Early Warning System

AFDB-P-MA-K00-029

Morocco - Support Programme to Strengthen Economic Governance and Resilience to Climate Change (PGRCC III)

Morocco - Support Programme to Strengthen Economic Governance and Resilience to Climate Change (PGPCC III)

Quick Facts

Countries	Morocco
Financial Institutions	African Development Bank (AFDB)
Status	Proposed
Bank Risk Rating	C
Voting Date	2026-10-20
Borrower	Government of Morocco
Sectors	Climate and Environment, Energy, Law and Government, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 485.30 million
Loan Amount (USD)	$ 485.30 million

Project Description

According to bank provided information, the PGRCC III aims to sustain the momentum of structural reforms initiated since 2024, consolidate the achievements of the first two phases and strengthen the resilience of the Moroccan economy to external, economic and climate-related shocks. More specifically, the programme seeks to preserve macroeconomic and fiscal stability, improve governance and efficiency of the public sector, strengthen the contribution of private investment to growth, modernize governance of the water and electricity sectors, accelerate renewable energy deployment and better integrate climate risks into public policies. Expected results include stronger performance of the public enterprise portfolio, increased investment under the Investment Charter, higher foreign direct investment, greater investment efficiency and accelerated energy transition. By 2026, renewable energy is expected to represent 48% of total installed electricity capacity, compared with 40.7% in 2023.

The Economic Governance and Climate Change Resilience Support Programme – Phase III (PGRCC III) is the third and final phase of a programmatic general budget support operation implemented in Morocco over the 2024–2026 period. The programme supports structural reforms aimed at strengthening economic governance, improving public-sector efficiency, promoting private investment and accelerating the transition towards a more sustainable and climate-resilient growth model. Phase III also provides countercyclical budget support to help Morocco respond to the economic effects of higher energy costs and external shocks while preserving fiscal space for priority reforms and investments. The programme is structured around two complementary components: (i) realizing the economy’s growth potential; and (ii) supporting the transition towards a sustainable and climate-resilient growth model. The first component focuses on reforming State-Owned Enterprises and Public Establishments, rationalizing the public portfolio, improving their governance and performance, strengthening the business environment and promoting private investment and public-private partnerships. The second component supports reforms in the water and electricity sectors, improved performance of public utilities, increased private-sector participation in renewable energy, greater energy security and stronger integration of climate risks into public policies. Phase III is financed through an African Development Bank sovereign loan of EUR 434.4 million, compared with EUR 120 million and EUR 181.8 million provided by the Bank for Phases I and II respectively. KfW will provide EUR 200 million in co-financing for Phase III. The borrower is the Kingdom of Morocco, and the Ministry of Economy and Finance is responsible for programme implementation and coordination. Approval is scheduled for October 2026, disbursement for December 2026 and programme completion for December 2027.

Investment Description

- African Development Bank (AFDB)

Contact Information

Name: Malek BOUZGARROU

Email: m.bouzgarrou@afdb.org

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/