the Ministry of Agriculture to increase the number of apprentices in agricultural training apprenticeship programmes	Agreement signed before end-2019	Support for the training of vulnerable youth and women who are school dropouts	SV: Copy of the signed implementation convention EIC: Dep. FP and RFLD

	Launch of the call for projects under the competitive fund for research to meet the professional needs of strategic value chains		Call for projects launched before end-2018	Support research in the agricultural sectors of the PMV	SV: Copy of letter of dissemination of the call for projects EIC: DEFR
	Production of a Job-Competency Framework (JCF) and a Directory of Jobs and Trades (DJT) for agricultural sectors and the development of a Training Plan		JCF and DJT produced for the agricultural sector before end-2018	Better management of the training-employment match	SV: Copy of JCF and DJT EIC: SEFP
<i>Develop intermediation for access to employment in rural areas</i>	Creation and establishment of vocational guidance centres in rural areas		Four centres established before end-2018	Number of beneficiaries from the vocational guidance centres in rural areas in the four centres	SV: Copy of the four agreements signed between ANAPEC/NGOs operating with ANAPEC/SBY project. EIC: Ministry of Labour and Vocational Integration
1.2 Improvement of the investment climate as well as entrepreneurship among the youth and women in rural areas					
<i>Improve information on agricultural land tenure to accelerate investments</i>		Transmission of the bill governing the National Agricultural Registry (RNA) to the SGG	Bill prepared and transmitted to the SGG before end-2019	Improvement of targeting and monitoring of agricultural development actions	SV: Copy of the letter of transmission to the SGG EIC: DSS* and DAAJ
	Transmission to the SGG of the four draft implementing decrees pertaining to Law No. 113-13 on pastoral transhumance, development and management of pastoral and sylvo-pastoral lands		Draft decree prepared and transmitted to the SGG before end-2018	Rational management of pastoral and sylvo-pastoral lands	SV: Copy of letters of transmission to the SGG EIC: DIAEA and DAAJ

<i>Facilitate business creation for young people and women in rural area</i>		Completion of a study on the development of a national plan for the creation of regional incubators	Two incubators tested under the study before end-2019	A national plan for the creation of regional agricultural incubators is prepared	SV: Summary report of the study EIC: DEFR
<i>Improve business support in the various sub-sectors</i>	Signature of a framework agreement between the ONCA and COMADER on agricultural advisory services, training and support for farmers		Agreement signed before end-2018	Number of farmers trained and/or supported	SV: Copy of the signed agreement EIC: ONCA
		Breakdown of the framework agreement into specific agreements and territorialized action plans with inter-professional associations	Two specific agreements signed before end-2019		SV: Copies of specific agreements signed EIC: ONCA
<i>Develop entrepreneurship among the youth and women in rural areas</i>		Conduct of gender auto-diagnosis in two vocational training institutions	Gender auto-diagnosis conducted in two institutions by end-2019	Gender promotion in vocational training institutions	SV: Summary note on the diagnosis EIC: Secretariat of State in charge of vocational training/DEFR
		Conduct of a study on the promotion of women's entrepreneurship in agriculture	Action plan and guide for the promotion of women's entrepreneurship in the agricultural sector available before end-2019	Promotion of female entrepreneurship in the agricultural sub-sector	SV: Copy of action plan and guide EIC: DEFR
<i>Strengthen the agricultural advisory services in Agri-food sub-sectors</i>		Preparation and signature of a partnership agreement between DIAEA and ONCA for the development of the agricultural advisory services in irrigated areas	Agreement signed before end-2019	Improvement of agricultural advisor services in irrigated areas	SV: Copy of the signed convention EIC: DIAEA* and ONCA

