PROJECT APPRAISAL DOCUMENT
ON A PROPOSED
GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT
IN THE AMOUNT OF US$ 6.44 MILLION
TO THE
KINGDOM OF MOROCCO
FOR A
SOCIAL AND INTEGRATED AGRICULTURE PROJECT
February 19, 2013

Sustainable Development Department
Middle East and North Africa Region

This document is being made publicly available prior to Board consideration. This does not imply a presumed outcome. This document may be updated following Board consideration and the updated document will be made publicly available in accordance with the Bank’s policy on Access to Information.
CURRENCY EQUIVALENTS

(Exchange Rate Effective December 21, 2012)

Currency Unit = Moroccan Dirham (MAD)
MAD 8.44 = US$1
US$ 0.12 = MAD 1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ADA Agricultural Development Agency (*Agence pour le développement agricole*)
ASIMA Morocco Social and Integrated Agriculture (*Agriculture solidaire et intégrée au Maroc*)
CPS Country Partnership Strategy
CQS Consultants’ Qualifications Selection
CRPII Pillar II Resources Center (*Centre des ressources Pilier II*)
CT Centers of Works (*Centres des travaux*)
DB Budget Directorate (*Direction du budget*)
DEFR Directorate for Teaching, Training, and Research (*Direction de l’enseignement, formation et recherche*)
DELP Desert Ecosystems and Livelihoods Program
DF Finance Directorate (*Direction financière*)
DPA Provincial Agricultural Directorate (*Direction provinciale de l’agriculture*)
DPL Development Policy Loan
DRA Regional Agricultural Directorate (*Direction régionale de l’agriculture*)
DSS Strategy and Statistics Directorate (*Direction de la stratégie et des statistiques*)
ESIA Environmental and Social Impact Assessments
ESIAF Environmental and Social Impact Assessment Framework
FAO Food and Agriculture Organization of the United Nations
FDA Agricultural Development Fund (*Fonds de développement agricole*)
FSP Financial Statements of the Project
GDP Gross Domestic Product
GEF Global Environment Facility
GID Integrated Management system of Expenditures
GoM Government of Morocco
IBRD International Bank for Reconstruction and Development
ICZM Integrated Coastal Zone Management
IDA International Development Association
INRA National Institute for Agronomic Research (*Institut national de la...*
recherche agronomique)

IUFR  Interim Unaudited Financial Reports
M&E  Monitoring and Evaluation
MAD  Moroccan Dirham
MAP  Medicinal and Aromatic Plants
MAPM  Ministry of Agriculture and Maritime Fisheries (Ministère de l'Agriculture et de la pêche maritime)
MENA  Middle East and North Africa
MEF  Ministry of Economy and Finance (Ministère de l'Économie et des finances)

MTH  Marrakech-Tensift-Al Haouz
NCB  National Competitive Bidding
ONCA  National Agency for Agricultural Advisory Services (Office national du conseil agricole)
OPA  Professional Agriculture Organization (Organisation professionnelle agricole)
ORMVA  Public Agricultural Development Agency (Office régional de mise en valeur agricole)
PAR  Regional Agricultural Plan (Plan agricole régional)
PDO  Project Development Objective
PICCPMV  Project Integrating Climate Change in the implementation of the PMV
PIM  Project Implementation Manual
PMV  Green Morocco Plan (Plan Maroc Vert)
QCBS  Quality- and Cost-Based Selection
SBD  Standard Bidding Document
SCCF  Special Climate Change Fund
SMD  Souss-Massa-Draa
SOE  Statement of Expenses
TA  Technical Assistance
TGR  Trésorerie générale du Royaume

Regional Vice President: Inger Anderson
Country Director: Neil Simon M. Gray
Sector Director: Junaid Kamal Ahmad
Sector Manager: Lia Sieghart (acting)
Task Team Leader: Gabriella Izzi
# TABLE OF CONTENTS

## I. STRATEGIC CONTEXT ........................................................................................................ 1
   A. Country Context ........................................................................................................ 1
   B. Sectoral and Institutional Context ........................................................................ 3
   C. Higher Level Objectives to which the Project Contributes ....................................... 7

## II. PROJECT DEVELOPMENT OBJECTIVES ........................................................................... 10
   A. PDO ......................................................................................................................... 10
      1. Project Beneficiaries .............................................................................................. 10
      2. PDO Level Results Indicators .............................................................................. 11

## III. PROJECT DESCRIPTION ................................................................................................. 11
   A. Project Components .................................................................................................. 11
   B. Project Financing ...................................................................................................... 12
      1. Financing Instrument ............................................................................................ 12
      2. Project Cost and Financing .................................................................................. 12
   C. Lessons Learned and Reflected in the Project Design .............................................. 12

## IV. IMPLEMENTATION ........................................................................................................... 15
   A. Institutional and Implementation Arrangements ...................................................... 15
   B. Results Monitoring and Evaluation .......................................................................... 15
   C. Sustainability ............................................................................................................ 16

## V. KEY RISKS AND MITIGATION MEASURES .................................................................... 17
   A. Risk Ratings Summary Table ................................................................................... 17
   B. Overall Risk Rating Explanation .............................................................................. 17

## VI. APPRAISAL SUMMARY .................................................................................................. 17
   A. Economic and Financial Analyses ............................................................................ 17
   B. Technical .................................................................................................................. 18
   C. Financial Management ............................................................................................. 19
   D. Procurement ............................................................................................................. 20
E. Social (including Safeguards) ........................................................................................................ 20
F. Environment (including Safeguards) ............................................................................................... 21

Annex 1: Results Framework and Monitoring .................................................................................. 22
Annex 2: Detailed Project Description ............................................................................................... 25
Annex 3: Implementation Arrangements ............................................................................................ 33
Annex 4: Operational Risk Assessment Framework (ORAF) ............................................................ 50
Annex 5: Implementation Support Plan .............................................................................................. 53
Annex 6: Incremental Cost Analysis .................................................................................................. 56
Annex 7: Pillar II Projects .................................................................................................................. 60
## Basic Information

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Financing Instrument</th>
<th>EA Category</th>
<th>Team Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>P129774</td>
<td>Specific Investment</td>
<td>B - Partial Assessment</td>
<td>Gabriella Izzi</td>
</tr>
<tr>
<td></td>
<td>Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Implementation Start Date</th>
<th>Project Implementation End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-Mar-2013</td>
<td>30-Jun-2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected Effectiveness Date</th>
<th>Expected Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-May-2013</td>
<td>31-Dec-2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Joint IFC</th>
<th>No</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Sector Manager</th>
<th>Sector Director</th>
<th>Country Director</th>
<th>Regional Vice President</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lia Sieghart (acting)</td>
<td>Junaid Kamal Ahmad</td>
<td>Neil Simon M. Gray</td>
<td>Inger Andersen</td>
</tr>
</tbody>
</table>

Beneficiary: Government of Morocco

Responsible Agency: Agency for Agricultural Development (ADA)

Contact: Ahmed Hajjaji
Title: Director General
Telephone No.: (212) 537 573801
Email: a.hajjaji@ada.gov.ma

## Project Financing Data (US$M)

<table>
<thead>
<tr>
<th></th>
<th>Loan</th>
<th>Grant</th>
<th>Credit</th>
<th>Guarantee</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[ X ]</td>
<td></td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

For Loans/Credits/Others

Total Project Cost (US$M): 41.98
Total Bank Financing (US$M): 0.00

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount (US$M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>35.54</td>
</tr>
<tr>
<td>Global Environment Facility (GEF)</td>
<td>6.44</td>
</tr>
</tbody>
</table>
### Expected Disbursements (in USD Million)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>0.00</td>
<td>0.30</td>
<td>0.90</td>
<td>1.40</td>
<td>2.60</td>
<td>1.24</td>
</tr>
<tr>
<td>Cumulative</td>
<td>0.00</td>
<td>0.30</td>
<td>1.20</td>
<td>2.60</td>
<td>5.20</td>
<td>6.44</td>
</tr>
</tbody>
</table>

### Global Environmental Objective(s)

The Project Development Objective (PDO/GEO) is to increase the implementation of land and biodiversity conservation measures in selected projects directed to small farmers located in targeted marginal areas in the project area.

### Components

<table>
<thead>
<tr>
<th>Component Name</th>
<th>Cost (USD Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1: Development of the capacities of public and private institutions on land and biodiversity conservation</td>
<td>1.32</td>
</tr>
<tr>
<td>Component 2: Transfer of land and biodiversity conservation measures among small farmers</td>
<td>5.12</td>
</tr>
</tbody>
</table>

### Compliance

<table>
<thead>
<tr>
<th>Policy</th>
<th>Yes [ ]</th>
<th>No [ X ]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the project depart from the CAS in content or in other significant respects?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the project require any waivers of Bank policies?</td>
<td>Yes [ ]</td>
<td>No [ X ]</td>
</tr>
<tr>
<td>Have these been approved by Bank management?</td>
<td>Yes [ ]</td>
<td>No [ X ]</td>
</tr>
<tr>
<td>Is approval for any policy waiver sought from the Board?</td>
<td>Yes [ ]</td>
<td>No [ X ]</td>
</tr>
<tr>
<td>Does the project meet the Regional criteria for readiness for implementation?</td>
<td>Yes [ X ]</td>
<td>No [ ]</td>
</tr>
</tbody>
</table>

### Safeguard Policies Triggered by the Project

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
Legal Covenants

(i) The Recipient shall cause the Project Implementing Entity to have the responsibility of the overall coordination of Project implementation. The Recipient shall vest MAPM, through its DPAs for their relevant part of the Project Area and with the support of the relevant DRAs and CTs, and the Project Implementing Entity, with the overall responsibility for implementation of Part 2 of the Project. The Recipient shall to this end ensure that the DPAs, DRAs and CTs for their relevant part of the Project Area are maintained at all times during the implementation of the Project with qualified staff and adequate resources.

(ii) The Recipient shall ensure that the DPAs for their relevant part of the Project Area provide, through the DRAs for their relevant part of the Project Area, to the Project Implementing Entity: (i) not later than fifteen (15) days after the end of each calendar semester all necessary information regarding the implementation of Part 2 of the Project in order for the Project Implementing Entity to prepare the Project Report covering each calendar semester; (ii) not later than fifteen (15) days after the end of each calendar semester all necessary information regarding Part 2 of the Project in order for the Project Implementing Entity to prepare the overall interim unaudited financial report covering each calendar semester; and (iii) not later than two (2) months after the end of each fiscal year of the Recipient all necessary information in order for the Project Implementing Entity to prepare the Recipient’s Financial Statements for the Project.

(iii) The Recipient shall take all necessary measures to implement Part 2 of the Project in accordance with the Project Implementation Manual. The Recipient shall not amend, suspend, abrogate, repeal or waive any provision of the Project Implementation Manual without prior approval of the World Bank.

(iv) The Recipient shall ensure that each Pillar II Project in connection to which a Sub-Project will be implemented, is carried out in an appropriate manner.

(v) The Recipient shall ensure that the MAPM: (i) display relevant information on each Sub-Project and on each Pillar II Project in connection to which a Sub-Project will be implemented on a status board in the local offices of the MAPM; and (ii) update said information on the status board each semester.

(vi) The Recipient shall ensure that the Sub-Projects, including the implementation schedule and the estimated cost of the activities to be carried under such Sub-projects, other than those already identified in the Project Implementation Manual, are selected by the Project Implementing Entity in consultation with the relevant DPAs and DRAs for the Project Area in accordance with the criteria and procedures set forth in the Project Implementation Manual.

(vii) To facilitate the carrying out of Part 1 of the Project, the Recipient shall make the proceeds of the Grant allocated from time to time to Category 1 of the table set forth in Section IV.A.2 of Schedule 2 of the Grant Agreement available to the Project Implementing Entity as a grant under a subsidiary agreement (“Subsidiary Agreement”) between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank.

(viii) The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to
accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

(ix) The Recipient shall: (i) implement Part 2 of the Project in accordance with the ESIAF, and any ESIA and EMP; (ii) not amend, suspend, abrogate, repeal or waive any provision of the ESIAF, and any ESIA and EMP without prior approval of the World Bank; and (iii) ensure that adequate information on the implementation of the ESIAF, and any ESIA and EMP (including information on how potential negative impact has been minimized), is suitably included in the Project Reports referred to in Section II.A.1 of Schedule 2 of the Grant Agreement.

(x) The Recipient shall ensure that no Sub-Project shall be implemented before such Sub-Project has been assessed and it has been determined, in accordance with the ESIAF, if an ESIA is required for the relevant Sub-Project and, in such case, shall ensure that such ESIA or EMP is: (i) prepared by the Project Implementing Entity; (ii) approved by the MAPM after the Project Implementing Entity shall have addressed any feedback or comment provided by the World Bank in form and substance satisfactory to the World Bank; and (iii) publicly disclosed.

(xi) The Recipient shall ensure that no Resettlement will take place under the Project.

(xii) If any private land is voluntarily donated or temporary occupied with the formal consent of the owner thereof for the purposes of the implementation of any Sub-Project, the Recipient shall ensure that: (i) such donation or temporary occupancy shall not involve any Resettlement; (ii) such donation or temporary occupancy shall be made in accordance with the laws of the Recipient and the Project Implementation Manual; and (iii) such donation or temporary occupancy shall be in form and substance satisfactory to the World Bank.

(xiii) The Project Implementing Entity shall have the overall responsibility for the implementation of Part 1 of the Project and for the overall coordination of the Project. The Project Implementing Entity shall to this end maintain at all times during the implementation of the Project qualified staff and adequate resources.

(xiv) The Project Implementing Entity shall take all necessary measures to implement Part 1 of the Project in accordance with the Project Implementation Manual. The Project Implementing Entity shall not amend, suspend, abrogate, repeal or waive any provision of the Project Implementation Manual without prior approval of the World Bank.

(xv) The Project Implementing Entity shall select the Sub-Project in consultation with the relevant DPAs and DRAs for the Project Area in accordance with the criteria and procedures set forth in the Project Implementation Manual.

(xvi) The Project Implementing Entity shall, if it has been determined, in accordance with the ESIAF, that a site-specific ESIA is required for a Sub-Project: (i) prepare such ESIA or EMP; (ii) submit said ESIA or EMP to MAPM for approval after it has addressed any feedback or comment provided by the World Bank; and (iii) disclose it publicly.

(xvii) The Project Implementing Entity shall ensure that no Resettlement will take place under the Project.

(xviii) If any private land is voluntarily donated or temporary occupied with the formal consent of the owner thereof for the purposes of the implementation of any Sub-Project, the Project Implementing Entity shall ensure that: (i) such donation or temporary
occupation shall not involve any Resettlement; (ii) such donation or temporary occupancy shall be made in accordance with the laws of the Recipient and the Project Implementation Manual; and (iii) such donation or temporary occupancy shall be in form and substance satisfactory to the World Bank.

### Effectiveness conditions

(i) The Project Implementation Manual, satisfactory to the World Bank, has been adopted by the Recipient and the Project Implementing Entity, and had been posted on the website of the Project Implementing Entity [Grant Agreement Article V 5.01 (a)].

(ii) The execution and delivery of the Project Agreement on behalf of the Project Implementing Entity have been duly authorized by all necessary governmental and corporate action [Grant Agreement Article V 5.01 (b)].

(iii) The Subsidiary Agreement referred to in Section I.C of Schedule 2 to the Grant Agreement has been executed on behalf of the Recipient and the Project Implementing Entity [Grant Agreement Article V 5.01 (c)].

(iv) The Project Implementing Entity has recruited a financial management specialist in compliance with the provisions of Section III.C of Schedule 2 to the Grant Agreement [Grant Agreement Article V 5.01 (d)].

### Team Composition

<table>
<thead>
<tr>
<th>Bank Staff</th>
<th>Name</th>
<th>Title</th>
<th>Specialization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gabriella Izzi</td>
<td>Agricultural Specialist</td>
<td>Team Lead</td>
</tr>
<tr>
<td></td>
<td>Mohamed Medouar</td>
<td>Senior Rural Development Specialist</td>
<td>Senior Rural Development Specialist</td>
</tr>
<tr>
<td></td>
<td>Michelle L. Battat</td>
<td>E T Consultant</td>
<td>E T Consultant</td>
</tr>
<tr>
<td></td>
<td>Lamyae Hanafi Benzakour</td>
<td>Financial Management Specialist</td>
<td>Financial Management Specialist</td>
</tr>
<tr>
<td></td>
<td>Laila Moudden</td>
<td>Operations Assistant</td>
<td>Operations Assistant</td>
</tr>
<tr>
<td></td>
<td>Abdoulaye Keita</td>
<td>Senior Procurement Specialist</td>
<td>Senior Procurement Specialist</td>
</tr>
<tr>
<td></td>
<td>Andrew Michael Losos</td>
<td>Environmental Specialist</td>
<td>Environmental Specialist</td>
</tr>
<tr>
<td></td>
<td>Jean-Charles De Daruvar</td>
<td>Senior Counsel</td>
<td>Senior Counsel</td>
</tr>
<tr>
<td></td>
<td>Diala Makdssi Afram</td>
<td>Junior Professional Officer</td>
<td>Counsel</td>
</tr>
<tr>
<td></td>
<td>Hassine Hedda</td>
<td>Finance Officer</td>
<td>Finance Officer</td>
</tr>
<tr>
<td></td>
<td>Marie A. F. How Yew Kin</td>
<td>Language Program Assistant</td>
<td>Language Program Assistant</td>
</tr>
<tr>
<td></td>
<td>Khadija Faridi</td>
<td>E T Consultant</td>
<td>E T Consultant</td>
</tr>
<tr>
<td></td>
<td>Soumia Driouch</td>
<td>Program Assistant</td>
<td>Program Assistant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non Bank Staff</th>
<th>Name</th>
<th>Title</th>
<th>Office Phone</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Concepcion Del Castillo</td>
<td>Social Specialist</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Locations

<table>
<thead>
<tr>
<th>Country</th>
<th>First</th>
<th>Location</th>
<th>Planned</th>
<th>Actual</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Division</td>
<td>Region de Marrakech-Tensift-Al Haouz</td>
<td>Region de Marrakech-Tensift-Al Haouz</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------------------------------</td>
<td>-------------------------------------</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kingdom of Morocco</td>
<td>Region de Souss-Massa-Draa</td>
<td>Region de Souss-Massa-Draa</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Institutional Data

#### Sector Board

Agriculture and Rural Development

#### Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

<table>
<thead>
<tr>
<th>Major Sector</th>
<th>Sector</th>
<th>%</th>
<th>Adaptation Co-benefits %</th>
<th>Mitigation Co-benefits %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, fishing, and forestry</td>
<td>Agricultural extension and research</td>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, fishing, and forestry</td>
<td>General agriculture, fishing and forestry sector</td>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, fishing, and forestry</td>
<td>Crops</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, fishing, and forestry</td>
<td>Animal production</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

☑️ I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

#### Themes

Theme (Maximum 5 and total % must equal 100)

<table>
<thead>
<tr>
<th>Major theme</th>
<th>Theme</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural development</td>
<td>Other rural development</td>
<td>70</td>
</tr>
<tr>
<td>Social dev/gender/inclusion</td>
<td>Social Inclusion</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>
I. STRATEGIC CONTEXT

A. Country Context

1. Over the last decade, Morocco has experienced significant political changes. Morocco is faced with many similar challenges as its neighbors, including social and economic exclusion, rising inequality, unemployment, and gender disparities. However, even before the Arab Spring and the revolutions in Tunisia, Egypt, and other Middle East and North Africa (MENA) countries, Morocco had already begun to implement widespread reforms. The Government’s commitment to reform was re-confirmed with the support of the population via a constitutional referendum on July 1, 2011. The new constitution calls for a more open and democratic society, equality between men and women, the provision of mechanisms to build a modern state of law and institutions, and the continuation of the decentralization process. The Government of Morocco (GoM) is determined to pursue these reforms in a transparent and participatory manner.

2. Agriculture is an important asset to the Moroccan economy, but the sector is plagued by an intrinsic disparity between large commercial and small farmers. The sector represents on average 15 percent of Gross Domestic Product (GDP), 1 23 percent of exports, and employs close to half of the labor force. Half of Morocco’s agricultural GDP and 75 percent of agricultural exports are generated by a limited but efficient group of commercial farmers producing high-value irrigated crops for international markets and milk for domestic consumption. The other half of Morocco’s agricultural production comes from low-productivity smallholders working on mainly rain-fed lands located in marginal areas characterized by less favorable agro-climatic conditions, limited basic infrastructure, difficult accessibility, and unsatisfactory agricultural services. Land is unequally distributed, with smallholders accounting for 70 percent of agricultural holdings, but covering only 26 percent of cultivated land.

