AFRICAN DEVELOPMENT BANK

SUPPORT PROGRAMME FOR INCLUSIVE SOLIDARITY-BASED AGRICULTURE FOR WOMEN AND YOUNG PEOPLE (PAASIFEJ)

COUNTRY : MOROCCO
SAP Code : P-MA-AA0-024

RESULTS-BASED FINANCING APPRAISAL REPORT

Date: May 2025

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Results-Based Financing
African Development Bank Group

MOROCCO

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RDGN/COMA/AHAI

July 2025

Translated Document

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MONETARY EQUIVALENTS

May 2025

1 UA	= 1.19240 €
1UA	= 1.35611 USD
1 UA	= 12.56002 MAD

FINANCIAL YEAR

1st January – 31st December

ACRONYMS AND ABBREVIATIONS

ADA	Agency for Agricultural Development
AFAWA	Affirmative Finance Action for Women in Africa
AFD	French Development Agency
AfDB	African Development Bank
ANDZOA	National Agency for Oasis Zones and Argan Trees
AUEA	Association of Agricultural Water Users
BPAR	Bank Report for the Evaluation of the Procurement System of the Borrower / Bank Procurement Assessment Report
CC	Climate Change
CFRA	Country Fiduciary Risk Assessment
COVID	Coronavirus Disease
CPI	Corruption Perception Index
CSA	Climate-smart agriculture
CSP	Country Strategy Document
DDFP	Production Sector Development Department
DEFR	Department of Education, Training and Research
DIAEA	Directorate of Irrigation and Agricultural Land Development
DLI	Disbursement Linked Indicator
DPA	Provincial Directorate of Agriculture
DRA	Regional Directorate of Agriculture
DRCA	Regional Directorate of the Agricultural Council
DSS	Directorate of Strategy and Statistics
ESAP	E&S Action Plan
ESCON	Environmental and Social Compliance Note
ESMA	Environmental and Social Management Systems Assessment
ESMP - FA	Environmental and Social Management Plans (ESMP) for the financing agreement
MIC TAF / FAT PRI	Technical Assistance Fund for Middle-Income Countries
FD	Financial Department
GCAM	Crédit Agricole du Maroc Group
GDP	Gross Domestic Product
GoM	Government of Morocco
H a	Hectare
IGA	General Inspectorate of Agriculture
IGF	General Inspectorate of Finance
IGM	Ministerial General Inspection
IIAG	Mo Ibrahim Index of African Governance
I V A	Independent Verification Agency
M&E	Monitoring and Evaluation
MAD	Moroccan Dirham
MAPMDREF	Ministry of Agriculture, Maritime Fisheries, Rural Development and Water and Forests
MdMAD	Billions of Moroccan Dirhams
MEF	Ministry of Economy and Finance
MSMEs	Micro, small and medium-sized enterprises
ONCA	National Office of Agricultural Council
ONSSA	National Office of Health and Food Safety
ORMVA	Regional Office for Agricultural Development
PADIDFA	Inclusive and Sustainable Development Program for Agricultural Sectors
PADIDZAR	Support program for inclusive and sustainable development of agricultural and rural areas
PAPNEEI	Support Project for the National Irrigation Water Saving Program

PEFA	Public Expenditure and Financial Accountability
PEI	Irrigation Extension Program
PFM	Public Finance Management
PMH	Small and Medium Hydraulics
PMV	Green Morocco Plan
PNEEI	National Water Saving Program for Irrigation
P P P	Public Private Partnership
R&D	Research and Development
RAP	Project Completion Report
RBF	Results-based financing
SC	Steering Committee
SGG	“Generation Green” Strategy 2020-2030
SMAG	Guaranteed minimum agricultural wage
SMEs	Small and Medium Enterprises
SNDD	National Sustainable Development Strategy
SNPM	National public procurement system
T A	Technical assistance
UC	Unit of Account
UGP	Project Management Unit
UGPR	Regional Project Management Unit
USD	United States Dollar
WB	World Bank
ZAR	Rural Agro-industrial Zones

PROGRAMME INFORMATION SHEET

SECTOR:	Agriculture
THEME:	Inclusive and sustainable development of solidarity-based agriculture and agricultural and rural entrepreneurship

LOAN INFORMATION

Client Information

BORROWER/BENEFICIARY	Kingdom of Morocco
EXECUTING AGENCY	Ministry of Agriculture, Maritime Fisheries, Rural Development and Forestry (MAPMDREF)
Contact Address	Ministry of the Economy and Finance (MEF) Directorate of Budget Boulevard Mohamed V Quartier administratif 10 000, RABAT Kingdom of Morocco Fax: (212) 537 67 75 30 Tel.: (212) 537 67 72 66/67
Other Agency	Ministry of Agriculture, Maritime Fisheries, Rural Development and Forestry (MAPMDREF) Directorate of Agriculture Agency for Agricultural Development (ADA) Espace les Patios, Angle Av. Annakhil et Mehdi Ben Barka Bâtiments 2 et 3, Hay Riad - Rabat - https://www.ada.gov.ma Tel.: (212) 05 37 57 38 26

Financing Plan

Source of Financing	Equivalent in EUR million	Instrument
Borrower/Beneficiary	116.3	State budget
AfDB	100	Loan - RBF
TOTAL COST	**216.3**	

Key terms and conditions for sovereign loans from ADB window

Eligibility	1. Regional member countries (RMCs) classified as Blend or ADB countries and public sector entities with a sovereign guarantee from Blend or ADB countries. 2. Under the 2014 amendment to the Credit Policy, ADF countries accessing on a case-by-case basis ADB resources will use also the Fully Flexible Loan.
Loan Currency	EUR
Loan Type	Fully Flexible Loan
Tenor	Up to 20 years inclusive of Grace Period
Grace period	Up to 5 years
Average Loan Maturity*	Function of the maturity, grace period and amortization profile Up to 17 years
Repayments	Consecutive semi-annual and equal payments after grace period or customized
Payment Date	Standard Payment Dates on February 1 and August 1 or Any combination of the 1st and 15th of any month (excluding 1st January) in accordance with the payment frequency selected by the Borrower.
Interest Rate	**Base Rate +Funding Cost Margin+ Lending Margin + Maturity Premium** This Interest Rate will be floored to zero.
Base Rate	Floating Base Rate 6-month EURIBOR for EUR as determined each 1st January and 1st July and each 1st February and 1st August A free option to fix the Base Rate is available
Funding Cost Margin	The Bank funding cost margin as determined each 1st January and 1st July and applied to the Base Rate each 1st February and 1st August
Lending Margin	80 basis points (0.8%) since 1st September 2016.
Spread Adjustment Rate	an adjustment to the Lending Margin expressed as a percentage per annum, as determined from time to time, by the Board of directors of the Bank and applicable from the beginning of the first Interest Period following approval by the Board.
Maturity Premium	- 0% if Average Loan Maturity ≤ 12.75 years - 0,10% if 12.75 < Average Loan Maturity ≤ 15 - 0,20% if 15 < Average Loan Maturity ≤ 17 years
Front-end fees	0.25% of the loan amount due at loan effectiveness and payable at the earliest of (i) up to 60 days from Loan Effective Date or (ii) at the time of first disbursement. IfThe borrower has the option to pay the Front-end Fee: by deducting its amount from the loan proceeds at the first disbursement. the loan is partially or fully cancelled after the Loan Effective Date, the Front-end fee is still due on the full loan amount and no refund is made.
Commitment fees	0.25% of the undisbursed amount. Commitment fees start accruing 60 days from signature of the loan agreement and are payable on payment dates including during the grace period. The Commitment fee ceases to accrue upon full disbursement or full cancellation of the loan.
Option to convert the Base Rate**	In addition to the free option to fix the floating Base Rate, the borrower may reconvert the fix rate to floating or refix it on part or full disbursed amount. Transaction fees are payable.
Option to cap or collar the Base Rate**	The borrower may cap or set both cap and floor on the Base Rate to be applied on part or full disbursed amount Transaction fees are payable.
Option to convert loan currency ***(Except for AGTF)*** **	The borrower may convert the loan currency for both undisbursed or disbursed amounts in full or part to another approved lending currency of the Bank Transaction fees are payable.
Hedge unwinding or adjustment costs	Any costs incurred by the Bank in adjusting or terminating the conversions are passed to the borrower.

*A calculator is available to allow borrower simulate different amortisation profiles and determine Average Loan Maturity. Please contact FIST2@afdb.org .** All conversions are subject to market availability. Conversion options and transaction fees are subject to the Bank Conversion Guidelines available online here .

Disbursement schedule (in millions Euros – €)

Fiscal years	**Disbursement under DLIs (in millions of Euro - €)**					
Fiscal years	2025	2026	2027	2028	2029	2030
Annual disbursement forecast	18,89*	25,79	26,69	14,61	11,93	2,10
Cumulative amount	**18,89**	**44,68**	**71,36**	**85,97**	**97,90**	**100,00**

*The opening commission is €250,000 to be deducted from the Loan resources.

The advance is not included in the total because it is deductible from disbursements on the DLI.

The FAR provides for a disbursement based on prior results on DLIs 9 and 10 for 2025 for a contribution of nearly €5 million, or 5% of the total loan amount. Thus, the amount of the advance cannot exceed 25% of the loan amount in accordance with the FAR requirements (the cumulative amount of financing for prior results and revolving advances must not exceed 30% of the FAR operation).

Schedule – Main stages (forecast)

Program Evaluation	May 2025
AfDB Loan Negotiations	June 2025
Program Approval	July 2025
Entry into force	November 2025
Completion date	31 December 2030
Last disbursement deadline	30 June 2031

MAIN PROGRAM INFORMATION

Program Development Objectives	- Contribution to improving food security - Promotion of women and youth entrepreneurship and creation of decent jobs - Contribution to the emergence of a new generation of agricultural middle class - Strengthening the adaptation and resilience of Moroccan agriculture to the impacts of climate change	
Compliance		
Policy Does the program contradict the CSP in terms of its content or other aspects?	No	
Does the program meet the eligibility criteria?	Yes	
Is the Council being asked to approve any policy exceptions?	No	
Overall risk assessment: moderate		
Legal conditions	See Legal Authorities section of this report.	

EXECUTIVE SUMMARY OF THE PROGRAM	
Program Title	Support programme for inclusive solidarity-based agriculture for women and young people – (PAASIFEJ)
Program duration	Six years covering the fiscal years 2025, 2026, 2027, 2028, 2029 and 2030
Cost of the program	216.3 million Euros (€).
Borrower	Kingdom of Morocco
Program Executing Agency	Ministry of Agriculture, Maritime Fisheries, Rural Development and Water and Forests (MAPMDREF) – Agency for Agricultural Development (ADA) – National Office of Agricultural Council – Regional Offices for Agricultural Development – Regional and Provincial Directorates of Agriculture.
Funding data	€100 million in financing from the Bank Group. Government contribution (equivalent to €116.3 million. Parallel co-financing from other development partners under the "Green Generation" FAR approved in December 2020 amounts to USD 250 million for the World Bank and USD 115 million for the French Development Agency (AFD), or €313 million in support of the implementation of Green Generation (PPR-GG). Furthermore, in October 2023, the World Bank approved an amount of USD 350 million to finance the National Determined Contribution Support Program (PPR-CDN) at the national and regional levels, particularly in oasis and argan growing areas. The World Bank is also financing the Agri-Food Systems Transformation Support Program (PPR-TSA) with a contribution of USD 250 million.
Program Description	
Program Development Objective	PAASIFEJ will contribute to improving food security, creating sustainable jobs and strengthening the resilience of Moroccan small-scale agriculture to the effects of climate change.
Results areas (components)	There are three of them: Results Area 1: Solidarity-based agriculture developed in a more inclusive and sustainable manner (€70 million) ; Results Area 2: Women's and youth entrepreneurship developed in a more inclusive and effective manne (€18 million) ; Results Area 3: Institutional and sector capacity built (E12 million).
Indicators related to disbursement	The disbursement of loan resources is conditional on the achievement of results measured by the following eleven indicators: DLI.1 Length of seguias developed and rehabilitated ;DLI.2 Water points developed and/or rehabilitated ; DLI. 3 Animal heads distributed to households and women ; DLI. 4 Surface area covered by new resilient plantations ; DLI.5 Rainwater collection structures developed and/or rehabilitated ;DLI.6 Summary notes from the consultation workshops held with the stakeholders concerning the proposal for an financing initiative for the benefit of women and young entrepreneurs. ;DLI.7 Women entrepreneurs assisted in formalizing their business plans ; DLI.8 Transmission to the Bank of the two signed agreements relating to the Agreements to build the capacity of institutional stakeholders in gender-responsive budgeting (GRB) namely: (i) Specific agreement between the GRB Centre of Excellence and ADA; and (ii) Specific agreement between the GRB Centre of Excellence and ONCA ; DLI.9 Livestock-centred SBA governance framework established (simplified livestock-centred SBA procedure established - Circular issued by the Minister of Agriculture)) ; DLI.10 Standard bidding document for the promotion of entrepreneurship prepared in accordance with Circular No. 01/ADA/DIP of 2 January 2024 on the implementation of the Youth Entrepreneurship Programme under the GGS 2020-2030 ;DLI 11 Implementation of the Environmental and Social Action Plan (ESAP)
Eligibility for the Results-Based Financing instrument	All project components were subject to E&S screening to determine that it is not Category 1 (high E&S risk), before deciding to use the FAR in accordance with the provisions of the Bank's Results-Based Financing (RBF) policy and the Integrated Safeguard System (ISS). No high E&S risk activities (Category 1) will be financed by the PAASIFEJ program.
Alignment with the Bank's priorities	The PAASIFEJ is directly in line with the "Green Generation Strategy-SGG 2020-2030" and the New Generation National Solidarity Agriculture Program (PNASNG) 2020-2030 and the National Youth Entrepreneurship Program (PNEJ) 2020-2030. The PAASIFEJ is aligned with the axes of the Bank Group's "Feed Africa" Strategy. It is perfectly aligned with the 2024-2029 CSP for Morocco, whose main objective is to strengthen growth and make it more inclusive and more resilient to exogenous shocks. The program is aligned with the two pillars of the CSP, namely: (i) strengthening inclusive growth through skills development, employability and entrepreneurship; and(ii) consolidating resilience to external shocks by developing sustainable infrastructure. In particular, PAASIFEJ focuses on more inclusive economic growth and the protection of natural resources, which are considered public goods to be preserved, and on strengthening resilience to shocks, particularly climate shocks. On the other hand, PAASIFEJ addresses (i) human capital development and (ii) digital transformation. With regard to human capital development,

	PAASIFEJ focuses on improving the quality of agricultural advisory services. The country strategy also places a strong emphasis on gender equality and women's empowerment, something that is clearly taken into account in the operation. Furthermore, the operation is fully aligned with the Bank's Ten-Year Strategy (2024-2033). It addresses four of the five cross-cutting themes of the Bank's Ten-Year Strategy: (i) reducing inequalities, particularly by empowering women to fully realize their potential; (ii) improving the quality of life of young people by focusing on skills development; (iii) adaptation to the acceleration of the effects of CC; (iv) development and implementation of governance. The program is also aligned with the Jobs for Youth in Africa (JfYA) Strategy (2016-2025) to promote employment and entrepreneurship and the Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (2022-2026). Also, PAASIFEJ is consistent with the Bank's Gender Strategy (2021-2025), "Investing in Africa's women to accelerate inclusive growth ", by being anchored more specifically on Pillar I "Empowering Women through Access to Finance and Markets" , Pillar 2 "Accelerating employability and job creation for women through skills enhancement " and Pillar 3 " Improving Women's Access to Social Services through Infrastructure"
Needs assessment and justification	Rural areas remain central to strengthening the country's resilience to shocks and supporting the Employment, Gender, and Climate Change nexus. Job creation in rural areas remains particularly low, with a national unemployment rate of 13.3% in 2024, up from the previous year. This rate is even higher among young people aged 15 to 24 (36.7%), graduates (19.6%), and women (19.4%). This dynamic comes at a time when the Kingdom is facing a drought that has affected the agricultural sector and its jobs for six consecutive years (2018-2024). Nevertheless, agriculture remains a key sector for the Moroccan economy, representing approximately 10% of GDP (in 2024), 23% of its exports, and generating nearly 26,3% of jobs nationally, more than 80% of which are in rural areas. In 2024, the agricultural sector remained the second largest provider of jobs in Morocco after the services sector. Rural Moroccan women play a major role in the agricultural sector, where they account for more than 40% of Morocco's agricultural workforce. To seize these opportunities and address the aforementioned challenges, the Generation Green Strategy (GGS) 2020-2030 marks a significant shift from an approach focused primarily on agricultural production to a more human-centered and climate-sensitive vision. The GGS placed particular emphasis on youth entrepreneurship in rural areas, with the aim of fostering the emergence of a new generation of agricultural entrepreneurs. However, a preliminary assessment of the implementation of the GGS until 2024 highlighted some challenges: (i) the difficulty of generating new jobs in traditional primary production, while the services (especially digital) and food processing sectors present untapped growth potential; (ii) slower than expected adoption of sustainable and climate-resilient agricultural practices such as conservation agriculture and organic farming, which requires increased efforts and better use of incentives to accelerate the climate transition, particularly in the face of intensifying climate change impacts. To address this issue and seize opportunities, a new generation of solidarity agriculture projects was launched in 2020 to support vulnerable populations. These projects aim to create an agricultural middle class, improve farmer organization, and promote employment for rural youth and women. The main target of these initiatives is small farmers, rural youth, and women. The new generation of solidarity agriculture projects is based on four main initiatives: i) diversification of production systems through the introduction of new animal and plant sectors to improve resilience and profitability; ii) sustainable intensification of production systems, which promotes the transition to more ecological agriculture; iii) the valorization of agricultural products and iv) the inclusion and empowerment of young people and rural women, by supporting the creation of entrepreneurial cooperatives in agriculture and related services.
Harmonization/ Aid coordination	Overall coordination among donors in Morocco is very satisfactory and is reflected in formal frameworks for exchange and dialogue, of which the Bank is a member. The launch of the new agricultural development strategy, "SGG 2020-2030," has encouraged the establishment of a framework for consultation and coordination to provide technical and financial support for the implementation of this new strategy, particularly in the context of co-financing new results-based financing programs. The activities to be financed under the PAASIFEJ, which are mainly focused on the challenges of rural development in vulnerable areas and resilience to the effects of climate change, constitute one of the components of a more global matrix of activities to support the implementation of Generation Green (PPR-GG), whose contribution from the World Bank and AFD jointly amounts to €313 million, another matrix of a nationally determined contribution support program (PPR-CDN) with a total amount of USD 350 million from the World Bank, in addition to a results framework of the Transforming Agri-Food Systems in Morocco Program (PPR-TSA) with a total amount of USD 250 million.
Added value of the Bank	The PAASIFEJ is built on the foundations of previous programs supported by the Bank, namely: (i) the Support Project for the National Irrigation Water Saving Program (PAPNEEI 1- 2009), which worked to establish localized irrigation infrastructure and support for improving production in the areas of action of the