1.3 Support to structuring of agricultural sub-sectors, processing of agricultural products, and development of agro-industry and exports					
<i>Mentor and support small farmers to structure their businesses</i>		Support for the creation and revitalization of agricultural cooperatives under the National Programme for the Creation of Agricultural Cooperatives	Organization of provincial thematic forums before end-2019	Support and revitalisation of agricultural cooperatives	SV: Forums organisation report EIC: ONCA
<i>Promote the enhancement and processing of agricultural products</i>	Publication of the order setting the amounts, terms and conditions for granting of State financial assistance to units tasked with the valuation of fresh agricultural produce and their by-products		Decree published before end-2018	Implementation of new provisions to support valuation units	SV: Copy of the published order EIC: DF* and DAAJ
<i>Improve standards to promote exports, especially to African countries</i>	Transmission to the SGG of the bill revising the law (42.95) on the control and organization of trade in pesticide products for agricultural use		Bill transmitted to the SGG before end-2018	Strengthening of the legal basis for plant protection products	SV: Copy of the letter of transmission to the SGG EIC: ONSSA* and DAAJ
		Transmission to the SGG of the bill relating to fertilizers, their adjuvants and crop inputs	Bill transmitted to the SGG before end-2019	Transmission to the SGG of the bill relating to fertilizers, their adjuvants and crop inputs	SV: Letter of transmission to the SGG EIC: ONSSA* and DAAJ
		Transmission to the SGG of the draft decree revising Decree No. 2-10-473 issued to implement some provisions of Law No. 28-07 on the health safety of food products	Draft decree transmitted to SGG before end-2019	Recognition of the equivalence of the Moroccan system to the international system for controlling the health safety of food products and to the system	SV: Letter of transmission to the SGG EIC: ONSSA* and DAAJ

				of some trade partners	
	Transmission to the SGG of the draft decree defining the complementary and special measures to combat the Newcastle disease		Draft decree adopted and transmitted to SGG before end-2018	Lifting of health constraints to export trade with partner countries	SV: Copy of the letter of transmission to the SGG EIC: ONSSA* and DAAJ
	Transmission to the SGG of the draft decree defining the complementary and special measures for combating pullorum disease caused by salmonella pullorum/gallinarum (SPG) in poultry farms		Draft decree adopted and transmitted to SGG before end-2018		SV: Letter of transmission to the SGG EIC: ONSSA* and DAAJ
		Preparation of the terms of reference (ToRs) for application of Law No. 49/99 on the health protection of poultry farming, control of production and marketing of poultry products for certain modes of livestock	Draft CPS prepared before end-2019		SV: Note on the CPS EIC: ONSSA

II. Support lasting rural employment through the sustainable use of natural resources by the sector

II.1 Reinforcement of sustainable development governance

<i>Promote green governance</i>	Publication of the decree setting up the strategic committee for sustainable development before end-2018		Decree published in the OG before end-2018	Support to the operationalization of the SNDD	SV: Copy of decree in the OG EIC: SECDD
		Validation of the Sustainable Development Action Plans (PADD)	Four action plans validated before end-2019	Operationalization of the SNDD, and support for the convergence of public policies	SV: Validation report EIC: SECDD
		Design of a monitoring/evaluating system for the National Sustainable Development Strategy (SNDD)	SNDD monitoring system designed before end-2019	Improvement of visibility, SNDD implementation	SV: Note on system design EIC: SECDD

				management and decision-making	
II.2. Improve water resources management to mitigate the water stress and boost sustainability					
<i>Strengthen water sector planning for integrated water resource management among the various stakeholders</i>	Transmission to the SGG of the draft decree on the composition and operation Higher Council for Water Resources and Climate to strengthen water governance		Draft decree adopted and transmitted to the SGG before end-2013	Improvement and strengthening of consultation at the national level	Copy of the letter of transmission to the SGG EIC: SEE
		Transmission to the SGG of the draft decree on the PNW, PDAIRE and Local Water Management Plans	Draft decree adopted and transmitted to the SGG before end-2018	Strengthening of the legal framework for the integrated and decentralised water planning	Copy of the letter of transmission to the SGG EIC: SEE
	Transmission to the SGG of the draft decree on the Water Basin Councils to strengthen consultation within the water basin		Draft decree adopted and transmitted to the SGG before end-2013	Improvement of water governance within the water basins	EIC: SEE
	Publication in the Official Gazette (OG) of the decree governing water basin agencies (WBA)		Draft Decree published in OG before end-2018	Improvement of the legal framework for ensuring the smooth functioning of WBAs	EIC: SEE
		Preparation of a draft decree on the National Water Information System	Decree prepared before end-2019	Improvement of knowledge on and water resource management	SV: Copy of the draft decree EIC: SEE
		Presentation of the National Water Plan (PNE) project to the Interministerial Water Commission (CIE)	PNE project submitted to the CIE by end 2019	Enhancement of inter-sector coordination. Greater visibility	SV: Records of CIE meeting EIC: SEE

