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Agence Française
de Développement

MOROCCO

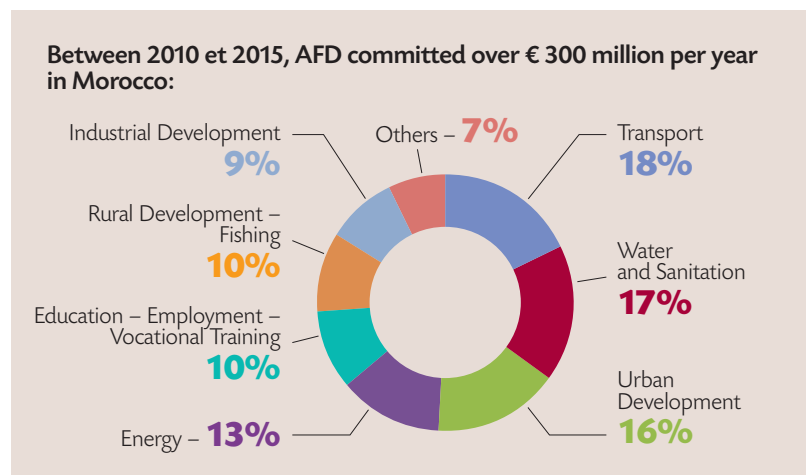
Morocco, a Mediterranean country in Africa

At the crossroads of Europe and Africa, the Kingdom of Morocco is benefitting from a strategic location. Committed to international openness and Euro-Mediterranean integration, it is the only country to enjoy “advanced status” with the European Union. For twenty years Morocco has been pursuing a process of political, economic and social modernization, accelerated by the Arab Spring. After an average 5% growth in GDP in the 2000-2010 decade, the Moroccan economy has had a slowdown. In spite of improved social indicators, the Kingdom must face several structural deficits: unequal access to jobs, rural isolation, and fragile and limited natural resources. To respond, it has adopted ambitious sectoral plans.

Moreover, long confronted with a context of climate vulnerability, Morocco is actively contributing to the international effort in the domains of sustainable development and the fight against climate change and its effects. It has notably set the objective of having 52% renewable energy in its electricity mix by 2030.

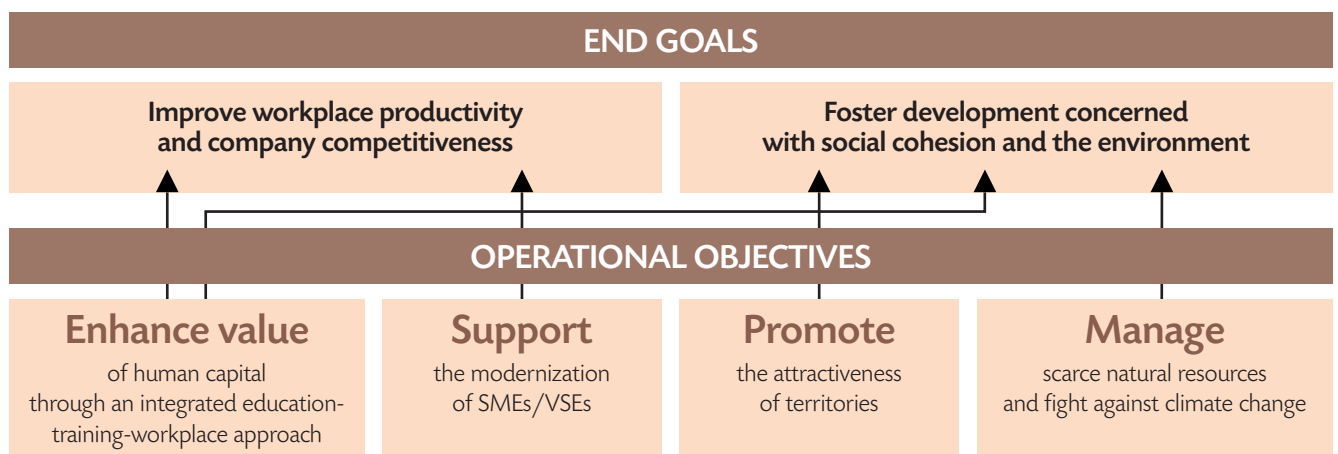
Group AFD's commitment

The Agence française de Développement (AFD) has been working in Morocco since 1992. The Kingdom is the top beneficiary of AFD financing with €5.5 billion committed since then.



AFD's strategy in Morocco

AFD operates in response to requests from the Kingdom of Morocco in the framework of a strategy which includes two end goals further divided into four operational objectives.



AFD's Climate Strategy

Reconcile climate and development

The acceleration of climate change obliges us to build new development trajectories, low in carbon and resistant to the effects of climate change. Since 2005, AFD has proved its ability to act in favor of both development and the fight against climate change: 55% of the projects it supported throughout the world in 2015 met this dual ambition.



Rabat tramway © Francesco Zizola / NOOR agency

AFD was accredited by the Green Climate Fund in 2015 and began to submit projects, notably in favor of Morocco.

AFD has committed itself to further strengthening its commitment to reach, by 2020, **€5 billion per year** of financing dedicated to the climate. Moreover, it is actively contributing to reflection on climate finance and its development.

Integrate best practices at financial institutions

AFD promotes the "Five Voluntary Principles for Mainstreaming Climate Action within Financial Institutions" of which it is one of the initiators and leaders.

1. **COMMIT** to climate strategies
2. **MANAGE** climate risks
3. **PROMOTE** climate smart objectives
4. **IMPROVE** climate performance
5. **ACCOUNT** for your climate action

The 3 pillars of AFD's "Climate-Development" strategy

- a financial commitment: **50% of AFD's activity dedicated to climate**
- **Systematic measurement** of carbon footprint of projects financed
- A policy of **project selectivity** accounting for their impact on the climate

AFD, a key partner in Moroccan policies in the fight against climate change and its effects

50% of commitments

in favor of climate in Morocco, an average of €150 million per year between 2011 and 2015.