	Loukkos, Tadla and Doukkala Agricultural Development Offices over an area of 20,000 ha; (ii) the Budget Support Program for the Green Morocco Plan - Phase 1 (2012), which had the strategic objective of contributing to strengthening the competitiveness of the agricultural sector through the business climate and sustainable management of agricultural water; (iii) the Budget Support Program for the Green Morocco Plan - Phase 2 (2015), which contributed to strengthening the competitiveness of the agricultural sector for inclusive, gender-sensitive and green economic growth; (iv) the Support Project for the National Irrigation Water Saving Program (PAPNEEI 2 - 2016) which finances the establishment of localized irrigation infrastructure and support for improving production in the action zones of the Loukkos and Doukkala Agricultural Development Offices over an area of 26,000 ha; (v) the Support Program for the Inclusive and Sustainable Development of Agricultural Sectors in Morocco (PADIDFA - 2018) which aimed to contribute to strengthening the competitiveness of the agricultural sector for inclusive and sustainable economic growth, through the promotion of value chains, job creation, improvement of the business climate and sustainable management of natural resources; and (vi) the Support Program for the Inclusive and Sustainable Development of Agricultural and Rural Areas (PADIDZAR - 2021) which will contribute to improving the living conditions of populations in agricultural and rural areas, the emergence of an agricultural middle class and strengthening the resilience of Moroccan agriculture, particularly small-scale agriculture, to the effects of Climate Change. Finally, this program will combine efficiency and effectiveness by: i) working in complementarity with the RBF programs of the World Bank and AFD - the Bank focusing on issues where its know-how is more confirmed and where it has comparative advantages: development of irrigation, sustainable resource management by the agricultural sector, agricultural entrepreneurship and ii) focusing on geographical areas where the potential for solidarity agriculture is greatest. The RBF is the most appropriate instrument for this type of intervention, for several reasons: 1) By using the national procurement system and focusing on results, it allows for the Bank to accelerate its support to a more decentralized infrastructure development process; 2) the proposed program has already been integrated into the SGG medium-term expenditure framework; 3) this program proposes to co-finance interventions designed with other TFPs; 4) the FAR instrument allows for the combination of an investment program and a reform program; 5) the flexibility provided allows for the adoption of a flexible and scalable disbursement schedule provided that the results are achieved, justified and verified and 6) it allows for the development of the achievements and experiences of previous Bank operations in the sector and the development of complementarities with the Bank's other ongoing interventions.
Overall risk assessment	Moderate
Contribution to gender equality and women's empowerment	PAASIFEJ is in line with the Bank's Gender Strategy (2021-2025), "Investing in African Women to Accelerate Inclusive Growth", through its three strategic pillars, respectively Pillar 1 "Empowering Women through Access to Finance and Markets", Pillar 2 "Accelerating Employability and Job Creation for Women through Skills" and Pillar 3 " Improving Women's Access to Social Services through Infrastructure" . The Program aims to promote the development of youth and women's entrepreneurship in rural areas, by establishing appropriate financing mechanisms, strengthening the governance of entrepreneurship schemes and providing technical and financial support. These initiatives will contribute to creating an environment conducive to the emergence of rural entrepreneurs, while promoting the economic and social empowerment of women, particularly in the agricultural, para-agricultural, processing and digital sectors. Women will be particularly supported through: 1) support for the financing mechanism for agricultural, para-agricultural, processing and digital projects; 2) strengthening the governance of the rural entrepreneurship system; 3) improving technical and financial support for women and young people and 4) supporting initiatives for the development of a more inclusive and efficient rural entrepreneurial ecosystem, where women and young people can play a leading role in local economic development. The program also places particular emphasis on the establishment of improved production infrastructure as well as dedicated agricultural services that will enable rural women farmers to consolidate their sectors, strengthen their skills and increase their productivity.
Borrower's environmental and social implementation capacity	In accordance with the E&S requirements applicable to results-based financing, the program is classified as category 2 (moderate E&S risk), and an Environmental and Social Systems Assessment (ESSA), including an Environmental and Social Action Plan (ESAP), was prepared by the Bank in consultation with the Borrower, and published on the Bank's website on 10/06/2025. The implementation of the ESAP will be ensured by ADA through the E&S specialists of the environment department and the DRAs responsible for implementing the program's activities. ADA has an environmental, social and gender policy that was developed as part of Readiness-type financial support in 2020 for the prospection and proposals of development projects for financing by the Adaptation Fund (FA Readiness Grant). A disbursement indicator (DLI11) linked to the implementation of the ESES

	E&S action plan is part of the program's DLIs.
Contributions to green growth and climate change	On the climate front in particular, the program contributes to the mitigation of Climate Change (CC) among other things by planting resilient species, scaling up direct seeding, promoting solar systems etc, but also and above all to adaptation to CC by providing a tangible response to the variability induced by these effects in terms of precipitation and duration of drought episodes which are now more frequent and long-lasting. It should be noted that on the Climate Plan, the Program contributes to "Accelerating the implementation of the national policy to combat Climate Change" (Issue 4 of the National Sustainable Development Strategy-SNDD 2030) thus fitting into the framework of the following strategic axes: (i) including the territories in an approach to combat global warming and (ii) improving climate resilience [i]. Specifically, the Program will place particular emphasis on improving the resilience of small farmers by: i) strengthening access to water, ensuring the safeguarding and proper functioning of existing irrigation structures, such as seguias, while developing new infrastructure adapted to growing needs; ii) improving the productivity and yield of farms, by promoting the adoption of climate-resilient practices within the framework of solidarity agriculture, by optimizing resources and reducing losses; and iii) increasing the income of farmers, thus contributing to the improvement of their living conditions while reducing the vulnerability of a population of farmers to climate hazards.

RESULTS-BASED FINANCING (RBF) FRAMEWORK FOR THE SUPPORT PROGRAMME FOR INCLUSIVE SOLIDARITY-BASED AGRICULTURE FOR WOMEN AND YOUNG PEOPLE (PAASIFEJ)

RESULTS FRAMEWORK														
A. PROGRAMME INFORMATION														
PROGRAMME NAME AND SAP CODE: Support Programme for Inclusive Solidarity-Based Agriculture for Women and Young People (PAASIFEJ) (P-MA-AA0-024)												**Country/Region:** Morocco (RDGN)		
IMPACT	Contribute to improving food security, promoting sustainable employment and entrepreneurship for women and young people, and strengthening the resilience of Moroccan small-scale agriculture to the effects of climate change (CC).													
DEVELOPMENT GOAL	Strengthen job creation and entrepreneurship in rural areas by prioritizing women and young people and strengthening their resilience to climate change.													
RESULTS AREAS	(i) Solidarity-based agriculture developed in a more inclusive and sustainable manner for women and young people; (ii) Women's and young people's entrepreneurship developed in a more inclusive and effective manner; and (iii) Institutional and sector capacity built.													
ALIGNMENT INDICATOR(S)	Prevalence of moderate or severe food insecurity in Africa (%); Proportion of the population living below the poverty line (%); Employment to population ratio (women/young people).													
B. RESULTS MATRIX														
INDICATORS	**DLI (Y/N)**	**Actor**	**Unit of Measurement**	**Baseline (2024)**	**Target 2030**	**Target Dates**						**Freq.**	**Data, Source & Method**	**Data Collection Body**
						2025	**2026**	**2027**	**2028**	**2029**	**2030**			
OUTCOMES														
OUTCOME 1: Food security strengthened and sustainable employment opportunities for women and young people improved.														
OUTCOME INDICATOR 1.1: Plant production												Annual	PMU monitoring reports	DSS
▪ Cereals	N	DSS	T/HA	1,4	2,2	1,5	1,6	1,8	1,9	2,1	2,2			
▪ Trees				4,4	5,3	4,5	4,7	4,9	5,1	5,2	5,3			
OUTCOME INDICATOR 1.2: Animal production														
▪ Red Meat	N	DSS	T	600 000	800 000	650 000	675 000	700 000	725 000	750 000	800 000			
OUTCOME INDICATOR 1.3: Women and young people with access to public financing for the implementation of solidarity-based agricultural projects	N	ADA	Number	0	4000	1000	2000	3000	4000	4000	4000	Annual		DRAs/DPAs ORMVAs
OUTCOME 2: The resilience of solidarity-based agriculture and attractiveness of rural areas strengthened to support the inclusion and empowerment of rural women.														
OUTCOME INDICATOR 2.1: Increase in the number of women benefiting from solidarity-based agricultural projects	N	ADA	%	0	100	20	40	60	80	100	100	Annual	PMU monitoring reports	DRAs / DPAs/ ORMVAs
OUTCOME INDICATOR 2.2: Efficiency of irrigation networks	N	ADA	%	40	70	43	49	55	63	70	70	Annual		
OUTPUTS														
Results Area 1: Development of solidarity-based agriculture in a more inclusive and sustainable manner to the benefit of women and youth														
OUTPUT 1.1: Infrastructure for inclusive and sustainable production and productivity strengthened to support the advancement of women and young people.														
OUTPUT INDICATOR: **Length of seguias developed and rehabilitated**	Y	**ADA**	**Km**	0	160	20	50	80	120	160	160	Annual		DRAs/ DPAs/ ORMVAs
OUTPUT INDICATOR: **Water points developed and/or rehabilitated**	Y	**ADA**	**Unit**	0	150	20	45	70	100	150	150	Annual		

OUTPUT INDICATOR: Feeder roads developed and maintained	N	ADA	Km	0	200	40	80	120	160	200	200	Annual		
OUTPUT INDICATOR: **Head of livestock distributed to households and women**	Y	**ADA/DRA**	**Unit**	0	15000	4000	8000	12000	15000	15000	15000	Annual		
OUTPUT INDICATOR: **Beehives distributed to households and women**	N	ADA	Number	0	10000	1000	3000	5000	7000	10000	10000	Annual		
OUTPUT 1.2: Agricultural services improved and supervision sustained to support the advancement of women and young people.														
OUTPUT INDICATOR: Provision of agricultural extension services to women and young people for solidarity-based agriculture	N	ONCA 7 DRAs	Number	0	600	100	200	300	400	500	600	Annual	PMU monitoring reports	DRCAs
OUTPUT INDICATOR: Rural women benefiting from training and support for solidarity-based projects	N		Number	0	1000	175	350	525	700	875	1000	Annual		DRCAs DRCAs
OUTPUT INDICATOR: Agricultural extension officers mobilized for solidarity-based projects (private/public)	N		Number	0	20/10	2/1	4/2	8/4	12/6	16/8	20/10	Annual		DRCAs
OUTPUT INDICATOR: Field farmer schools (FFS) for rural women	N		Number	0	55	6	11	22	33	44	55	Annual		DRCAs
OUTPUT 1.3: Agricultural sub-sectors are strengthened.														
OUTPUT INDICATOR: Development (1) and/or production workshops held for women and young people.	N	ADA/DRA	Number	0	40	0	5	10	20	30	40	Annual	PMU monitoring reports	DRAs/DPAs/ORMVAs
OUTPUT INDICATOR: **Surface area covered by new resilient plantations**	**Y**		Ha	0	50000	10000	20000	30000	40000	50000	50000	Annual		DRAs/ORMVAs
OUTPUT INDICATOR: Number of agricultural and/or agriculture-related service cooperatives created or improved in target oases and operating in the date palm value chain **(World Bank)-PP**	N	PMU/PPR -CDN	Number	0	10	-	-	-	10	-	-	Annual		PMU/PPR-CDN
OUTPUT INDICATOR: Surface area covered by pasture land improvement	N	ADA/DRAs	Ha	0	4000	500	1000	1500	3000	4000	4000	Annual		DRAs/DPAs/ORMVAs
OUTPUT INDICATOR: Photovoltaic equipment installed at recovery units and hydroponic barley units in solidarity-based projects	N	ADA/DRAs	Number	0	5	0	1	2	3	4	5	Annual	PMU monitoring reports	DRAs/DPAs/ORMVAs
OUTPUT INDICATOR: **Rainwater collection structures developed and/or rehabilitated**	**Y**	ADA/DRAs	Number	0	30	10	15	20	25	30	30	Annual		DRAs/ORMVAs
OUTPUT INDICATOR: Direct seeders distributed to agricultural service cooperatives and farmers' organizations	N	ADA/DRAs	Number	0	40	0	10	15	20	30	40	Annual		DRAs/ORMVAs
OUTPUT INDICATOR: Modernized multi-risk climate insurance product (MRCP) for favorable areas developed **(World Bank)-PP**	N	PMU/PPR -TSA	Y/N	No	Yes	-	Yes	-	-	-	-	Annual		PMU PPR-TSA

Results Area 2: Women and youth entrepreneurship developed in a more inclusive and effective manner.														
OUTPUT 2.1: Prerequisites met and financing arrangements and mechanism for youth and women entrepreneurship in rural areas strengthened.														
OUTPUT INDICATOR: Technical instruments for implementing the Master Plan for Agricultural, Agriculture-related and Digital Services designed.	N	ADA	Y/N	N	Y	Y	Y	Y	Y	Y	Y	Annual	PMU monitoring reports	ADA/DRAs
OUTPUT INDICATOR: Technical support mechanism for youth and women entrepreneurship strengthened.	N	ADA	Y/N	N	Y	N	Y	Y	Y	Y	Y	Annual		ADA
OUTPUT INDICATOR: Digital platform for youth and women entrepreneurship in rural areas set up.	N	ADA	Y/N	N	Y	N	Y	Y	Y	Y	Y	Annual		ADA
OUTPUT INDICATOR: **Summary notes from the consultation workshops held with stakeholders on the proposed ifinancing initiative for women and young entrepreneurs**	Y	ADA/DSS/DF										Annual		ADA/DSS/DF
• **intermediate note**			Y/N	N	Y	N	Y	Y	Y	Y	Y			
• **final summary note**			Y/N	N	Y	N	N	Y	Y	Y	Y			
OUTPUT 2.2: Technical and financial support for women and young people improved.														
OUTPUT INDICATOR: Awareness and business development days targeting women and young people in rural areas launched.	N	ADA/DRAs	Number	0	25	5	10	15	20	25	25	Annual	PMU monitoring reports	ADA/DRAs
OUTPUT INDICATOR: Number of young people with business plans eligible for funding by CREJ or other partner committees and bodies **(World Bank)-PP**	N	ADA/DRAs	Number	5.000	10.000	8000	9000	10000	-	-	-	Annual		PMU/PPR-GG
OUTPUT 2.3: The empowerment of women and young people in rural areas strengthened.														
OUTPUT INDICATOR: Number of young people with agricultural projects and agricultural, agriculture-related and digital services operational or in the process of being implemented **(World Bank)** - Excluding the call for projects – **PP**	N	ADA/DRAs	Number	0	13000	5000	9000	13000	-	-	-	Annual	PMU monitoring reports	PMU-PPR DSS
OUTPUT INDICATOR: **Women entrepreneurs assisted in formalizing their business plans**	Y	ADA/DRA	Number	0	700	50	100	200	300	400	700	Annual		ADA/DRAs
Results Area 3: Institutional and sector capacity built.														
OUTPUT 3.1: Institutional and strategic framework for promoting solidarity-based agriculture (SBA) and youth and women entrepreneurship established.														
OUTPUT INDICATOR: **Transmission to the Bank of the two signed agreements relating to the Agreements to build the capacity of institutional stakeholders in gender-responsive budgeting (GRB) namely: (i) Specific agreement between the GRB Centre of Excellence and ADA; and (ii) Specific agreement between the GRB Centre of Excellence and ONCA.**	Y	ADA ONCA	Number	0	**2**	0	2	2	2	2	2	Annual	PMU monitoring reports	ADA/ONCA
OUTPUT INDICATOR: Training on gender-responsive budgeting (GRB) and monitoring of impact indicators for the central level (ADA and ONCA) and decentralized entities in seven regions organized.	N	ADA ONCA	Training modules	0	32	0	8	16	24	32	32	Annual		

OUTPUT INDICATOR: Digitalisation of the system for monitoring solidarity-based agriculture and entrepreneurship (strengthening of the PPS and Chabab agri - corrective and evolutionary maintenance, consolidation of security, etc.)	N	ADA	Y/N	N	Y	N	N	Y	Y	Y	Y	Annual		ADA
OUTPUT INDICATOR: **Livestock-centred SBA governance framework established (simplified livestock-centred SBA procedure established - Circular issued by the Minister of Agriculture)**	Y	ADA	Y/N	**N**	**Y**	Y	Y	Y	Y	Y	Y	Annual		ADA
OUTPUT INDICATOR: Regional Centres for Young Agricultural and Agri-food Entrepreneurs (CRJEA) functional **(World Bank)-PP**	N	ADA	Y/N	**N**	**Y**	Y	Y	Y	Y	Y	Y	Annual		PMU/PPR-GG
OUTPUT INDICATOR: Call for expression of interest from PPPs for the management and operation of units set up within the framework of solidarity-based agriculture launched.	N	ADA/ DRA	Y/N	**N**	Y	N	N	Y	Y	Y	Y	Annual	P M U monitoring reports	ADA/DRAs
OUTPUT INDICATOR: Exchanges with African countries within the framework of South-South cooperation strengthened.	N	DSS	Nb of missions (2)	0	55	5	15	25	35	45	55	Annual	PMU monitoring reports	DSS
OUTPUT 3.4: The management and coordination capacity of actors to support SBA and women's and youth entrepreneurship improved.														
OUTPUT INDICATOR: Technical assistance provided to the PMU existing at the central level.	N		Y/N	N	Y	Y	Y	Y	Y	Y	Y	Annual		
OUTPUT INDICATOR: **Standard bidding document for the promotion of entrepreneurship prepared in accordance with Circular No. 01/ADA/DIP of 2 January 2024 on the implementation of the Youth Entrepreneurship Programme under the GGS 2020-2030**	Y	ADA	Y/N	N	Y	Y	Y	Y	Y	Y	Y	Annual	P M U monitoring reports	ADA DRAs
OUTPUT INDICATOR: Communication plan prepared and implemented.	N		Y/N	N	Y	N	Y	Y	Y	Y	Y	Annual		
OUTPUT INDICATOR: **Implementation of the Environmental and Social Action Plan (ESAP)**	Y	ADA	Number	0	21	1	6	10	14	18	21	Quarterly	Quarterly E&S monitoring report	ADA DRAs

(1) Production and development workshops: These are small-scale development units dominated by women, such as cheese-making, PAM, distilleries, d rying facilities, couscous production and honey houses, etc.).