				for decision-makers	
<i>Improve the rational use of water by the agricultural sector</i>					
		Preparation of a reference framework for agricultural water needs per region	Reference framework of water needs developed before end-2019	Improvement of knowledge on agricultural water demand	SV: Summary note on the reference framework of water needs per region EIC: DIAEA
<i>Improve adaptation to climate change to build the resilience of farmers (men and women)</i>		Launching of the development of Regional Vulnerability Indices (RVIs) and Regional Plans for Adaptation to Climate Change (RPACC) in three pilot regions	RVIs and RPACCs developed in three regions: coastal area (Agadir), mountainous area (Marrakech) and oasis area (Errachidia) before end-2019	Building of the resilience of the agricultural sector and farmers (men and women)	SV: Service order for the study EIC: SECDD
II.3. Support for energy transition in the agricultural sector					
<i>Reduce the carbon footprint and further empower small farmers (men and women)</i>	Presentation of the Energy Efficiency (EE) Strategy to the Governing Council (by 2030)		EE Strategy presented to the Governing Council before end-2018	Promotion of the EE	SV: Minutes of the Governing Council EIC: AMEE*/M. Energy
	Launch the strategic study for the promotion of new technologies related to renewable energies (RE) in agriculture (solar pumping)		Study launched before end-2018	Promotion of RE in agriculture through renewable energy solutions	SV: Notice of consultation EIC: AMEE*/M. Energy
		Establishment of a directory of energy auditors for farming businesses and agro-industrial units	Directory of energy auditors established before end-2019	Energy optimization of farms and agro-industrial units	SV: Note on the directory EIC: AMEE*/M. Energy

CRITERIA FOR MOROCCO'S ELIGIBILITY TO THE BUDGET SUPPORT
INSTRUMENT

Conditions Precedent	Country's Eligibility
<i>Commitment by public authorities</i>	<u>Morocco fully meets the eligibility criterion.</u> As the leading employer in Morocco, the agricultural sector is the focus of government's attention. This commitment is reflected in the Green Morocco Plan (PMV) approved in 2008, which sets out the strategic vision of the authorities for this sector by 2020.
<i>Macroeconomic framework</i>	<u>Morocco fully meets the eligibility criterion.</u> The real GDP growth rate of the Kingdom of Morocco for 2017 was estimated at 4.1%, driven by an increase in non-agricultural value added and domestic consumption that is constantly underpinned by controlled inflation and improved income. Furthermore, Morocco has continued its fiscal consolidation policy initiated in 2011. The budget deficit should reach 3.6% of GDP in 2017 compared to 4.1% in 2016. The national debt was estimated at 64.3% of GDP in 2017 compared to 64.7% in 2016. The authorities have set a debt target of 60% of GDP by 2021, to be achieved through the stringent budgetary control policy initiated in 2013. According to the last IMF mission of July 2017, the public debt will remain sustainable in the medium term, mainly due to its composition and structure that reveals the predominance of domestic debts, accounting for 78% of the total debt.
<i>Political stability</i>	<u>Morocco fully meets the eligibility criterion.</u> Since adoption of its new Constitution in July 2011, Morocco has enjoyed outstanding stability and implemented its transition while executing reforms in tandem with multiparty politics. The legislative elections of November 2011 gave victory to the Justice and Development Party (PJD), whose Secretary-General was then appointed to head the Government. A first coalition government was formed in January 2012 and a second in October 2013. The regional and communal elections of September 2015 were an important step towards implementation of the decentralization process enshrined in the new Constitution. The October 2016 parliamentary elections also resulted in the victory of the PJD. On 17 March 2017, Mr. El Othmani (PJD) was appointed Head of Government by King Mohammed VI and a new Government was formed on 5 April 2017.
<i>Fiduciary risk assessment</i>	<u>Morocco fully meets the eligibility criterion.</u> The performance assessment outcomes of Morocco's PFM systems obtained in 2016 using the PEFA methodology (including public procurement) confirm that the country fiduciary risk level is moderate. The report mentions that the main conditions for budgetary and financial discipline are met, especially budget reliability and the achievement of set stability objectives. It specifies that the objective of more strategic public resource allocation remains a priority for the Government and that this objective is central to the reform programme currently being implemented. Lastly, it points out that the current public finance management system contributes only moderately to the improvement of public service quality and that this is one of the objectives of the LOF, which introduces a performance-based approach and provides for objectives and indicators for the quality of services.
<i>Harmonization</i>	<u>Morocco fully meets the eligibility criterion.</u> Coordination among partners is conducted by the Moroccan government. However, there are thematic groups that allow fluid exchange of information. These groups are either chaired by the partners or the government. The Bank, through COMA, serves as the leader of the thematic group on civil society. COMA participates in all social sector thematic groups (health, youth, migration, social protection). The Water Sector Group, created in 2002 by EU member states, has been open to other donors since 2005. Since 2016, AfDB, WB, AFD and the delegated ministry in charge of water resources have been heading this group. It serves as a forum for sector dialogue held twice a year. The Agricultural Sector Group, established in 2010, coordinates the activities of the Green Morocco Plan with the government and partners.