3. Land degradation is a key challenge for Morocco, with an annual cost of US$134 million. Ninety-three percent of the land is arid and semi-arid, and soils are fragile due to their organic-matter content of less than 2 percent. With average soil loss of more than 500 tons per square kilometer per year in the High Atlas Mountains, and up to 2,000 tons per square kilometer per year in the Rif region, Morocco has high erosion rates. Overexploitation and unsustainable management of croplands and rangelands can degrade soils, reducing crop and fodder yields, and long-term sustainability (Table 1). Morocco is vulnerable to droughts, and agricultural development is increasingly impaired by dwindling resources and inadequate service in marginal areas. Around 2 million hectares of land suffer from water erosion, totaling degradation of 3,000 tons per square kilometer per year.

---

1 Agricultural sector contribution to GDP is strongly dependent on precipitation levels. Droughts are extremely costly: the 1994/95 drought caused agricultural GDP to fall by 45 percent and overall GDP to fall by nearly 8 percent. (Kingdom of Morocco: Agriculture and Climate Change: Impacts and Policy Implications. Report No. 54354 – MA, World Bank. June 2011.)

2 Less than 5 hectares.

3 The terms “marginal areas”, “arid and semi-arid areas”, and “deserts” are used in this document as synonyms.
Table 1: Severity of cropland degradation in Morocco

<table>
<thead>
<tr>
<th>Degradation</th>
<th>Area (ha thousands)</th>
<th>Percentage of land in class (excluding Saharan provinces)</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>2,000</td>
<td>5</td>
</tr>
<tr>
<td>Light</td>
<td>4,200</td>
<td>9</td>
</tr>
<tr>
<td>Moderate</td>
<td>29,700</td>
<td>67</td>
</tr>
<tr>
<td>Severe</td>
<td>6,300</td>
<td>14</td>
</tr>
<tr>
<td>Very severe</td>
<td>2,400</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>44,600</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: FAO, 2000 modified.

4. **Environmental degradation is one of the main threats to the rich biodiversity of Morocco.** Thanks to its variety in ecosystems, Morocco is the richest Mediterranean country in terms of fauna. However, its biodiversity is threatened by deteriorating ecosystems. Overgrazing, overharvesting, increased urbanization, and increased tourism, all contribute to the loss of local plant and animal species. Moreover, 30,000 hectares of vegetal cover is lost every year, which has significant implications for the various species protected by this cover. Agricultural pollution caused by the use of fertilizer and pesticides may also result in local biodiversity degradation, while the introduction of foreign species in Morocco’s ecosystems risks eroding indigenous germoplasm.

5. **Small farmers face poverty, marginalization, and environmental degradation.** Poverty in Morocco remains largely a rural phenomenon, with the gap between rural and urban living standards being the highest in MENA. In marginal areas characterized by low and erratic rainfall, and with limited access to irrigation, small farmers are not inclined to risk their limited financial resources in the purchase of agricultural inputs, resulting in low productivity. The expertise in state-of-the-art technologies is scarce, while farmers are often old and illiterate, and have limited access to agricultural services. Many of these farmers are poor illiterate women: approximately 57 percent of the female population in Morocco participates in agricultural activities with the proportion of agricultural work carried out by men, women, and children estimated at 42, 45, and 14 percent respectively. The small-scale of farms, the limited level of

---

4 Morocco’s ecosystems range from mountain and lowland forests, grasslands and wetlands, to coastal lagoons and marine environments. Moroccan fauna includes reportedly 550 vertebrates with 101 mammalian species and 22 endemic species of reptiles and amphibians.

5 Although rural poverty decreased from 25 percent in 2001 to 12 percent in 2008, poverty remains largely a rural phenomenon. Seventy percent of poverty in Morocco remains rural while rural areas host about half of the population. Poverty rates in rural areas almost 3 times as high as in urban areas.

6 As is characteristic of arid and semi-arid regions, Morocco has highly variable annual and seasonal rainfall. The coefficient of variation of annual rainfall ranges between 25 percent in regions close to the Atlantic to over 100 percent in the marginal areas close to the Sahara. The coefficient of variation is the ratio of the standard deviation to the mean, represented as a percent. A value of 100% indicates that rainfall is highly variable, with the standard deviation of annual values equal to the historical average.

7 Eighty-one percent of the heads of farming families are illiterate and more than 45 percent are over 55 years old.

8 Numbers may not add up to a 100 percent due to rounding. http://www.fao.org/docrep/X0250E/x0250e03.htm
farmer organization in some regions, the unsatisfactory agricultural product quality, and the limited access to markets are further causes of low income. A focus on ensuring their short-term livelihood, small farmers can turn to overexploitation and unsustainable management practices of agricultural land, at the expense of long-term land management techniques. However, as a consequence, environmental degradation and biodiversity loss may threaten the production capacity of marginal areas, further trapping small farmers in a vicious poverty cycle.

**B. Sectoral and Institutional Context**

6. **The Plan Maroc Vert (PMV)** is the country’s agricultural strategy for the period 2008-2020, aiming to double the agriculture sector’s value-added and create 1.5 million jobs. The GoM envisaged a paradigm shift from a highly protected agriculture with a self-sufficiency goal to a dynamic, more open market strategy that emphasizes integrated value-addition along the agri-food chain in order to create better opportunities for small and large farmers alike. The PMV provides a roadmap for implementing a series of systemic public sector reforms and investments to achieve these goals. It is based on two Pillars, to account for the dualistic nature of Moroccan agriculture: Pillar I supports commercial farmers’ integration into domestic and international markets, and Pillar II is focused on social agriculture for small farmers. For Pillar II, around 550 projects directed to 855,000 smallholders are expected to be implemented throughout Morocco by 2020. This corresponds to an investment of US$2.37 billion, three quarters of which will be funded by public investments, and the remaining by beneficiaries’ contribution. Pillar II projects promote intensification, crop switching, and crop diversification; finance on-site processing and storage facilities and some agricultural inputs; support capacity development; and promote farmers’ participation, organization, and their linkage to market (see Annex 7).

7. **The Plan Maroc Vert**, detailed through Regional Agricultural Plans, promotes an agri-food chain approach. At the local level, the Regional Agricultural Plans (Plans agricole régionaux, PAR) identify priority agri-food chains for each region on the basis of agro-climatic conditions and crop economic potential. Within these regional priorities, Pillar II projects are designed to promote the vertical integration from production to commercialization of each agri-food chain. This is done through farmers’ associations and cooperatives, some of which include women (nearly 11 percent of the agricultural cooperatives in Morocco are women’s cooperatives). Within the PMV, farmers organizations help overcome land constraints; promote farmers participation; enable their access to finance, knowledge, and technologies; support risk-sharing; and improve marketing and commercialization.  

---

9 A Pillar II project is an agricultural project directed to small farmers located in a marginal area of Morocco, partially financed by the Government as part of the PMV.

10 Pillar II projects increase productivity through the financing, notably, of agricultural inputs and training in order to support organized farmers (agrégés). In addition, they create the linkage with private investors, traders, and entrepreneurs (agrégateurs), in order to integrate small farmers in local markets. The vertical integration along the agri-food chain that is fostered by the public financing of Pillar II projects is subjected to the formalization of a tri-lateral contract between agrégés, agrégateurs, and the Government of Morocco (GoM). Under the Agricultural DPL/1 in support to the PMV, the prior action under “Component B. Improve the socio-economic impacts of projects directed to small farmers”, aimed to support the development of a legislative framework regulating Government support for contract farming (agrégation solidaire).
8. **Substantial institutional reforms accompany the Plan Maroc Vert investments.** The Ministry of Agriculture and Maritime Fishery (Ministère de l’Agriculture et de la pêche maritime, MAPM) pursued a de-concentration of its service delivery through the creation in 2008 of 16 Regional Agricultural Directorates (Direction régionale agricole, DRA), which nowadays constitute the interface between the central MAPM and the pre-existing Provincial Agricultural Directorates (Direction provinciale agricole, DPA). The implementation responsibility and monitoring of the PMV was given to a specialized and dynamic Agency for Agricultural Development (Agence pour le développement agricole, ADA), created with this purpose in 2009. A strategy for developing an integrated system for delivering agricultural services was put in place in 2012, and it is currently resulting in the creation of a specialized Agency for Agricultural Advisory Services (Office national du conseil agricole, ONCA). The Chambers of Agriculture were restructured, and their number reduced from 37 to 16. Professional associations (Inter-professions) were established for about twenty priority agri-food chains, for which results-oriented contract programs were signed. Furthermore, the MAPM and the Ministry of Economy and Finance (Ministère de l’Économie et des finances, MEF) reshaped the Agricultural Development Fund (Fonds de développement agricole, FDA), the GoM’s principal agricultural subsidy instrument, with a view to align support measures with the strategic directions of the PMV.

9. **The investments and institutional reforms under the Plan Maroc Vert have resulted in agricultural sector growth in terms of both volume and value.** Since 2008, investments in the sector have grown at a compounded annual growth rate of about 12 percent, totaling over US$2.80 billion. Of the total investments in the PMV, US$0.65 billion has been directed to Pillar II projects. This budget effort, combined with favorable climatic conditions, has resulted in a 40 percent increase in the total volume of agriculture production between 2005-2007 and 2011, while agriculture value added per worker increased by 53 percent between 2007 and 2010. These investments have led to an increase in output between 2006 and 2011 for olives (83 percent), citrus (36 percent), dates (45 percent), red meat (22 percent), and milk products (35 percent), among others.

10. **Through the promotion of sustainable intensification, the Plan Maroc Vert can improve the livelihoods of small farmers while accounting for the environmental impact on natural ecosystems, thereby breaking the linkage between poverty, marginalization, and environmental degradation.** The PMV could be considered as an opportunity to address environmental issues, for example, through the promotion of eco-labeling and the opportunity to re-invest the increased production of by-products for energy (biomethanization), livestock feeding, organic mulching, and fertilizers. Specifically, the PMV identifies environmental-related threats to marginal areas, including limited water resources, fragile pasture land and forest ecosystems, and over-exploitation of natural resources including groundwater. By putting in place adequate measures, the agricultural intensification advocated under the PMV can also be achieved in marginal areas, while conserving natural resources. By recognizing the environmental challenges that exist in marginal areas where Pillar II projects are located, the PMV is better suited to identify ways to mitigate these challenges as it strives to grow the agriculture sector in a sustainable manner.
11. The Morocco Social and Integrated Agriculture (*Agriculture solidaire et intégrée au Maroc*, ASIMA) will increase the implementation of land and biodiversity conservation measures by small farmers. The conservation measures will be integrated in existing Pillar II projects in the targeted marginal areas of Souss-Massa-Draa and Marrakech-Tensift-Al Haouz regions, for which a corresponding ASIMA sub-project will be designed to complement the PMV investment. Small farmers, already beneficiaries of Pillar II projects each focusing on an agri-food chain typical of marginal areas, will additionally benefit from the integration of conservation measures. The ASIMA sub-projects will allow exploring horizontal integration among agri-food chains, thus complementing the vertical integration from production to commercialization of each agri-food chain promoted under the PMV, in order to help small farmers enhance their livelihood while making optimal use of the limited natural resources available. The ASIMA will be funded by the Global Environment Facility (GEF) with parallel financing from the GoM.

12. A body of analytical work by the Government of Morocco, the World Bank, and other multilateral organizations underpins the ASIMA project. The World Bank conducted a sector-wide diagnostic identifying key challenges and constraints facing the Moroccan agri-food sector and outlining a series of policy recommendations in its Morocco Agricultural Sector Policy Note (2009) and Morocco Agricultural Sector Review (2010). An analysis of recent poverty trends in rural areas in Morocco is provided by the World Bank’s Rural Poverty Policy Note (2010). Specifically on the environmental aspects, the most relevant World Bank analytical piece is the Cost of Environmental Degradation – Case studies from the Middle East and North Africa (2010), which estimated the annual costs associated to land degradation in Morocco in terms of the lost productivity of croplands and rangelands. More recently, the ADA has carried out an Environmental Assessment of the PMV (Évaluation Environnementale Stratégique du Plan Maroc Vert, 2012) that identified, among other conclusions, the following needs: (i) training for specialized staff for the monitoring and evaluation of environmental-related aspects; (ii) communication campaign on environmental-related issues targeting all involved stakeholders; and (iii) specific measures to be designed for the protection of the flora and fauna biodiversity of Morocco. The ASIMA will benefit from analytical work produced by international organizations active in the agricultural sector in Morocco, and in particular the Ecosystem management plans produced for specific agri-food chains under the Program by the European Union supporting the agriculture sector policy in Morocco (*Programme d’Appui à la Politique Sectorielle Agricole*, PAPSA).

13. The ASIMA builds on the existing portfolio of World Bank’s lending activities in Morocco in support of the *Plan Maroc Vert*. The World Bank’s support to the PMV has been conceived in an innovative way, coupling a DPL series with two GEF projects and Technical Assistance (TA) from the World Bank and other donors (including IFC), and complementing a number of investment operations undertaken by the rest of the donor community in Morocco. The ASIMA is consistent with the actions promoted by the ongoing programmatic series of two Development Policy Loans (DPLs) in support to the PMV,\(^ {11}\) aiming among others to improve the socio-economic impacts of Pillar II projects. Reforms of the Pillar II pursued through the

\(^{11}\) P116557, First DPL in support of the PMV, presented to the Board on March, 15 2010. P127822, Second DPL in support of the PMV, under preparation and scheduled for Board presentation March 26, 2013.
DPL series included: (i) improving the governance and public financial management of Pillar II projects, through the adoption of two manuals setting procedures for prioritizing the financing, and for preparing, submitting, and implementing Pillar II projects, as well as the de-concentration of the decision making process to pre-selection technical committees at provincial level; and (ii) establishing a legal and institutional framework to support aggregation, though the passing of relevant legislation regulating government support of aggregation projects and the legal framework of contract farming. The ASIMA will benefit from this improved legal framework put in place for Pillar II projects, and will in turn contribute to the achievement of the DPL series by developing additional knowledge that could be of use for the improvement of the manuals in an environmental perspective. The ASIMA builds on the lessons learned of the Integrating Climate Change in the implementation of the PMV (PICCPMV) project, financed by GEF (under the Special Climate Change Fund, SCCF) as part of the World Bank support to the PMV. Both the ASIMA and the PICCPMV promote innovative measures to be piloted in Pillar II projects and potentially scaled up at the PMV level. The measures promoted (for climate change adaptation under the PICCPMV, and for land and biodiversity conservation under the ASIMA) target small farmers as they are the most vulnerable to climate change impact and environmental degradation, which risk jeopardizing the potential gains small farmers can obtain from the PMV. Both GEF projects aim to facilitate the transfer of existing knowledge to small farmers, selecting measures that are simple to implement, financially sustainable for the small farmers (or their associations), and have short term advantages for agricultural production while increasing sustainability and resilience in the long term. Appropriate synergies are been sought between the ASIMA and the Green Growth DPL series, of which the first operation is currently under preparation.

14. The ASIMA is part of the MENA-Desert Ecosystems and Livelihoods Program (MENA-DELP). The World Bank, in partnership with several countries and the GEF, has launched the MENA-DELP regional program which aims to contribute to the enhancement of livelihoods in desert ecosystems by harnessing their value in an environmentally and socially sustainable manner so that the flow of desert goods and services can be optimized. The MENA-DELP seeks to maintain and improve the flow of desert ecosystem services for sustainable development in a positive feedback loop. The Program will focus on piloting enabling economic opportunities specific to deserts that integrate the health and diversity of the desert biome with the vast potential for innovative livelihood opportunities that also sustain valuable repository knowledge linked to adaptive practices. It is intended that such an approach ultimately enhances desert livelihood opportunities and increases the resilience and adaptation responses of desert communities and ecosystems to projected pressures. The MENA-DELP consists of six projects, five national (besides Morocco, it includes Algeria, Egypt, Jordan, and Tunisia) and one regional.

---

12 P117081, Integrating Climate Change in the implementation of the PMV: The US$4.35 million GEF project was presented to the Board on May 17, 2011, launched in June 2011 and is expected to close in October 2015.
13 P127956, Inclusive Green Growth DPL in Morocco, under preparation and scheduled for Board presentation in November 2013.
14 Algeria P128082, Improving Desert Ecosystems and Climate Resilient Oases Project; Egypt under identification; Jordan P127861, Badia Ecosystem and Livelihoods; Tunisia P120561, Ecotourism and Conservation of Desert Biodiversity; Regional P130343, MENA-Desert Ecosystems and Livelihoods Knowledge Sharing and Coordination Project (under preparation).
management, but they all improve the sustainability of these investments through an integrated ecosystem management approach. Emphasis is also placed on participatory approaches, capacity building, and on harnessing local knowledge. The regional umbrella aims to enhance knowledge and experience sharing among the five countries. The ASIMA has been designed in accordance with the objectives of the MENA-DELP, and to maximize exchange of knowledge with other national projects.

C. Higher Level Objectives to which the Project Contributes

15. The ASIMA will contribute to increasing the sustainability of the agricultural sector in Morocco. In setting a precedent through the integration of land and biodiversity conservation measures in Pillar II projects in marginal regions of Morocco, the ASIMA will facilitate the future integration of these measures in the PMV projects throughout the country. Through capacity building and awareness campaigns, both small farmers and government officials at the local, provincial, regional, and national levels will be more conscious of conservation measures to achieve sustainable agricultural intensification. Furthermore, the ASIMA can represent an opportunity to improve the two manuals that outline the procedures regarding the financing, preparation, submission, and implementation of Pillar II projects by including environmental-related selection criteria and monitoring. To that effect, the ASIMA will serve as a catalyst to mainstreaming conservation measures in the PMV, and small farmers and government officials will thereby be more inclined and able to pursue sustainable agricultural practices and policies.

16. The ASIMA will be part of the knowledge sharing activity promoted under the MENA-DELP. As one of the country-level projects within the MENA-DELP, the ASIMA will offer concrete examples on how to harness the value of priority agri-food chains in an environmentally and socially sustainable way and thereby promote sustainable agricultural growth. These successful stories will be shared with the other countries under the MENA-DELP umbrella: the ASIMA beneficiaries, including government staff and small farmers, are expected to participate in the regional knowledge sharing dialogue. The ASIMA project will be the second MENA-DELP national project to be launched, after the one in Jordan. Both projects deal with the need to combat land degradation while ensuring the livelihood of livestock owners, and exchanges could be promoted under the regional umbrella to compare the different approaches taken. Also, both projects promote alternative livelihoods initiatives in the communities (including for example the exploitation of Medicinal and Aromatic Plants, MAPs), with special attention given to women.

17. The ASIMA will contribute to the GEF strategic priorities under the Land Degradation and Biodiversity focal areas. By improving the adoption of land and biodiversity conservation measures in Pillar II projects of the PMV, the ASIMA adopts an integrated approach to natural resources management, contributing to multiple global environmental benefits, including the two following objectives of the GEF:

- Land Degradation, Objective 1 “Maintain or improve a sustainable flow of agro-ecosystem services to sustaining the livelihoods of local communities”: Unsustainable agricultural activities cause many types of land degradation. Consistent with the development priority, GEF focuses on areas where agricultural and rangeland management practices underpin the livelihoods of poor rural farmers and pastoralists. The ASIMA will provide incentives to small farmers to produce animal feed using by-
products of crops typical of marginal areas (olive, cactus, argan), promoting the horizontal integration among agri-food chains. This will have the double benefit of reducing the pressure of grazing on marginal areas and limiting the negative environmental impact of by-products.