(2) Exchange visits as part of South South cooperation (3) DLI will be verified on a fiscal year basis (January 1 - December 31) from 2025 onward s, and on the basis of activities delivered during the period.

I.STRATEGIC CONTEXT

1.1. Country Context

1.1.1. **Political context: Morocco enjoys political stability which remains the cornerstone of its development.** Since the reforms initiated in 2011, the country has made significant progress in improving its political, economic and social systems. The 2011 constitutional amendment introduced mechanisms to bolster political pluralism and individual rights,reaffirming the country's dedication to democracy.Furthermore, the decentralization process initiated through the 2015 regional and local elections has encouraged greater citizen participation in the management of local affairs, thereby strengthening governance at the regional, prefectural and council levels.

1.1.2. **Economic and social context** . Over the past decade, Morocco has made significant progress, thanks to substantial public investment and reforms in various sectors. Real gross domestic product (GDP) per capita at constant prices increased substantially by 23% over the period 2010-2023, from USD 2,767 in 2010 to USD 3,403.3 in 2023 [ii]. The Moroccan economy, in particular, has demonstrated impressive resilience in the face of a series of multiple shocks in recent years. These include the COVID-19 pandemic, global inflationary pressures, severe droughts exacerbated by climate change, and the devastating earthquake in September 2023. Despite these challenges, real GDP growth rebounded to 3.7% in 2023 and 3.8% in 2024 from 1.8% in 2022, supported by a notable recovery in key sectors such as tourism, construction, and export-oriented mining and manufacturing.

1.1.3. **However, despite efforts to stimulate long-term growth, Morocco is still struggling to reverse certain negative structural trends in its labor market** . In particular, the labor force participation rate has declined by 8.7 points over the last decade, from 52.2% in 2004 to 43.5% in 2024 according to the HCP. Furthermore, between 2019 and 2024, the unemployment rate increased by 4.1 points [iii]compared to its pre-pandemic level, highlighting the need for more targeted reforms in this crucial sector. The country is particularly faced with the challenges of a high unemployment rate among young graduates, regional inequalities and the mismatch between the skills of the education system and the needs of the labor market.

1.1.4. **To address these challenges, the Moroccan Government has introduced initiatives to strengthen the foundations of thewelfare state.These include improvements to education, healthcare, vocational training and social protection, as well as support for the regionalization process.** On 10 December 2024, the Moroccan Government adopted an employment roadmap to enhance momentum in the employment sector. The roadmap aims to create decent employment opportunities for all social groups. It will also address water management and the challenges faced by rural areas and take practical measures to support small- and medium-size enterprises. The Government's Agenda 2021–2026 aims to create at least 250 000 direct jobs, launch a programme to support and finance individual initiatives and small-scaleprojects, and foster an environment conducive to the growth of innovative start-ups. Under the 2025 Finance Law, about MAD 14 billion (around EUR 1.43 billion) has been earmarked for promoting employment.

1.1.5. **Over the past two decades, the Kingdom of Morocco has pursued an aggressive policy to promote gender equality and the economic empowerment of women.** This policy has led to a strong commitment, as evidenced by the enshrinement of the principle of gender equality and parity in the

Constitution and the introduction of policy and legal frameworks[iv] such as the New Development Model (2021–2035) which aims, among other things, to achieve a 45% female employment rate by 2035,[v] the Green Generation strategy (2020–2030), and the new laws on combatting violence against women and improving the working and employment conditions of domestic workers. Other commitments include the 2018 law establishing the Authority for Parity and the Fight against All Forms of Discrimination, the National Integrated Programme for Women's and Girls' Economic Empowerment (Morocco-Attamkine), the Government Equality Policy (PGE) which is now in its third generation, and ensuing medium-term sector action plans (PASMT). In addition to the institutions in charge of steering governance and gender policy, the Kingdom of Morocco established a Centre of Excellence for Gender-Responsive Budgeting (CE-BSG) in 2013. The Centre plays a pivotal role in assisting ministries in implementing the reforms introduced in the Finance Law, enabling the integration of the gender dimension into budget planning, as well as the monitoring and evaluation stages. Another example of

the Government's commitment to ensuring equal access to opportunities and factors of production for women and men is the Centre for Women's Inclusion in Land Rights (CIFF) which was set up in 2023.

1.1.6 However, the participation of Moroccan women in their country's economic life remains low. Despite achieving the same rates of completion of primary and tertiary education and life expectancy[vi] as men, women are underrepresented in the labour market and in terms of economic opportunities. They have a labour participation rate of 20.6% and an unemployment rate of 19,4%.[vii] They predominate in the informal sector, characterized by precariousness (lack of social protection) and low income. This underrepresentation is even more pronounced among rural women, who have an unemployment rate of 69.4%. Furthermore, a significant proportion of young people (51.1%) are not in education, employment or training (NEET).[viii]

1.1.7 **Reducing these disparities by formulating a new inclusive development model was at the heart of the July 2019 Speech from the Throne. The New Development Model Commission mandated by His Majesty presented its findings in May 2021**. The achievement of targeted development objectives by 2035 will transform Morocco into a *prosperous, skills-based, inclusive, supportive and resilient* country. These orientations should enable the Kingdom to enjoy strong, inclusive and resilient growth in the medium term. **The new development model resulted in the launch of the "Green Generation" Agricultural Strategy (GGS) in February 2020** which replaces the Green Morocco Plan (PMV) and puts farmers at the centre of its objectives. To this end, the GGS promotes (i) the emergence of an agricultural middle class by improving income, protecting farmers and encouraging the vocational integration of young people; and (ii) sustainable agricultural development. This new strategy builds on the achievements of the PMV which was evaluated in 2018 by the Ministry of Agriculture, Maritime Fisheries, Rural Development and Forestry. This evaluation underscored the need to: (i) develop human capital and support the socio-institutional dimension, and (ii) adopt a sustainable approach to perpetuate the gains made and build resilience in the agricultural and rural sector.

1.1.8 **Governance: According to the 2023 Ibrahim Index of African Governance (IIAG), Morocco ranks 8th out of 54 countries in Africa with a score of 62.0 out of 100.0 for overall governance**. However, the IIAG shows that there has been a slowdown in the improvement of governance in Morocco since 2019. According to the World Bank's Worldwide Governance Indicators (2023), Morocco achieved relatively high scores for government effectiveness, regulatory quality, the rule of law and control of corruption, with percentile rankings close to 50%. However, the scores are lower for voice and accountability, as well as for political stability, with rankings close to 30%. Lastly, in terms of combating corruption, Morocco scored 37 out of 100 on Transparency International's 2024 Corruption Perceptions Index (CPI), ranking 99th out of 180 countries. This represents a decline from its score of 38 in 2023 and best ranking of 73rd in 2018 with a score of 43. The average for the Middle-East, North Africa (MENA) region is 39, while the global average is 43.

1.1.9 **Anti-corruption initiatives and efforts:** Despite its falling rankings, Morocco has made progress in implementing its National Anti-Corruption Strategy. This strategy was adopted in 2015 and spans ten years, with a target date of 2025. It is being implemented through ten main programmes covering a wide range of sectors. Recent progress includes: (i) the adoption of a Public Services Charter aimed at improving transparency within the administration; (ii) the streamlining of administrative procedures; (iii) the introduction of new public procurement regulations to strengthen oversight of public contracts and spending; (iv) the establishment of the National Authority for Probity, Prevention and Fight Against Corruption (INPPLC), in accordance with the 2011 Constitution; (v) the enactment of legislation in 2011 to protect whistleblowers; and (vi) the enactment of new public procurement laws in 2014 to introduce international best practices.

1.2. Sector and Institutional Context

1.2.1. **Rural areas remain vital for strengthening the country's resilience, reducing the vulnerability of ecosystems, local economies and rural populations, and addressing the employment–gender–climate change nexus.** The High Commission for Planning (HCP) reported a general decline in the absolute poverty rate, dropping from 4.8% in 2014 to 3.9% in 2022, having reached 1.7% in 2019. The same trend was observed in rural areas where the poverty rate dropped from

9.5% in 2014 to 6.9% in 2022. In contrast, poverty in urban areas increased slightly from 1.6% in 2014 to 2.2% in 2022. A total of 1.42 million people were living in poverty in the country in 2022, with 36% of them residing in urban areas and 64% in rural areas. Five regions have a poverty rate higher than the national average of 3.9%: Fès-Meknès (9%), Guelmim-Oued Noun (7.6%), Béni Mellal-Khénifra (6.6%), Drâa-Tafilalet (4.9%) and Oriental (4.2%). Job creation in rural areas remains weak, with the national unemployment rate standing at 13.3% in 2024, an increase on the previous year. The rate is even higher among 15- to 24-year-olds (36.7%), graduates (19.6%), and women (19.4%). This trend is occurring at a time when the Kingdom is experiencing a drought which is affecting the agricultural sector and its jobs. The low rainfall recorded between 2018 and 2023 has seriously impacted rain-fed agriculture and livestock farming. This has led to water rationing for irrigation which has also impacted stockbreeding. The resulting decline in agricultural and livestock production has offset the sector's trade balance, affecting the country's ability to meet its domestic food needs.

1.2.2. **Agriculture nevertheless remains a key sector for the Moroccan economy, representing approximately 10% of GDP in 2024, 23% of its exports, and generating nearly 26.3 % of jobs at the national level, more than 80% of which are in rural areas.** The agricultural sector thus remained the second largest provider of jobs in Morocco after the services sector in 2024. It presents significant opportunities for development and job creation, particularly through the structuring of value chains and the improvement of product quality. In 2023, agri-food exports reached US$6.1 billion, marking a record increase of 277% compared to 2001. Despite growing competition from Mediterranean countries, Morocco remains among the world leaders in certain products (beans, tomatoes, peppers, citrus fruits and red fruits).

1.2.3. **Rural Moroccan women play a major role in the agricultural sector, where they contribute more than 40% of Morocco's agricultural workforce.** The rural female population constitutes almost half of the rural population with 49.2% and represents 36.5% of the total Moroccan female population [ix]. Their participation is undervalued because their work is perceived as family help and not counted or as seasonal workers on large farms where working conditions are precarious (without social security, difficult transport and low income). In poor areas, they are often farm managers due to the exodus of husbands. They are very present in work related to the production of small family farms, the processing of livestock products and the exploitation of forest products (medicinal and aromatic plants). Access to land is very limited, "1% of women are owners in Melk land (justifying ownership)" and only hold 2.5% of used agricultural land and manage only 4.4% of farms [x]. This situation reduces women's access to means of production and especially their recognition as agricultural producers, which is essential for access to financing.

1.2.4. Rural women are mostly organized in cooperatives or economic interest groups, but their participation is still low, with 7,730 entirely female cooperatives out of 60,000 cooperatives in 2023. [xi]These cooperatives constitute one of the major sources of employment and income opportunities. However, these businesses are small, with 5 to 25 members and rarely 50 members, with limited skills in production processes and management xii. Moroccan rural women face several challenges, including poor access to employment, education and health care, information and economic opportunities, which mean that their agricultural productivity remains low and their access to finance and markets is difficult. These limitations are reflected in a high rate of women who cannot read or write at 54.70% compared to 30.80 for men and a female school enrollment rate of 50.8% compared to 96.3% in urban areas for young people aged 15-17 xiii. This demonstrates limited access to secondary and college education and school dropouts due to early marriage. In addition, the level of women without a diploma reached 57.9% compared to 33.2% in urban areas xiv.

1.2.5. **In order to seize these opportunities and address the above-mentioned challenges, the Generation Green Strategy (GGS) 2020-2030 marks a significant shift by shifting from an approach focused primarily on agricultural production to a more human-centered and climate-sensitive vision.** The main objective of the GGS is to foster the emergence of a rural middle class, create jobs for young people both on and off farms, while strengthening the human capital and skills needed to improve productivity, employment, and labor mobility. This strategy also emphasizes accelerating the transition to agriculture that is more resilient to the impacts of climate change, a process already initiated by the Green Morocco Plan (PMV).

1.2.6. **The SGG has placed particular emphasis on youth entrepreneurship in rural areas, with the aim of encouraging the emergence of a new generation of agricultural entrepreneurs** . To this end, four levers have been identified in the area aimed at encouraging this dynamic. The first lever consists of facilitating young people's access to agricultural land, with the ambition of offering land to 45,000 young people, as part of the development of one million hectares of collective land. The second lever provides for the establishment of institutional mechanisms and financial incentives to encourage the intergenerational transfer of farms, with the objective of establishing 180,000 new young

farmers, while ensuring the sustainability of farms, knowing that a large number of farmers aged over 65 must sell their land. The third lever aims to promote youth entrepreneurship in agricultural-related services, thus enabling the creation of more than 170,000 jobs. Finally, the fourth lever focuses on training, with the objective of training 150,000 young people in order to strengthen their skills and their integration into the agricultural sector.

1.2.7. **However, the SGG, consolidating the achievements of the Green Morocco Plan, highlighted the following main challenges** : (i) the difficulty of generating new jobs in traditional primary production, while the services (particularly digital) and food processing sectors present untapped growth potential; (ii) a less rapid than expected adoption of sustainable and climate-resilient agricultural practices (such as conservation agriculture and organic farming), which requires increased efforts and better use of incentives to accelerate the climate transition, particularly in the face of intensifying climate change impacts .

1.2.8. **In order to address this issue and seize opportunities, a new generation of solidarity agriculture projects was launched in 2020 to support vulnerable populations.** These projects aim to create an agricultural middle class, improve the organization of farmers and promote the employment of young people and women in rural areas. The main target of these initiatives is small farmers, rural youth and women, with clear objectives: to promote social inclusion and empowerment of populations, improve incomes and generate jobs, while strengthening the resilience of family farming and preserving natural resources. The new generation of solidarity agriculture projects is based on four main initiatives: i) the introduction of new animal and plant sectors to improve the profitability of farms that grow low-value crops; ii) the sustainable intensification of production systems, promoting the transition to more ecological agriculture; iii) the valorization of agricultural products, by developing processing, packaging, logistics and marketing projects; iv) the inclusion and empowerment of rural youth and women, by supporting the creation of agricultural cooperatives. To ensure effective targeting and guarantee good governance, eligibility criteria have been put in place. These criteria take into account the territory, the beneficiaries, professional agricultural organizations (APOs) and the projects themselves, in order to maximize the impact of these initiatives and best meet the needs of the target populations.

1.3. Linkage with the Bank's Strategies

1.3.1 **As of May 6, 2025, the Bank's active portfolio in Morocco consists of 32 projects** for a total commitment of UA 2.34 billion (over US$3.2 billion). It covers eight sectors of intervention: transport (16% of total commitments), social (15%), industries & mining (14%), agriculture (14%), energy (11%), water and sanitation (11%), governance/multisector (11%), and the financial sector (8%). The portfolio is consistent with the Government's priorities and the Bank's five priority areas. There are twenty-seven (27) public sector operations, including nine (9) institutional support/technical assistance, four (4) results-based financing (RBF), two (2) budget support (PBO) and eleven (11) investment projects. The portfolio includes six (6) interventions under non-sovereign guaranteed operations (20.34% of the Bank's commitments in Morocco) which are divided into three (3) lines of credit and three (3) corporate loans. The average age of the operations is 3.29 years, which remains relatively young. The portfolio includes two older projects (two institutional support in the governance sector). The overall disbursement rate of the portfolio is 54% as of May 6, 2025, which is good given the introduction of many new operations over the past year (10 new operations in 2024). The implementation of the client-connection disbursement management platform allows for greater agility and better monitoring by both the authorities and the Bank. The percentage of flagged projects in the active portfolio is [21%] and this portfolio does not include any risky operations (problematic or potentially problematic projects). **Since its establishment, the Bank has supported Morocco's agricultural sector, financing 28 operations for a total amount of nearly EUR 1.26 billion**. The main areas of cooperation are infrastructure development, green governance of the agricultural sector, and inclusive value chain development. Three operations are currently being implemented, namely: (i) the Inclusive and Sustainable Development Support Programme for Agricultural and Rural Areas (PADIDZAR); (ii) the Project to Support the Inclusive and Sustainable Development of Forest Areas (PADIDZOF); and (iii) the Inclusive and Sustainable Development Support Programme for Agricultural and Rural Areas (PADIDZAR) – MIC Technical Assistance Grant. The agricultural portfolio does not include any flagged operation.