NOTE ON RELATIONS WITH THE IMF

IMF Executive Board Concludes 2017 Article IV Consultation with Morocco

On December 13, 2017, the Executive Board of the International Monetary Fund (IMF) concluded the Article IV Consultation with Morocco. Following last year's drought, economic growth has picked up in 2017 and is expected to reach 4.4 percent, mostly driven by a significant rebound in agricultural activity while non-agricultural activity remains subdued. The unemployment rate increased to 10.6 percent in Q3 2017 (year-on-year) while youth unemployment remains high at 29.3 percent. Headline inflation (year-on-year) is expected to decline to 0.6 percent in 2017, reflecting lower food prices.

Following a marked deterioration in 2016, the current account deficit is projected to improve in 2017 to 3.9 percent of GDP. This primarily reflects Morocco's global environment, particularly the stronger recovery in Europe, and strong export growth (6.5 percent), mostly due to the good performance of food product and phosphate and derivatives exports. International reserves are expected to remain comfortable, at about six months of imports.

On the fiscal side, the consolidation process continues and developments as of end-October 2017 were broadly positive. Tax revenues performed better than projected, but grant revenues were lower than anticipated. Public spending on wages and interest payments was below expectations and capital expenditures decelerated (by 2 percent year-on-year).

Banks are well capitalized, and the risks to financial stability are limited. Nonperforming loans remain relatively high, but they are closely monitored and are well provisioned. Regulatory limits to reduce credit concentration as well as collaboration with cross-border supervisory bodies to contain risks related to Moroccan banks' expansion in Africa are being strengthened. Morocco's medium-term prospects remain favourable, with growth expected to reach 4.5 percent by 2021. However, risks remain elevated, and relate mainly to growth in advanced and emerging countries, geopolitical tensions in the region, world energy prices, and global financial market volatility. Stronger medium-term growth will hinge on continued implementation of comprehensive reforms regarding labour market efficiency, access to finance, quality of education, public spending efficiency, and further improvements to the business environment. Strengthening the social safety nets system will also be crucial to achieve more inclusive growth.

Executive Board Assessment

Executive Directors commended the authorities for the sound macroeconomic policies and reform implementation that have helped improve the resilience of the Moroccan economy, upgrade the fiscal and financial policy frameworks, and increase economic diversification. To consolidate the gains achieved and promote higher and more inclusive growth, Directors underscored the need to maintain sound fiscal and monetary policies and to step up structural reform efforts, supported by measures to strengthen the social safety net.

Directors welcomed the resumption of fiscal consolidation to ensure debt sustainability. They supported efforts to control spending on wages and goods and services to create fiscal space for priority spending in the medium term. Directors agreed that continued fiscal consolidation should benefit from a comprehensive approach to tax reforms, aiming to broaden the tax base and promote greater equity and simplicity. They supported a careful implementation of fiscal decentralization,

a comprehensive civil service reform, strengthened state owned enterprise (SOE) oversight, and steps to improve the targeting of social spending to protect vulnerable segments of the population.

Directors noted that inflation was likely to remain moderate while the accommodative monetary policy allowed for continued credit recovery. Directors supported the authorities' intention to move to a more flexible exchange rate regime and a new monetary policy framework, which will help the economy to absorb external shocks and remain competitive.

Directors noted that the banking sector remains sound and well capitalized, but stressed the need to remain vigilant. They welcomed Bank-Al-Maghrib's continued efforts to increase supervisory capacity in line with 2015 Financial Sector Assessment Programme recommendations, including more risk based and forward-looking supervision and tighter provisioning requirements.

Directors emphasized the importance of sustained implementation of broad based structural reforms. Continued efforts to strengthen the business environment, including through better governance, improved education and vocational training, will be key to reduce unemployment, especially among the youth, and to increase women's participation in the labour force. Directors looked forward to further progress in implementing the national strategy against corruption and in making the Competition Council operational.