- **Biodiversity**, Objective 2 “Mainstreaming biodiversity conservation and sustainable use into production landscapes/seascapes and sectors”: The persistence of biodiversity cannot be achieved through the sole promotion of protected areas, but requires the sustainable management of productive areas, mainstreaming biodiversity conservation in sectoral policies. The ASIMA will provide incentives to small farmers to align their practices and behaviors with the principles of sustainable use and management. Women will be trained to harvest wild MAPs in a sustainable way and to complement their income with cultivated species. Bee-keepers will be equipped and trained to breed local bee species and to build the beehives, so to reduce the import of colonies from other regions. Thanks to the introduction of biodiversity conservation measures, Pillar II projects will become more sustainable over time, and thus a long-term source of livelihood for the small farmers. The ASIMA will showcase results to decision makers involved in the preparation and selection of future Pillar II projects, who will be more likely to promote biodiversity conservation measures throughout the country. In addition, the Objective 2 stresses the need to focus on landscape-scale measures. Indeed, biodiversity conservation cannot be fully achieved by focusing only on the agri-food chain and location of each given Pillar II project. The ASIMA will explore horizontal integration among agri-food chains to promote biodiversity conservation. Small farmers will be aware of the mutual dependency of MAPs and bees: in the project area, MAPs need bee for pollination, while bees need MAPs for nectar. The ASIMA will strengthen the capacity of decision makers involved in the planning and implementation of Pillar II projects to recognize the need for horizontal integrations among agri-food chains for biodiversity conservation, thus complementing the vertical integration from production to commercialization of each agri-food chain promoted under the PMV.

18. **The ASIMA will support the implementation of Morocco’s National Action Program to combat Land Degradation and Desertification and of the National Biodiversity Strategy and Action Plan.** Morocco ratified the United Nations Convention to Combat Desertification (UNCCD) in 1996, adopted its National Action Program (NAP) in 2001, and established an institutional framework for its implementation. The NAP complements existing sector programs, supports their implementation, and promotes an integrated drylands development approach to enhance local livelihoods. One of its key components is the establishment of active partnerships, both nationally and internationally, addressing both ministerial stakeholders and research institutions. The ASIMA will be instrumental to integrate the principles of the NAP into the sectoral strategy of the PMV. The four cornerstones of the Moroccan NAP (integrated rural development, poverty reduction, drought mitigation, and conservation of natural resources) have been duly reflected in the design of the ASIMA. The High Commission for Water, Forestry, and Desertification Control (Haut Commissariat aux Eaux et Forêts et à la Lutte Contre la Désertification), in charge of coordinating implementation

of the UNCCD, could benefit from the awareness activities promoted under the ASIMA, thus learning about successful stories able to document on-the-ground benefits of the principles advocated in the NAP. Morocco ratified the convention on Biological Diversity in 1995. Five strategic objectives comprise the related National Biodiversity Strategy and Action Plan (NBSAP): (i) rational management and sustainable use of biological resources; (ii) improved knowledge on biodiversity; (iii) awareness raising and education; (iv) legislation and institutions; and (v) international cooperation. The ASIMA directly contributes to objectives (ii), by focusing on applied research, training, and information management; (iii), by carrying out awareness programs to the benefits of small farmers; and (v), by contributing to international information sharing as part of the MENA-DELP.

19. **The ASIMA leverages the World Bank’s MENA strategy by supporting the focus areas of sustainable growth, social and economic inclusion, and governance.** As the region goes through a historic period of transition, the World Bank is adapting its strategy to support Morocco through its own process of reforms. By integrating land and biodiversity conservation measures in Pillar II projects, the ASIMA will directly promote climate-smart agriculture and sustainable growth. Moreover, Pillar II projects promote the social inclusion of small farmers in marginal areas and therefore, in strengthening the Pillar II projects, the ASIMA reinforces the need for social and gender-sensitive inclusion. By focusing on priority agri-food chains, identified as such by the PMV in part for their economic potential, the ASIMA also ensures the economic inclusion of the small farmers. Lastly, good governance practices and accountability are reinforced via the ASIMA’s implementation arrangements which emphasize de-concentration through the integration of local, provincial, and regional representation of the MAPM.

20. **The ASIMA is fully aligned with the objectives and priorities defined in the World Bank Group’s Country Partnership Strategy for Morocco (2010-2013) (Report 50316-MA), discussed by the Board of Executive Directors on January 26, 2010.** By targeting small farmers in marginal areas of Morocco, the ASIMA fits under the CPS Pillar II “Service delivery to citizens” and Pillar III “Sustainable development in a changing climate”, and in particular:

- Program Area 2.4 “Vulnerability and social exclusion”, regarding the Government goal to “reduce poverty, social exclusion, and vulnerability by empowering poor and vulnerable groups and particularly women and youth”;
- Program area 2.6 “Agricultural Sector Reform”, addressing the Government goal to “increase competitiveness and diversification of the agricultural sector to sustain stronger agricultural growth and employment”, through improved integration of smallholders into domestic markets, and improve public sector support and services to smallholders; and
- Program Area 3.1 “Water Management”, relating to the Government goal to “promote water resources conservation and protection”, through the “reduced water losses and better control of groundwater abstraction”.

The ASIMA contributes to the CPS Crosscutting beams:
- Decentralization, by supporting the empowerment of farmers’ organization in the decision making process within the frame of the PMV; and
- Territoriality, by promoting and integrated approach with active participation of the population.
Finally, the ASIMA supports the renewed focus of the CPS Progress Report on gender, as at least 15 percent of the small farmers expected to benefit from the selected PMV Pillar II projects are women. To this end, the ASIMA includes two agri-food chains (Medicinal and aromatic plants and Argan) that record high women participation.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO 16

21. The Project Development Objective (PDO) is to increase the implementation of land and biodiversity conservation measures in selected projects directed to small farmers located in targeted marginal areas in the project area.

22. A project directed to small farmers located in a marginal area of Morocco refers to a Pillar II project in the PMV. The project area means the regions of Marrakech-Tensift-Al Haouz and Souss-Massa-Draa (see Table 4 in Annex 2 for the list of the provinces and municipalities).

1. Project Beneficiaries

23. Beneficiaries of the ASIMA will be small farmers who are already beneficiaries of the selected Pillar II projects in the Souss-Massa-Draa and Marrakech-Tensift-Al Haouz regions, and in which the ASIMA will integrate additional land and biodiversity conservation measures. These selected Pillar II projects will be considered ASIMA sub-projects, therefore the farmers who are beneficiaries of the selected Pillar II projects will also be beneficiaries of the ASIMA sub-projects. The small farmers will benefit from works and goods for implementing land and biodiversity conservation measures; training, field visits, and study tours; and awareness campaigns. As required by the Pillar II project, small farmers will be in principle organized in a Professional Agriculture Organization (Organisation professionnelle agricole, OPA), which combines all farmers’ associations and/or cooperatives, which represents a pre-requisite for the launching of a Pillar II project. Approximately 12,000 small farmers will be beneficiaries of the ASIMA, of which at least 15 percent women.

24. In addition, the ASIMA will strengthen the capacity of public and private institutions involved in the planning and implementation of Pillar II projects, in order to reinforce the institutional set-up for the integration of land and biodiversity conservation measures, and thus maximize the benefits for the small farmers. Relevant institutions are the following: the Ministry of Agriculture and Fisheries (MAPM), including the Regional Agricultural Directorates (DRAs), the Provincial Agricultural Directorates (DPAs), and the Centers of Work (CTs) in the two target regions; the Agency for Agricultural Development (ADA); the National Agency for the Development of the Oasis and of the Argan areas (Agence nationale pour le développement des zones oasiennes et de l’arganier, ANDZOA); the National Agricultural Council (Office national du conseil agricole, ONCA); the High Commission for Water, Forestry, and Desertification Control (Haut Commissariat aux Eaux et Forêts et à la Lutte Contre la Désertification); the regional chambers of agriculture; the Pillar II resources center (Centre des ressources Pilier II,

---

16 As for all stand-alone GEF operations, the PDO and Global Environmental Objective (GEO) are the same.
CRPII); the OPA of the selected Pillar II projects; and private investors, traders, entrepreneurs, and service providers.¹⁷ Staff will benefit from training, field visits, and study tours; studies and dissemination materials; and awareness campaigns. Approximately 820 staff from public and private institutions will be targeted.

2. PDO Level Results Indicators

25. The PDO level results indicators are:
   (i) Direct project beneficiaries (number), of which female beneficiaries (percentage)
   (ii) Successful pilots (number)

III. PROJECT DESCRIPTION

A. Project Components

26. The ASIMA is composed of the two following components.

27. Component 1: Development of the capacities of public and private institutions on land and biodiversity conservation (US$1.32 million, or 20 percent of grant amount) - Component 1 aims to develop the capacities of selected staff of public and private institutions involved in the planning and implementation of Pillar II projects on land and biodiversity conservation measures. This Component is distinguished in two sub-components. Activities of sub-component 1.1 to be financed include: (i) training, study tours, and field visits; (ii) studies and dissemination materials; (iii) awareness campaigns; (iv) Monitoring and Evaluation (M&E) and reporting; and (v) audits. The activity of sub-component 1.2 to be financed includes training to selected staff of the implementing entities. The ADA will be responsible for the implementation of Component 1.

28. Component 2: Transfer of land and biodiversity conservation measures among small farmers (US$5.12 million, or 80 percent of grant amount) - Component 2 aims to disseminate land and biodiversity conservation measures in selected projects directed to small farmers located in the two target regions of Souss-Massa-Draa and Marrakech-Tensift-Al Haouz. Eight ASIMA sub-projects have been identified, and more could be added during project implementation subject to consultations and budget availability. For each of these, activities to be financed include: (i) works and goods for implementing land and biodiversity conservation measures; (ii) training, study tours, and field visits; (iii) awareness campaigns; and (iv) Monitoring and Evaluation (M&E). The MAPM (through the relevant DPAs, with the support of the relevant DRAs and CTs), with the assistance of the ADA, will be responsible for the implementation of Component 2.

¹⁷ During implementation, the ASIMA will take into consideration changes deriving from the institutional reforms of the MAPM, and include any additional institution that might be relevant for the objectives of the project.
B. Project Financing

1. Financing Instrument

29. The project is a Specific Investment Loan (SIL) financed through a Global Environment Facility (GEF) grant. The grant of US$6.44 million will be used largely to finance the additional cost of integrating land and biodiversity conservation measures in selected Pillar II projects. The GoM will contribute about US$35.54 million in parallel financing to the GEF grant to finance the baseline Pillar II projects (see Table 8 in Annex 6 for breakdown of the parallel financing).^18

2. Project Cost and Financing

Table 2: Project cost

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Project Costs (US$ Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1 - Development of the capacities of public and private institutions on land and biodiversity conservation</td>
<td>1.32</td>
</tr>
<tr>
<td>Component 2 - Transfer of land and biodiversity conservation measures among small farmers</td>
<td>5.12</td>
</tr>
<tr>
<td>Total GEF Costs</td>
<td>6.44</td>
</tr>
<tr>
<td>Parallel Financing (GoM)</td>
<td>35.54</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>41.98</strong></td>
</tr>
</tbody>
</table>

C. Lessons Learned and Reflected in the Project Design

30. The ASIMA stands to learn from the existing knowledge and experience of other projects that have supported Morocco in its agricultural development and in its quest to combat land degradation and loss of biodiversity. The ASIMA benefits from lessons learned regarding farmers’ participation, transparency, institutional arrangement, pilot approach, Monitoring and Evaluation (M&E), and project content.

31. Building farmers’ participation and project ownership is a process that requires time. The MAPM and ADA recognize that, in line with international knowledge, consultations at all stages of project preparation and implementation are fundamental. Building on this experience, the ASIMA carried out consultations with small farmers throughout project preparation, which resulted in the identification of a list of activities to be implemented under each ASIMA sub-project. In order to deepen even further this consultation process, especially considering the pilot nature of some of the activities, the first year of the project will be mostly concentrated on soft activities which will allow reconfirming the interest and priorities of small farmers, while physical implementation will be subsequently launched starting with the second year of the project.

32. Increased transparency is required to truly facilitate farmers’ participation. The MAPM and ADA have put in place a number of measures and procedures to improve the transparency of the Pillar II project selection process. To fully engage small farmers, it is

---

^18 The co-financing letter from the MAPM in the amount of 300 million MAD was received on October 31, 2012.
important to further increase transparency by improving communication. To this end, the MAPM recently issued a circular on the public disclosure of Pillar II projects information, through a project status board (in Arabic) to be displayed in a local office of the MAPM easily accessible by the beneficiaries.\(^{19}\) The ASIMA will remain consistent with this approach. The project status board for each selected Pillar II project will include data on the progress of both the Pillar II project and the ASIMA sub-project. In addition, updates of the project status board will be provided twice per year.

33. **The implementation of ASIMA sub-projects should follow the standard arrangements for the associated Pillar II projects.** The willingness to closely align the implementation arrangement of the ASIMA with the one put in place by the PMV stems from the experience gained in the GEF Integrating Climate Change in the Implementation of the *Plan Maroc Vert* project (PICCPMV), which is similar in design to the ASIMA. Under the PICCPMV it was decided to reduce the number of implementing entities on the ground by giving the responsibility of the implementation of the sub-projects (and the associated Pillar II projects) to the regional entities (DRAs) rather than the provincial ones (DPAs) which would have been in principle responsible according to the PMV approach. While this reduced the interlocutors for the World Bank, it also resulted in a number of procedural differences with the PMV which complicated the exchanges between the DRAs and the DPAs. Building on this realization, the ASIMA will respect the existing implementation arrangements for the PMV and will assign the responsibility of the implementation of the sub-projects to the relevant DPAs.

34. **Measures to be piloted in ASIMA sub-projects should be both technically innovative and viable for scaling up.** Just as the PICCPMV is using a pilot approach to encourage small farmers to adopt climate change adaptation measures, the ASIMA will use a pilot approach to incorporate land and biodiversity conservation measures in Pillar II projects. In both cases, the objective is to have the GoM incorporate these measures throughout the PMV. Successfully scaling up of agricultural development projects has historically been a challenge for a number of reasons ranging from a lack of fiduciary and/or financial resources to low-impact results when the project is brought to a larger scale. By piloting land and biodiversity conservation measures, the ASIMA recognizes the importance of evaluating new and innovative methods prior to scaling them up. As such, the project inherently accepts the risk that a piloted measure is not successful and that the benefit is the lesson learned.\(^{20}\) While the innovative characteristic of these measures is inherent to the pilot approach, it is also important to assess the (financial, economic, institutional, etc.) feasibility to scale up these measures should the pilot be successful. Therefore, the ASIMA will aim to finance land and biodiversity conservation measures that, if successful, are viable to scale up. Through the proper monitoring and evaluation of the piloted measures and institutional support, the lessons learned from the ASIMA could influence the approach to scaling up the project by expanding, replicating, adapting, and sustaining successful policy reforms as well as the integration of successful land and biodiversity conservation measures. To this end, a monitoring indicator tracking the number of Pillar II projects at national level integrating land and biodiversity conservation measures has been included under the ASIMA.

\(^{19}\) *Note circulaire, Identification visuelle des projets pilier II au niveau local,* MAPM, 29 juin 2012.

35. The metrics to evaluate the ASIMA should reflect the pilot nature of the project. The point of view of the farmers is fundamental to establish whether a conservation measure could be successfully scaled up. The MAPM and ADA are investing increasing efforts to develop a simple methodology to account for the point of view of the farmers throughout project preparation and implementation, thus introducing an M&E matrix that goes beyond the simple assessment of the physical implementation or the number of trainings provided. This is not straightforward, especially considering that most of the farmers are illiterate, thus preventing the use of written surveys as a means to assess satisfaction. The ASIMA will build on this acquired awareness by developing a methodology which accounts for farmers’ satisfaction. The objective is to evaluate the piloted measures for land and biodiversity conservation from the perspective of the farmers themselves. Feedback from farmers will be useful information for the MAPM in deciding which measures to scale up so as to have the greatest positive impact. Knowledge and data acquired through robust M&E of the ASIMA can be used to scale up the land and biodiversity conservation measures.

36. The ASIMA will benefit from the knowledge generated in preceding projects, and in particular:

- The GEF project Transhumance for Biodiversity Conservation in the Southern High Atlas aimed to integrate pastoral range management with biodiversity conservation in grazing-dependent ecosystems. The project documents specifically highlight the relationship between the Saharan bee with several endemic Medicinal and Aromatic Plants (MAPs) in the project zone. The Saharan bee is frequently dependent on these plants, therefore the promotion of sustainable harvesting techniques helps combat land degradation while supporting biodiversity conservation. The ASIMA can leverage these cross-value chain linkages. In addition, the ASIMA will build on the knowledge compiled in “Étude des ressources et des potentialités mellifères pour la réhabilitation et la préservation de l’abeille saharienne dans le versant sud du Haut Atlas” (2004), which focused on the commercial potential of honey-based products and the conservation of the Saharan bee. This study highlighted the need for increased trainings on practical applications of bee-keeping (rather than theory), particularly when it comes to trainings on risk management in times of drought and cold weather. The study also mentioned other gaps in training opportunities for managing swarms of bees, manual extraction of honey from traditional bee hives, and nourishment of bees.

- The GEF project Mainstreaming Biodiversity into Value Chains for Mediterranean Medicinal and Aromatic Plants aims to increase biodiversity conservation through increasing the value of MAPs, improving access to markets, and applying sustainable land management practices. The project documents highlight key issues for the MAPs value chain, offering potential areas where the ASIMA could intervene. For example, project documents note that wildcrafters are generally paid according to the harvested quantity, so the incentive is to collect the maximum quantity possible, resulting in the over-harvesting and frequent up-rooting of MAPs. The ASIMA could provide trainings...

21 UNDP was the executing agency for the GEF project “Transhumance for Biodiversity Conservation in the Southern High Atlas.” The US$4.25 million project started 2001 and closed in 2010.
22 UNDP was the executing agency for the GEF project “Mainstreaming Biodiversity into Value Chains for Mediterranean Medicinal and Aromatic Plants.” The US$0.95 million project started in January 2010 and is ongoing.
on sustainable (or even certified, e.g., Fair Wild Foundation) harvesting techniques, which could mitigate risks to genetic erosion and/or extinction of specific plant species. Replanting, re-sowing, and domestication of MAPs could also help with biodiversity conservation.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

37. The ADA will be responsible for the overall coordination of the ASIMA. The ADA will implement Component 1 and the MAPM (through the relevant DPAs, with the support of the relevant DRAs and CTs), with the assistance of the ADA, will implement Component 2.

38. In order to guarantee the implementation of the ASIMA, the ADA and the MAPM (at the level of the DRAs, DPAs, and CTs) should assign to the ASIMA qualified staff and adequate resources throughout the implementation of the project. The list of staff assigned to the project has been agreed upon and will be officially communicated to the World Bank prior to effectiveness. Any change to the composition will be done in agreement with the World Bank.

39. The ADA and the MAPM (through the relevant DRAs, DPAs, and CTs) were selected as implementing agencies for the ASIMA as they are the entities in the GoM that are responsible for the PMV. The implementation arrangements of the ASIMA builds upon the existing organizational structure put in place for the implementation of the PMV.

B. Results Monitoring and Evaluation

40. The objective of the Monitoring and Evaluation (M&E) system is to regularly provide information on the ASIMA’s activities and results. The M&E is to be considered an operational management instrument from which the implementing entities should benefit, evaluating and improving their performances throughout the project implementation, and helping to achieve the PDO. It will provide a basis for regular interaction with small farmers, to get a good understanding of the pros and cons of the land and biodiversity conservation measures, as well as of the possible benefits and constraints in the scaling up of those measures.

41. The M&E system of the ASIMA is integrated into the overall M&E system of the Pillar II projects. It has been carefully designed not to add an additional administrative layer on top of the procedures of the PMV, but on the contrary to complement the existing M&E system.

42. The Results Framework and Monitoring is presented in Annex 1. The choice of the indicators is discussed in Annex 3, and has taken into account the relevant core indicators of the World Bank and the GEF Tracking Tool for land degradation and biodiversity conservation, as well as the gender dimension of the project.

43. Reporting on the status of physical implementation and on the result indicators of the ASIMA will be done through Project Reports. The ADA will have the overall responsibility for the preparation of the Project Reports each semester, on the base of the contributions of the DPAs, consolidated at a regional level by the DRAs. In addition, a summary of the status of
physical implementation and on the result indicators of the ASIMA will be shared with the farmers. To this end, and in line with the circular recently issued by the MAPM on the public display at local level of Pillar II projects information, M&E information will be included in the project status board (in Arabic) to be displayed in a local office of the MAPM easily accessible by the beneficiaries, and updates of the project status board will be provided twice per year.23

C. Sustainability

44. The sustainability of the activities promoted under the ASIMA will primarily depend on the sustainability of the PMV. Government commitment to the strategy has been constantly high over the last four years, and the confirmation of the Minister of Agriculture following the November 25, 2011 legislative elections is a clear signal that this commitment will reasonably remain unvaried until 2016. Assuming that the implementation of the PMV will continue at the current positive rate, the following aspects will play a role in the sustainability of the ASIMA:

- The commitment of the MAPM and the ADA towards the inclusion of environmental aspects in the implementation of the PMV: Over the last two years, an increasing interest in the environmental consequences of the implementation of the PMV has been observed, partly thanks to the positive influence of the donor community that consistently stressed the importance of this aspect and the need to design and implement suitable mitigation measures when necessary.