1.3.2 **The PAASIFEJ is aligned with the Bank Group's "Feed Africa" Strategy and, by adopting an ecosystem approach focused on the inclusion of small-scale agriculture, allows for a particular focus on rural women and the promotion of rural entrepreneurship among women and young people.** This anchoring is also confirmed by the implementation of several facilitators including: i) increasing productivity; ii) developing infrastructure; iii) improving the business climate; iv) inclusion, nutrition, sustainability and coordination of stakeholders. This Program is also perfectly

aligned with the Bank Group's Ten-Year Strategy (2024-2033), which aims to accelerate growth and inclusive, green and resilient development, while improving the quality of life of populations, particularly women and young people [xv]. Thus, the PAASIFEJ supports the direction of the said ten-year strategy in terms of redirecting resources towards the establishment of sustainable and resilient growth, creating jobs and equity (spatial, by gender and in favor of vulnerable groups). It is also aligned with the Multisectoral Nutrition Action Plan 2018-2025 which aims to improve the nutritional status of populations. It is, moreover, in line with the Bank's intervention strategy in Morocco (DSP 2024-2029), whose main objective is to strengthen growth and make it more inclusive and more resilient to exogenous shocks. The program is aligned with the two pillars of the DSP, namely: (i) strengthening inclusive growth through skills development, employability and entrepreneurship and (ii) consolidating resilience to exogenous shocks through the development of sustainable infrastructure. In particular, PAASIFEJ focuses on more inclusive economic growth and the protection of natural resources, which are considered public goods to be preserved, and on strengthening resilience to climate shocks, which is fully aligned with the Bank's Strategic Framework on Climate Change and Green Growth and its 2021-2025 Action Plan . PAASIFEJ is consistent with the Bank's Gender Strategy (2021-2025), "Investing in Gender Equality for Africa's Transformation", more specifically Pillar I "Empowering Women through Access to Finance and Markets", Pillar 2 "Accelerating Women's Employability and Job Creation through Skills" and Pillar 3 " Improving Women's Access to Social Services through Infrastructure". It is also consistent with the Strategy for Youth Employment in Africa 2016-2025 and contributes to the implementation of the "Bank Group Water Strategy 2021-2025 - towards water security in Africa" and works in the Agriculture-Water-Energy nexus by taking into consideration the development of renewable energies in rural areas. Finally, the program is aligned with the 2022-2026 Strategy to address fragility and strengthen resilience in Africa and is consistent with the guidelines of the AFAWA program which promotes access to financing and technical support for women entrepreneurs.

1.3.3**. The PAASIFEJis built on the foundations of previous programs supported by the Bank, namely**: (i)**Support Project for the National Irrigation Water Saving Program (PAPNEEI 1- 2009**) which worked to establish localized irrigation infrastructure and support for improving production in the areas of action of the agricultural development offices of Loukkos, Tadla and Doukkala over an area of 20,000 ha.; (ii) **Budgetary support program for the Green Morocco Plan - Phase 1 (PAPMV1-2012)** which had the strategic objective of contributing to strengthening the competitiveness of the agricultural sector through the business climate and sustainable management of agricultural water; (iii) **Budgetary support program for the Green Morocco Plan - Phase 2** (**PAPMV1-2015**) which contributed to strengthening the competitiveness of the agricultural sector for inclusive, gender-sensitive and green economic growth; (iv) **Support Project for the National Irrigation Water Saving Program (PAPNEEI 2-2016**) which finances the establishment of localized irrigation infrastructure and support for improving production in the action zones of the Loukkos and Doukkala Agricultural Development Offices over an area of 26,000 ha; (v) **Support Program for the Inclusive and Sustainable Development of Agricultural Sectors in Morocco (PADIDFA-2018)** which supported the competitiveness of the agricultural sector for inclusive and sustainable economic growth, through the promotion of value chains, job creation, improvement of the business climate and sustainable management of natural resources; (vi) **Support Program for the Inclusive and Sustainable Development of Agricultural and Rural Areas (PADIDZAR-2021)** which supported the rational and sustainable management of natural resources and the inclusive development of value chains to support the emergence of the middle class in rural areas; (vii) **Support Program for the Inclusive and Sustainable Development of Forest Areas (PADIDZOF-2024)** which supported the rational and sustainable management of forest resources and the inclusive development of value chains in forestry sectors to support the emergence of the middle class in the forestry environment.

1.3.4 **.This operation also capitalizes on the lessons learned from the FAR on access to employment approved in 2018, the FAR for improving territorial competitiveness approved in 2019, the Social Protection Improvement Support Program and previous programs financed by the Bank and PADIDZAR for the benefit of the agricultural sector in 2021.**The main lessons learned to date in relation to the FARs have focused on: (i) involving at the grassroots level the actors associated with the implementation of the program for a dialogue-based design and concerted implementation (organization of consultation workshops throughout the formulation, creation of an intersectoral preparation working group, etc.); (iii) adjusting the amount of the advance to the investment implementation process; (iv) the need to support the operation with a capacity building plan to fill the gaps identified in the short-medium term in order to ensure the achievement of the expected results; (v) ensure better mobilization of the actors involved to guarantee the appropriation of the products of results-based financing; and (vi) ensure the coherence and duration of the Bank's program in relation to the Government's investment program to achieve the expected results. These lessons were taken into account in the design of the PAASIFEJ. In addition, the main lessons learned from previous programs and taken into consideration in the PAASIFEJ instruction are: (i) the relevance of using the FAR to ensure the achievement of tangible results over the duration of the program and (ii) the geographical focus on the seven regions which represent a strong potential for inclusion and development according to the dialogue conducted in particular with the DSS, the ADA and the ONCA.

1.4. Rationale for Bank Involvement and Choice of Instrument

1.4.1. **This results-based program, the management of which is entrusted to the ADA, is directly in line with the “Green Generation Strategy – SGG 2020-2030”, in particular through its strategic programmes (solidarity agriculture and youth entrepreneurship)** . Results-Based Financing (RBF) is the appropriate instrument for this type of intervention, for the following reasons in particular:

- **First, no activity planned under this program presents any high E&S risk (category 1). Therefore, the RBF instrument can be used in accordance with the provisions of the RBF Policy and the ISS on the use of the RBF** . **Also, this program is a targeted intervention on Moroccan regions concerned by solidarity agriculture projects**. TheRBFinstrument allows, by using the national procurement system and focusing on results, in particular to accelerate the Bank's support for the establishment of a more decentralized infrastructure development process.

- **Secondly, the bulk of the activities of the proposed RBF programme are part of the SGG's multi-annual budgetary programming** . Thus, the PAASIFEJ aims to encourage the Government to achieve the results planned within the framework of this programming .

- **Third, this program proposes to co-finance results-based programs designed with other TFPs to fully contribute to the government's program for the implementation of the SGG** . It co-finances in a complementary manner two other results-based programs financed by the World Bank and the AFD.

- **Fourthly, the RBF instrument makes it possible to combine investment and reform.** It helps to improve the systems and institutions that will implement an important part of the national programme. A level of comprehensive support like this would not have been possible with standard investment project financing. The RBF instrument can support critical investment programmes covering infrastructure, technical assistance, regulatory improvements and institutional reforms.

- **Fifthly, the flexibility of the RBF instrument** with regard to disbursement and the use of country systems, etc. allows the adoption of a flexible and evolving disbursement schedule, provided that results are achieved, justified and verified.

- **Sixthly, it enables the Bank to build on its previous experience in the sector and develop synergies with its other ongoing operations**. Therefore, this operation will leverage the small-scale infrastructure developed under PADIDZAR and directly strengthen the youth support programmes implemented under PADIDZAR and PADIDZOF. Support in the form of reforms will complement the outcomes of the Bank's sector budget support operations implemented to support the Green Morocco Plan (PMV) through PMV I and PMV II, as well as the Inclusive and Sustainable Development Support Programme for Agricultural Sectors

(PADIDFA) during the 2012-2020 period. The budget support programmes helped to drive the structural transformation of the agricultural sector, creating synergies between agricultural, environmental, water, energy and employment strategies.

1.4.2. RBF will allow the Bank to tie its support to the results ofspecific government programmes of expenditures, thereby incentivizing governments to shift their focus from inputs to outcomes and, hence, reorienting development programmes towards results-based management (RBM). This is because the instrument will allow the Bank to align its support directly with government programmes, focusing on national systems improvement, capacity-building and partnership with governments and other technical and financial partners (TFPs). As it links disbursement to pre-agreed, tangible and independently verifiable results, the Bank Group has the opportunity to build on its track record of delivering results, and to significantly increase the sustainability of its impact. This will contribute to the objectives of the aid effectiveness agenda, as it will improve efficiency, effectiveness, and governance of development programmes.

1.4.3 **Coordination and collaboration with donors** : Overall coordination between donors in Morocco is very satisfactory and is materialized through formal frameworks for exchanges and dialogue of which the Bank is a member. The launch of the agricultural development strategy "Generation Green 2020-2030" has encouraged the establishment of a framework for consultation and coordination to provide technical and financial support in support of the implementation of

this strategy, particularly in the context of co-financing new results-based financing programs. The activities to be financed under the PAASIFEJ, which are mainly focused on the challenges of rural development in vulnerable areas and resilience to the effects of climate change, constitute one of the components of a more global matrix of activities to support the implementation of Generation Green (PPR-GG), to which the World Bank and AFD contribute €313 million respectively (agreements signed in December 2020). This Program (FAR) focuses on three key areas of the SGG which are inherently interdependent: (i) improving employment and income generation opportunities for rural youth; (ii) improving the efficiency of agricultural and agri-food product marketing systems; and (iii) strengthening the digitalization of agriculture and the adoption of climate-smart practices. The Program will thus contribute to the broader and higher-level objectives of the Government's SGG: i) stimulating investment in the agricultural and agri-food sector, ii) increasing the sector's added value and exports of agricultural and agri-food products, iii) creating additional jobs and increasing rural incomes, by adopting an approach focused on environmental sustainability and climate resilience. Thus, taking into account the convergence of Results Area No. 1 of the said program with the PAASIFEJ, it is necessary to ensure close coordination with the lead entities, namely the DSS, ADA and ONCA. On the other hand, in October 2023, the World Bank committed an amount of [xvi]USD 350 million to support the Nationally Determined Contribution (NDC), particularly in oasis and argan growing areas in order to (i) Strengthen political and institutional capacities in green public finance management, green finance and climate data and (ii) Strengthen coordination to improve the resilience of vulnerable populations and ecosystems to climate change by opting for the following main activities: (i) strengthen the resilience of farmers to shocks, through better access to social protection, (ii) protect and restore vulnerable ecosystems (oases and forests) and (iii) deploy nature-based solutions to combat climate vulnerabilities (while sequestering carbon).

II. PROGRAMME DESCRIPTION

2.1. Programme Scope

2.1.1 Government Agenda

2.1.1.1. **PAASIFEJ is fully aligned with the Government's strategic guidelines so as to address the country's social and economic challenges, especially inclusion, regional development, job creation, and the promotion of the viability and resilience of smallholder agriculture.** PAASIFEJ's implementation aligns with Morocco's agricultural sector development strategy: the Green Generation Strategy (GGS) 2020–30. Amid the challenges posed by the COVID-19 pandemic, climate change and escalating local and global food prices due to the war in Ukraine, the GGS demonstrated its relevance by promoting inclusive and sustainable development in production sectors and the resilience of the rural economy. This **has established the agricultural sector as a driver of sustainability, resilience and inclusion**.Based on the lessons learned from the Green Morocco Pla), the SGG focuses on two pillars: (i) prioritizing the human element by supporting the emergence of a new agricultural middle class (350 000 – 400 000 households), the emergence and support of a new generation of young entrepreneurs by developing one million hectares of collective land,supporting a new generation of solidarity-based agriculture and new farmers’ organizations backed by efficient inter-branch organizations and a new generation of support mechanisms; and (ii) ensuring the sustainability of agricultural development by improving the performance of agricultural value chains with the aim of doubling exports and agricultural GDP by 2030, as well as improving product distribution processes by modernizing 12 wholesale and traditional markets. Implementing this strategy will require an increase in the sector budge. The two GGSpillars cover eight strategic thrust areas. The first pillar focuses on human capital and provides support to the new generation in four areas: (a) agricultural middle class; (b) young agricultural entrepreneurs; (c) farmers' organizations; and (d) relevant support mechanisms. The second pillar, which aims to enhance the sustainability of agricultural development, is guided by the following four principles: (a) consolidation of agricultural value chains; (b) efficient modern distribution channels; (c) promotion of quality, innovation and green technologies; and (d) development of resilient and eco-efficient agriculture.

2.1.1.2. **In addition, the implementation of PAASIFEJ hinges on two strategic programmes recommended by the GGS 2020-2030 and piloted by ADA, namely**: (i) the Solidarity-based Agriculture (SBA) Programme[xvii] comprising two components: (a) Sustainability of the Achievements of Pillar II of the PMV; and (b) New Generation ofSBA; and (ii)the Youth Entrepreneurship Development Programmewhichaims to revitalize rural areas by creating employment and entrepreneurial opportunities in the agricultural and agriculture-related sectors to support the emergence of a rural middle class.

2.2. Bank-funded PAASIFEJ

2.2.1 Programme Description

2.2.1.1. **Programme-based approach**: Solidarity-based agriculture is a key pillar for promoting gender inclusion. It is a form of smallholder farming carried out by and for women. To optimize value addition, the proposed approach emphasizes the integration of activities and the active participation of stakeholders throughout the project design and implementation stages. Regarding gender equality and women's empowerment, the approach focuses on: (i) the application of gender-responsive budgeting (GRB) principles, including guidelines and best practices; (ii) the provision of integrated investment support for rural women and the creation of an enabling environment for gender mainstreaming; (iii) the adoption of the farm-household systems approach; (iv) the consideration of women-led agricultural value chains; (v) the prioritization of value chain segments where women play a significant role; and (vi) the recognition of best practices and achievements in gender promotion by other ADA partners, including ONCA, DEFR, etc.[xviii]

2.2.1.2. **Programme goal:** PAASIFEJ's development goal is to contribute to improving food security, creating lasting jobs and strengthening the resilience of smallholder farming in Morocco in the face of climate change. The programme will address many major challenges to transform the country's agricultural and rural landscape through targeted activities.

- The**first expected outcome** is the**creation of jobs and improvedincomesforfarmers, especially young people**. This will be achieved by adopting sustainable agricultural practices, improving production capacity and providing easier access to more competitive markets. These measures will help to increase farm incomes and generate direct and indirect employment opportunities in rural areas.

- The **second outcome** relates to **the inclusion and empowerment of rural women and young people**. The programme aims to reduce gender inequalities in rural areas by improving rural women's and young people's access to resources, training, and entrepreneurship opportunities. This will encourage women to actively participate in economic and social decision-making processes, thereby empowering them and improving their living conditions.

- The **third outcome is to make rural areas more attractive**. PAASIFEJ will combat rural-to-urban migration by implementing economic development initiatives and developing high-quality infrastructure. This will make rural areas more appealing to young people and women, while also encouraging innovation, local entrepreneurship, the development of value chains and environmental conservation.

- Lastly, the **fourth expected outcome is to strengthen the resilience of agriculture to climate change and preserve natural resources**. PAASIFEJ will help to adapt production systems to climate change by adopting eco-friendly agricultural practices such as agroecology and efficient, economical irrigation techniques, while preserving soils, water and biodiversity, all of which play a key role in ensuring the sustainability of Moroccan agriculture.

2.2.1.3. These outcomes will promote sustainable, inclusive and resilient agricultural development that addresses present and future environmental and socio-economic challenges in the sector. To this end, the programme will focus on three results areas (2.2.2).

2.2.1.4. **Programme duration and cost: PAASIFEJ will be implemented over a six-year period from 2025 to 2030.** The Kingdom of Morocco has requested financing from the Bank totalling EUR 100 million. This represents a 46% contribution to the programme's total financing of EUR 216.3 million. The remaining EUR 97.53 million will be financed by the Government. In addition, this financing is complemented by USD 250 million from the World

Bank (WB) and EUR 100 million from the French Development Agency (AFD). This will help to finance the Green Generation Strategy approved in December 2020. It will also fund the Programme to Support the Nationally Determined Contribution (PPR-CDN) which the WB approved in October 2023 for USD 350 million. Lastly, it will fund the Programme for the Transformation of Agri-food Systems (PPR-TSA) which was approved by the World Bank in December 2024 and signed in February 2025 to the tune of USF 250 million.

2.2.1.5. **The Government has requested the Bank's support in financing part of its programme, as presented in Point 2.1**. The priorities retained under the programme were defined jointly with the Ministry of Agriculture, Maritime Fisheries, Rural Development and Forestry (MAPMDREF) and the Ministry of Economy and Finance. These priorities were validated during feedback workshops organized during the programme design and shared with various development partners, including the World Bank, AFD and EU.