From COP 21 to COP 22

Thanks to its expertise and financing, AFD is participating in the implementation of the Paris Agreement (COP 21). It is an important actor in the initiatives and coalitions of the Action agenda, and plays a central role in the international as well as national financial sector, both public and private.

COP 22 in Marrakech is meant to be an action COP to make the commitments taken in Paris operational. In this context, AFD is supporting the implementation of the Nationally Determined Contributions for climate (NDCs) and is organizing events in Morocco to highlight AFD's know-how in climate financing and to raise awareness among the Moroccan general public.

AFD, an IDFC leader on climate questions

The International Development Finance Club (IDFC) gathers 23 key international, regional or national development banks. The members of this network share the same vision for the promotion of low-carbon development models which are challenged by climate change. Their financing for climate reached \$85 billion in 2014. At IDFC, AFD is a leader on climate and has notably contributed to the publication of the Common Principles for Climate Finance Tracking.

AFD and climate in Morocco

Adaptation to climate change

An “adaptation” project contributes to reducing the vulnerability of goods, people and ecosystems to the impacts of climate change. AFD contributes to Morocco’s adaptation in diverse sectors.



Drinking water and sanitation: support to public operators and the National Office for Electricity and Drinking Water (ONEE) for the preservation of water resources (reduction of leaks, National Sanitation Program).



Agriculture: ACCAGRIMAG pilot project in Maghreb (with FFEM) aiming to improve knowledge, risk evaluation and integration of adaptation measures into practices of sectoral actors. It also includes the design of an innovative climate insurance model.



Industry: contribution to sustainable development strategies of Moroccan companies, notably the Office Chérifien des Phosphates (OCP) Water Strategy (reuse of treated wastewater in industrial processes, desalination) which aims to put an end to all withdrawal of groundwater.



Nador wastewater treatment plant © Émeline Oudin / AFD

Mitigation of climate change

A “mitigation” project leads to reducing, avoiding or sequestering greenhouse gas emissions. In Morocco, AFD supports the financing of:

- **renewable energies**, particularly in financing solar power plants Noor 1 and Noor 3 at Ouarzazate
- **energy efficiency**, thanks to credit lines granted to banks wishing to participate in the promotion of this sector
- **low-emission transport**, such as the Rabat and Casablanca tramways, or the Kingdom’s first high-speed rail line, between Tangiers and Kénitra
- **the construction sector**, in financing Taghazout Bay, the first project labelled High Environmental Quality (HQE) in Morocco
- **vocational training**, in supporting the creation of a network of three Vocational Training Institutes for Jobs in Renewable Energy and Energy Efficiency (IFMEREE)



OCP desalination plant © Francesco Zizola / NOOR agency

AFD's financing tools

Group AFD deploys a variety of financial instruments in Morocco:

- Long-term loans for the public or private sector
- Bank loan guarantees to improve access to credit for small and medium enterprises
- Equity shares to support companies' equity capital (PROPARCO)
- Targeted grants: support for NGOs, capacity development for the government or enterprises, feasibility studies, environmental protection, promotion of exports, vocational training

This range of financial tools is rounded out with:

- Training provided by the Center for Financial, Economic and Banking Studies (CEFEB), professional masters or short training which benefit Moroccan managers coming from institutions and companies which have partnered with AFD
- AFD participation in aid coordination groups acting between the government and donors
- AFD participation in strategic sectoral and cross-operation reflection (studies)



Land management in the Mid-Sebou Valley © Emmanuel Baudran / AFD

The partnership with NGOs in Morocco

AFD is currently supporting 23 NGO projects in Morocco. This financing is focused on 5 sectors:

- **Health:** fight against AIDS and care for the disabled
- **Education and vocational training:** quality of education, insertion of young people, access to drinking water and sanitation at school
- **Human rights:** fight against the death penalty, protection of migrants' rights, fight against the sexual exploitation of children, democratic governance
- **Structuring association and youth domains:** support for participative democracy, support for citizen dynamics and solidarity for Moroccan students
- **Conservation and local development:** sustainable development of oases, rural development

Agence Française de Développement (AFD), a public financial institution that implements the policy defined by the French Government, works to combat poverty and promote sustainable development. AFD operates on four continents via a network of 75 offices and finances and supports projects that improve living conditions for populations, boost economic growth and protect the planet. In 2015, AFD earmarked EUR 8.3bn to finance projects in developing countries and for overseas France.



Energy efficiency project "sustainable hammams", financed by FFEM © Francesco Zizola / NOOR agency



Proparco – a subsidiary of the Agence Française de Développement (AFD) devoted to private sector funding – has been supporting sustainable development for almost 40 years. It operates in 80 countries in Africa, Asia, Latin America and the Middle East and helps finance and support financial institutions and corporate private-sector projects.

www.proparco.fr



FONDS FRANÇAIS POUR
L'ENVIRONNEMENT MONDIAL

The French Facility for Global Environment (FFEM) is a financial instrument of French cooperation and development policy, dedicated to the protection of the global environment in developing countries and emerging markets.

With funds of €90 million for 2015-2018, the FFEM supports innovative work in developing countries in the following areas: climate, biodiversity, international waters, soil degradation including deforestation, persistent organic pollutants and the ozone layer. At the end of 2015, the FFEM had received financial pledges of €331 million, with 285 projects in their portfolio, 67% of which are in Africa and the Mediterranean.

www.ffem.fr - ffem@afd.fr



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