<http://www.imf.org/en/News/Articles/2017/12/14/pr17497-imf-executive-board-concludes-2017-article-iv-consultation-with-morocco>

Key projects and programmes financed by the Bank and other development partners in the country

1. Key projects financed by the Bank and other development partners in support of the Green Morocco Plan:

Donors	Name of Programmes/Projects financed	Amount in millions (currency)	Implementation period	Nature of support
USA	MCA : Fruit Tree Productivity Project	350 (Dollars)	2008-2013	Project support
IFAD	Atlas Mountains Rural Development Project	16.2 (dollars)	2008-2014	Project support
WB	Oum Er Rbia Irrigated Agricultural Modernization Project (PROMER)	51.6 (euros)	2010-2017	Project support
EU	Support Programme for Morocco's Agricultural Sector Policies (PAPSA)	70 (euros)	2010-2014	Budget support
AfDB	National Irrigation Water Saving Programme Support Project (PAPNEEI)	54 (euros)	2010-2017	Project support
AFD	Projet de Développement du Périmètre du Moyen Sebou et de l'Inaouen Aval (tranche 2)	40 (euros)	2010-2017	Project support
AFD	Projet de Développement du Périmètre du Moyen Sebou et de l'Inaouen Aval (tranche 2)	0.5 (EURO)	2010-2017	Project support
WB	First Development Policy Loan in Support of the PMV (DPL1)	150 (EURO)	2011-2012	Budget support
Saudi Fund	Dar Khrofa Hydro-Agricultural Irrigation Area Development Project	144 (dollars)	2012-2017	Project support
WB	Second Development Policy Loan in Support of the PMV (DPL2)	150 (EURO)	2012-2013	Budget support
AfDB	Green Morocco Plan Support Programme (PAPMV)	105 (EURO)	2012-2015	Budget support
AFD	Green Morocco Plan Support Programme (PAPMV)	50 (EURO)	2012-2015	Project support
EIB	National Irrigation Water Saving Support Programme	43 (EURO)	2012-2017	Project support
KfW	Small-and Medium-sized Irrigation Areas in the Souss-Massa region	14.77 (EURO)	2012-2020	Project support
KfW	Small-and Medium-sized Irrigation Areas in the Souss-Massa region	6.38 (EURO)	2012-2020	Project support
Kuwait Fund	Bouhouda Irrigation Scheme Development Project	26.22 (dollars)	2013-2016	Project support
Kuwait Fund	Assif El Mal Irrigation Scheme Development Project	13.5 (dollars)	2013-2016	Project support
Kuwait Fund	Meknès Agropole	15(dollars)	2013-2016	Project support
Kuwait Fund	Berkane Agropole	11.75(dollars)	2013-2016	Project support
Kuwait Fund	Figuig Palm Extension and Intensification Project	13.87(dollars)	2013-2016	Project support
KfW	Ksob Irrigation Scheme Development Project	10 (EURO)	2013-2020	Project support
Belgian Coop.	Development of the saffron and date palm value chains Project	12 (EURO)	2013-2019	Project support
EU	Agricultural extension	16 (EURO)	2013-2017	Budget support
IsDB	Development of the olive sector	79 (dollars)	2014-2019	Project support
AFESD	Desalination of Chtouka Ait Baha Sea Water	50 (Kuwaiti dinar)	2014-2020	Project support
Qatari Fund	Support to PMV	202 (dollars)	2014-2017	Budget support
Qatari Fund	Asjen project in Ouazzane and transhumance project in the South	136 (dollars)	2014-2018	Project support

EU	Agri II	60 (EURO)	2014-2017	Budget support
GEF	Souss Massa Circular Economy	3.4 (dollars)	2014-2019	Project support
IFAD	Rural Development. Programme in the Mountain Zones Phase I-Sefrou Azilal	26 (dollars)	2015-2020	Project support
AfDB	Green Morocco Plan Support Programme (PAPMV2)	132 (dollars)	2015-2017	Budget support
JICA	Green Morocco Plan Support Programme (PAPMV2)	149 (dollars)	2015-2017	Budget support
WB	Large Scale Irrigation Modernisation Project (PMGI)	150 (dollars)	2015-2022	Project support
Belgian Coop.	Dates EIG Support Programme (PAGIE)	13.5 (EURO)	2016-2020	Project support
Saudi Fund	Saïss Water Conservation Project	80 (dollars)	2016-2020	Project support
IFAD	Rural Development. Programme in the Mountain Zones -phase II	40.63 (EURO)	2017-2024	Project support
AFD	Boudnib Plain Irrigation Development	40 (EURO)	2017-2022	Project support
Green Fund/AFD	Boudnib Plain Irrigation Development	20 (EURO)	2017-2022	Project support
AfDB	National Irrigation Water Saving Programme Support Project (PAPNEEI 2)	88.057 (dollars)	2017-2022	Project support
EBRD	Saïss Water Conservation Project	120 (EURO)	2017-2020	Project support
Green Fund/ EBRD	Saïss Water Conservation Project	31.5 (EURO)	2017-2020	Project support
WB	Agri-Food Value-Chains Strengthening Program for Results	200 (dollars)	2018-2022	Budget support