2.2.2 Programme Activities

A. Results Area 1: Solidarity-based agriculture developed in a more inclusive and sustainable manner to the benefit of women and youth

2.2.2.1. **Results Area 1 aims to promote the development of inclusive and sustainable solidarity-based agriculture, especially in the vulnerable rural areas of the seven selected regions, by improving the economic and social conditions of rural residents and strengthening the resilience and efficiency of agricultural systems.** The proposed activities aim to create an inclusive enabling environment for women and young people, while strengthening agricultural value chains and making agriculture more resilient in the face of environmental challenges. These actions will be instrumental in transforming agriculture into an engine of inclusive and sustainable development in rural areas, thus helping to alleviate poverty and generate lasting wealth for local communities.

2.2.2.2 The programme will help to:

(i) **Assess the specific needs of different rural regions by identifying opportunities and challenges related to solidarity-based agriculture.** This crucial phase will involve the conduct of an area diagnosis for the programmetobreakdown beneficiaries by gender and age. Thediagnosiswillassess available resources, current farming practices and training and infrastructure needs, with a specific ex-ante analysis of gender and youth issues.

(ii) **Improve the economic and social inclusion of women and young people in rural areas through transformative interventions**. These operations will enhance the appeal of rural areas and facilitate the implementation of solidarity-based agricultural projects. There will be a strong focus on integrating women and young people into agricultural development processes and various value chain segments. The programme will establish specific mechanisms to overcome barriers to accessing resources, training and markets by creating equitable economic opportunities for these vulnerable groups.

(iii) **Strengthen agricultural value chains**. PAASIFEJ will support the organization and reinforcement of local agricultural value chains to ensure a more active participation of women and young people. This will involve developing partnerships with local stakeholders, constructing appropriate infrastructure, and improving the quality of agricultural products. The aim of this approach is to enhance the competitiveness of agricultural products and ensure the sustainability of value chains within a sound economic and environmental framework.

(iv) **Enhance resilient and eco-efficient agriculture**. The aim is to adopt eco-friendly farming practices that enable better management of natural resources and increased agricultural productivity. PAASIFEJ activities will include providing training in sustainable agriculture, promoting eco-efficient irrigation techniques and developing strategies to mitigate the effects of climate change. The aim is to strengthen farmers' resilience to environmentaland climatechallenges and optimize resource use.

2.2.2.3 Interventions in these areas will directly impact the economic and social development of the targeted rural areas, creating a virtuous cycle of inclusive and sustainable growth. They will help to build the capacity of local actors by focusing on agriculture that meets the needs of rural residents while contributing to preserving natural resources, creating jobs, reducing poverty and promoting inclusive development.

B. Results Area 2: Women's and youth entrepreneurship developed in a more inclusive and effective manner

2.2.2.4 **Results Area 2 seeks to promote the development of youth and women entrepreneurship in targeted rural areas by enhancing the governance of entrepreneurship support systems and providing technical and financial assistance**. These initiatives will foster an environment that encourages the emergence of rural entrepreneurs, while promoting the economic and social empowerment of women and young people, particularly in the agricultural, agriculture-related, processing, and digital sectors. The programme aims to make these sectors more inclusive and efficient, enabling young people and women to play a pivotal role in local economic development and the transformation of rural value chains.

2.2.2.5 The programme will contribute to:

(i) **Support for financing mechanisms for agricultural, para-agricultural, processing and digital projects.** The Program will support the proposal of financing initiatives to implement entrepreneurial projects, particularly those led by women and young people. This includes the financing of agricultural, para-agricultural, processing and digital projects, in order to foster innovation, diversification of economic activities and the creation of sustainable jobs in rural areas. This component can potentially benefit from the AFAWA initiative to support dialogue between stakeholders and the financing of women's businesses (cooperatives or individual TPMEs).

(ii) **Strengthening the governance of the rural entrepreneurship system.** PAASIFEJ will support the establishment and strengthening of local governance entities that promote rural entrepreneurship. This will involve setting up management and monitoring bodies, as well as bodies to support the youth entrepreneurship programme. Tools and mechanisms will also be developed for managing earmarked resources and coordinating various public, private and community actors. The aim of strengthening governance is to improve the management of entrepreneurial projects, ensure more efficient resource allocation, and encourage the adoption of public policies that foster entrepreneurship.

(iii) **Improving support for women and young people.**PAASIFEJ will establish a robust training and support system for women and young entrepreneurs at every stage of their projects, from conception to design and implementation. This will include technical training in agricultural and agriculture-related best practices and business management, as well as financial counselling to help entrepreneurs develop robust business plans and manage their finances effectively. This will enable them to access the financing needed to grow their businesses. This component could also benefit from the AFAWA initiative.

(iv) **Enhancing the empowerment of women and young people in rural areas**. The programme will support initiatives that empower women and young people economically and socially by providing them with entrepreneurial opportunities in various sectors. It will also encourage their active participation in economic and community decision-making processes by involving them in local development projects.

2.2.2.6 Activities implemented in this area will help to create a more inclusive and effective rural entrepreneurial ecosystem, enabling women and young people to play an active role in local economic development. The activities will also contribute to diversifying rural economic activities, creating new jobs and strengthening the resilience of rural communities to economic and E and S challenges.

C. Results Area 3: Institutional and sector capacity built.

2.2.2.7. **ResultsArea 3 aims to build institutional and sector capacity in solidarity-based agriculture and rural entrepreneurship by prioritizing the management and integration of environmental and social issues, including gender.** These actions will improve the effectiveness of local institutions and sector stakeholders in project implementation, while reinforcing the integration of environmental and social considerations to foster more inclusive and sustainable rural development.

2.2.2.8. The programme will contribute to:

(i) **Building capacity to manage solidarity-based agriculture and entrepreneurship projects.** A key component of PAASIFEJ willfocus on sharpeningthe skills of local institutions and public actors involved in the management of agricultural and entrepreneurial projects. This will entail providing training in project engineering, territorial diagnosis, social and gender analysis, strategic planning, monitoring and evaluation, and financial management. By building capacity in these domains, PAASIFEJ will ensure more effective implementation of projects, thereby guaranteeing their sustainability and lasting impact. Programme beneficiaries will receive training in managing solidarity-based agricultural activities and implementing entrepreneurial projects, enabling them to better address the needs of their communities.

(ii) **Deepening the understanding of environmental and social aspects (including gender and CC) and institutionalizing gender-responsive budgeting (GRB)**. The programme will also lay particular emphasis on mastering environmental and social issues by adopting a cross-cutting approach that mainstreams the analysis of gender issues into all projects. Special attention will be given to GRB, the integration of gender equity principles, sustainable natural resource management, and environmental preservation. Training sessions and workshops will be organized to improve the skills of local actors in analysing and managing environmental and social impacts, especially those related to agricultural production, processing and marketing. Gender considerations will be systematically addressed to ensure that women have equitable access to resources and economic opportunities.

2.2.2.9 Activities in this area will significantly strengthen the capacity of institutional and sector actors,thusenabling more effective and sustainable management of solidarity-based agricultural and entrepreneurship projects. They will contribute to improving the mainstreaming of environmental and social concerns (including gender) into project design and implementation, creating favourable conditions for more inclusive, equitable and sustainable rural development.

Table 4: Results Areas and their Geographic Scope

EXPECTED OUTCOMES	GEOGRAPHIC SCOPE
Results Area 1:Solidarity-based agriculturedevelopedin a more inclusive and sustainable manner to the benefit of women and youth	
• Infrastructure for inclusive and sustainable production and productivity is strengthened to support the advancement of women and young people.	Seven (7) regions with high agricultural and human and natural resourcesdevelopment potential: Draa Tafilalet, Béni Mellal Khénifra, Fès Meknès, Marrakech Safi, Oriental, Souss Massa and Tanger Tétouan El Hoceima.
• Agricultural services are improved and support for the advancement of women and young people is continuous.	
• Women's agriculturalvalue chainsare strengthened.	
• Resilient and eco-efficient agriculture is strengthened and climate change adaptation measures are supported.	
Results Area 2:Women's and youth entrepreneurship developed in a more inclusive and effective manner.	
• Prerequisites met and support arrangements for women's and youth entrepreneurship mechanism in rural areas strengthened.	Seven (7) regions with high agricultural and human and natural resources development potential: Draa Tafilalet, Béni Mellal Khénifra, Fès Meknès, Marrakech Safi, Oriental, Souss Massa and Tanger Tétouan El Hoceima.
• Support for women and young people isimproved.	
• Empowerment ofwomen and young people in rural areasisstrengthened.	
Results Area 3:Institutional and sector capacity built.	
• The institutional and strategic framework for promoting solidarity-based agriculture (SBA) andwomen's and youth entrepreneurship is strengthened.	National
• The institutional framework for promoting professional bodies and PPP initiatives to support solidarity-based agriculture is established.	
• Support for South-South cooperation isdeveloped.	
• The capacity of actors to manage and coordinate activities to support SBA and women's and youth entrepreneurship is improved.	

2.2.3 Programme Beneficiaries

2.2.3.1 **Target population:** PAASIFEJ will benefit many rural and vulnerable population groups by improving agricultural and rural infrastructureincludingconstructing water points, rehabilitating seguias and opening feeder roads to remote areas, but it will focus on strengthening the resilience of smallholder farmers. Specific actions will be implemented to: (i) improve access to water by maintaining and ensuring the proper functioning of existing irrigation facilities such as seguias, while developing new facilities to meet growing needs; (ii) improve farm productivity and yields by encouraging the adoption of climate-resilient practices as part of solidarity-based agriculture, optimizing resources, and reducing losses; and (iii) increase farmers' incomes to improve their living conditions and reduce the vulnerability of some farmers to climatic hazards. The programme will also promote the economic inclusion of young people and women in rural areas by supporting agricultural and rural entrepreneurship through targeted initiatives. Lastly, significant support will be provided to institutional and sector actors to build their project implementation capacity and ensure the effective implementation of solidarity-based agricultural and rural entrepreneurship projects. This will strengthen the bases for sustainable development in rural areas.

2.2.3.2 **Programme impact area:** The programme will cover seven regions with high potential for developing solidarity-based agriculture and rural entrepreneurship. These regions (Draa Tafilalet, Béni Mellal Khénifra, Fès Meknès, Marrakech Safi, Oriental, Souss Massa and Tanger Tétouan Al Hoceima) have significant agricultural potential and are strategic areas for promoting the social and economic inclusion of rural dwellers, especially young people and women. By focusing on these regions, the programme will promote solidarity-based agriculture by developing inclusive, sustainable agricultural projects and facilitating access by small-scale producers to market opportunities and appropriate training. In parallel, specific actions will be implemented to promote rural entrepreneurship. Technical and financial support will be given to agricultural and agriculture--related project promoters, thereby enhancing the empowerment of young people and rural women. These initiatives aim to stimulate a more inclusive rural economy that creates sustainable jobs and improves the living conditions of vulnerable groups.

2.2.4 Programme Financing

Table 5: Total Financing under the RBF Programme

Source of Financing	Amount in UA million	Amount in EUR million	Percentage of Total
Government	97.53	116.3	54%
Bank *(AfDB Window)*	83.86	100	46%
Total Programme Financing	**181.39**	**216.3**	**100%**

The total cost of the programme is estimated at EUR 216.3 million. The Moroccan Government will provide the necessary financing for the programme. In line with the Bank's RBF Guidelines, the Bank will contribute EUR 100 million, that is almost 38% of the total programme cost.

Other partners supporting the Green Generation Strategy 2020-2030 will provide co-financing, including USD 250 million from the World Bank and EUR 100 million from the French Development Agency (AFD).

2.3. Key Programme Outcomes and Disbursement Indicators

2.3.1. **The disbursement of loan resources shall be subject to the achievement of agreed outcomes based on the disbursement-linked indicators (DLIs) derived from the results framework**. The DLIs were selected depending on their weight and main programme deadlines. Although the selected DLIs concern outcome indicators, they focus more on outputs and processes, thus providing information on overall programme performance at all times. The three main criteria used to select the DLIs are: (i) relevance and direct contribution to the programme's development goal; (ii) measurability and practicality; and (iii) consistency with the results chain.

2.3.2. **Results chain and DLIs:**Summary Table 6 presents the results chain. It lists sector challenges and specifies the relevant results, indicators and activities to be implemented to achieve PAASIFEJ's development goal. Eleven DLIs were selected and loan resources allocated based on the nature of DLIs (prioritizing results DLIs), and on the amount required to achieve set targets. The resources allocated for each DLI were then subdivided according to the corresponding fiscal years and DLI components. Disbursement will be flexible and based on performance.

Table 6: Results Chain

RESULTS AREA	ACTIVITIES	DLI
Results Area 1: Solidarity-based agriculturedevelopedin a more inclusive and sustainable manner to the benefit of women and youth		
Infrastructure for inclusive and sustainable production and productivity strengthened to support the advancement of women and youngpeople.	• Rehabilitation and development of seguias.	DLI.1 Length of seguias developed and rehabilitat
	• Rehabilitation and development of water points.	DLI.2 Water points developed and/or rehabilitated
	• Rehabilitation and development of feeder roads.	
	• Distribution of head of livestock to households and women.	DLI. 3 Animal heads distributed to households and women
	• Distribution of beehives to households and women.	
Agricultural services improved and supervision sustained to support the advancement of women and young people.	• Provision of agricultural extension services to women and young people for solidarity-based agriculture.	
	• Training and support for solidarity-based projects (including for women and young people).	
	• Mobilization of agricultural extension officers (private and public) for solidarity-based projects.	
Women's agricultural value chains strengthened.	• Holding ofdevelopmentand/or production workshops for women and young people.	
	• Developmentof new resilient plantations.	DLI. 4 Additional surface area covered by new resilient plantations
	• Support for female members of cooperatives and economic interest groups (EIGs) in developmentunits(WB/PPR-CDN).	
	• Improvement of pastureland.	
Resilient and eco-efficient agriculture strengthened and climate change adaptation measures supported.	• Set up of photovoltaic equipment for valorisation units and hypodronic barley units.	
	• Development and rehabilitation of rainwater collection facilities.	DLI.5 Rainwater collection structures developed and/or rehabilitated
	• Distribution of direct seeders to agricultural service cooperatives and farmers' organizations.	
	• Development of modernized multi-risk climate products (MRCP) for insurable areas (WB/PPR-TSA).	
Results Area 2:Youth and women entrepreneurship developedin a more inclusive and effective manner.		
Prerequisites met and support mechanism for youth and women	• Technical tools for the implementation of the Master Plan for agricultural, agriculture-related and digital services.	
	• Strengthening of the mechanism to support women and youth entrepreneurship.	
	• Establishment of a digital platform to support women and youth entrepreneurship in rural areas.	

entrepreneurship support in rural areasstrengthened.	• Support for the establishment of iinclusive financing for young and female agricultural entrepreneurs	DLI.6 Summary note from the consultation workshops held with the stakeholders concerning the proposal for a financing initiative for the benefit of women and young entrepreneurs
Technical and financial support for women and young people improved.	• Launching of sensitization campaigns targeting women and young people in rural areas.	
	• Supporting young people to ensure their business plans are eligible for financing by CREJs or other partner committees and bodies(WB/PPR-GG).	
Empowerment of women and young people in rural areas strengthened.	• Operationalization of agricultural projects and agricultural, agriculture-related and digital services without a call for projects (WB/PPR-GG).	
	• Helping women formalize their business plans	DLI.7 Women entrepreneurs assisted in formalizing their business plans
Results Area 3:Institutional and sector capacity built.		
Institutional and strategic framework for promoting solidarity-based agriculture (SBA) and youth and women entrepreneurship established.	• Signing oftwoagreements to build the capacity of institutional stakeholders on gender-responsive budgeting (GRB).	DLI.8 Transmission to the Bank of the two signed agreements relating to the Agreements to build the capacity of institutional stakeholders in gender-responsive budgeting (GRB) namely: (i) Specific agreement between the GRB Centre of Excellence and ADA; and (ii) Specific agreement between the GRB Centre of Excellence and ONCA
	• Implementation of gender-responsive budgeting (GRB) at the central and regional levels (seven regions).	
	• Support for the digitalization of the solidarity-based agriculture (SBA) and women'sand youth entrepreneurship ecosystem.	

RESULTS AREA	ACTIVITIES	DLI
	• Livestock-centred SBAgovernanceframework established.	DLI.9 Livestock-centred SBA governance framework established (simplified livestock-centred SBA procedure established-Circular issued by the Minister of Agriculture))
	• Establishment and operationalization of regional centres for young agricultural and agri-food entrepreneurs (CRJEA)–(WB/PPR-GG).	
Institutional framework for promoting professional bodies and PPP initiatives for supporting solidarity-based agriculture established.	• Launching of a call for expressions of interest from PPPs for the management and operation of development units under the solidarity-based agriculture framework.	
Support for South-South cooperationdeveloped.	• Strengthening of South-South cooperation through trade with African countries.	
The management and coordination of the capacity of actors to support SBA and women's and youth entrepreneurship improved.	• Provision of technical assistance at the central level	
	• Implementing actions to support Circular No. 01/ADA/DIP of 2 January 2024 on the implementation of the Youth Entrepreneurship Programme within the framework of the GGS2020-2030.	DLI.10 Standard bidding document for the promotion ofentrepreneurship prepared in accordance with Circular No. 01/ADA/DIP of 2 January 2024 on the implementation of the Youth Entrepreneurship Programme under the GGS 2020-2030
	• Preparationofacommunication plan.	
	• Support for E&S safeguards.	DLI11:Implementation of the Environmental and Social Action Plan (ESAP).