- The ability to promote small farmers’ participation, and to have them recognize the importance of the long-term sustainability of their ecosystem: With reference to this point, there has been an increasing effort to develop methodologies to bring the project design and implementation closer to the farmers, as evidenced by a de-concentration process of the MAPM (with the creation of the DRAs) as well as by an enhanced sharing of information on Pillar II Projects with beneficiaries.

- The ability to reshape the subsidy system in an environmentally-friendly way: The MAPM and MEF have already launched the revision of the Agricultural Development Fund (Fonds de développement agricole, FDA), the GoM’s principal agricultural subsidy instrument, with a view to align support measures with the strategic direction of the PMV. A further step needs to be taken to promote activities that mitigate the potential negative impacts of agricultural practices or that enhance their potential positive impacts. Encouraging signs already have been observed in this sense over the last year.

23 Note circulaire, Identification visuelle des projets pilier II au niveau local, MAPM, 29 juin 2012.
V. KEY RISKS AND MITIGATION MEASURES

A. Risk Ratings Summary Table

Table 3: Risk ratings

<table>
<thead>
<tr>
<th>Risk</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder Risk</td>
<td>Substantial</td>
</tr>
<tr>
<td>Implementing Agency Risk</td>
<td></td>
</tr>
<tr>
<td>- Capacity</td>
<td>Moderate</td>
</tr>
<tr>
<td>- Governance</td>
<td>Moderate</td>
</tr>
<tr>
<td>Project Risk</td>
<td></td>
</tr>
<tr>
<td>- Design</td>
<td>Low</td>
</tr>
<tr>
<td>- Social and Environmental</td>
<td>Low</td>
</tr>
<tr>
<td>- Program and Donor</td>
<td>Low</td>
</tr>
<tr>
<td>- Delivery Monitoring and Sustainability</td>
<td>Low</td>
</tr>
<tr>
<td>Overall Implementation Risk</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

B. Overall Risk Rating Explanation

45. Overall Implementation Risk is Moderate. At the stakeholders’ level, risks concern the limited participation of farmers in project design and implementation. While this risk is rated Substantial, it should be noted that the MAPM and the ADA are conscious that small farmers’ participation, including female small farmers, in the PMV needs to be enhanced. To this effect, actions have already been taken to address farmers’ participation, including de-concentrated procedures for the selection of Pillar II projects, stronger focus on consultations and training, increased transparency in information sharing, and efforts to include women beneficiaries. The Moderate risk designated for the implementing agency is based on the experience gained by the ADA in one previous World Bank operation: not only is the ADA performing above satisfactory, but it has proved to be proactive in training staff from the DRAs and DPAs in World Bank procedures.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analyses

46. The Regional Agricultural Plans (Plans agricoles régionaux, PAR) for Souss-Massa-Draa and Marrakech-Tensift-Al Haouz outline the agricultural priorities for the two target regions. In Souss-Massa-Draa, 24 potential Pillar I and 56 potential Pillar II projects have been identified, while 82 potential Pillar I and 59 potential Pillar II projects have been identified in Marrakech-Tensift-Al Haouz. Through the implementation of the PARs, agricultural production is expected to grow by 59 percent by 2020 in Souss-Massa-Draa and by 68 percent in Marrakech-Tensift-Al Haouz. Moreover, value-added is expected to increase by 74 percent and 84 percent in Souss-Massa-Draa and Marrakech-Tensift-Al Haouz, respectively. However, land
degradation and biodiversity loss may limit the expected increases in production and value-added, potentially constraining the extent to which small farmers see an improvement in their livelihoods.

47. In an effort to render the PMV investments more sustainable, the US$6.44 million GEF grant under the ASIMA will integrate land and biodiversity conservation measures in selected Pillar II projects. It is estimated that 20 percent (US$1.32 million) of the grant will be used to finance institutional capacity building (Component 1), while 80 percent (US$5.12 million) will finance the conservation measures (Component 2). Around eight ASIMA sub-projects will benefit from the US$5.12 million of the GEF grant allocated to Component 2. With an expected 12,000 small farmers benefiting from the selected eight Pillar II projects and corresponding ASIMA sub-projects, the GEF grant will invest approximately US$427 per beneficiary, leveraging the approximately US$2,962 invested in each beneficiary by the GoM. As the GEF grant totals US$6.44 million and GoM co-financing is expected to be US$35.54 million, every dollar invested in the ASIMA by the GEF will be leveraged by the GoM’s investments at a ratio of 1 : 5.5. Moreover, this ratio does not account for the fact that the GoM intends to scale up successful land and biodiversity conservation measures to other Pillar II projects throughout Morocco, suggesting that the value of each dollar invested through the GEF grant will enhance the benefits of the PMV even beyond the scope of the eight ASIMA sub-projects.

48. In addition to the project beneficiaries, the ASIMA will bring widespread benefits to Morocco and globally. By scaling up the ASIMA, Morocco will benefit from a broad improvement in agricultural sustainability. Furthermore, the conservation of land and biodiversity in Morocco has positive externalities in the form of global environmental preservation.

B. Technical

49. The choice of the conservation measures to be implemented under the ASIMA has been made considering the limited financial availability of farmers. The range of technical choices is also constrained by the fact that small farmers do not always see the advantage of implementing conservation measures with the sole purpose of the long-term sustainability, thus measures which could allow also short-term gains had to be selected. In addition to choosing measures that are easy to apply, the ASIMA reserves budget for training and awareness activities to facilitate the transmission of knowledge to farmers on environmental aspects.

50. The cost of the implementation of conservation measures can constrain their adoption by smallholders beyond the area of implementation of the ASIMA sub-projects. Thus, when selecting the measures to implement under the ASIMA, attention was given to activities that could impose a low cost for the farmers, that could generate a (small) boost in income, or that could be partially or totally financed in the future through government subsidies. At the same time, the innovative characteristic of the ASIMA has been retained, by choosing conservation measures not yet widely disseminated in Morocco.

51. The ASIMA leverages the experience gained by the National Institute for Agronomic Research (Institut national de la recherche agronomique, INRA). The INRA has unique experience in Morocco in agricultural applied research, specifically in the domains of: (i) technical
assistance for the installation and management of units for the production of animal feed from sub-products of the olive, cactus, and argan agri-food chains; (ii) demonstration trials for the ratio of inputs for animal feed and for the cultivation of MAPs; (iii) technical assistance for the construction of the storage basin for olive by-products; (iv) monitoring and quantification of land conserved by land management practices using a known methodology; and (v) related trainings for farmers.

C. Financial Management

52. The ADA and the MAPM (through the relevant DPAs) financial management system was appraised to determine if it complies with the requirements of the World Bank in respect to OP/BP 10.02. The financial management evaluation of ADA covered the areas of accounting and financial management, as well as the reporting and auditing process of the ASIMA. The financial management system, including necessary arrangements to respond to the needs of the financial monitoring of the ASIMA, satisfies the requirements of the World Bank.

53. The ADA and MAPM (through the relevant DPAs) will be responsible for managing the ASIMA funds and all related financial transactions. In accordance with the donor’s agreement, the ADA and DPAs will maintain appropriate project accounts and prepare annual financial statements and periodic expenditure reports by component, category, and source of funding.

54. The ADA and the MAPM (through the relevant DPAs) accounting system is on an annual basis which is compliant with the acceptable accounting rules applicable in Morocco. The ADA financial statements are submitted to an annual external audit. With reference to the ASIMA, Interim Unaudited Financial Reports (IUFR) covering all activities and sources of funds of the ASIMA will be consolidated biannually by the ADA and transmitted by the Recipient to the World Bank within 45 days after the end of each period. The annual audit report of the project and the management letter will be transmitted by the Recipient to the World Bank within six months after the end of each exercise.

55. The ASIMA is financed by the GEF for US$6.44 million. The GoM will contribute about US$35.54 million in parallel financing to the GEF grant to finance the baseline Pillar II projects. Financial flows of the GEF grant between the World Bank and the Recipient will be organized according to normal disbursement procedures of the World Bank. The flow of funds’ mechanism of the grant will involve the establishment of a designated account. Terms and conditions of disbursement will be defined in the Project Implementation Manual (PIM).

56. Overall, the project financial management risk is assessed as Moderate before mitigation and Low after mitigation. The proposed financial management arrangements will satisfy the World Bank’s minimum requirements under OP/BP 10.02, and be adequate to provide, with reasonable assurance, accurate and timely information on the status of the grant as required by the World Bank.
D. Procurement

57. Procurement under the project would be carried out in accordance with the Bank’s “Guidelines: Procurement of Goods, Works, and non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and the provisions stipulated in the Legal Agreement. Procurement activities will be handled by: (i) the ADA, for Component 1; and (ii) by the MAPM (through the relevant DPAs, with the support of the relevant DRAs and CTs), and with the assistance of the ADA, for Component 2. A capacity assessment for the ADA was conducted in December 2010 as part of the preparation of the Integrating Climate Change in the implementation of the Plan Maroc Vert (PICCPMV) project. In addition, a capacity assessment was conducted in August 2012 in the DPAs of the Marrakech-Tensift-Al Haouz region which is one of the two regions covered by the ASIMA project. Both the ADA and the DPA of Marrakech have previous experience in World Bank financed projects, specifically the PICCPMV for ADA and in the Irrigation based community development Project24 for the DPA of Marrakech. The staff of the ADA is familiar with World Bank procurement procedures and has received training, during the launch workshop of the PICCPMV. Given their previous experience (in public administration or other state-owned enterprises), staff dedicated to procurement at the level of the ADA and of the DPAs have sound knowledge of Moroccan public procurement decrees and therefore the basis to be able to assimilate and apply World Bank procedures. The level of risk in procurement is Moderate (see Annex 3).

58. The Procurement Plan for the first 18-month period, dated January 23, 2103, has been prepared in a format acceptable to the World Bank. It will be updated at least once a year to reflect the latest circumstances. The Procurement Plan will set forth those contracts which will be subject to the World Bank’s prior review. All other contracts will be subject to the World Bank’s post review.

59. Goods, small-scale civil works, and services other than consultants will be generally procured using National Competitive Bidding (NCB). Other procurement methods could be used, such as: (i) Shopping; and (ii) Direct Contracting. Consultants’ services will be generally procured under contracts awarded on the basis of the Quality- and Cost-Based Selection (QCBS). Other procurement methods could be used for those assignments which are specified in the Procurement Plan: (i) Least-Cost Selection (LCS); (ii) Consultants’ Qualifications Selection (CQS); (iii) Single-source Selection; (iv) Selection of Individual Consultants (IC); and (v) Sole Source Procedures for the Selection of Individual Consultants.

E. Social (including Safeguards)

60. The ASIMA is expected to have significant positive social impacts. By focusing on Pillar II projects in targeted marginal areas of Morocco, the ASIMA will address small farmers, traditionally characterized by high poverty rates, low level of education, and low productivity.

---

24 P056978, Irrigation based community development Project, presented to the Board in May 2001 and closed in December 2008.
The ASIMA will promote social inclusion by giving particular attention to female small farmers. The selection of agri-food chains and of the Pillar II projects has been made taking into consideration the representativeness of female beneficiaries.

61. No social safeguard is triggered. The OP 4.12 on involuntary resettlement was not triggered considering that the ASIMA will generate benefits to the community, and that no involuntary resettlement or expropriation will occur. Small farmers will have a choice to donate parcel of their lands in return for benefitting for the sub-project investments. In such case, a voluntary donation (cession volontaire) is allowed under the Moroccan Law No. 7/81, Part II. The documentation will be reviewed by the World Bank to ensure that there was no coercion.

F. Environment (including Safeguards)

62. The ASIMA is expected to have significant positive environmental impacts. By taking a more integrated approach to managing the agro-ecosystems and agri-food chains in question, the project will bring mutually reinforcing improvements which will help to make Moroccan agriculture more sustainable in the long term. This notwithstanding, due attention has been paid to potential risks. The ASIMA involves interventions in the environment and therefore triggers the World Bank Environmental Assessment Policy, Operation Policy (OP) 4.01. In line with this OP, and considering the limited expected adverse impacts on the sub-projects proposed, the ASIMA is classified as environmental category B.

63. ADA has prepared an Environmental and Social Impact Assessment Framework (ESIAF). The ESIAF was disclosed on the Bank’s website on November 19, 2012 and in-country on November 15, 2012. The objective of the ESIAF is to: (i) describe the relevant legal and regulatory system for the preparation of the environmental and social impact assessment, in particular with reference to the ASIMA sub-projects, including the assessment of whether the ASIMA will trigger World Bank safeguard policies; (ii) identify the potential environmental and social impacts, both positive and negative, of the ASIMA sub-projects as far as they may be determined at this early stage; and (iii) develop a proper screening procedure to determine the severity and magnitude of impacts by sub-project and the need for individual safeguard documentation. Based on the conclusions of the ESIAF, the following safeguard documentation will be prepared at sub-project level under the responsibility of ADA:

- For sub-projects related to olive and argan agri-food chains, an Environmental and Social Impact Assessment (ESIA) will be prepared and disclosed in accordance with OP 4.01 and the Moroccan legislation. These sub-projects are considered as a category B in accordance with OP 4.01.
- For sub-projects related to cactus, red meat, bee-keeping, and Medicinal and Aromatic Plants (MAPs), and in any case for sub-projects involving constructions, a simple Environmental Management Plan (EMP) in the order of three to five pages will be prepared and disclosed in accordance with OP 4.01. These sub-projects are considered as a category B in accordance with OP 4.01.
- For sub-projects that address soil conservation measures, technical assistance, and training, no further environmental documentation should be prepared. These sub-projects are commensurate with category C in accordance with OP 4.01.
Annex 1: Results Framework and Monitoring

Annex 1.A: Results Framework

Project Development Objective (PDO): To increase the implementation of land and biodiversity conservation measures in selected projects directed to small farmers located in targeted marginal areas in the project area.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO Level Indicator One: Direct project beneficiaries - Female beneficiaries</td>
<td>❑</td>
<td>Number %</td>
<td>0</td>
<td>0</td>
<td>4,000</td>
<td>8,000</td>
<td>12,000</td>
<td>Semester</td>
</tr>
<tr>
<td>PDO Level Indicator Two: Successful pilots</td>
<td>□</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>Annual</td>
</tr>
</tbody>
</table>

Intermediate Result (Component One): Development of the capacities of public and private institutions on land and biodiversity conservation

<table>
<thead>
<tr>
<th>PDO Level Results Indicators</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result Indicator One: Staff from public institutions trained</td>
<td>□</td>
<td>Number</td>
<td>0</td>
<td>30</td>
<td>60</td>
<td>90</td>
<td>120</td>
<td>Semester</td>
</tr>
<tr>
<td>Intermediate Result Indicator Two: Staff from private institutions trained</td>
<td>□</td>
<td>Number</td>
<td>0</td>
<td>100</td>
<td>300</td>
<td>500</td>
<td>700</td>
<td>Semester</td>
</tr>
</tbody>
</table>
## Intermediate Result (Component Two): Transfer of land and biodiversity conservation measures among small farmers

### Indicator One: Small Number of Farmers Trained

<table>
<thead>
<tr>
<th>Gender</th>
<th>0</th>
<th>1,000</th>
<th>2,000</th>
<th>3,000</th>
<th>4,000</th>
<th>Semester</th>
<th>Participants' list</th>
<th>DPAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>%</td>
<td>0%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Indicator Two: Small Farmers Who are Satisfied with the Project

<table>
<thead>
<tr>
<th>Gender</th>
<th>0%</th>
<th>15%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>Annual</th>
<th>Farmer satisfaction survey</th>
<th>ADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>0%</td>
<td>0%</td>
<td>50%</td>
<td>60%</td>
<td>70%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>0%</td>
<td>15%</td>
<td>50%</td>
<td>60%</td>
<td>70%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Indicator Three: Targeted Clients Satisfied with Agricultural and Rural Advisory Services

<table>
<thead>
<tr>
<th>Gender</th>
<th>0%</th>
<th>15%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>Annual</th>
<th>Farmer satisfaction survey</th>
<th>ADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>0%</td>
<td>0%</td>
<td>1,700</td>
<td>4,080</td>
<td>7,140</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>0%</td>
<td>0%</td>
<td>300</td>
<td>720</td>
<td>1,260</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male targeted clients</td>
<td>0%</td>
<td>0%</td>
<td>3,400</td>
<td>6,800</td>
<td>10,200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female targeted clients</td>
<td>0%</td>
<td>0%</td>
<td>600</td>
<td>1,200</td>
<td>1,800</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Indicator Four: Targeted Clients Who are Members of an Association

<table>
<thead>
<tr>
<th>Gender</th>
<th>0%</th>
<th>15%</th>
<th>95%</th>
<th>95%</th>
<th>95%</th>
<th>Annual</th>
<th>DPAs</th>
<th>DPAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>0%</td>
<td>0%</td>
<td>3,230</td>
<td>6,460</td>
<td>9,690</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>0%</td>
<td>0%</td>
<td>570</td>
<td>1,140</td>
<td>1,710</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male targeted clients</td>
<td>0%</td>
<td>0%</td>
<td>3,400</td>
<td>6,800</td>
<td>10,200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female targeted clients</td>
<td>0%</td>
<td>0%</td>
<td>600</td>
<td>1,200</td>
<td>1,800</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A study on methodology and baseline survey will be conducted in the first year of the project.
Annex 1.B: Monitoring the scale up of land and biodiversity conservation measures beyond the scope of ASIMA

<table>
<thead>
<tr>
<th>Monitoring Indicator</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring Indicator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The Project Implementation Manual (PIM) will include the list of land conservation measures and the methodology. The indicator refers to Pillar II projects throughout Morocco. The indicator is presented cumulative, but data are collected disaggregated by conservation measure.</td>
</tr>
<tr>
<td>One: Pillar II projects integrating land and biodiversity conservation measures</td>
<td>☐</td>
<td>%</td>
<td>16%25</td>
<td>No target established</td>
<td>Annual</td>
<td>DRAs</td>
<td>DRAs</td>
<td></td>
</tr>
</tbody>
</table>

25 Of which: 6.9% (22 Pillar II projects) with a basin for the storage and treatment of olive by-products; 4.7% (15 Pillar II projects) with land management practices; 2.2% (7 Pillar II projects) with a value-added unit; 1.3% (4 Pillar II projects) with a unit for collection, pasteurization, wax embossing; 0.9% (3 Pillar II projects) with an animal feed production units from agriculture by-products; 0.3% (1 Pillar II project) with a bee hive manufacturing unit.
Annex 2: Detailed Project Description

64. The objective of the ASIMA is to increase the implementation of land and biodiversity conservation measures in selected projects directed to small farmers located in targeted marginal areas of Souss-Massa-Draa and Marrakech-Tensift-Al Haouz. The ASIMA will allow exploring horizontal integration among agri-food chains, thus complementing the vertical integration from production to commercialization of each agri-food chain promoted under the PMV, in order to help small farmers enhance their livelihood while making optimal use of the limited natural resources available.

65. In the regions of Souss-Massa-Draa and Marrakech-Tensift-Al Haouz, 62 percent of the 6.2 million inhabitants live in rural areas, exploiting 1.9 million ha of Usable Agricultural Surface Area (SAU). Both regions suffer from insufficient and irregular rainfall - which varies depending on the climate zone, but can be as low as 190 mm per year in the plains with an evaporation that can go up to 2,500 mm. Over-exploitation of groundwater and of natural resources in general is among the various causes of land degradation and loss of biodiversity. Parcelling is a common problem (in Souss-Massa-Draa, 79 percent of farms are smaller than five ha, while only two percent are larger than 20 ha), in addition to limited access to infrastructure and services for the commercialization of products. Notwithstanding these constraints, agriculture represents an important sector, and even more so over the years to come. Projected PMV public and private investment over the 2009-2020 period will total about 10.5 million MAD in each of the two regions. Souss-Massa-Draa and Marrakech-Tensift-Al Haouz count on a long-standing tradition of associations and cooperatives in rural areas (Marrakech-Tensift-Al Haouz alone has 950 OPA totaling 170,000 members).