2. Breakdown of interventions by key donors in support of the PMV in Morocco over the 2008-2018 period (in MAD million).

Funds mobilised by the PMV from 2008 to 2017 (In MAD million)

Donor	Amount	%
AFD	1 384	4.25%
AfDB	3 779	11.61%
EIB	452	1.39%
ERDB	1 260	3.87%
IsBD	751	2.31%
WB	7 047	21.65%
Belgian Cooperation	404	1.24%
AFESD	1 650	5.07%
GEF	137	0.42%
FFEM	11	0.03%
IFAD	1 311	4.03%
Hassan2 Fund	800	2.46%
Kuwait Fund	827	2.54%
Qatari Fund	3 211	9.87%
Saudi Fund	2 128	6.54%

Green Fund/AFD	210	0.65%
Green Fund /ERDB	315	0.97%
JICA	1 463	4.49%
KfW (German Cooperation)	443	1.36%
EU	2 163	6.65%
MCA/USA	2 800	8.60%
TOTAL	32 543	100%

Portfolio of Bank Operations in Morocco

MAROC - PORTEFEUILLE DES OPERATIONS EN COURS D'EXECUTION																
03/04/2018																
Nbr e	Nom du Projet	Date d'approbation	Date de signature	Date de mise en vigueur	Date de clôture	Age moye n projet (an)	dela i mise en vigueur (mois)	Monna ie du prêt	Montant approuvé		Décaissement cumulé en monnaie du prêt par projet / en euro par secteur	Annulation en monnaie du prêt	Montant non décaissé en monnaie du prêt par projet /en EUR par secteur	Taux décaissements cumulés (en %)		Part dans le portefeuille
									en Unités de compte	en monnaie du prêt (total par sect. en EUR)				Actuel	Project. 2018	
SECTEUR AGRICOLE																
1	Projet d'ap. au Prog. nat. d' eco. d'eau d'Irrig. (PAPNEI II) / P-MA-AAC-016	13-déc-16	20-juin-17	4-Aug-17	31-Dec-23	1,3	7,8	USD	63 287 072	80 131 870	2 332 292		77 799 578	2,9%	22,1%	3,9%
SECTEUR TRANSPORTS																
2	Projet d'augm. de capa. Ferrov. Tanger-Marrakech / P-MA-DCO-003	17-déc-10	17-mars-11	30-Jun-11	30-nov-18	7,3	6,5	EUR	250 116 721	300 000 000	248 280 461		51 719 539	82,8%	84,8%	24,9%
3	Renforcement de l'axe ferroviaire Tanger-Casablanca-Marrakech /P-MA-DCO-005	27-janv-16	8-avr-16	7-Jun-16	31-déc-20	2,2	4,4	USD	81 040 000	112 300 000	68 783 475		43 516 525	61,2%	95,1%	
4	Projet de construction de complexe portuaire Nador West Med / P-MA-DDO-004	16-sept-15	9-mars-16	1-Jun-16	31-déc-22	2,5	8,6	EUR	88 960 000	112 860 000	26 660 477		86 199 523	23,6%	58,2%	
SECTEUR ENERGIE																
5	Progr. déve. réseau transp. et réparti. élect. / P-MA-FAC-014	02-déc-09	11-déc-09	29-Apr-10	31-déc-18	8,3	4,9	EUR	91 559 394	109 820 000	72 324 523	13 000 000	24 495 477	74,7%	97,4%	
6	Complexe Solaire Ouarzazate NOORo II / P-MA-FFO-002	03-déc-14	19-déc-14	19-déc-14	31-déc-19	3,3	0,5	EUR	56 455 533	72 000 000	71 158 578		841 422	98,8%	100,0%	
	Complexe Solaire Ouarzazate NOORo II (CTF) / P-MA-FFO-002	03-déc-14	19-déc-14	19-déc-14	31-déc-19	3,3	0,5	USD	51 326 683	69 000 000	69 000 000		0	100,0%	100,0%	