III. PROGRAMME IMPLEMENTATION

3.1. Institutional and Implementation Arrangements

3.1.1 **The PAASIFEJ will be implemented by the department in charge of agriculture. The PMU will be housed at the Agricultural Development Agency (ADA) with a coordination team (Programme Coordinator, a monitoring and evaluation officer, an environmental and social expert, an administrative and financial officer (including procurement)) and will rely on the structures under the Department of Agriculture and those under its supervision**. Focal points for all institutional stakeholders of the program will be designated. The said PMU will be responsible for monitoring the Program in all its aspects: technical, financial, procedural, fiduciary, environmental and social in accordance with the operational manual. It will make regular reports, in particular for the steering committee. The coordination of the Program will be supported by:

(i) At the central level: Asteering committee (COPIL) will be established with the main mission of ensuring the overall management of the Program, assessing the progress of the program's activities, providing solutions to potential problems and risks hindering its proper execution, and ensuring consistency with the Government's sectoral strategy. It will meet at least once a year. Under the chairmanship of the Secretary General of the Department of Agriculture (MAPMDREF) or his representative, this committee is made up of representatives of:

- Department in charge of agriculture and its central directorates (DSS, DDFP, DEFR, DIAEA and DF);
- Department in charge of Finance;
- Agency for Agricultural Development (ADA), providing the secretariat for the COPIL;
- National Office of Agricultural Council (ONCA);
- Regional Directorates of Agriculture (DRA) concerned by the Program;
- All structures and individuals whose participation is deemed relevant.

(ii) At the regional level: Regional focal points will be designated to ensure coordination of the implementation of the program, drawing on existing committees, in particular the regional monitoring committee (CRS) and the regional committee for youth entrepreneurship (CREJ).

3.1.2 The Department of Agriculture has the necessary institutional, human and financial capacities to support the sustainability of the program. In particular, it has the qualifications and experience required to establish these management and coordination bodies within the ADA (UGP) and also to pilot them. Lessons learned from previous and ongoing operations recommend strengthening coordination between stakeholders and organizing regular meetings.

3.2. Results Monitoring and Evaluation

3.2.1 **The monitoring and coordination of the operational implementation of the Program will be ensured by a Program Management Unit (PMU) domiciled within the ADA under the supervision of the COPIL** . The COPIL is considered as the body for approval, validation and arbitration relating to the proposed technical orientations and solutions. The PMU will supervise the implementation of the program and will transmit the documents to the AfDB through the MEF. The IGA of MAPMDREF will be responsible for verifying the DLIs. At the regional level, the focal points will be responsible for coordinating the implementation of program activities in the seven selected regions. Capacity building activities will also be carried out in a subsidiary manner depending on the identified needs and the availability of human and material resources. The PMU will be assisted by Technical Assistance (TA) to consolidate the management of the program. An internal monitoring system (at the ADA level in coordination with the relevant DRAs) and external monitoring system (at the level of the Ministry of Economy and Finance– Budget Directorate) is in place. The ADA has the human skills with the qualifications to properly ensure the monitoring and management of the information system . They also have experience in the management and monitoring of the implementation of RBF.

3.2.2. **Under the supervisory authority of ADA,** the PMU will be responsible for data collection and coordination of monitoring and evaluation and will make the information available to the Bank. The Government and Bank will, therefore, be kept fully informed of all progress thanks to the regular submission by the PMU of six-monthly status reports and annual audit reports on the programme. At least two supervision missions will be fielded each year. Through meetings, technical visits and data analysis, these regular field missions will encourage exchanges with the different stakeholders on the programme's progress, challenges and real-time solutions. The Bank team will contribute to monitoring and coordinating PAASIFEJ implementation. It will carry out an initial supervision mission three months after programme start-up to review the operation's monitoring framework based on pre-established performance indicators and the DLI matrix agreed upon with the Government. Subsequently, supervision missions will be fielded twice a year to monitor the implementation of activities and their outcomes on the ground. A mid-term review will be carried out at the end of the second year of PAASIFEJ implementation. A programme completion report will be prepared at the end of the operation. The recommendations stemming from these reports must be processed promptly, lessons learned and good practices shared.

3.2.3. **These arrangements are consistent with the performance monitoring system established by the Government as part of the preparation and implementation of performance programmes (PPs) relating to sector strategies**. Indeed, most of the indicators selected by PAASIFEJ are drawn directly from these results frameworks and contribute to both the harmonization of indicators and methods of calculation while facilitating data collection on an annual basis. Furthermore, this PP monitoring system incorporates the continuous updating of the three-year budget programming and close monitoring of the implementation of budget forecasts for each fiscal year. The monitoring system is, therefore, closely linked to the PP results framework which, in turn, contributes to the monitoring of PAASIFEJ activities, outputs and outcomes.

3.2.4. **The Bank team will contribute to monitoring and coordinating PAASIFEJ implementation. It will carry out supervision missions to review the operation's monitoring framework based on pre-established performance indicators and the DLI matrix agreed upon with the Government**.In this regard, it should be noted that the Bank's Office in Morocco will play a major role in monitoring the programme closely and maintaining dialogue with Moroccan authorities on ongoing sector reforms and programme performance.

3.3. Disbursement Arrangements and Verification Protocols

3.3.1. Disbursement Arrangements

3.3.1.1. **Disbursements will be made in accordance with results-based financing (RBF) procedures.** Disbursements of Bankfinancingwill be made subject to attainment of thedisbursement-linked indicators (DLIs) that measure the extent to which the programme development objectives have been achieved. The IGA of MAPMDREF will be responsible for verifying programme outcomes against pre-agreed DLIs. Disbursed funds will be transferred directly from an account opened with Banque Al Maghrib. MEF will be responsible for preparing and submitting disbursement requests to the AfDB.

3.3.1.2. **Thus, based on the operation's investment programme agreed upon with the Government, PAASIFEJ is eligible for an advance of financing to enable the Government to launch the preliminary activities requiring start-up investments (rehabilitation works, development of séguia, rehabilitation of facilities, planting and construction of water points)**. Disbursement of this advance financingof 25%will be subject to the submission of a request to the Bank by the Government. The RBF programme provides also for disbursement based on the achievement of pre-agreed results. These are DLI.9 and DLI.10. DLI.9 relates to the Circular issued by the Minister of Agriculture regarding a contribution of EUR 2.5 million, while DLI.10 relates to the preparation of a standard request for proposals for the promotion of entrepreneurship for a contribution of EUR 2.5 million, representing 5% of the total loan amount. Therefore, the advance payments may not exceed 25% of the total loan under the RBF programme (the cumulative amount of financing for preliminary results and revolving advances must not exceed 30% of the RBF operation). Thereafter, disbursement requests will be submitted to the Bank on a yearly basis as the agreed results are achieved, attesting to the achievement of the disbursement indicators. The results verification task will be entrusted to verification entitiy (IGA of MAPMDREF). The baseline, annual targets, conditions for achievement, advances, achievement timeframes, and amount to be disbursed for each LDI are defined in the verification protocol presented in the technical annexes. The verification report will be sent to the Bank by MEF through the DF of MAPMDREF.The Bank willapprove the disbursement if the objectives have been achieved based on its compliance analysis of the results presented and decide on the amounts to be disbursed.

3.3.1.3. **Flow of funds: A EUR account has been opened at Bank Al Maghrib under the Public Treasury of the Kingdom of Morocco to receive the financing resources.** Unachieved DLIs will be subject to a disbursement request once the results are achieved or paid in combination with the nextdisbursments. All expenditure will be entered in the country's public financial management system and reflected in the budget of the entities involved in PAASIFEJ.

3.3.1.4. **Reconciliation between cumulative Bank disbursements and total government expenditure on the program over its implementation period At** the end of the loan closure audit, any surplus of disbursed funds over actual expenditures recorded under the programme must be returned to the Bank within six months of the Completion date.

3.3.2. Programme Verification Protocols

3.3.2.1. **The General Inspectorate of Agriculture (IGA) of MAPMDREF will be responsible for the verification of DLIs.** It will also be responsible for the verification of PAASIFEJ activities and will operate independently of programme implementation units and have easy access to information sources and relevant documents. The IGA was involved from the outset and will serve as the technical auditor of DLIs for MAPMDREF and the agencies under its supervisory authority.The verification of the DLIs based on the verification protocoldetails of which are presented in the Annex of Volume 2.

3.4. Programme Financing and Expenditure Framework

3.4.1. The total programme cost is EUR 216.3 million (equivalent to UA 181.4 million). The Government of the Kingdom of Morocco will provide full programme financing, while the Bank will contribute EUR 100 million, representing about 46% of the total programme cost. This financing is fully consistent with the Bank's Results-Based Financing (RBF) Policy Guidelines.

Table 7: Programme Financing

Category of financing	Total Cost of the Government's Programme		Remarks
	Cost (in EUR million)	%	
Government financing	116.3	54%	
Bank financing (RBF)	100	46%	Compliant with Bank/RBF requirements
TOTAL	**216.3**	**100%**	

IV. APPRAISAL SUMMARY

4.1. Technical Assessment

4.1.1. Strategic Relevance

4.1.1.1 **The implementation of the PAASIFEJ is part of the implementation of the Generation Green Strategy 2020-2030 (GGS).** The PAASIFEJ builds on the complementarities and foundations established through the Bank's previous programs in the agricultural sector and the achievements made. It will support the Government's strategic direction of "supporting the emergence of the middle class in rural areas" and address many of the identified constraints, particularly in terms of supporting the creation of decent jobs for women and youth, improving the living conditions of populations in vulnerable rural areas, particularly women and youth, and strengthening the resilience of Moroccan agriculture, particularly small-scale farming, to the effects of climate change.

4.1.1.2 **Geographically, the intervention area of the Program will include seven (7) regions with high potential for inclusion and production, for the two programs (solidarity agriculture and youth entrepreneurship),** focusing on the development and rehabilitation of structuring infrastructure and the creation of support bases for mass rural entrepreneurship and leadership, namely the regions of Draa-Tafilalet, Beni Mellal-Khénifra, Fez Meknes, Marrakech Safi, Oriental, Souss Massa and Tangier Tetouan Al Hoceima. These regions account for 64% of the total population of Morocco and the greatest potential for animal and plant production and a dominance of small farms (areas less than 5 ha - representing more than 70%). Furthermore, the majority of these regions are affected by water deficits, low productivity, and unemployment, requiring priority interventions to support the resilience and sustainability of smallholder farmers, fragile ecosystems, and national heritage (oases, etc.).

4.1.2. Technical reliability

4.1.2.1 **Budgetary expenditure planning is an important institutional provision for implementing the PAASIFEJ through the expenditure framework. MAPMDREF has extensive experience in managing and implementing results-based programs with the World Bank, the AfDB, and the AFD**. The technical soundness of the Government's program is reinforced by: (i) the existence of transparent public finance systems; (ii) a rigorous budget process supported by monitoring measures; and (iii) the integration of PAASIFEJ activities into the PBT framework. However, additional measures will need to be taken to ensure the proper implementation and monitoring of the program. The mobilization of technical assistance using budgetary resources and the implementation of the program's capacity building plan will enable key stakeholders to be trained in accordance with the requirements of the financing tool used. Depending on identified needs, the Bank will organize training sessions on financial management, disbursements, and monitoring of DLIs.

4.1.3. Results Framework

4.1.3.1. The results framework, with the main outputs and expected outcomes of the PAASIFEJ, integrates the expected key results, the investment program, and incentives for the Government to accelerate the implementation of agreed activities.

4.2. Programme Economic and Financial Analysis

4.2.1. **PAASIFEJ's financial analysis shows that the planned activities relating to transformative facilities, resilient plantations and partnership initiatives are profitable and socially justified, as shown in the table below**[xix]. The benefits considered in the analysis stem from the following activities: (i) development of séguias, water points, rainwater collection points and feeder roads; (ii) distribution of beehives and livestock; (iii) setting up of processing/production units; (iv) resilient tree planting; (v) livestock development; and (vi) procurement of seeders. The quantifiable benefits considered are: (i) increased production of planted crops (arboriculture); (ii) enhanced production through processing units; and (iii) increased honey production and stockbreeding.

4.2.3. **Sensitivity tests:** The economic profitability of the programme could vary depending on changes in the costs of its activities and product prices. The sensitivity of the programme's economic profitability was analysed in the

following scenarios: (i) a 10% increase in costs; and (ii) a 10% reduction in revenue. The resulting economic rates of return are 21.1% and 20.6% for the two scenarios, respectively. The combined effect of a 10% increase in costs and a 10% reduction in production results in an economic rate of return of 16.3% (higher than the opportunity cost of capital at 12%).

4.2.4. **Additional positive impacts:** The programme will also have positive impacts related to job creation, capacity building of farmers and entrepreneurs, restoration of vegetation cover, enrichment of biodiversity, improvement of air quality and groundwater recharge and soil water balance as well as the development and rehabilitation of feeder roads and improvement of access to water resources. It is difficult to quantify all these benefits. Further details are presented in the Technical Annex.

4.3. Fiduciary System Assessment

4.3.1. Fiduciary Risks

4.3.1.1 **The country fiduciary risk assessment revealed that Morocco's public finance management system is based on a sound legal and regulatory framework centred on Organic Law No. 130.13 on the Finance Law** which came into force in January 2016 and the January 2018 Law establishing the National Public Procurement Commission, which provides reasonable assurance of the appropriate, transparent, efficient and judicious use of resources and the preservation of public assets.

4.3.1.2. **The overall assessment of public financial management and procurement concluded that the overall fiduciary risk level is moderate.** PAASIFEJ's fiduciary management will therefore be based on the use of country systems.

4.3.2 Financial Management

4.3.2.1 *At the national level*: Public finance management in Morocco is based on: (i) a three-year budgetary program (PBT) in line with the strategy and essential missions with a limitation of budgetary credit carryovers; (ii) performance-based management through the development of performance projects (PdP) based on objectives and indicators as well as the establishment of performance reports (RdP) allowing the monitoring and evaluation of performance over a given period; (iii) accounting with, on the one hand, an accounting framework aligned with generally accepted standards and best practices, making it possible to trace the execution of the Finance Law, and to gradually move towards establishing the financial and asset situation of the State and measuring the exact cost of the actions, projects and programs undertaken; and on the other hand, a partially integrated information system allowing the automatic generation of the State's financial statements; (iv) an internal performance audit by the General Inspectorate of Finance (IGF); and (v) an external audit with the prospect of certification of the regularity and sincerity of the State's accounts by the Court of Auditors. The financial management systems within MAPMDREF apply these financial management mechanisms described above are generally functional and satisfactory.

4.3.2.2 *At the Program level*: Responsibility for the financial management of PAASIFEJ will be assumed by the Ministry of Agriculture, Maritime Fisheries, Rural Development, Water and Forests (MAPMDREF) through its directorates and sub-authorized institutions. The evaluation of the financial management systems of these Program implementation entities concludes that a legal and regulatory framework exists that guarantees transparent management and the reissuance of accounts. Indeed, the administrative, financial, and accounting management systems for public funds are in place, as are those relating to internal and external controls.In addition, MAPMDREF and its sub-authorized institutions mentioned above have experience in implementing programs financed by donors. The latest evaluations of active operations financed by the AfDB Group present a performance deemed generally satisfactory in terms of financial management.

4.3.2.3 *Financial management arrangements* : (i) The program funds will be fully reflected in the State budget. As such, an expenditure framework related to the program has been clearly established and validated. This expenditure framework has identified the budget lines appearing in the budget morasse of the MAPMDREF of the finance law for the year 2025 which provides the payment appropriations that will cover the Program's expenditures during the 2025 budget year and the commitment appropriations for the year 2026 and following, as well as the budget forecasts of the Program over its entire implementation period and which will be updated following the PBT of the related periods and which will allow the achievement of the expected results; (ii)All payments as well as the accounting of expenditures will be carried out through the public expenditure chain on the basis of integrated expenditure and revenue management systems (GID and GIR), which guarantee the reliability of financial information, as well as the adequate reissue of accounts. Furthermore, the Government has confirmed that budget lines for the same program expenditure will not be financed by other donors; (iii) As part of the preparation of the Program's consolidated financial statements,

the Agricultural Development Agency (ADA), as PMU, will be responsible for collecting financial information from the entities involved in the implementation of the Program and for preparing, at the end of each fiscal year, the Program's consolidatedfinancial statements to be submitted to the auditor. To this end, financial information reporting frameworks will be agreed with the Bank and made available to each agency before the Program implementation date; (iv) The preparation, through technical assistance provided by the Bank, of an operations manual (MOP) covering in particular the consistency of the half-yearly financial and technical reports, the frameworks of the annual financial statements, the indicator verification protocol and the disbursement modalities.

4.3.2.4 **AUDIT:** The audit of the program's financial statements will be carried out by the General Inspectorate of Finance (IGF) on an annual basis. Audit reports on the program, including the assessment of the internal control system, must reach the Bank within six months of the closing date of the financial years concerned.
Closing audit: the final audit report will be carried out within six months following the closing date of the Programme.

4.3.3 Procurement

4.3.3.1 **Procurement fiduciary risk assessment**

At the national level: The Bank assessed the Moroccan national procurement system (NPPS) in 2017 (BPAR 2017), and the assessment wasupdated in July 2023. It concluded that, overall, the system was acceptable from the viewpoint of Bank procurement policy and waslikely to be used for a group or all procurements planned for some Bank-financed operations. In addition, the Bank's 2023 Public Expenditure and Financial Accountability (PEFA) baseline rated the system B+. Furthermore, the Bank's 2023 country fiduciary risk assessment of procurement concluded that the overall country fiduciary risk is ***moderate*** (CFRA 2013).