66. The project is composed by two components, which are presented below.

Component 1: Development of the capacities of public and private institutions on land and biodiversity conservation (US$1.32 million, or 20 percent of grant amount)

67. Component 1 aims to develop the capacities of selected staff of public and private institutions involved in the planning and implementation of Pillar II projects on land and biodiversity conservation. This Component is distinguished in two sub-components. Activities of sub-component 1.1 to be financed include: (i) training, study tours, and field visits; (ii) studies and dissemination materials; (iii) awareness campaigns; (iv) Monitoring and Evaluation (M&E) and reporting; and (v) audits. The activity of sub-component 1.2 to be financed includes training to selected staff of the implementing entities.

68. Training, field visits, and study tours; studies and dissemination materials; and awareness campaigns will concern the integration of the land and biodiversity conservation measures in the PMV, building on the results and lessons learned from the sub-projects under Component 2. Capacity building will specifically concern the risks and potential of by-products in agriculture, the use of by-products as animal feed, and the biodiversity conservation role of specific agri-food

26 The project description is based on a project preparation report commissioned by the ADA, financed by the Belgian Technical Cooperation; and the ESIAF and the ESIA commissioned and financed by the ADA.
chains, in addition to training on transversal themes like gender awareness and sensitization. Importance will be given to international exchanges, also in relation to the information sharing activities carried out under the MENA-DELP regional program.

**Component 2: Transfer of land and biodiversity conservation measures among small farmers (US$5.12 million, or 80 percent of grant amount)**

69. Component 2 aims to disseminate land and biodiversity conservation measures in selected projects directed to small farmers located in the two target regions of Souss-Massa-Draa and Marrakech-Tensift-Al Haouz. Eight ASIMA sub-projects have been identified, and more could be added during project implementation subject to consultations and budget availability. For each of these, activities to be financed include: (i) works and goods for implementing land and biodiversity conservation measures; (ii) training, field visits, and study tours; (iii) awareness campaigns; and (iv) Monitoring and Evaluation (M&E).

70. The land and biodiversity conservation measures will be integrated in existing Pillar II projects in the targeted marginal areas of Souss-Massa-Draa and Marrakech-Tensift-Al Haouz regions, for which a corresponding ASIMA sub-project will be designed to complement the PMV investment. Small farmers, already beneficiaries of Pillar II projects each focusing on an agri-food chain typical of marginal areas, will additionally benefit from the integration of conservation measures.

71. The ASIMA project promotes the dissemination of land and biodiversity conservation measures in specific agri-food chains typical of marginal areas. The following agri-food chains have been identified as candidates for ASIMA sub-projects, but others may be added during project implementation. All these agri-food chains engage women to differing degrees throughout the many levels of the production process.

**Olive:** The intensification and expansion of olive production is a key tenet of the PMV. Olive is by far the most largely cultivated tree species in Morocco, and it represents one of the main agri-food chains throughout the country. The PMV aims to strengthen Morocco’s position as an olive oil producer on the international scene. Increase in yields is possible, considering the current wide range between 0.3 and 18 tons/ha. Under the PMV, olive production is expected to increase by four to five times by 2020 (from 0.62 to 2.8 million tons), due to the concurrent doubling in surface area (650,000 ha to 1.2 million ha) and increase in cropping intensities. Employment is expected to increase by five times (100 to 500 thousand working days per year), and exports by eight times (2 to 16 billion MAD per year). The agri-food chain plays an important role in Marrakech-Tensift-Al Haouz, where 20 percent of the surface area under olive production is located, and 70 percent of the exported olive oil is produced. In this region, the PMV estimates a 220 percent rise in production by 2020, thanks to the increase in surface from 123,100 ha to 156,600 ha and in yield from 1.7 to 5 ton/ha. In Souss-Massa-Draa the agri-food chain has a relatively lower importance, with 27,000 ha currently planted with olive trees. The importance given to the agri-food chain can be explained by its strong performance in marginal areas and under irregular rainfall, and by its role in contributing to soil preservation. In parallel, some negative environmental impacts of the agri-food chain
need to be highlighted. The olive oil extraction process has placed increasing pressure on land and water resources. The PMV takes important steps in this direction, including the conversion from the traditional *Maasras* to state-of-the-art biphasic extraction units. These processing facilities generate wet pomace as by-products. However, if the drying pits downstream from the extraction unit are not properly lined, there can be leakages with contamination of *oueds* and groundwater.27

**Cactus:** The PMV finances intensive plantations of cactus (also known as barbary fig, *Opuntia ficus-indica*). Souss-Massa-Draa accounts for almost 60 percent (50,000 ha) of Moroccan land under cactus production, while Marrakech-Tensift-Al Haouz accounts for about 30 percent (26,000 ha), respectively. The PMV estimates an increase in national production, thanks to new plantation and increase in yield from 10 to 15 ton/ha. The cactus plant is a spontaneous plant with limited water needs found in arid and semi-arid areas. Traditionally used as fences, planted in strips dividing yards or agricultural fields, the cactus plant has the capability of combatting land degradation by improving soil organic matter and mineral composition. Moreover, there are opportunities to add value to this agri-food chain, as the entirety of the plant can be used for various by-products including the extraction of high-value oil from the grains and production of jams from the fruit’s pulp. In addition, the use of the fruit and paddles as animal feed can allow farmers to have a feed stock available all year around.

**Argan:** In Morocco argan forests cover some 8,280 km² and are designated as a UNESCO Biosphere reserve. The trees play an important environmental role by shading the ground, reducing evaporation, and facilitating the growth of short vegetation. Argan forests area have shrunk by about half during the last century, owing to charcoal-making, grazing, and increasingly intensive cultivation. The best hope for the conservation of the trees may lie in the recent development of a thriving export market for argan oil as a high-value product. Marrakech-Haouz-Tensift accounts for 11 percent of the SAU of the region, and 20 percent of the national surface area. In Souss-Massa-Draa, argan oil production is expected to nearly double with the PMV between 2013 and 2020. However, by-products need to be managed. Possible use of by-products include inputs to animal feed, thereby increasing the value added of the agri-food chain and alleviating environmental pressures caused by grazing cattle, and for burning. The argan agri-food chain is characterized by majority presence of women associations and cooperatives, representing one of the main sources of revenues for women in the regions of Souss-Massa-Draa and Marrakech-Tensift-Al Haouz, yielding about US$125 per month.

**Red meat:** Sheep and goats are an important resource for rural people, and owning even a few heads of cattle offers farmers a safety net for when the harvest is unsatisfactory. Indeed, 70 percent of farms in Morocco count less than 3 heads of cattle. The PMV promotes the increase in production of red meat for national consumption. In Marrakech-Tensift-Al Haouz, 3.2 million animals can be currently counted, and red meat production is estimated to increase 110 percent by 2020. This may induce overexploitation of

---

27 *Oueds* is an Arabic term designating a seasonal stream that flows in the rainy season, or its bed, typical of North Africa.
rangelands, especially in dry years. The expansion of croplands under the PMV can push small farmers to graze their animals in even more marginal areas, inducing land degradation and loss of biodiversity. Thus, the identification of additional sources of animal feed is essential to address these environmental issues.

**Bee keeping:** Honey production can represent an important complement to family incomes in rural areas. In Souss-Massa-Draa, bee-keeping account for five percent of regional agriculture value added and 15 percent of the agricultural employment. Thanks to the PMV, honey production is expected to double by 2020. However, bees are extremely sensitive to pollution (i.e., use of pesticide in agriculture), and overall environmental conditions of the region (i.e., droughts). In addition, over-exploitation with consequent reduction in coverage of Medicinal and Aromatic Plants (MAPs), which represent the main source of nectar, represents an additional threat to the bees.

**Medicinal and Aromatic Plants (MAPs):** Pillar II projects promote local plants and typical products (*produits du terroir*). The MAPs have comparative advantages considering their adaptation to marginal environments, resistance to drought, and nutritional value. The constraints to the success of this agri-food chain are two-fold: (i) the plants grow naturally in this climate, but are not formally cultivated, and (ii) the incentives to harvest MAPs have been traditionally based on volume. This has resulted in unsustainable harvesting. The MAPs agri-food chain is characterized by majority presence of women associations and cooperatives.

72. Eight Pillar II projects have been identified as eligible ASIMA sub-projects, to represent the range of the priority agri-food chains listed above. The selection process was done collaboratively by the ADA, the MAPM (at central, regional, provincial, and local level), and the beneficiaries. Of the identified Pillar II projects, five are in Marrakech-Tensift-Al Haouz and three in Souss-Massa-Draa. Table 4 outlines the Pillar II projects selected. Based on consultations and grant availability, other Pillar II projects could be added during project implementation.
Table 4: Pillar II projects selected for ASIMA sub-project and their location

<table>
<thead>
<tr>
<th>DRA</th>
<th>DPA</th>
<th>Municipalities</th>
<th>Agri-Food Chain</th>
<th>Pillar II Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTH</td>
<td>Marrakech</td>
<td>5 (Amaghrasse, Sidi Bedhaj, Tizguine, Amizimiz, Oulamtaa)</td>
<td>Olive</td>
<td>Development of olive agri-food chain in the piedmont zone</td>
</tr>
<tr>
<td>MTH</td>
<td>Marrakech</td>
<td>4 (Ijoukak, Ighil, Aghbar, Talat N'Yacoub)</td>
<td>Beekeeping</td>
<td>Development of beekeeping agri-food chain in the Aï Haouz province</td>
</tr>
<tr>
<td>MTH</td>
<td>Rhamna</td>
<td>8 (Jaafra, Loutta, Sidi Mansour, Aït Taleb, Ras El Ain, Sidi Bouaïmane, Oulad Hassoune, Labrikiyine)</td>
<td>Red meat</td>
<td>Intensification and increasing value-added to the Sardi lamb of Rhamna</td>
</tr>
<tr>
<td>MTH</td>
<td>Rhamna</td>
<td>18 (various)</td>
<td>Cactus</td>
<td>Planting of cactus on 30,000 ha</td>
</tr>
<tr>
<td>MTH</td>
<td>Essaouira</td>
<td>55 (various)</td>
<td>Argan</td>
<td>Project to support the emergence, development, and good governance of argan cooperatives in the Essaouira province</td>
</tr>
<tr>
<td>SMD</td>
<td>Agadir</td>
<td>5 (Tanalt, Aouguenz, Targantouchka, Sidi Abdellah Bouchouari, Aït Baha)</td>
<td>Olive</td>
<td>Extension and rehabilitation of and increasing value-added to the olive agri-food chain in Aït Baha</td>
</tr>
<tr>
<td>SMD</td>
<td>Agadir</td>
<td>11 (Aït M'zal, Targa N'touchka, Tizi N'takoucht, Sidi Abdellah El Bouchouari, Aouguenz, Aït Wadrin, Hilala, Tassenguelt, Tanalt, Idaougnidif, Aït Baha)</td>
<td>MAPs</td>
<td>Increasing value-added to medicinal and aromatic plants value chain</td>
</tr>
</tbody>
</table>

73. For each selected Pillar II project listed in Table 4, a corresponding ASIMA sub-project will be designed to integrate land and biodiversity conservation measures and complement the PMV investment. Attention is given to the sustainable management of by-product of olive, cactus, and argan. For example, the pomaces resulting from olive oil processing can be dried and treated, so that they can be used as fertilizer and animal feed. Similarly, parts of the cactus plant, cactus by-products, and argan by-products can be transformed to be used as animal feed. The use of by-products as fertilizers could increase the soil carbon content, reducing the risk of soil degradation, while the availability of alternate sources of animal feed will reduce the need of grazing in marginal areas, and thereby conserve biodiversity. This horizontal integration among agri-food chains helps small farmers enhancing their livelihood while making optimal use of the limited natural resources available. In the same way, sustainable harvest techniques for wild plants having medicinal and aromatic characteristics, as well as use of local races of bees for honey production, contributes to biodiversity conservation.

74. Training and capacity building will play a fundamental role under Component 2, as the adoption of innovative conservation measures needs to pass through deep behavioral changes. Training will be designed to take into account small farmers priorities and interests, as well as constraints. In particular, training modules will account for the level of literacy of the beneficiaries, thanks to practical and hands-on methodology. The specific needs of women will
be taken into consideration in order to facilitate their participation (hours of the day in which the training will be organized, distance of the training site from the household, etc.).

75. The activities identified for each of the eight ASIMA sub-projects, together with the correspondent Pillar II projects activities, are presented below.

<table>
<thead>
<tr>
<th>Expansion of olive agri-food chain in the piedmont zone</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DRA:</strong> Marrakech-Tensift-Al Haouz <strong>Beneficiaries:</strong> 710</td>
</tr>
<tr>
<td><strong>DPA:</strong> Marrakech <strong>Of which women:</strong> 0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Pillar II Project Activities</strong></th>
<th><strong>ASIMA Sub-Project Activities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Planting of olive trees by contractors and management over the first 18 months</td>
<td></td>
</tr>
<tr>
<td>- Supervision and training of olive producers on technical and managerial aspects, to be conducted by private engineering consultants</td>
<td></td>
</tr>
<tr>
<td>- Creation of one oil mill with biphasic extraction units for olive oil production</td>
<td></td>
</tr>
<tr>
<td>- Installation of one basin for the storage and treatment of olive by-products</td>
<td></td>
</tr>
<tr>
<td>- Technical assistance for the construction and management of the basin</td>
<td></td>
</tr>
<tr>
<td>- Training of farmers on the management of olive by-products</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development of beekeeping agri-food chain in the Al Haouz province</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DRA:</strong> Marrakech-Tensift-Al Haouz <strong>Beneficiaries:</strong> 400</td>
</tr>
<tr>
<td><strong>DPA:</strong> Marrakech <strong>Of which women:</strong> 0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Pillar II Project Activities</strong></th>
<th><strong>ASIMA Sub-Project Activities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Organization of 400 bee keepers in four cooperatives and one union of cooperatives</td>
<td></td>
</tr>
<tr>
<td>- Strengthening of the technical capacity of bee keepers through supervision and training</td>
<td></td>
</tr>
<tr>
<td>- Distribution of 1,000 populated hives, 1,000 empty hives, and 60 sets of small equipment</td>
<td></td>
</tr>
<tr>
<td>- Distribution of eight honey extraction batches</td>
<td></td>
</tr>
<tr>
<td>- Installation of a bee multiplication and colony production unit for the local species (black bee)</td>
<td></td>
</tr>
<tr>
<td>- Installation of a unit for collection, pasteurization, and wax embossing</td>
<td></td>
</tr>
<tr>
<td>- Installation of a bee hive manufacturing unit</td>
<td></td>
</tr>
<tr>
<td>- Training and apprenticeships for bee keeping agents</td>
<td></td>
</tr>
<tr>
<td>- Training for bee keepers</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intensification of and increasing value-added to the Sardi lamb of Rhamna</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DRA:</strong> Marrakech-Tensift-Al Haouz <strong>Beneficiaries:</strong> 3,000</td>
</tr>
<tr>
<td><strong>DPA:</strong> Rhamna <strong>Of which women:</strong> 150</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Pillar II Project Activities</strong></th>
<th><strong>ASIMA Sub-Project Activities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Creation of five new associations and strengthening of four existing ones</td>
<td></td>
</tr>
<tr>
<td>- Genetic improvement by awarding 1,500 breed enhancers</td>
<td></td>
</tr>
<tr>
<td>- Creation of three supply centers for animal feed</td>
<td></td>
</tr>
<tr>
<td>- Creation of a slaughterhouse and cutting room</td>
<td></td>
</tr>
<tr>
<td>- Development of Benguerir Souk</td>
<td></td>
</tr>
<tr>
<td>- Establishment of a label “Sardi Rhamna”</td>
<td></td>
</tr>
<tr>
<td>- Development of 1,000 lamb pens</td>
<td></td>
</tr>
<tr>
<td>- Creation of 18 water points</td>
<td></td>
</tr>
<tr>
<td>- Training days of farmers and study trips</td>
<td></td>
</tr>
<tr>
<td>- Multi-year activities including : (i) technical assistance for the installation and management of the units for the production of animal feed (financed under the cactus sub-project); (ii) demonstration trials for the ratio of inputs for animal feed and silage; and (iii) trainings for farmers (lamb farming techniques, technical ---, value-added aspects of cactus, drying techniques, and manufacturing of cactus flour). INRA has been pre-identified as having unique experience in Morocco in the domain.</td>
<td></td>
</tr>
</tbody>
</table>
### Planting of cactus on 30,000 ha

**DRA:** Marrakech-Tensift-Al Haouz  
**DPA:** Rhamna  
**Beneficiaries:** 5,400  
**Of which women:** 270

<table>
<thead>
<tr>
<th>Pillar II Project Activities</th>
<th>ASIMA Sub-Project Activities</th>
</tr>
</thead>
</table>
| - Turn-key planting of 30,000 ha of cactus  
- Supervision and training of farmers on best practices for management and techniques  
- Installation of seven value-added units for cactus fruits  
- Creation of associations groups | - Installation (including packaging and labeling materials) of two cactus value-added units for the manufacturing of animal feed  
The contract under the lamb sub-project will also cover the cactus sub-project so as to facilitate horizontal linkages across agri-food chains, and to address the partial overlap of beneficiaries in the two sub-projects |

### Project to support the emergence, development, and good governance of argan cooperatives in the Essaouira province

**DRA:** Marrakech-Tensift-Al Haouz  
**DPA:** Essaouira  
**Beneficiaries:** 2,000  
**Of which women:** 1,900

<table>
<thead>
<tr>
<th>Pillar II Project Activities</th>
<th>ASIMA Sub-Project Activities</th>
</tr>
</thead>
</table>
| - Development of local cooperatives, increasing the number from 37 to 50  
- Development and equipment of production units  
- Acquisition of production equipment  
- Improving literacy of female members  
- Support for the commercialization of the product  
- Introduction of good governance principles in argan cooperatives | - Installation of two animal feed production units (based on the pulp of the fruit and of extraction residues from argan oil)  
- Multi-year activities including: (i) technical assistance for the installation and management of the units; (ii) demonstration trials for the ratio of inputs for animal feed; and (iii) trainings for farmers (i.e. unit performance, increasing value-added, and marketing). INRA has been pre-identified as having unique experience in Morocco in the domain. |

### Extension and rehabilitation of and increasing value-added to the olive agri-food chain in Ait Baha

**DRA:** Souss-Massa-Draa  
**DPA:** Agadir  
**Beneficiaries:** 1,200  
**Of which women:** 240

<table>
<thead>
<tr>
<th>Pillar II Project Activities</th>
<th>ASIMA Sub-Project Activities</th>
</tr>
</thead>
</table>
| - Conversion to drip irrigation  
- Implementation of land management practices (terraces and natural water basins)  
- Rehabilitation and extension of olive plantations  
- Technical assistance  
- Creation of one oil mill with biphasic extraction units for olive oil production | - Installation of one basin for the storage and treatment of olive by-products  
- Implementation of land management practices (gabions)  
- Multi-year activities including: (i) technical assistance for the construction of the storage basin; (ii) training of farmers on the value-added of olive by-products; and (iii) monitoring and quantification of land conserved by land management practices using a known methodology (i.e. the method established in the FAO LADA Project: Land Degradation Assessment in Dryland Areas). INRA has been pre-identified as having unique experience in Morocco in the domain. |
### Increasing value-added to medicinal and aromatic plants value chain

**DRA:** Souss-Massa-Draa  
**Beneficiaries:** 550  
**Of which women:** 550  

<table>
<thead>
<tr>
<th>Pillar II Project Activities</th>
<th>ASIMA Sub-Project Activities</th>
</tr>
</thead>
</table>
| - Study for the identification, increase in value-added, and commercialization of MAPs  
- Installation of a value-added unit  
- Support actions including: (i) activity day; (ii) farmers travel; (iii) ongoing trainings; (iv) harvesting and collection equipment; (v) upstream support (business, promotion, marketing) and communication support | - Purchase of small tools for the harvest of wild MAPs  
- Installation of a drying unit for MAPs  
- Multi-year activities including: (i) demonstration trials for the cultivation and domestication of MAPs; and (ii) training. INRA has been pre-identified as having unique experience in Morocco in the domain. |

### Intensification of honey production through the modernization of beekeeping

**DRA:** Souss-Massa-Draa  
**Beneficiaries:** 200  
**Of which women:** 28  

<table>
<thead>
<tr>
<th>Pillar II Project Activities</th>
<th>ASIMA Sub-Project Activities</th>
</tr>
</thead>
</table>
| - Purchase of empty bee hives  
- Purchase of populated bee hives  
- Construction and equipment of value-added unit  
- Trainings | - Installation of a queen bee multiplication unit for the local species (saharan bee)  
- Installation of a unit for collection, pasteurization, wax embossing  
- Installation of a bee hive manufacturing unit  
- Training and apprenticeships for bee keeping agents  
- Training for bee keepers |
Annex 3: Implementation Arrangements

Project Institutional and Implementation Arrangements

Project administration mechanisms

76. The ADA will be responsible for the overall coordination of the ASIMA. The ADA will implement Component 1 and the MAPM (through the relevant DPAs, with the support of the relevant DRAs and CTs), with the assistance of the ADA, will implement Component 2.