	Complexe Solaire Ouarzazate NOORo III /P-MA-FFO-003	03-déc-14	19-déc-14	19-déc-14	31-déc-19	3,3	0,5	EUR	23 775 962	28 000 000	26 081 601		1 918 399	93,1%	93,1%	
	Complexe Solaire Ouarzazate NOORo III (CTF) / P-MA-FFO-003	03-déc-14	19-déc-14	19-déc-14	31-déc-19	3,3	0,5	USD	34 325 571	50 000 000	50 000 000		0	100,0%	100,0%	
7	Complexe solaire IDELT – Phase I – Centrale NOORM I (P-MA-FFO-004)	07-déc-17				0,3		USD		120 000 000					7,0%	
	Complexe solaire IDELT – Phase I – Centrale NOORM I (CTF) (P-MA-FFO-004)	07-déc-17				0,3		USD		12 500 000					70,4%	
	Complexe solaire IDELT – Phase I – Centrale NOORM II (P-MA-FFO-005)	07-déc-17				0,3		USD		120 000 000					7,0%	
	Complexe solaire IDELT – Phase I – Centrale NOORM II (CTF) (P-MA-FFO-005)	07-déc-17				0,3		USD		12 500 000					70,4%	
	PERG / P-MA-FAO-003	13-juin-12	19-déc-12	19-déc-12	31-déc-21	5,8	6,3	EUR	105 854 125	135 000 000	115 249 110		19 750 890	85,4%	89,9%	
	Parc Eolien AL KOUIDIA AL BAIDA / P-MA-FAO-005	13-juin-12	19-déc-12	19-déc-12	31-déc-21	5,8	6,3	EUR	39 205 231	50 000 000	19 404 747		30 595 253	38,8%	66,6%	
8	Parc Eolien Tanger 2 /P-MA-FAO-004	13-juin-12	19-déc-12	19-déc-12	31-déc-21	5,8	6,3	EUR	33 348 896	40 000 000			40 000 000	0,0%	20,0%	
	Step Abdel Moumen / P-MA-FAO-006	13-juin-12	19-déc-12	19-déc-12	31-déc-21	5,8	6,3	EUR	105 056 000	134 000 000			134 000 000	0,0%	7,4%	
	Parc Eolien AL KOUIDIA AL BAIDA (FTP) / P-MA-FAO-005	13-juin-12	19-déc-12	19-déc-12	31-déc-21	5,8	6,3	USD	25 291 409	34 000 000	23 588 862		10 411 138	69,4%	97,6%	
	Parc Eolien Tanger 2 (FTP) / P-MA-FAO-004	13-juin-12	19-déc-12	19-déc-12	31-déc-21	5,8	6,3	USD	20 293 138	31 000 000			31 000 000	0,0%	20,0%	
	Step Abdel Moumen (FTP) / P-MA-FAO-006	13-juin-12	19-déc-12	19-déc-12	31-déc-21	5,8	6,3	USD	47 040 000	60 000 000			60 000 000	0,0%	16,7%	
SECTEUR SOCIAL																
9	Système Information Carte Sanitaire DON PRI / P-MA-IBO-003	30-juil-13	30-déc-13	30-déc-13	30-juin-18	4,7	5,1	UC	380 800	380 800	380 800		380 800	100,0%	100%	
10	Appui à l'UEFIM Don PRI / P-MA-IAD-002	29-janv-16	28-avr-16	28-avr-16	30-juin-18	2,2	3,0	UC	398 000	398 000	78 160		319 840	19,6%	69,9%	
SECTEUR EAU ET ASSAINISSEMENT																
11	Onzième Projet d'AEPA Rabat-Casa / P-MA-E00-008	12-mai-10	19-août-10	13-janv-11	30-nov-18	7,9	8,2	EUR	127 268 022	162 310 000	75 616 368	69 120 000	17 573 632	81,1%	94,9%	
	Onzième Projet d'AEPA Rabat-Casa P-MA-E00-008	12-mai-10	19-août-10	13-janv-11	30-nov-18	7,9	8,2	USD	40 957 205	55 060 000	32 053 635	21 560 000	1 446 365	95,7%	100,0%	
12	Douzième projet d'AEP de Marrakech / P-MA-E00-009	7-nov-12	19-déc-12	19-déc-12	31-déc-18	5,4	1,4	EUR	94 092 555	120 000 000	53 468 298		66 531 702	44,6%	54,3%	