At the level of programme executing agencies: The Ministry in charge of agriculture (MAPMDREF) will be responsible for the procurement of goods, works and services under the programme through the following entities: (i) At the central level: the Agency for Agricultural Development (ADA) and the National Agricultural Advisory Board (ONCA); and (ii) At the regional level: regional and provincial directorates of agriculture of MAPMDREF and the decentralized services ONCA, as well as regional agricultural development authorities (ORMVAs). The programme will cover seven regions, namely Draa-Tafilalet, Beni Mellal-Khénifra, Fès-Meknès, Marrakech-Safi, Oriental, Souss-Massa and Tanger-Tétouan-Al Hoceima. All programme implementing agencies shall be subject to the legal and regulatory framework of the national procurement system, particularly Decree No. 2-22-431 of 8 March 2023 on public procurement in Morocco (DMP). The Bank has assessed the capacity of implementing agencies based on information collected and exploration of various audit reports. The assessment revealed that the level of fiduciary risk of implementing agencies for the procurement component is considered ***moderate***.

At the programme level: Expenditure under the programme will be for the procurement of the usual goods, works and services that form part of the core business of implementing agencies. An assessment of the risks associated with the programme's complexity in terms of design and implementation revealed that the national-level sector ecosystem (implementing agencies and private operators) has proven experience in designing and implementing similar programmes. The activities planned under the programme are standard and have previously been implemented by the relevant agencies. On the whole, the capacity of these agencies in terms of procurement, contracting and contract management is satisfactory. In addition, there is a rich ecosystem of qualified private service providers at the national level, ensuring sufficient competition. This assessment therefore concludes that the level of fiduciary risk regarding the procurement component of the programme is ***moderate***.

4.3.3.2. **Applicable procurement policy and framework:** All goods, works and services financed from Bank resources under PAASIFEJ will be procured as per the Procurement Framework for Operations Financed by the Bank Group ("AfDB Policy"), October 2015 edition and the provisions that will be mentioned in the Financing Agreement. In compliance with AfDB Policy and taking into account the assessments made by the Bank, all procurement for results-based financing will be in line with the Borrower's procurement system ("National System") prescribed by the Decree on public procurement in force ("Decree"), using standard national bidding document templates.

4.3.3.3 **Special Arrangements due to the Use of the NPPS**

Eligibility rules: **PAASIFEJ activities will be financed with AfDB window resources. Consequently, the eligibility rules specific to the AfDB window apply *ex-post*.** Therefore, the resources will not be used to finance the procurement of the activities of (i) firms of a country or goods manufactured in a country excluded by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and/or (ii) firms sanctioned by the Bank in line with its anti-corruption policies; and/or (iii) firms from a non-member country of the Bank, for goods contracts over UA 1 million, consultancy contracts over UA 300 000 and works contracts over UA 6 million.

Exclusions: In line with the Bank's Policy on Results-Based Financing, the programme will not finance high-value contracts exceeding: USD 50 million for works, turnkey and supply, and installation contracts; USD 30 million for goods, USD 20 million for IT systems and non-consulting services; and USD 15 million for consulting services. In the context of the implementation support, the Bank will ensure that no high-risk activities are carried out under PAASIFEJ.

Public procurement audit: The General Inspectorate of Finance (IGF) will conduct an annual public procurement audit based on a sample and the results of the review will be included in the audit report of the financial statements.

Programme Action Plan (PAP): Based on the programme's procurement fiduciary risk assessment, key priority actions for building the capacity and performance of the executing agencies and risk mitigation measures to increase PAASIFEJ's potential to achieve its outcomes and address fiduciary concerns are included in the Programme Action Plan (PAP).

4.3.3.4 **Other proposed special arrangements:** As part of the exercise of its fiduciary obligations concerning the use of the National Public Procurement System (NPPS), the Bank will agree with the Borrower on a series of measures, the rationale, objectives and details of which are provided in Technical Annex 5 of the programme appraisal report, particularly in the PAP.

4.4. Governance

.4.1.1 **The structures in charge of the programme are relatively well equipped with respect to transparency, accountability and qualifications of their human resources. P PAASIFEJ's technical activities are mainly part of the Sector Performance Programmes that have been designed based on RBM and are subject to Government control mechanisms.** In financial terms, funds will be traceable through the circuit of budget receipts from external financing and in accordance with public finance management regulations.

4.4.2.**The country's legal and regulatory framework generally satisfactorily addresses issues of anticorruption and conflict of interest and related sanctions**. The Kingdom's Constitution explicitly mentions the need to fight corruption and ensure good governance and transparency as fundamental tools for public sector management. The National Authority for Probity, Prevention and Fight against Corruption (INPPLC), an institution that enjoys legal, financial and administrative autonomy, has a full legal arsenal for combating prohibited practices (criminal code, self-referral, protection of victims, conflicts of interest, etc.).

4.4.3 **Given the multiplicity of actors involved in the implementation of PAASIFEJ, it is necessary to prepare an operations manual before launching the programme.** Capacity building for internal auditing will be included in the PAP as well as the publication of the annual summary of procurement audit reports by the IGA.

4.5. Assessing the Environmental and Social System and E&S Risk Management under PAASIFEJ

4.5.1 **Environmental and Social Category:**The solidarity agriculture activities that will be financed under components 1 and 2 of the program are not subject to the preparation of an environmental impact assessment in accordance with the national Law 12-03 on EIA. The E&S risks associated with these activities are expected to be low to moderate. Based on the requirements of the Bank's Integrated Safeguards System (ISS 2023), the program is proposed to be classified in E&S category 2 (moderate risk). Given that the financing instrument for the program is the FAR, high E&S risk (Category 1)

sub-projects are not eligible for PAASIFEJ program. E&S Category 2 was validated in ISTS and introduced in SAP on 14/01/2025.

4.5.2 **E&S Safeguards Instruments and Disclosures:** When the Bank provides financial support using the results-based financing (RBF), no E&S document assessment is required to be prepared by the borrower and submitted to the Bank before the approval of the board. An environmental and social system assessment of the program is required to be carried out with the Borrower collaboration. The Bank prepared the ESMS assessment report and its E&S Action Plan (ESAP), which was submitted to the Moroccan party and approved during the consultation on June 4, 2025. The Borrower also completed the ESMP of the financing agreement that was disclosed on June 6, 2025. The ESMS assessment report with its E&S action plan approved by the national party, as well as the completed ESMP-FA, were disclosed on the AfDB website on June 10, 2025.

4.5.3 **E&S institutional and Implementation Capacity**: The ADA has adequate institutional arrangements and E&S resources for implementation and monitoring of E&S aspects of DFI's programs. In its organizational structure, the ADA has an Environment unit composed of 3 full-time staff responsible for implementing their E&S policy and climate finance, and a gender focal point. The ADA has a grievance management mechanism using the national platform "Chikaya" and another platform adapted to its activities. To support the E&S implementation of the program, the approved E&S action plan includes the recruitment of E&S technical assistance to support the ADA in developing E&S instruments (ESIA, ESMP, impact statement, P3P) for the program's physical activity sub-projects, as well as monitoring and reporting tools for the implementation of the ESAP. Implementation of the E&S action plan is one of the indicators linked to program disbursement (ILD11 - Implementation of the Program ESAP.

4.5.4. **E&S Compliance**. In addition to the full and adequate implementation of the disclosed E&S action plan (ESAP), including measures to address unanticipated risks and impacts occurring during project implementation, the Borrower will prepare quarterly reports on the implementation of E&S measures. In addition, an annual E&S performance audit conducted by an independent E&S safeguards expert will be submitted annually, no later than the end of the first quarter of the following year. All these reports will be shared with the Bank and made accessible to stakeholders. In addition, the Borrower is committed to establish the Grievance Management Mechanism (GMM) at the program level from the beginning of implementation, to make it known to all stakeholders and to keep it functional throughout the program lifecycle. In addition, in the event of an Environmental, Occupational Health and Safety (EOHS) serious incident at a program site, the Borrower is committed to inform the Bank immediately, no later than 72 hours after the event, to share the investigation report of the National Competent Authority and, when deemed necessary by the Bank, to prepare a Root Cause Analysis (RCA) by an independent OHS expert. The RCA report must be approved by the Bank for the implementation of the Corrective Action

Plan (CAP) by the Borrower. These obligations will be reflected in the E&S conditions of the financing agreement and its annexed ESMP. The program is compliant and ready for submission to the Board for review, as evidenced by the ESCON in the annex.

4.6. Climate change and green growth

4.6.1 **Morocco faces climate change-related challenges that critically impact its economic stability, social equity, and overall development. Although the country has demonstrated remarkable resilience, it is increasingly threatened by severe droughts, fluctuations in climatic conditions, and global economic shocks.** Between 2018 and 2023, low rainfall levels significantly affected the agricultural sector, which constitutes the backbone of the Moroccan economy. This environmental stress exacerbates existing vulnerabilities, particularly among rural populations where poverty rates are significantly higher than the national average, highlighting a critical need for targeted interventions and robust climate adaptation strategies. Several key activities are particularly exposed to climate-related risks: i) Agricultural Production: Crop and livestock production are highly sensitive to variations in rainfall patterns and extreme weather events, which can significantly impact yields and threaten food security and the livelihoods of farming communities; ii) Irrigation Dependence: Dependence on irrigation intensifies during droughts, making existing water management systems vulnerable; iii)Infrastructure Vulnerability: Infrastructure may suffer damage due to flooding or erosion; iv) Market Access Challenges: Adverse weather conditions can hamper farmers' ability to access markets, increase transport costs, and disrupt supply chains; v) Agroecological Practices: The success of initiatives such as agroforestry can be compromised by climate change, requiring continuous adaptation and updating of sustainable practices. In response to these diverse challenges, Morocco has proactively developed strategies to strengthen climate resilience and promote sustainable agricultural practices. The Generation Green Strategy (GGS) 2020-2030 represents a relevant response, emphasizing a transition to climate-resilient agricultural methods and aiming to develop a rural middle class through targeted interventions in various sectors. This strategy includes initiatives aimed at improving agricultural productivity and promoting environmentally friendly practices, such as agroforestry and efficient irrigation.

4.6.2 **Furthermore, Morocco's approach integrates programs that prioritize environmental and social considerations, with particular attention to gender equality. The Results-Based Program (PAASIFEJ) is classified as Category 2 according to the Bank's Climate Safeguard System (CSS), indicating that it has medium vulnerability to climate risks**. However, the project could contribute positively to climate change adaptation, as it aims to support inclusive and sustainable agriculture for women and youth, fostersocial inclusion, develop rural entrepreneurship, strengthen sectoral capacities, and promote climate resilience. The program also commits to providing farmers with the necessary training, resources, and access to competitive markets. This not only strengthens economic resilience but also improves food security in the face of climate uncertainty, in line with Morocco's Generation Green Strategy 2020-2030. Adaptation measures integrated into the program include, among others: i) Promoting climate-resilient agricultural practices, such as conservation agriculture, water-efficient irrigation (drip) and soil conservation techniques; ii) Supporting the development and rehabilitation of hydraulic infrastructure, such as water points and rainwater harvesting, etc.; iii) Promoting resilient agroforestry and silvopastoral systems to diversify income sources and improve natural resource management; iv) Building farmers' capacities to adopt climate-smart technologies and practices through training and extension services; v) Creating eco-efficient agricultural zones that preserve biodiversity and natural resources while increasing productivity. By addressing the specific needs of vulnerable groups – such as women, youth and rural communities – at each stage of implementation, Morocco aims for a more inclusive and equitable response to climate change. In addition, the program promotes mitigation efforts by promoting renewable energy solutions, such as photovoltaic systems for small processing units, to reduce dependence on fossil fuels (approximately 10% of total energy will be provided by these systems) . The volume of GHG emissions avoided by the use of these systems will be estimated by the Bankduring the supervision mission. Furthermore, the program will also contribute to green growth, notably through : i) Supporting organic and low-carbon agricultural practices to reduce GHG emissions; ii) Improving value chains to reduce post-harvest losses and improve resource efficiency; iii) Preserving natural landscapes and agricultural biodiversity as carbon sinks and ecological buffers.

4.6.3 **According to Bank's estimates climate finance associated with the programme was estimated at 84.4% of the Bank's financing, or €84.4 million (see technical annex for details).**

4.6.4 **The program aligns with Morocco's Nationally Determined Contribution (NDC), which aims to improve the resilience of the agricultural sector and reduce greenhouse gas emissions by 17% by 2030, with the potential to increase if international support is provided**. It thus embodies Morocco's ambition to foster a resilient, low-carbon economy, while ensuring food security and socioeconomic inclusion in rural areas. By promoting climate-smart agriculture, water efficiency, and renewable energy, PAASIFEJ directly supports Morocco's commitments under the Paris Agreement. In this sense, this program has been assessed using the joint direct financing methodologies of the Paris Alignment of the

MDBs for mitigation and adaptation, and is considered aligned because the main component (solidarity agriculture developed in a more inclusive and sustainable way) is compatible with the climate change mitigation and resilience objectives of the Paris Agreement.The Bank emphasizes the importance of integrating adaptation measures into the program's technical specifications. It recommends that these measures be integrated consistently during program implementation to support climate resilience. A detailed assessment is provided in the annex..

4.7. Impact on the Promotion of Gender Equality and Empowerment of Women and Young People

4.7.1. **Gender equality and women's empowerment**. **In Morocco, rural women are a permanent or occasional domestic workforce. They play a vital role in agriculture and domestic labour, especially in the programmeimpactarea.**Sometasks,suchasfetching water,raisinglivestock,tendingcropsandsmall-scale animal husbandry,aremainlycarriedoutbywomen.Womenarealsoresponsibleforensuringfoodsecurityfortheirfamilies, as they are in charge of most food processing and storage activities. Thus, they play a key role in managing crops and livestock in households and local communities. In Morocco, rural women form a significant demographic group, accounting for 49.2% of the rural population, and they make a significant contribution to agricultural productivity.. Their efforts are unrewarded and they face many challenges. These constraints relate to limited access to land, infrastructure and agricultural support services because of social and cultural barriers. They also relate to women's unavailability for paid work due to family responsibilities. According to the latest report by the High Commission for Planning, 60.3% of employed rural women are family helpers, and seven out of ten working rural women (70.5%) receive no financial compensation. Furthermore, women have limited access to land. Only 6.9% of them hold land rights in the agricultural sector, compared to 36.8% of men. This results in limited access to financing for agricultural activities. The same report states that this low participation in the formal labour market resulted in a loss of MAD 25.3 million in 2019, equivalent to 2.2% of GDP. Early marriage causes girls to drop out of school and is a serious obstacle to their participation in the labour market and personal development. In 2024, 27.4% of girls living in rural areas were

married before reaching the age of 18. This programme will help to increase women's participation in agriculture by providing improved production infrastructure and strengthening their production capacity through specialized agricultural services. It will encourage rural women to work together through agricultural cooperatives, thereby boosting female entrepreneurship and optimizing their contribution. Young women will be guided and supported in entrepreneurial activities for young farmers to encourage the development of innovative and promising projects. To empower rural women economically and improve their living conditions, it is crucial to support and promote female entrepreneurship. This will increase their employability and help develop micro-enterprises in agricultural production, processing and trade.

4.7.2 **Existing institutional assets:**ADA has an environmental and social safeguards policy and a gender policy. These policies were developed in 2020 with financial assistance (Readiness) as part of efforts to identify and propose development projects eligible for financing by the Adaptation Fund (FA Readiness Grant). The E&S and gender policies are grounded in five core principles: (i) Compliance with applicable laws; (ii) Environmental sustainability; (iii) Promotion of human rights and social justice; (iv) Gender equality and women’s empowerment; and (v) Inclusive stakeholder participation. In line with these principles, the agency has established eight safeguards to guide the environmental, social and gender assessment of projects and programmes. Three safeguards address environmental concerns (biodiversity conservation and sustainable natural resources management, climate action, resource efficiency, and pollution prevention and control); gender concerns (gender equality); social concerns (community health and safety, working conditions, cultural heritage, involuntary displacement and resettlement, and the rights of local communities). ADA’s organizational structure includes an Environment Service staffed by three full-time professionals responsible for implementing E&S as well as climate finance strategies and a gender foval point. The agency was accredited by the Adaptation Fund in 2015 and by the Green Climate Fund in 2016. It operates a grievance redress mechanism through the national Chikaya platform, along with another platform developed under the Green Fund framework. With an established gender policy, the agency is committed to further mainstreaming gender considerations in its activities by enhancing women's participation through employment and self-employment (entrepreneurs). Activities under programme components are designed to improve working conditions and to create and scale up women-led agricultural enterprises. These activities will boost the productivity of women-led micro, small- and medium-sized enterprises (MSMEs), promote women's participation in economic activities and reduce barriers to women's entrepreneurship, particularly those relating to access to financing and non-financial support services. Increasing women's participation in programme activities will enhance their productivity, improve their living conditions, promote entrepreneurship and contribute to enhancing inclusive growth in the agricultural sector. PAASIFEJ has great potential for promoting women's economic and social empowerment and has been classified as a GEN 1 programme under the Gender Marker System.

4.7.3 **Within this framework, PAASIFEJ will enhance women's access to factors of production and support services, while promoting the creation of microenterprises in rural areas. The programme will strengthen rural women's entrepreneurial capacity and create employment opportunities for women and youth in rural settings.** This will be achieved by developing infrastructure, establishing and structuring cooperatives, and supporting young agricultural entrepreneurs. The rehabilitation of seguias, water points and feeder roads will contribute to improving agricultural productivity and facilitating the transportation of agricultural products to markets. The programme will also enhance the employability of rural women and young people by building capacity and providing support for the development of viable, bankable agricultural projects, and encouraging the growth of entrepreneurial agricultural micro-enterprises. Through professional organizations, female producers will benefit from agricultural advisory services to improve production techniques, product processing and product promotion. The programme has been classified under Category 1 in accordance with the Gender Marker System as all its components aim to strengthen production capacity and promote women's economic empowerment.