77. The overall coordination of the ASIMA by ADA includes technical, administrative, fiduciary (financial management and procurement), safeguard (environmental and social), Monitoring and Evaluation (M&E), and reporting responsibility. The ADA will oversee the implementation of the ASIMA and ensure that the directions chosen, actions undertaken, and results achieved are in accordance with project documents and agreements.

78. The implementation of Component 1 by ADA includes: (i) training, field visits, and study tours; (ii) studies and dissemination materials; (iii) awareness campaigns; (iv) Monitoring and Evaluation (M&E) and reporting; and (v) audits. Also, it includes training to selected staff of the implementing entities.

79. The implementation of Component 2 by MAPM (through the relevant DPAs, with the support of the relevant DRAs and CTs), with the assistance of the ADA, includes for each ASIMA sub-project: (i) works and goods for implementing land and biodiversity conservation measures; (ii) training, field visits, and study tours; (iii) awareness campaigns; and (iv) Monitoring and Evaluation (M&E). The DPAs will have the responsibility of the implementation of the ASIMA sub-project and of the correspondent Pillar II project. The DPAs will be in charge of fiduciary (financial management and procurement), safeguard (environmental and social), M&E, and reporting responsibilities. The DRAs will ensure timely and adequate flow of information (on financial management, procurement, M&E, and reporting) between ADA at a central level and DPAs at provincial level, as well as quality control. The CTs will be responsible for the daily contact with the farmers through keeping close collaboration with the Professional Agriculture Organization (Organisation professionnelle agricole, OPA), which combines all farmers’ associations and/or cooperatives that are part of a specific Pillar II project.

80. In order to guarantee the implementation of the ASIMA, the ADA and the MAPM (at the level of the DRAs, DPAs, and CTs) have assigned to the ASIMA qualified staff and adequate resources throughout the implementation of the project. Staff will be assigned part-time to the ASIMA while keeping working on other activities in parallel. The list of staff assigned to the project has been agreed upon and officially transmitted to the World Bank. Any change to the composition will be communicated to the World Bank. In order to ensure the overall coordination of the project and the implementation of Component 1, the ADA has assigned to the ASIMA staff to cover the following positions:

- A project coordinator
- A focal person for safeguard (environmental and social)
In order to ensure the implementation of Component 2, the MAPM has assigned to the ASIMA staff in the DRAs, DPAs, and CTs to cover the following positions:

- A regional project coordinator for each of the regions of the project, in the DRA
- A focal person for each selected Pillar II project, and for the correspondent ASIMA sub-project, in the DPAs or CTs
- A focal person for fiduciary (financial management and procurement), in each DPAs

In addition, the ADA will hire prior to project’s effectiveness a financial management specialist.

81. The capacity of the staff at the regional and provincial level represents one of the main risks identified during the evaluation process as the majority of staff of the DRAs, DPAs, and CTs are not familiar with the projects financed by the World Bank. Hence, to mitigate the identified risk, tailored training will be provided before starting the project to selected staff of the implementing entities. Further detail on the project institutional and implementation arrangements will be provided in the Project Implementation Manual (PIM).

82. The ADA and the MAPM (through the relevant DRAs, DPAs, and CTs) were selected as implementing agencies for the ASIMA as they are the entities in the GoM that are responsible for the PMV. The implementation arrangements of the ASIMA builds upon the existing organizational structure put in place for the implementation of the PMV within the MAPM organization chart:

- Ministry of Agriculture and Maritime Fisheries (Ministère de l’Agriculture et de la pêche maritime, MAPM): At the central level, departments involved in the implementation of the PMV primarily include: Strategy and Statistics Directorate (Direction de la stratégie et des statistiques, DSS); Finance Directorate (Direction financiere, DF); and Teaching, Training, and Research Directorate (Direction de l’enseignement, formation et recherche, DEFR).
- Regional Agricultural Directorate (Direction régionale agricole, DRA): They are the MAPM directions at the regional level, created in 2009 to foster the implementation of the PMV at regional level. The DRAs’ main mission is to elaborate and ensure the appropriate implementation of the Regional Agricultural Plans (Plans agricoles régionaux, PAR), and to liaise between the MAPM and the ADA (at a central level) and the DPA (at a provincial level).
- Provincial Agricultural Directorate (Direction provinciale agricole, DPA): They are the MAPM directions at the provincial level, in charge of the on-the-ground implementation of the PMV, with support from the relevant Work Centers (Centres des travaux, CT).
- Work Centers (Centres des travaux, CT): They are the local branches of the MAPM that are responsible for the daily contact with the farmers in the implementation of the PMV, through keeping close collaboration with the Professional Agriculture Organization (Organisation professionnelle agricole, OPA), and the corresponding associations and/or cooperatives of farmers.
- Agency for Agricultural Development (Agence pour le développement agricole, ADA): It has the implementation responsibility and monitoring of the PMV. It is a specialized public agency, legally independent from the MAPM and financially autonomous, created in 2009 with the objective of overseeing the implementation of the PMV’s investment
program. The ADA is administered by a Board and managed by an Executive Director. The Board is composed by Government representatives, two professional representatives elected among the presidents of the regional chambers of agriculture, and two others elected by the Government authority in charge of Agriculture.

83. Figure 1 in the next page presents the organization chart of the MAPM. The chart depicts only the DRAs, DPAs, and CTs relevant for the ASIMA.

---

28 Law No. 42/08 (March 2, 2009) on the creation of ADA promulgated by the dahir No. 1-09-16 du 22 safar 1430 (February 18, 2009).
Figure 1: Organization chart of the MAPM. The chart depicts only the DRAs, the DPAs, and the CTs relevant for the ASIMA.
Financial Management, Disbursements and Procurement

Financial Management

84. The ADA gained experience in World Bank procedures by working on other World Bank projects such as the PICCPMV and the DPL series in support to the PMV. The regional and provincial offices of the MAPM (DRAs, DPAs, and CTs) of the two target regions have little experience in World Bank financed projects. However, this limitation of knowledge of World Bank procedures can be overcome through tailored trainings and close follow up with ADA and the MAPM (DRAs, DPAs, and CTs).

85. **Assessment of the Financial Management System** - An assessment of the financial management system in place at the ADA and the relevant DPAs was carried out to determine if it complies with the World Bank requirements for the Project management in respect to the OP/BP 10.02. The financial management evaluation of ADA covered the areas of accounting and financial management, as well as the reporting and auditing process of the ASIMA. The financial management system, including necessary arrangements to respond to the needs of the financial monitoring of the ASIMA, satisfies the requirements of the World Bank.

86. **Responsibility** - The ADA and MAPM (through the relevant DPAs) will be responsible for managing the ASIMA funds and all related financial transactions. In accordance with the donor’s agreement, the ADA and DPAs will maintain appropriate project accounts and prepare annual financial statements and periodic expenditure reports by component, category, and source of funding.

87. **Budgeting** - The ADA prepares its own budget based on its expected needs and projects. The budget is submitted to the Finance Department (Direction financière, DF) of the MAPM and the Budget Directorate (Direction du budget, DB) of the MEF for approval. The ADA benefits financially from the State general budget, paid in subventions. At the local level, the DPAs prepare the annual budget for the Pillar II projects and consolidate it with the related DRA under the supervision of the ADA. The budget is submitted to the DF and DB for approval and then delegated to the DPA. Under the ASIMA, a meeting will be organized between ADA and the DRAs to agree on an annual budget proposal. There are no formalized procedures on budgeting. A Financial Management section providing a detailed description of the budgeting processes will be included in the PIM.

88. **Accounting** - The ADA, DRAs, and DPAs adopted budget accounts in order to monitor budgetary revenues and expenditures. They use the Integrated Management system of Expenditures (GID) of the Trésorerie générale du Royaume (TGR) for monitoring their commitments and budget.

- At the central level: The accounting system of the ADA is based on the accounting regulations applicable to public institutions (Decree No. 2-89-61 of November 10, 1998) relating to three types of accounting: budgetary, general, and analytical, in accordance with General Code of Accounting Standards. At the end of the year, conditions are established by showing budget lines available appropriations, commitments to engage the balance, payments, and balance due.
At the regional level: The accounting system in place is based on the public accounting rules applicable to the financial and accounting operations of the State, which are governed by Royal Decree No. 330/66 of April 21, 1967. The signing officers and accountants use separate accounting referred to respectively as administrative accounting and accounting maintained by the TGR. The monthly accounting report related to the accounting implementation of projects and activities is performed in Excel format. The technical and accounting personnel, following the execution of projects, is insufficient. A need for reinforcement in capacity building and human resource profiles corresponding to financial management is expected in the grant framework.

89. **Reporting** - The Interim Unaudited Financial Reports (IUFR) will cover all activities and sources of funds of the ASIMA. These reports will include: (i) a statement of sources and uses of funds for that period and in aggregate value; (ii) a statement of the use of funds by component and expenditure category; and (iii) a budget statement indicating forecasts and deviations from implementation. The format and precise content of these IUFR will be detailed in the PIM and established in accordance with World Bank guidelines. The IUFR will be consolidated biannually by the ADA and transmitted by the Recipient to the World Bank within 45 days after the end of each period. The IUFR must include: (i) a cash flow statement; (ii) a project commitment by category and by component; (iii) project disbursement by category and by component; and (iv) narrative section explaining the financial information provided, and the basis for the next six months forecast in terms of commitments and disbursements.

90. **Internal audit** - The ADA created the processing of internal control for all cycles of the administrative and financial management, compliance procedures, and safety of their operations. The internal audit function is ensured by a staff from the Division of Accounting and Management Control and supervised by the Chief of that Division. An internal audit review is punctually conducted in the ADA, and aims to test the effectiveness of internal control. The internal audit function is assessed through audit missions aimed at:

- Examining in depth the process of each cycle
- Identifying inefficiencies and inadequacies
- Proposing improvements

At the end of each mission, a debriefing meeting is scheduled with the Financial and Administrative Director, the head of the accounting and management control division and individual employees to present the results of the work, and include recommendations and proposed actions to be taken by the decision-making bodies. The following recommendations are made continuously and are evidenced by annual follow-up recommendations.

91. **External audit** - Annual Project financial statements and designated accounts audited by auditors acceptable to the Bank and the report on the internal control (management letter) will be submitted to the World Bank within six months after the end of each Fiscal Year. The audit will be comprehensive and cover all aspects of the Project (i.e., all sources and utilization of funds, and expenditures incurred). The audit will be carried out in accordance with International Standards on Auditing. The Project team will provide the auditor with access to project related documents and records, and information required for the purposes of the audit. The implementing agency will retain an auditor acceptable to the bank to perform an annual audit in accordance with International Standards on Auditing (ISA or INTOSAI). The audit terms of
reference should be acceptable to the World Bank. The ADA will also submit its audited report and its management letter six months after year end.

92. The project can use the following three disbursement methods:
   (i) Pre-financing: The disbursement of the grant funds will be based on justifications and/or submission of the Statement of Expenditures (SOE), according to World Bank disbursement procedures. The supporting documents and/or SOE are prepared by ADA and DPAs and transferred to the DF of the MAPM which will be in charge of consolidating the documents and submitting them to the MEF which will ensure eligibility and submit to the World Bank for reimbursement. The ADA will ensure the eligibility of the disbursement requests submitted by the DPAs.

   (ii) The project can also open a designated account under the project name to receive advances. The supporting documents and/or SOE are prepared by ADA and DPAs and transferred to the DF of the MAPM which will be in charge of consolidating the documents and submitting them to the MEF which will ensure eligibility and submit to the World Bank for justification of the advance usage. A replenishment request can be submitted once the advance used is justified.

   (iii) The project can also use the direct payment method, where the supporting documents and/or SOE are prepared by ADA and DPAs and transferred to the DF of the MAPM which will be in charge of consolidating the documents and submitting them to the MEF which will ensure eligibility and submit to the World Bank in order to directly pay the supplier.

93. Allocation of grant proceeds - The allocation by expenditure category is presented in the table below.

   | Category                                                                 | Amount of the Grant Allocated (expressed in US$) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
---|---|---|---|
| (1) Goods, works, non-consulting services, consultants’ services and Training under Part 1 of the Project | 1,320,000 | 100 % |
| (2) Goods, works, non-consulting services, consultants’ services and Training under Part 2 of the Project | 5,120,000 | 100% |
| **TOTAL AMOUNT** | **6,440,000** | |

94. Training - Training means the costs of: (i) reasonable expenditures for travel (domestic and international), room and board and per diem expenditures for trainers and trainees and for non-consultant training facilitators in connection with training provided under the ASIMA; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction, and distribution expenses.

95. Risk assessment - The risk is assessed as Moderate as the following main risks have been identified:
• Limited management capacity due to lack of human resources at the central and regional level. This risk will be mitigated by the reinforcement of capacity building of staff in financial management as well as by the recruitment of a consultant in financial management at the level of the ADA for the ASIMA project.

• The accounting system of the ADA does not allow producing Intermediary Financial Reports. Financial reporting will be prepared in Excel sheet based on information extracted from the accounting system. This risk will be mitigated by World Bank’s financial management training and close monitoring in submission within the delays set in the PIM.

96. **Staffing** - Staff of the ADA, DRAs, DPAs, and CTs have been assigned part-time to the ASIMA while working on other activities in parallel. The ADA does not have human resources with sufficient financial management skills. Thus, resources are needed to ensure adequate project implementation. A financial management specialist will be hired prior to project’s effectiveness to provide support on financial management, and trained to ensure follow up of the financial management arrangements of the project.

97. **Supervision** - Supervision missions will be conducted at least semi-annually. The mission will: (i) ensure that strong financial management systems are maintained for the ASIMA throughout its implementation; and (ii) review semi-annual IUFRs, annual audited FSP, and management letters.

**Disbursements**

98. The proceeds of the grant would be disbursed in accordance with the traditional disbursement procedures of the World Bank and will be used to finance project activities through the disbursement procedures currently used: i.e. Direct Payment, Advances, and Reimbursement. Replenishment and/or Reimbursement Withdrawal Applications will be accompanied by Statement of Expenditures (SOEs) in accordance with the procedures described in the Disbursement Letter and the World Bank’s “Disbursement Guidelines”. Interim Unaudited Financial Reports and Annual Financial Statements will be used as a financial reporting mechanism and not for disbursement purposes. The minimum application size for direct payment and reimbursement will be the equivalent of 20 percent of the Advance ceiling amount.

99. The Beneficiary will open a Designated Account at the Trésorerie générale du Royaume (TGR) in Moroccan Dirham to cover grant shares of eligible project expenditures. The Ceiling of the Designated Account would be five millions dirhams. The Beneficiary will be responsible for submitting monthly replenishment applications with appropriate supporting documentation.

100. In accordance with footnote 3 to OP 6.00 Banking Financing, retroactive financing is allowed to finance eligible expenditures made by the Recipient as of January 1st 2013, and the aggregated amount should not exceed 20 percent of the grant amount to allow for a timely launching of the project activities.
101. The World Bank will honor eligible expenditures for services rendered and goods delivered by the Project closing date. A four months grace period will be granted to allow for the payment of any eligible expenditure incurred before the grant closing dates.

102. Necessary supporting documents will be sent to the World Bank in connection with contracts that are above the prior review threshold, except for expenditures under contracts with an estimated value of: (i) US$200,000 or less for work and goods; (ii) US$100,000 or less for consulting firms; and (iii) US$50,000 or less for individual consultants, as well as all operating costs, training, workshops and field visits, which will be claimed on the basis of SOEs. The documentation supporting expenditures will be retained at the ADA and will be readily accessible for review by the external auditors and periodic World Bank supervision missions. All disbursements will be subject to the conditions of the Grant Agreement and disbursement procedures as defined in the Disbursement Letter.

103. The frequency and scope of World Bank supervisory missions will be adapted to the needs of the ASIMA and will be delivered both at central and provincial levels. Supervisory frequency will be bi-annual, though this may be increased if needed.

104. The World Bank has introduced e-Disbursement for all projects in Morocco. Under e-Disbursement, all transactions will be conducted and associated supporting documents and SOEs scanned and transmitted online through the World Bank’s Client connection system. The use of e-Disbursement functionality will streamline online payment processing to: (i) avoid common mistakes in filling out Withdrawal Applications; (ii) reduce the time and cost of sending Withdrawal Applications to the World Bank; and (iii) expedite the World Bank processing of disbursement requests.

**Procurement**

105. The procurement for the ASIMA will be carried out in accordance with: (i) the World Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants” (known as the Anti-Corruption Guidelines) dated October 15, 2006 and revised in January, 2011; (ii) the “Guidelines: Procurement of Goods, Works, and non-consulting services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” (known as Procurement Guidelines) published by the World Bank in January 2011; (iii) the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers,” (known as Consultant Guidelines) dated January 2011; and (iv) all the accompanying standard bidding documents for any new procurement and the provisions stipulated in the Grant Agreement. The various items under different expenditure categories are described below. For each contract to be financed by the grant, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Recipient and the World Bank in the Procurement Plan.

106. Procurement activities will be handled by: (i) the ADA, for Component 1; and (ii) by the MAPM (through the relevant DPAs), and with the assistance of the ADA, DRAs, and CTs for Component 2. A capacity assessment for the ADA was conducted in December 2010 as part of
the preparation of the Integrating Climate Change in the implementation of the Plan Maroc Vert (PICCPMV) project. In addition, a capacity assessment was conducted in August 2012 in the DPAs of the Marrakech-Tensift-Al Haouz region which is one of the two regions covered by the ASIMA project. Overall, the result of the capacity assessment showed the following results. Both the ADA and DPAs of Marrakech-Tensift-Al Haouz have previous experience in World Bank financed projects, specifically the PICCPMV for ADA and Irrigation based community development for the DPAs of Marrakech-Tensift-Al Haouz. The staff of the ADA and DPAs of Marrakech-Tensift-Al Haouz are familiar with World Bank procurement procedures. For ADA, training was conducted during the launch workshop of the PICCPMV in September 2011. Given their previous experience (in public administration or other state-owned enterprises), staff dedicated to procurement at the level of the ADA and of the DPAs have sound knowledge of Moroccan public procurement decrees and therefore the basis to be able to assimilate and apply World Bank procedures. The level of risk in procurement is Moderate. Despite their familiarity with the World Bank procurement procedures (very recent in the case of ADA), there is still a need for specific measures in order to mitigate potential risks. Among those measures are: (i) trainings in procurement for all staff if the ADA, DRAs, and DPAs involved in the project implementation, before the start of project activities and during the project implementation; and (ii) close supervision of procurement activities with prior review thresholds set accordingly.

107. The Procurement Plan for the first 18-month period has been prepared in a format acceptable to the World Bank and finalized at negotiation. It will be updated at least once a year to reflect the latest circumstances. The Procurement Plan will set forth those contracts which will be subject to the World Bank’s prior review. All other contracts will be subject to the World Bank’s post review.

108. Goods, small-scale civil works, and services other than consultant (comprising purchase of equipments, supplies, and agricultural services) will be procured using the following methods:
   - National Competitive Bidding (NCB): Except as otherwise provided below, goods, small-scale civil works, and services other than consultants will be procured under contracts awarded on the basis of NCB procedures as found acceptable by the World Bank. Standard Bidding Document (SBD) prepared by the implementing entities and found acceptable by the World Bank will be used;
   - Shopping: Contracts estimated to cost the equivalent of US$200,000 of less may be procured using the Shopping procedures; and
   - Direct Contracting: Under circumstances which meet the requirements of paragraph 3.7 of the Procurement Guidelines, goods, small-scale civil works, and services other than consultant can be procured using the Direct Contracting procurement method.