	Douzième projet d'AEP de Marrakech P-MA-E00-009	7-nov-12	19-déc-12	19-déc-12	31-déc-18	5,4	1,4	USD	27 523 004	37 000 000	18 833 580		18 166 420	50,9%	67,0%	
13	Projet d'Amélioration qualité eau et performances (13ème AEP) P-MA-E00-010	8-juin-16	14-juil-16	16-août-16	31-déc-18	1,8	2,3	EUR	69 667 696	88 850 000	7 490 150		81 359 850	8,4%	14,4%	
14	Sous-Traitance de la gestion des réseaux AEP en milieu rural Don FAE / P-MA-EAZ-005	15-avr-16	07-juin-16	21-oct-16	31-déc-19	2,0	6,3	EUR	639 045	815 100	407 500		407 600	50,0%	50,0%	
SECTEUR MULTISECTEUR																
15	Appui à la modernisation du cadre organisationnel de gestion de la dette - DON PRI / P-MA-HZO-009	27-févr-13	31-mai-13	31-mai-13	31-mars-19	5,1	3,1	UC	536 976	536 976	79 705		457 271	14,8%	91,2%	
16	Etude sur la croissance et l' emploi au Maroc - DON PRI / P-MA-KO0-011	27-juin-12	7-sept-12	7-sept-12	30-juin-18	5,8	2,4	UC	587 200	587 200	587 200		0	100,0%	100,0%	
17	PARSIF / P-MA-HAZ-002	13-juil-16	14-juil-16	16-août-16	31-déc-18	1,7	1,1	USD	116 786 800	157 000 000	157 000 000		0	100,0%	100,0%	
18	Etude Stratégique DTFE DON PRI / P-MA-KAO-002	21-mai-15	28-juil-15	28-juil-15	31-déc-19	2,9	2,3	UC	797 600	797 600	32 194		797 600	4,0%	4,0%	
19	Appui au service du Chef du Gouvernement DON PRI / P-MA-KAO-003	14-juil-15	28-juil-15	28-juil-15	31-déc-21	2,7	0,5	UC	799 200	799 200	93 539		705 661	11,7%	26,4%	
20	Maroc Export DON PRI / P-MA-KD0-003	2-juil-16	3-oct-16	5-oct-16	31-déc-18	1,8	3,2	UC	630 000	630 000	22 544		607 456	3,6%	3,6%	
21	AT Cour des Comptes Don PRI / P-MA-K00-012	25-nov-15	7-juin-16	19-août-16	31-déc-18	2,4	8,9	UC	792 000	792 000	208 214		583 786	26,3%	100,0%	
22	PAAIM I	14-juil-17	14-juil-17	28-juil-17	31-déc-18	0,7	0,5	USD	147 400 228	200 000 000	200 000 000		0	100,0%	100,0%	
23	AT CAFRAD (don PRI) /P-Z1-KFO-052	23-mars-17	30-juin-17	30-juin-17	30-juin-19	1,0	3,3	UC	479 000	479 000	5 506		479 000	1,2%		
24	Appui institutionnel UMA Phase II -Don PRI / P-Z1-K00-064	8-mai-15	2-juil-15	2-juil-15	30-juin-19	2,9	1,8	UC	495 365	495 365	195 798		299 567	39,5%	60,0%	
SECTEUR PRIVE																
25	TEKCIIM/ P-MA-BB0-003	7-déc-17														
TOTAL																

Récapitulatif:

	Total	%
Montant du portefeuille	1 632 200 683	100,0%
En Unités de compte	1 625 665 497	99,6%
Prêts (15projets)	6 535 186	0,4%
Dons (13 projets)	2 071 587 609	
En Euros		
Montant Total des décaissements en Euros	1 283 980 993	1 498 899 061
Prêts	1 281 677 179	
Dons	2 303 814	
Taux de décaissement global	61,98%	72,36%
Prêts	62,12%	
Dons	31,91%	
Montant moyen par prêt (en UC)	101 604 094	
Délai moyen de mise en vigueur (mois)	3,8	
Prêts	3,7	
Dons	3,6	
Age moyen du portefeuille (an)	3,9	
Prêts	3,9	
Dons	3,0	

Répartition sectorielle des opérations