4.7.4 **Youth Empowerment**. In Morocco, young people occupy a low place in agriculture with a participation of 10% of young people under 35 years old compared to 23.5% by people aged 65 and over[xx]. According to the latest RPGH 2024

report, young people aged 15 to 34 represent 28.6% of the rural population of 13,718,222 people, including 50.8% men and 49.2% women. The elderly represent 11.7% of this population, or almost half of young people [xxi]. This report reveals an activity rate of 39% of the rural population for young people aged 15 to 34, including 13.7% women and 62% men [xxii]. Among these young people, 41.9% are in unpaid employment, including 58.8% rural dwellers compared to 16.9% urban dwellers, and 14% are in casual or seasonal employment, including 16.7% among men and 5% among women [xxiii]. Young women (15-34 years old) potentially active in rural areas are estimated at 44.9%[xxiv], hence the particular focus of this project on women. This low participation of young people in working life in rural areas is explained by several challenges that young people face due to difficult living conditions due to the lack of opportunities linked to the low level of education, the lack of means to engage in entrepreneurship, climatic shocks which caused the decline in water resources directly impacting agricultural production and livestock, poor access to basic infrastructure, such as roads, drinking water and electricity impacting the attractiveness of rural areas for young people. In addition, the low diversification of economic activities, particularly in areas such as "crafts, rural tourism and renewable energy", access to high-speed internet as well as to schools specializing in the agricultural and para-agricultural profession, are reasons that push them to rural exodus, fragmenting families and depriving the rural environment of its production potential. Agriculture remains the main activity in rural areas and generates most jobs, especially for small and medium-sized family farms. The project will respond to these challenges by providing opportunities for young people to acquire the means to integrate the agricultural and para-agricultural profession by revitalizing the rural environment through infrastructure development, training and support and capacity building, and entrepreneurship development mechanisms. It will also help revitalize the rural economy and make the rural environment attractive to young people in order to reverse the rural exodus phenomenon.

4.7.5. **Resilience Building Opportunities:** Morocco's Country Fragility and Resilience Assessment (CFRA 2023)underscores the country's strong institutional capacity, sustained political stability and continued progress in promoting social and economic inclusion policies. It also highlights the country's significant efforts in fostering decentralization and regional development. The country also has clearly-defined operational strategic frameworks (Green Generation Strategy, regional development plans and public policies that promote the empowerment of women and young people). These frameworks reflect the country's robust capacity to address vulnerabilities and enhance multidimensional resilience. However, the country continues to face significant regional disparities and high youth unemployment (57.5% of unemployed people aged 15–34[1] having previously been employed). The economy remains largely informal, and women are underrepresented in economic activities, particularly in rural areas where the female labour force participation rate is only 27.1%, compared to 77% for men[2].Access to productionresourcescould make further progress as only 6.9% of rural women hold land rights, compared to 36.8% of men[3]. These vulnerabilities are further exacerbated by increasing water stress and the adverse impacts of climate change on agricultural productivity which undermine household resilience and deepen socio-economic inequalities in the programme's target areas, particularly in remote rural zones. In response to these challenges, PAASIFEJ is a concrete opportunity to strengthen the economic and social resilience of vulnerable rural women and young people. The programme will support the development of cooperatives, the rehabilitation of agricultural land, and the construction of feeder roads. The programme will therefore contribute to improving food security, access to basic services and foster inclusive regional economic development by targeting women and young people through inclusive financing mechanisms, capacity-building initiatives, and participatory governance mechanisms. In this regard, PAASIFEJ is fully aligned with the three pillars of the Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (2022–2026), (i) Strengthening institutional capacity through gender-responsive budgeting and solidarity-based agricultural programs (ii) Building resilient societies through appropriate infrastructure and rural entrepreneurship support; and (iii) Catalysing private sector investment in agricultural value chains, including PPP initiatives. The programme aims to serve as an operational and incentive-based mechanism to strengthen social cohesion, reduce inequalities, and advance inclusive and sustainable rural development. In this respect, PAASIFEJ embodies the principles of *'do no harm'* and *'leave no one behind'* by targeting women and young people in rural areas, who are marginalized groups, in order to prevent social distortions and strengthen community cohesion in these areas.

1 HCP. Labour Market Situation in 2024.
2 HCP. Study on the Estimation of the Economic and Social Opportunity Costs of the Economic Empowerment of Rural Women.
3 HCP. Study on Gender Inequalities through the Lens of the Sustainable Development Goals in Morocco, March 2025.

4.8. Integrated Risk Assessment Summary

4.8.1. **The technical, fiduciary, environmental, and social assessments concluded that the overall risk rating of PAASIFEJ was moderate.** The various risk ratings are presented in Table 6. The main risks and related mitigation measures are presented in Technical Annex 7.

Table 6: Integrated Risk Assessment Summary

Risk	Rating
Technical	Low
Fiduciary	Moderate
Climate, environmental and social	Moderate
Disbursement-linked indicator	Moderate
Other risk: Institutional change after a cabinet reshuffle	Moderate
Overall Risk	**Moderate**

4.9. Program action plan

4.9.1 The technical, fiduciary, and environmental and social assessments resulted in recommendations and measures to consolidate and strengthen capacities intended to operationalize the PAASIFEJ implementation framework and facilitate the achievement of results. These action measures aimed at strengthening the capacities and performance of the structures in charge of the program on the one hand and mitigating the potential risks identified at the technical, fiduciary, environmental, and social levels are consolidated in the program action plan presented in Technical Annex 7A. This binding program action plan is also attached as an annex to the loan agreement.

4.10. Legal Authority and Compliance

4.10.1. **Conditions precedent to effectiveness of the Loan Agreement:**The effectiveness of the Loan Agreement shall be subject to fulfilment by the Borrower, to the Bank's satisfaction, of the conditions set out in Section 12.01 of the General Conditions Applicable to Bank (sovereign entities) Loan Agreements and Guarantee Agreements.

4.10.2. **Conditions precedent to first disbursement:** The first disbursement of loan resources shall be subject to fulfilment by the Borrower, to the Bank's satisfaction, of the following conditions: (i) provide evidence of setting up the Programme Management Unit (PMU)at the central level within the Agency for Agricultural Development (ADA) in the Ministry of Agriculture, Maritime Fisheries, Rural Development and Forestry (MAPMDREF) and appointing within the PMU of the Programme Coordinator, a monitoring and evaluation officer, an environmental and social expert, an administrative and financial officer (including procurement), and the focal points of the Directorate of Strategy and Statistics (DSS), the Directorate of Finance (DF) and the National Agricultural Advisory Board (ONCA); (ii) Submission of evidence of the establishment of the steering committee (COPIL).

4.10.3. **Conditions precedent to disbursement of loan resources:** The disbursement of each loan tranche allocated to a disbursement-linked indicator (DLI) shall be subject to the achievement by the Borrower, to the Bank's satisfaction, of the outcomes set out in Annex I, following submission of an independent verification report to the Bank's satisfaction confirming the achievement of the DLI concerned.

4.10;4. **Commitments:** The Borrower shall redeploy the human resources needed for the implementation of the programme, especially for development works, climate-resilient tree planting and livestock distribution as recommended under PAASIFEJ. The Borrower shall also refrain from using loan resources to finance activities that are not eligible for results-based financing (RBF). These commitments shall be stipulated in the Loan Agreement.

4.10.6. **Compliance with Bank policies:** The programme is compliant with all applicable Bank policies.

V. RECOMMENDATION

Management hereby recommends that the Board of Directors approve the proposal to grant an AfDB loan of **EUR 100 million** to the Kingdom of Morocco to finance the Support Programme for Inclusive Solidarity-based Agriculture for Women and Young People (PAASIFEJ), under the terms and conditions set forth in this report.

APPENDIX I : PAASIFEJ THEORY OF CHANGE

Impact	Contribute to the promotion of sustainable employment and entrepreneurship for women and youth, strengthen the resilience of small-scale Moroccan agriculture to the effects of Climate Change (CC) and ultimately improve food security,					
Outcomes	Outcome 1: Strengthened food security and improved sustainable employment opportunities for women and youth			Outcome 2: Resilience of solidarity-based agriculture and attractiveness of rural areas enhanced to support of the inclusion and empowerment of rural women		
Oupts	OUTPUT 1.1: Inclusive and sustainable production and productivity strengthened to support of the advancement of women and youth	OUTPUT 1.2: Agricultural services improved and supervision sustained to support the advancement of women and young people.	OUTPUT 2.1: Prerequisites met and financing arrangements and mechanism for youth and women entrepreneurship in rural areas strengthened.	OUTPUT 2.2:Support for women and young people improved.	OUTPUT 3.1: Institutional and strategic framework for promoting solidarity-based agriculture (SBA) and youth and women entrepreneurship established.	OUTPUT 3.2: Institutional framework for promoting PPP initiatives to support solidarity-based agriculture established.
	OUTPUT 1.3: Agricultural sub-sectors are strengthened.	OUTPUT 1.4: Resilient and eco-efficient agriculture strengthened and climate change adaptation	OUTPUT 2.3: The empowerment of women and young people in rural areas strengthened.		OUTPUT 3.3: Support for South-South cooperation developed.	OUTPUT 3.4: The management and coordination capacity of actors to support SBA
Activities	i) Infrastructure development (seguia, tracks, etc.), ii) distribution of resources (animals, beehives, equipment, etc.), iii) capacity building of farmers (training, FFS, etc.), iv) agricultural valozrisation and development (units, cooperatives, etc.), v) adaptation and climate change (water harvesting, insurance, etc.) and vi) monitoring and mobilization of agricultural advisors		i) Establishment of support structures and mechanisms, ii) Training and prioritization of project leaders, iii) Governance and management of projects, iv) Communication and awareness-raising, v) Project support, vi) Implementation of projects, vii) Training of women entrepreneurs, viii) Income-generating activities		(i) Budgeting and governance, (ii) Digitalization and capacity building, (iii) Partnerships, (iv) Support for entrepreneurship and innovation, (v) Increasing access to resources and training, (vi) Cooperation and exchange, (vii) Communication and awareness-raising	
Key assumptions	1. Availability of financial resources for planned investments and support / 2. The local population adheres to the proposed initiatives (acceptance of sustainable agricultural technologies and practices)./ 3. A **favourable institutional framework** for solidarity agriculture and entrepreneurship is in place./ 4. Climatic conditions remain relatively stable to ensure the effectiveness of sustainable agricultural practices./ 5. Mobilization of the necessary human resources					
Key Issues and Basic Constraints	**Climate Change Resilience**: The agricultural sector and the country's sovereignty are highly sensitive to climate change. Lack of (i) access to sustainable agricultural technologies, (ii) modern infrastructure, (iii) awareness-raising, training and adequate financing limits the adoption of adaptation measures. Employment and the rural economy as well as food security are weakened		**Weak employment dynamics in rural areas for women and young people and the need for the emergence of the middle class** : the creation of employment in rural areas and/or its formalization is slowing down, preventing the emergence of a rural middle class and accelerating the urban exodus. Women are particularly impacted by the lack of training and the poor access to financing and factors of production.		**Need to strengthen the governance framework to support social inclusion and resilience in the CC** : the governance framework must continue to be strengthened so that the target actors (young people and women) benefit more efficiently from state policies and that the private sector is fully involved in the emergence of the middle class and the development of resilient value chains	

ANNEX 3: ESCON

ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

A. Basic Information[4]		
Project Title: Support Program for Inclusive Solidarity-Based Agriculture for Women and Youth (PAASIFEJ)		**Project SAP or TFMS code: P-MA-AA0-024**
Country: Morocco	**Region:** RDGN	**Lending Instrument**: Result Based Financing
Project Sector Unit: Agriculture	**Task Team Leader(s):** Rafâa MAROUKI	
Appraisal dates: 06 to 20 Mai 2025	**Estimated Approval Date**: July 11, 2025	
Environmental Safeguards Officer: Sakina SAYOURI (Noura AIT OUBAHA)		
Social Safeguards Officer: xxxxxxx		
Environmental and Social Category: Category 2	**Operation type**: Public Sector Operation	**Financial Intermediary**: No
Categorization date: *January 14, 2025*	**Categorization in ISTS:** January 14, 2025	**Categorization in SAP:** January 14, 2025
Is this project processed under rapid responses to crises and emergencies?		No
Is this project processed under a waiver to Integrated Safeguards System (ISS) requirement(s)?		No

B. Disclosure and Compliance Monitoring **B.1 Mandatory disclosure**	
Environmental Assessment/Audit/System/Others: *1 Environmental and social system assessment (ESSA) report*	
Was/Were the document (s) disclosed ***prior to appraisal?***	**No**
Date of "in-country" disclosure by the borrower/client	Click or tap to enter a date.
Date of receipt, by the Bank, of the authorization to disclose	Click or tap to enter a date.
Date of disclosure by the Bank	***June 10, 2025***
Resettlement Action Plan (RAP)[5]: [*specify including number***]**	
Was/Were the document (s) disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	*Click to Set the date*
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Stakeholder Engagement Plan (SEP): [*specify including number***]**	
Was/Were the document (s) disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	*Click to Set the date*
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Pest or Vector Management Plan (PMP/VMP): [*specify including number***]**	
Was/Were the document (s) disclosed ***prior to appraisal?***	**NA.**

[4] **Note**: *This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.*
[5] *Including Livelihood Restoration Plan*

Date of "in-country" disclosure by the borrower/client	*Click to Set the date*
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Vulnerable Peoples Plan (VPP): [*specify including number*]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	*Click to Set the date*
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Riparian Communities Participation Plan (RCPP): [*specify including number*]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	*Click to Set the date*
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Emergency Preparedness & Response Plan (EPRP): [*specify including number*]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	*Click to Set the date*
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Hazardous/Medical Waste Management Plan (HWMP): [*specify including number*]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	*Click to Set the date*
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Riparian notification:	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	*Click to Set the date*
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
En**vironmental and Social Management Plan (ESMP) of the financing agreement**[6]	
Was the document disclosed ***prior to appraisal?***	**No**
Date of "in-country" disclosure by the borrower/client	*June 6, 2025*
Date of receipt, by the Bank, of the authorization to disclose	***June 6, 2025***
Date of disclosure by the Bank	***June 10, 2025***

6 As referred to in section III.2.3 of the Bank's Environmental and Social Policy (ESP)

V

If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why: xxxx	
B.2. Compliance monitoring indicators	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	**Yes**
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	**Yes**
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized, and secured?[7]	**NA.**
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	**Yes**
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	**Yes**

C. Clearance

Is the project compliant with the Bank's environmental and social safeguards requirements, and can be submitted to Approval? **Yes**

Prepared by	***Name***	***Signature***	***Date***
Environmental Safeguards Officer:	**Sakina SAYOURI (Noura AIT OUBAHA)**		**June 10, 2025**
Social Safeguards Officer:	**xxxxxxx**		*Click to set the date*
Task Team Leader:	**Rafâa MAROUKI**		**June 10, 2025**
Submitted by			
Sector Director:	**Martin FREGENE**		*June 10, 2025*
Cleared by			
Director SNSC:	**Maman-Sani ISSA**		July 2, 2025

i Climate governance in Morocco is a constantly evolving field, characterized by a holistic approach that encompasses mitigation, adaptation, and financial mobilization. Key initiatives, such as the National Adaptation Plan (NAP) and the Program for Strengthening Economic Governance and Resilience to Climate Change (PGRCC), demonstrate Morocco's commitment to combating climate change.

ii World Bank Economic Situation Report for Morocco (July 2024)

iii 4.1% if we compare the year 2019 to the year 2024 according to HCP data.

iv FAO 2023. Gender Assessment of the Agricultural and Rural Development Sectors in Morocco (2023 Report).

v "The New Development Model: Releasing energies and regaining trust to accelerate the march of progress and prosperity for all", General Report (2021).

vi World Economic Report Global Gender Gap Report 2024.

vii High Commission for Planning - Moroccan Women in Figures 2024.

viii High Commission for Planning - Moroccan Women in Figures 2024.

ix HCP- Study on the estimation of the costs of the economic and social opportunity of the economic empowerment of rural women; March 2025.

x FAO 2023 Gender Assessment of Agriculture and Rural Development Sectors - Morocco (2023 Report)

xi Statement by the Minister of Tourism, Crafts and the Social and Solidarity Economy

xii FAO 2023 Gender Assessment of Agriculture and Rural Development Sectors - Morocco (2023 Report)

xiii Kingdom in Morocco. High Commission for Planning - Moroccan Women in Figures 2024

xiv Idem

[7] *In case a resettlement action plan (RAP) are not required although ESIA is/are disclosed, attached the image/picture/photo of the area/site/landscape to evidence that it is free of any encumbrance (simple statement or letter from the borrower does not suffice), in addition to the statement by the borrower that it is a public-owned land.*

[xv] The PAASIFEJ addresses four of the five cross-cutting themes of the Bank's Ten-Year Strategy: i) reducing inequalities, particularly by empowering women to fully realize their potential; ii) improving the quality of life of young people by focusing on skills development; iii) adapting to the acceleration of the effects of CC; iv) developing and implementing governance.

[xvi] An extension is underway with an additional $200 million from the AIIB (Asian fund).

[xvii]

[xviii] The Groupe Crédit Agricole du Maroc (GCAM) has developed a gender-specific strategy to promote agricultural financing and credit. The Directorate of Education, Training and Research (DEFR) is considered the Ministry's focal point on gender issues. It has implemented a gender strategy and is responsible for gender mainstreaming.

[xix] A cost-benefit analysis of the programme was carried out based on monetary estimates of its expected costs and benefits.

[xx] National Agricultural Register .

[xxi] Demographic and socio-economic indicators of the Kingdom of Morocco according to the results of the RGPH 2024.

[xxii] Idem.

[xxiii] Information note on the occasion of International Youth Day on August 12, 2022.

[xxiv] Report _ Study on the estimation of the economic opportunity costs of the economic empowerment of rural women, March 2025, p.80.