109. Consultants’ Services (comprising technical assistance, support to implementing entities, training, and studies) will be procured using the following World Bank methods and corresponding standard documents:
   - Quality- and Cost-Based Selection (QCBS);
   - Least-Cost Selection (LCS): Services estimated to cost less than the equivalent of US$200,000 per contract may be procured in accordance to the provisions of paragraph 3.1 and 3.6 of the Consultant Guidelines;
• Consultants’ Qualifications Selection (CQS): Services estimated to cost less than the equivalent of US$100,000 per contract may be procured in accordance to the provisions of paragraph 3.1 and 3.7 of the Consultant Guidelines;
• Single-source Selection: Under circumstances which meet the requirements of paragraph 3.8 through 3.11 of the Consultant Guidelines for Single Source Selection, consultant services may be procured using Single Source Selection methods, with the World Bank’s prior agreement; and
• Selection of Individual Consultants (IC): Services for assignments that meet the requirements set forth in the paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provision of paragraph 5.2 through 5.5 of the Consultant Guidelines. Under the circumstances described in paragraph 5.6 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

Short list may be composed entirely of national consultants for contracts less than the equivalent of US$200,000 per contract, complying with the remarks mentioned above.

110. Some activities under Component 2 (Transfer of land and biodiversity conservation measures among small farmers) could be implemented by INRA, having unique experience in Morocco in agricultural applied research. Specifically, INRA could be contracted for the provision of services related to: (i) technical assistance for the installation and management of units for the production of animal feed from sub-products of the olive, cactus, and argan agri-food chains; (ii) demonstration trials for the ratio of inputs for animal feed and for the cultivation of MAPs; (iii) technical assistance for the construction of the storage basin for olive by-products; (iv) monitoring and quantification of land conserved by land management practices using a known methodology; and (v) related trainings for farmers.

111. Supervision of procurement by the World Bank is an integral part of project supervision and implementation monitoring. In addition to the prior review supervision to be carried out from World Bank offices, and based on the capacity assessment of the implementing entities, it is recommended that the World Bank conduct two supervision missions, including the post review of procurement actions. The ex-post review will concern about 10 to 15 percent of the contracts. This percentage will be adjusted during project implementation according to the performance of the implementing agencies and the results of reviews.

Environmental and Social (including safeguards)

112. The ASIMA is expected to have significant positive environmental and social impacts. By focusing on Pillar II projects in marginal areas of Morocco, the ASIMA will address small farmers traditionally characterized by high poverty rates, low level of education, and low productivity. By taking a more integrated approach to managing the agro-ecosystems and agri-food chains in question, the project will bring mutually reinforcing improvements which will help to make Moroccan agriculture more sustainable in the long term.

113. The ASIMA will promote social inclusion by giving particular attention to female small farmers. The selection of agri-food chains and of the Pillar II projects has been done taking into consideration the representativeness of female beneficiaries. Women constitute an important
demographic, representing 43 percent of those who work in the agricultural sector and are active in large numbers in almost all the agri-food chains. Nearly 11 percent of agricultural cooperatives in Morocco are women’s cooperatives. With the launching of the PMV, the MAPM and ADA have been giving increasing attention to the gender dimension in agriculture. To this end, the MAPM has recently commissioned a comprehensive gender analysis of the PMV. The objective of the study is to identify ways to increase the competitiveness of women micro-enterprises and to further integrate rural women into the economic framework through specific agri-food value chains. Building on the initial results of the MAPM study, the World Bank has carried out a technical mission in November 2012 aiming to assess the gender dimension of the ASIMA and of the DPL series in support to the PMV.

114. Notwithstanding the fact that the ASIMA is expected to have mostly positive environmental and social impacts, due attention has been paid to potential risks. The ASIMA involves interventions in the environment and therefore triggers the World Bank Environmental Assessment Policy, Operation Policy (OP) 4.01. In line with this OP, and considering the limited expected adverse impacts on the sub-projects proposed, the ASIMA is classified as environmental category B.

115. In its responsibility of overall coordination of the ASIMA, ADA is responsible for the preparation and disclosure of all safeguard documentation. An Environmental and Social Impact Assessment Framework (ESIAF) has been prepared during project preparation. The need of an ESIAF is justified as follows:

- The ASIMA is a Community Driven Development project, based on a participatory approach of the community. As such, the sub-projects identified are tentative, subject to the approval of the community and of the different DPAs and DRAs.
- The precise location of the sub-projects is not known yet. Although the region and provinces have been determined, the area where each specific activity will be carried out remains to be identified.

116. The objective of the ESIAF is to: (i) describe the relevant legal and regulatory system for the preparation of the environmental and social impact assessment, in particular with reference to the ASIMA sub-projects, including the assessment of whether the ASIMA will trigger World Bank safeguard policies; (ii) identify the potential environmental and social impacts, both positive and negative, of the ASIMA sub-projects as far as they may be determined at this early stage; and (iii) develop a proper screening procedure to determine the severity and magnitude of impacts by sub-project and the need for individual safeguard documentation. The ESIAF provides indications on which data should be recorded, the consultation process to be carried out, and the definition of potential mitigation, monitoring, and institutional measures to be applied during the implementation of the ASIMA sub-projects in order to offset or reduce adverse environmental and social impacts and increase their positive impacts. It details the institutional arrangements as well as the capacity-strengthening measures needed to ensure proper follow-up of the ESIAF. It specifies that the implementation of these requirements will be financed on the grant, for an amount indicatively corresponding to one percent of the grant proceeds. The ESIAF has been disclosed in November 2012 on ADA and World Bank’s InfoShop websites.
117. The preparation of the ESIAF included a number of consultations. Consultations were carried out with potential beneficiaries (including adequate women participation) with an average of 30 small farmers consulted by each of the eight sub-projects, organized in Arabic by environmental and social specialists. During the consultations, the farmers were informed of the potential environmental implications identified and their input was sought on the proposed measures to mitigate the associated risk. One consultation with staff of the MAPM and ADA was also organized to validate the approach and intermediate results of the ESIAF.

118. Based on the conclusions of the ESIAF, the following safeguard documentation will be prepared at sub-project level under the responsibility of ADA:

- For sub-projects related to olive and argan agri-food chains, an Environmental and Social Impact Assessment (ESIA) will be prepared and disclosed in accordance with OP 4.01 and the Moroccan legislation. These sub-projects are considered as a category B in accordance with OP 4.01.
- For sub-projects related to cactus, red meat, bee-keeping, and Medicinal and Aromatic Plants (MAPs), and in any case for sub-projects involving constructions, a simple Environmental Management Plan (EMP) in the order of three to five pages will be prepared and disclosed in accordance with OP 4.01. These sub-projects are considered as a category B in accordance with OP 4.01.
- For sub-projects that address soil conservation measures, technical assistance, and training, no further environmental documentation should be prepared. These sub-projects are commensurate with category C in accordance with OP 4.01.

The DPAs will be responsible for the implementation of the sub-projects in accordance with the relevant safeguard documentation.

**Table 6: Safeguard documentation required by sub-project.**

<table>
<thead>
<tr>
<th>DRA</th>
<th>DPA</th>
<th>Agri-Food Chain</th>
<th>Pillar II Project</th>
<th>ESIA</th>
<th>EMP</th>
<th>No additional docs</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTH</td>
<td>Marrakech</td>
<td>Olive</td>
<td>Development of olive agri-food chain in the piedmont zone</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTH</td>
<td>Marrakech</td>
<td>Beekeeping</td>
<td>Development of beekeeping agri-food chain in the Al Haouz province</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTH</td>
<td>Rhamna</td>
<td>Red meat</td>
<td>Intensification of and increasing value-added to the Sardi lamb of Rhamna</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTH</td>
<td>Rhamna</td>
<td>Cactus</td>
<td>Planting of cactus on 30,000 ha</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTH</td>
<td>Essaouira</td>
<td>Argan</td>
<td>Project to support the emergence, development, and good governance of argan cooperatives in the Essaouira province</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMD</td>
<td>Agadir</td>
<td>Olive</td>
<td>Extension and rehabilitation of and increasing value-added to the olive agri-food chain in Ait Baha</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMD</td>
<td>Agadir</td>
<td>MAPs</td>
<td>Increasing value-added to medicinal and aromatic plants value chain</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMD</td>
<td>Tiznit</td>
<td>Beekeeping</td>
<td>Intensification of honey production through the modernization of beekeeping</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
119. From a social perspective, no social safeguard is triggered. The OP 4.12 on involuntary resettlement was not triggered considering that the ASIMA will generate benefits to the community, and that no involuntary resettlement or expropriation will occur. Small farmers will have a choice to agree or disagree that the sub-project will be in their land. If they agree, they can decide to donate parcel of their lands in return of benefitting for the sub-project investments. In such case, a voluntary donation (cession volontaire) is allowed under the Moroccan Law No. 7/81, Part II. The documentation will be reviewed by the World Bank to ensure that there was no coercion. In case of need to enter the private land temporarily to put in place activities under the project, the Law No. 7/81, Part II, Article 50 regulates the right to enter private properties provided that a document is signed between the administration and the private owner indicating the operations to be done, the surface it will use, the nature and most likely duration of the occupancy which should not exceed five years. In those cases, proper planning should allow to carry out construction works during periods were there are no potential loss of crops.

Monitoring and Evaluation

120. The objective of the Monitoring and Evaluation (M&E) system is to regularly provide information on the ASIMA’s activities and results. The M&E is to be considered an operational management instrument from which the implementing entities should benefit, evaluating and improving their performances throughout the project implementation, and helping to achieve the PDO. It will provide a basis for regular interaction with small farmers, to get a good understanding of the pros and cons of the land and biodiversity conservation measures, as well as of the possible benefits and constraints in the scaling up of those measures.

121. The M&E system of the ASIMA is integrated into the overall M&E system of the Pillar II projects. It has been carefully designed not to add an additional administrative layer on top of the procedures of the PMV, but on the contrary to complement the existing M&E system.

122. The Results Framework and Monitoring is presented in Annex 1. The choice of the indicators is discussed below, and has been done taking into account the relevant core indicators of the World Bank and the GEF Tracking Tool for land degradation and biodiversity conservation, as well as the gender dimension of the project. The Results Framework and Monitoring strikes a balance between quantitative and qualitative indicators to reflect the pilot nature of the project, going beyond the simple assessment of the physical implementation or the number of trainings provided. In order to assess the satisfaction of small farmers and, more generally, how successful the pilots are, a study will be undertaken during the first year of the project to develop the methodology and the baseline survey.

123. The Project Development Objective (PDO) is to increase the implementation of land and biodiversity conservation measures in selected projects directed to small farmers located in targeted marginal areas in the project area. The PDO results indicators are:

- Direct project beneficiaries: Direct project beneficiaries are small farmers benefitting from the integration of land and biodiversity conservation measures, and who are already beneficiaries of the selected Pillar II projects.
- Successful pilots: A successful pilot will be defined based on the satisfaction of small farmers, staff from the MAPM and ADA, and other stakeholders with regards to: (i) on
the ground results of the land and biodiversity conservation measures; (ii) cost effectiveness of the land and biodiversity conservation measures; and (iii) timeliness of sub-project implementation.

124. These PDO results indicators are supported by intermediate results indicators which will track project outputs. The intermediate results indicators for Component 1 (Development of the capacities of public and private institutions on land and biodiversity conservation) are the following:
- Staff from public institutions trained; and
- Staff from private institutions trained
Intermediate results indicators for Component 2 (Transfer of land and biodiversity conservation measures among small farmers) are the following:
- Small farmers trained
- Small farmers who are satisfied with the project
- Targeted clients satisfied with agricultural and rural advisory services
- Targeted clients who are members of an association

125. The Results Framework has been designed taking into account the GEF Tracking Tool, and in particular:
- Land Degradation, Objective 1 “Maintain or improve a sustainable flow of agro-ecosystem services to sustaining the livelihoods of local communities”: The indicator on Community vulnerability has been chosen to assess the beneficiaries’ perception of the vulnerability of their livelihood. This indicator will be included in the study on methodology and baseline survey will be conducted in the first year of the project.
- Biodiversity, Objective 2 “Mainstreaming biodiversity conservation and sustainable use into production landscapes/seascapes and sectors”: The indicator on the landscape where the project will directly or indirectly contribute to biodiversity conservation has been chosen, in line with the biodiversity World Bank core indicator.

126. The Results Framework has been designed taking into account the gender dimension of the ASIMA. The following indicators are disaggregated by gender:
- Direct project beneficiaries
- Small farmers trained
- Small farmers who are satisfied with the project
- Targeted clients satisfied with agricultural and rural advisory services
- Targeted clients who are members of an association

127. In addition to the Results Framework, one indicator has been added for monitoring purposes only. This indicator will track the number of Pillar II projects throughout Morocco that have integrated at least one land and biodiversity conservation measure. This indicator aims at assessing the successful upscaling of land and biodiversity conservations measures, which represents a higher level objective of the ASIMA.

128. Reporting on the status of physical implementation and on the result indicators of the ASIMA will be done through Project Reports. The ADA will have the overall responsibility for the preparation of the Project Reports each semester. The ADA will collect and organize the
necessary information for Component 1. Each DPA will collect the necessary information for the ASIMA Sub-projects, and will transmit it to the DRAs in agreed format as described in the Project Implementation Manual (PIM). The DRAs will consolidate the information for the relevant sub-projects and transmit it to the ADA. The ADA will have the responsibility to consolidate the information for the two components into one Project Report, which will be transmitted to the World Bank for review. Necessary capacity building activities for the staff of the implementing entities with reference to the M&E will be financed under Component 1. Table 7 presents the list of reports, the involved entities, and the related calendar.

129. A summary of the status of physical implementation and on the result indicators of the ASIMA needs to be shared with the farmers. To this end, and in line with the circular recently issued by the MAPM a on the public display at local level of Pillar II projects information, M&E information will be included in the project status board (in Arabic) to be displayed in a local office of the MAPM easily accessible by the beneficiaries, and updates of the project status board will be provided twice per year. 29

29 Note circulaire, Identification visuelle des projets pilier II au niveau local, MAPM, 29 juin 2012.
**Table 7 – M&E: Reports**

<table>
<thead>
<tr>
<th>Report</th>
<th>Prepared by:</th>
<th>Consolidated by:</th>
<th>Reviewed by:</th>
<th>Transmitted to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Report</td>
<td>ADA</td>
<td>DPAs</td>
<td>ADA</td>
<td>RECIPIENT</td>
</tr>
<tr>
<td></td>
<td>Each semester, within 15 days after the end of the semester</td>
<td>Each semester, within 10 days after the end of the semester</td>
<td>Each semester, within 15 days after the end of the semester</td>
<td>WB</td>
</tr>
<tr>
<td></td>
<td>DRAs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim Unaudited Financial Report (IUFR)</td>
<td>ADA</td>
<td>DPAs</td>
<td>ADA</td>
<td>RECIPIENT</td>
</tr>
<tr>
<td></td>
<td>Each semester, within 15 days after the end of the semester</td>
<td>Each semester, within 10 days after the end of the semester</td>
<td>Each semester, within 15 days after the end of the semester</td>
<td>WB</td>
</tr>
<tr>
<td></td>
<td>DRAs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Statement of the Project (FSP)</td>
<td>ADA</td>
<td>DPAs</td>
<td>ADA</td>
<td>RECIPIENT</td>
</tr>
<tr>
<td></td>
<td>Each year, within 2 months after the end of the year</td>
<td>Each year, within 1 month after the end of the year</td>
<td>Each year, within 3 months after the end of the year</td>
<td>WB</td>
</tr>
<tr>
<td></td>
<td>DRAs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Each semester, within 15 days after the end of the semester

Each semester, within 10 days after the end of the semester

Each year, within 2 months after the end of the year

Each year, within 3 months after the end of the year

Each year, within 2 month after the end of the year

Each year, within 6 months after the end of the year
## Annex 4: Operational Risk Assessment Framework (ORAF)

### Project Stakeholder Risks

<table>
<thead>
<tr>
<th>Stakeholder Risk</th>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers’ participation in both preparation and implementation</td>
<td>Substantial</td>
<td>is a key element for project success. MAPM and ADA are conscious that small farmers’ participation in the PMV needs to be enhanced. In the case of the ASIMA, there is the additional element that small farmers in marginal areas might not perceive the long-term preservation of the environment as a priority, more focused on achieving their short-term livelihood.</td>
</tr>
</tbody>
</table>

### Risk Management:
Transparency regarding Pillar II project implementation (budget, procurement, physical implementation) is required to facilitate farmers’ participation. In line with a recent circular of the MAPM on the public disclosure of Pillar II projects information, the ASIMA will display and regularly update a project status board (in Arabic) in a local office of the MAPM easily accessible to the beneficiaries.

<table>
<thead>
<tr>
<th>Resp: Client</th>
<th>Stage:</th>
<th>Implementat</th>
<th>Recurrent:</th>
<th>Due Date:</th>
<th>Frequency:</th>
<th>Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>ion</td>
<td></td>
<td></td>
<td>Yearly</td>
<td>Not Yet Due</td>
</tr>
</tbody>
</table>

### Implementing Agency (IA) Risks (including Fiduciary Risks)

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Moderate</td>
<td>As a result of a first experience with the World Bank in the context of the PICCPMV, the ADA has developed adequate fiduciary capacity. The capacity of DRAs and DPAs in the project area has been assessed through a financial management and procurement evaluation carried out in August 2012. Some of these local offices of the MAPM have limited or no experience in World Bank and GEF projects.</td>
</tr>
</tbody>
</table>

### Risk Management:
A World Bank team in the Rabat office will collaborate closely with the ADA, providing adequate support when necessary. World Bank staff in Washington, DC will offer remote support, besides planning a suitable number of missions adequately spread over the project lifetime. With reference to procurement, prior review thresholds have been set accordingly to the initial capacity of the implementing entities, and will be revised as appropriate during project implementation.

<table>
<thead>
<tr>
<th>Resp: Bank</th>
<th>Stage:</th>
<th>Recurrent:</th>
<th>Due Date:</th>
<th>Frequency:</th>
<th>Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yearly</td>
<td>In Progress</td>
</tr>
</tbody>
</table>

### Risk Management:
Through their daily contacts, the ADA will build the capacity of selected staff of DRAs and DPAs.
Although it is expected that they will acquire knowledge on World Bank procedures during the preparation of the ASIMA (given the experience of their staff in public administration or other state-owned enterprises, and their good knowledge of Moroccan public procurement decree), there is need to address capacity issues on fiduciary aspects.

| **Risk Management:** |  
| During the project’s preparation and implementation, a training plan will be put together for the design of appropriate fiduciary support systems, e.g., developing capacity on procurement, M&E, and environmental and social safeguards among relevant staff of the ADA, DRAs, and DPAs. |

**Governance**

**Description:**
There is strong commitment at all levels in the MAPM and ADA towards the preparation and implementation of the ASIMA. The ADA has adequate leadership skills and a straightforward governance structure leading to effective decision making. The institutional reforms, the decentralization, and the MAPM de-concentration are ongoing, and better collaboration and flow of information needs to be achieved in the day-to-day activities.

**Risk Management:**
The project will build on the implementation arrangements of the PMV, in order not to generate any additional layer that might contribute to confusion or tension. This includes also the use of the existing coordination structures created in the frame of the PMV to enhance collaboration between the central and decentralized structures of the MAPM.

| **Risk Management:** |  
| The Project Implementation Manual (PIM) satisfactory to the World Bank has been drafted and will be finalized by effectiveness. |

| **Risk Management:** |  
| The task team will support ADA in the development of suitable administrative procedures by using in-house know-how developed in different countries. Capacity building will be provided during project preparation to ensure compliance with World Bank rules. |

### Project Risks

| **Design** |  
| **Description:** |  
| Throughout project preparation, the design of | **Risk Management:** |  
| The lessons learned from a previous operation that also piloted innovative measures in agriculture and has similar |
the ASIMA has been narrowed down, identifying activities to be carried out under each component, and the respective implementation arrangements.

### Social and Environmental

**Description:**
The project is expected to have substantially positive environmental and social impacts. However, it will be involved in some highly-polluting activities (for example in transformation units for olive oil). Women participation can be difficult to be guaranteed.

**Risk Management:**
An environmental and social management framework has been developed by the ADA during preparation. This document includes a screening mechanism and standard mitigation measures. The DPAs will be responsible for the overall implementation of the environmental and social mitigation measures and for monitoring the impacts of the project.

### Program and Donor

**Description:**
Several donors are engaged in the agricultural sector in Morocco, supporting different aspects of the PMV.

**Risk Management:**
The task team will closely coordinate with other donors in support to the PMV. Regular meetings are held by the Team every time a mission takes place.

### Delivery Monitoring and Sustainability

**Description:**
The ASIMA will have a leveraging effect, which will facilitate implementation on a larger scale, but will also make it more difficult to assess the specific impacts of the ASIMA project.

**Risk Management:**
The task team will seek guidance from MNAOS and an M&E specialist within the World Bank in the development of the M&E system.

### Overall Risk

**Implementation Risk Rating:** Moderate
Annex 5: Implementation Support Plan

Strategy and Approach for Implementation Support

130. The strategy to support the implementation of the ASIMA has been developed based on the nature of the project and its risk profile. It aims to offer more flexible and efficient implementation support to the executing entities, and focuses on implementing the risk mitigation measures defined in the ORAF (Annex 4) with the objective to support the achievement of the PDO.

131. The main aspects of the project taken into consideration for the preparation of the implementation support strategy are: (i) high number of de-concentrated executing entities, with variable experience in World Bank projects; (ii) high number of small contracts; and (iii) ambition to support the overall PMV reform agenda besides the contract based activities. With reference to the first two points, the implementation support strategy should support the coordination role of the ADA, enhancing its institutional role as defined for the implementation of the PMV, and help define solutions to facilitate workflow with the de-concentrated offices. The ADA will provide complementary support to the DPAs, in addition to that which is provided by the World Bank Team, to fill the gaps. This is particularly important in reference to procurement procedures, which risk slowing down physical project implementation considering the high number of contracts the DPAs will need to execute over the lifetime of the project. With reference to the third point, the implementation support strategy has been conceived to maximize the positive project externalities in the context of the broader reform agenda, through liaising with other development institutions.

132. The support plan presented below will be implemented through a combination of formal supervision missions and remote support to the implementing entities. Formal supervisions will be carried out semi-annually, with an effort to increase the frequency considering that the supervision missions will probably represent the only occasion for teams at the regional and provincial levels to gather together. In light of the supervision budget constraints, the World Bank Team will make an effort to combine the ASIMA supervision missions with those of the PICCPMV and the “Integrated Coastal Zone Management” (ICZM). During each supervision mission, meetings will be carried out with the central coordination team at the ADA to discuss overall implementation; procurement, financial management, and disbursement issues; compliance with World Bank rules and regulations; etc. In addition, a one-day supervision will take place in one ASIMA sub-project site (chosen in rotation), with the participation of all involved DRAs/DPAs/CTs. The morning will be dedicated to the presentation of the implementation of each ASIMA sub-project, in addition to the discussion of transversal issues, while the afternoon will be dedicated to the visit of the ASIMA sub-project. Particular importance will be given to meeting the farmers benefitting from the ASIMA. Each ASIMA sub-project will host the supervision mission at least once during project life span. In addition, thematic supervision missions may be organized as the need arises, focusing on a specific fiduciary aspect. It is expected that in these occasions the World Bank Team will visit multiple ASIMA sub-projects during a single supervision mission. Following each supervision mission, an Aide-Memoire will be shared with the coordination team in the ADA, which will be responsible for communicating it to the de-concentrated offices of the MAPM. Similarly, an
Implementation Status and Results Report (ISR) will be prepared at least semi-annually, and discussed with the ADA prior to its public disclosure.

133. In order to ensure the proper implementation of the support plan detailed below, the World Bank Team has been put together ensuring a proper mix of headquarters-based and Rabat-based staff, in addition to the use of external consultants and experts from other international organizations (i.e. through the FAO-CP program).

**Implementation Support Plan**

134. **Technical inputs.** The World Bank Team will be responsible for providing technical inputs throughout project implementation. When the required skills are not available within the Team, the Task Team Leader will be responsible for identifying adequate help outside the Team. The World Bank Team will also play a role in terms of the revision of technical documents produced under the project. In addition, and considering the ambition to support the overall PMV reform agenda, the World Bank Team will liaise with the other development institutions active in the agricultural sector in Morocco during the supervision missions, to identify synergies that might enhance the technical level of the project and the overall achievement of the higher level objectives of the project.

135. **Procurement.** The World Bank’s procurement specialist assigned to the project will be based in the Rabat office in order to guarantee a close supervision of procurement activities. Additional procurement support might be needed considering the high number of small contracts and the possibility that there will be the need to revise more than the prior review contracts due to the limited expertise of the DPAs in World Bank procurement procedures. If additional procurement support is needed, a consultant will be hired to join the World Bank Team and ensure timely support for adequate project implementation. As concluded by the procurement assessment, training will be essential in order to guarantee that World Bank procurement procedures are properly followed, in particular at the DPA level where capacity is more limited. Training will be organized for relevant staff of the ADA and the DPAs. Efficient use of World Bank staff resources will result from conducting procurement trainings simultaneously for multiple World Bank GEF projects including ASIMA, PICCPMV, and Integrated Coastal Zone Management (ICZM). Additional trainings will be provided where necessary throughout project implementation. The Project Implementation Manual (PIM, draft prepared by the ADA) will include a procurement section; annexes will present standard bidding documents for easy reference. Procurement aspects will be revised through project implementation and specifically during supervision missions (to be carried out at least twice a year). It is expected that procurement support will be needed over the first year of project implementation, and the need will progressively decrease as GoM staff involved in the ASIMA project increase their capacity to adhere to World Bank procurement procedures.

136. **Financial management (FM).** Two World Bank’s FM specialists assigned to the project will be based in the Rabat office in order to guarantee a close supervision of FM aspects (including but not limited to, accounting, reporting, and internal controls). Supervision will review ASIMA sub-projects on a random basis. The World Bank team will also work with the staff assigned to the project to assist in improving coordination among different directions and
units for financial management and reporting. It is expected that FM support will be particularly needed six months after the beginning of the project for the preparation of the first unaudited financial report, and then one year after the beginning of the project for the first audit report. The need for FM support will progressively decrease as GoM staff involved in the ASIMA increase their capacity to adhere to World Bank FM procedures.

137. **Environmental and Social Safeguards.** The World Bank Team will supervise the implementation of the agreed Environmental Management Plan and provide guidance to the staff assigned to the project to address any issues. In addition, the World Bank Team will be sure to include environmental and social supervision updates in regular project progress reports. Inputs from an environment specialist and a social specialist are required. Training is required for about 30 technical staff on environment and social monitoring and reporting. The need for environmental support is expected to increase as the project progresses with the implementation of the physical integration of land and biodiversity conservation measures.

138. **Coordination.** The Task Team Leader (headquarters-based) will provide day-to-day supervision of all operational aspects, as well as coordination with the client and among World Bank team members. The members of the team based in Rabat will guarantee the linkage with the client in between missions.
Annex 6: Incremental Cost Analysis

Business-as-Usual Case

139. A 2003 World Bank report estimated that the cost of environmental degradation in Morocco in 2000 was close to 13 billion MAD. This figure may be underestimated given that some aspects of environmental degradation (including biodiversity loss) were not included due to data limitations. In the assessment, particular attention was given to estimating the costs of land degradation, which results from water and wind erosion, combined with low organic matter soil content. The economic impact of land degradation in Morocco was estimated to be 1.44 billion MAD (or 0.41 percent of GDP). These costs were calculated using the value of lost agricultural production due to lower land productivity as the opportunity cost. As the study assumed that the majority of agricultural lands are used for cereals, the estimated cost of land degradation would be even higher assuming the lands could be used for higher value crops as promoted under the PMV.

140. The target regions for the ASIMA, Souss-Massa-Draa and Marrakech-Tensift-Al Haouz, are home to 6.2 million people (19 percent of Morocco’s total population). More than 62 percent of the regions’ population lives in rural areas and poverty averages about 16 percent. Many small farmers located in marginal areas depend on agriculture for their livelihood. Throughout Morocco, the PMV aims to double agricultural output by 2020 and increase small farmer incomes through the implementation of Pillar II projects. The Regional Agricultural Plans (Plans agricoles régionaux, PARs) for Souss-Massa-Draa and Marrakech-Tensift-Al Haouz outline the agricultural priorities for the two target regions. In Souss-Massa-Draa 24 potential Pillar I and 56 potential Pillar II projects have been identified, while 82 potential Pillar I and 59 potential Pillar II projects have been identified in Marrakech-Tensift-Al Haouz. Through the implementation of the PARs, agricultural production is expected to grow by 59 percent by 2020 in Souss-Massa-Draa and by 68 percent in Marrakech-Tensift-Al Haouz. Moreover, value-added is expected to increase by 74 percent and 84 percent in Souss-Massa-Draa and Marrakech-Tensift-Al Haouz, respectively. Since 2010, the PMV has launched 59 Pillar II projects across more than 14 agri-food chains in the two target regions. However, land degradation and biodiversity loss may limit the expected increases in production and value-added, potentially constraining the extent to which small farmers see an increase in their livelihoods.

141. The ASIMA sub-projects will focus on six agri-food chains: olives, cactus, argan, red meat, bee keeping, and Medicinal and Aromatic Plants (MAPs). The expansion of each of these agri-food chains, while contributing to agriculture value-added and farmers’ income, poses various degrees of risks for the environment. By-products generated during oil extraction are a threat for groundwater, and thus land conservation. Livestock can induce overgrazing of rangelands, which can be exacerbated by droughts. Excessive pressure on the harvest of wild MAPs can result in loss of biodiversity. Modern techniques for honey production can discourage the use of local races of bees up to their extinction. Nevertheless, sustainable intensification of these agri-food chains can also have important positive environmental implications. Planting of

---

olive trees in marginal areas (especially if replacing cereal cultivation) can reduce the risk of soil erosion, similarly to cactus which can be planted in even more extreme environments. The argan trees can shade the ground, reducing evaporation, and facilitating the growth of short vegetation. Cultivation of traditional MAPs can reduce pressure on natural environments, while conserving the germoplasm and ensuring livelihood. Increase honey production thanks also to the introduction of transhumance can facilitate pollination of natural and cultivated plants. By mitigating the negative impacts and reinforcing the positive impacts, the ASIMA aims to increase the long-term sustainability of the PMV.

Global Environmental Benefits

142. The ASIMA will help Morocco render its agriculture sector more sustainable. Without additional measures taken to further incorporate sustainability in the PMV, a portion of the expected benefits of doubling agricultural output by 2020 may be counteracted by the economic cost of environmental degradation. By mitigating the economic costs of environmental degradation in Morocco, the ASIMA is contributing to global environmental benefits. Specifically, the ASIMA directly addresses the GEF Biodiversity and Land Degradation focal areas. It will leverage the GEF’s Land Degradation Strategy by contributing to Objective 1 “Maintain or improve a sustainable flow of agro-ecosystem services to sustaining the livelihoods of local communities”. In the two target regions, 1,382,756 hectares of land are under diversified production, yet subject to land degradation. The ASIMA will thereby target land degradation by promoting the sustainability of vegetative cover in the argan, cactus, and olive agri-food chains for at least 12 percent (or 169,510 hectares) of this land. The ASIMA will also leverage the GEF’s Biodiversity Strategy by contributing to Objective 2 “Mainstreaming biodiversity conservation and sustainable use into production landscapes/seascapes and sectors” by promoting the sustainable management of bee keeping and harvesting of medicinal and aromatic plants in over 18,805 hectares in the two target regions.

Incremental Analysis

143. To contribute to the doubling of agricultural output by 2020, the PMV will invest US$2.37 billion in 550 Pillar II projects, reaching a total of 855,000 farmers for an average investment of US$2,772 per small farmer. Notwithstanding this significant investment by the GoM, increasing output through intensification and expansion of agri-food chains may further contribute to land degradation and biodiversity loss if not appropriately addressed. In fact, the potential value-added through increasing agricultural output may be constrained by these additional environmental costs. This may be particularly true over a longer term horizon. While agricultural intensification and expansion has increased output and value-added in the short run, there may be longer term negative externalities that could limit potential growth, threatening the sustainability of the investments.

144. In an effort to render the PMV investments more sustainable, the US$6.44 million GEF grant under the ASIMA will integrate land and biodiversity conservation measures in Pillar II projects, also exploring horizontal integration among the agri-food chains. Specific measures will be piloted in eight sub-projects, improving the livelihood of around 12,000 small farmers. Lessons learned from those pilots will be used incapacity building activities for selected staff
involved in the planning and implementation of future Pillar II projects, thus increasing the sustainability of the PMV and potentially benefitting the 855,000 farmers targeted by the national strategy. It is estimated that 20 percent of the grant will be used to finance institutional capacity building (Component 1), while 80 percent will finance the piloted conservation measures (Component 2).

145. Around eight ASIMA sub-projects will benefit from the US$5.12 million of the GEF grant allocated to Component 2. This will be in parallel to the GoM financing of US$35.54 million. The GEF allocation by sub-project and the Government investment for the corresponding Pillar II project is presented in Table 8. With an expected 12,000 small farmers benefitting from the selected eight Pillar II projects and corresponding ASIMA sub-projects, the GEF grant will invest approximately US$427 per beneficiary, leveraging the US$2,962 invested in each beneficiary by the GoM. This corresponds to an investment of the GEF grant of approximately US$27 per hectare, leveraging the US$189 invested per hectare by the GoM. As the GEF grant totals US$6.44 million and GoM co-financing is US$35.54 million, every dollar invested in the ASIMA by the GEF will be leveraged by the GoM’s investments at a ratio of 1 : 5.5. Moreover, this ratio does not account for the fact that the GoM intends to scale up successful land and biodiversity conservation measures to other Pillar II projects throughout Morocco, suggesting that the value of each dollar invested through the GEF grant will enhance the benefits of the PMV even beyond the scope of the eight ASIMA sub-projects.

### Table 8: Estimated GoM investment by Pillar II project and GEF investment for each corresponding ASIMA sub-project (US$ Mn)

<table>
<thead>
<tr>
<th>DRA</th>
<th>DPA</th>
<th>Pillar II Project</th>
<th>GoM investment</th>
<th>GEF investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTH</td>
<td>Marrakech</td>
<td>Development of olive agri-food chain in the piedmont zone</td>
<td>4.1</td>
<td>0.2</td>
</tr>
<tr>
<td>MTH</td>
<td>Rhamna</td>
<td>Development of beekeeping agri-food chain in the Al Haouz province</td>
<td>4.8</td>
<td>0.3</td>
</tr>
<tr>
<td>MTH</td>
<td>Rhamna</td>
<td>Intensification of and increasing value-added to the Sardi lamb of Rhamna</td>
<td>19.8</td>
<td>0.7</td>
</tr>
<tr>
<td>MTH</td>
<td>Marrakech</td>
<td>Planting of cactus on 30,000 ha</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>MTH</td>
<td>Essaouira</td>
<td>Project to support the emergence, development, and good governance of argan cooperatives in the Essaouira province</td>
<td>2.2</td>
<td>0.9</td>
</tr>
<tr>
<td>SMD</td>
<td>Tiznit</td>
<td>Extension and rehabilitation of and increasing value-added to the olive agri-food chain in Ait Baha</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>SMD</td>
<td>Agadir</td>
<td>Increasing value-added to medicinal and aromatic plants value chain</td>
<td>2.8</td>
<td>0.6</td>
</tr>
<tr>
<td>SMD</td>
<td>Agadir</td>
<td>Intensification of honey production through the modernization of beekeeping</td>
<td>0.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

146. In addition to the direct benefits to the beneficiaries of the Pillar II projects and ASIMA sub-projects in Souss-Massa-Draa and Marrakech-Tensift-Al Haouz, and the beneficiaries of the capacity building activities, the ASIMA will bring widespread benefits to Morocco and globally. The ASIMA will contribute to increasing the sustainability of the agricultural sector in Morocco. In setting a precedent through the integration of land and biodiversity conservation measures in Pillar II projects in marginal regions of Morocco, the ASIMA will facilitate the future integration
of these measures in the PMV projects throughout the country. Decision makers will be more conscious of conservation measures to achieve sustainable agricultural intensification. Thus, the ASIMA can represent an opportunity to improve the two manuals that outline the procedures regarding the financing, preparation, submission, and implementation of Pillar II projects by including environmental-related selection criteria and monitoring. To that effect, the ASIMA will serve as a catalyst to mainstreaming conservation measures in the PMV, and potentially benefitting the 855,000 farmers targeted by the national strategy. By scaling up the ASIMA, Morocco will benefit from a broad improvement in agricultural sustainability. Furthermore, the conservation of land and biodiversity in Morocco has positive externalities in the form of global environmental preservation. As one of the country-level projects within the MENA-DELP, the ASIMA will offer concrete examples on how to harness the value of priority agri-food chains in an environmentally and socially sustainable way and thereby promote sustainable agricultural growth. These successful stories will be shared with the other countries under the MENA-DELP umbrella. Global environmental benefits identified under the MENA-DELP program include: (i) more rational management of desert ecosystem; (ii) better protection of the desert biodiversity; (iii) improvement of local population livelihood; (iv) stronger focus on desert issues in knowledge production; (v) more concerted and cost-effective desert resources management activities; and (vi) improved monitoring of the MENA Region.
Annex 7: Pillar II Projects

147. A Pillar II project is an agricultural project targeting small farmers located in marginal areas of Morocco, mainly financed by the Government as part of the PMV. Around 550 Pillar II projects are expected throughout Morocco by 2020. Three types of Pillar II projects are possible: (i) reconversion from existing crops to other crops characterised by a higher value added (typically from cereal to olive trees); (ii) intensification, aiming to increase the productivity of existing crops; and (iii) diversification, including investments in emerging agri-food chains.

148. A Pillar II project is typically financed by the government for about 70 percent of the cost (e.g., fruit tree planting, intensification and diversification, construction works, technical assistance), while the beneficiaries cover the remaining part through maintenance works over time. The government’s share of the financing is done through the DRAs (if the area of intervention of the Pillar II project covers more than one province), the DPAs (if the area of intervention of the Pillar II project covers one province only), or the Public Agricultural Development Agency (Office régional de mise en valeur agricole, ORMVAs, if the area of intervention is within the area of intervention of the ORMVA office).

149. The participation of farmers and their organization in cooperatives and/or associations are a necessary condition for the design and implementation of a Pillar II project. Each Pillar II project corresponds to an OPA, which groups one or more cooperatives and/or associations in which the farmers in the area of implementation of the Pillar II project have organized themselves. This farmers’ aggregation model around an OPA is designed to: promote organization; overcome land constraints; enable access to finance, knowledge, technologies, and agricultural inputs; support risk-sharing; and optimize production and marketing links.

150. The cycle of a Pillar II project is characterised by four stages: (i) identification; (ii) conception; (iii) contracting; and (iv) implementation. The identification starts with the identification of the project area and of the potential agri-food chain through a collaborative process with the CT, DPA, and DRA (and in case ORMVA) managed by the ADA. It consists in consulting with the potential farmers beneficiaries and finalized with the preparation of a project sheet validated by the DRA. A project leader in charge of the following steps is identified at this stage. The conception of the project starts with the identification of the OPA, the formulation of the project according to a defined form, followed by an analysis by the ADA previous the submission to the first Local Technical Committee. Following the finalization of the project, the investment committee approves the project. Once the credits for the Pillar II project are approved, the stage of contracting with the OPA starts with the preparation of the agreement according to a model prepared by the ADA and the DRAs. The agreement is submitted to the second Local Technical Committee for validation. Then, the agreement is signed, and implementation starts.

151. The DPAs are responsible for the overall Pillar II project execution, and involving the farmers in each phase of the project preparation and implementation, while the ADA is responsible for the M&E. Periodical reporting is transmitted from the DPAs to the DRAs, and then to the ADA, which has to present periodical reporting to the Minister of MAPM.
152. For the share financed by the Government, *les prestations agricoles* are assured by private companies who take part in a competitive process. The delegation of the credits required each year for the implementation of the Pillar II projects is guaranteed by the Financial Directorate of the MAPM through the budget law. These credits are validated by the ADA prior to delegation to the implementing entities.  

153. In order to improve the transparency of the ADA’s governance and public financial management systems for the Pillar II investment program, a manual describing procedures for prioritizing the budget allocation for Pillar II projects, along with a manual describing procedures for preparing, submitting, and implementing Pillar II projects, were developed by the ADA, adopted in 2010, and updated in 2012. The manuals are currently available to the public on the ADA website (http://www.ada.gov.ma/). A communication strategy and an information campaign are under development to raise awareness about the investment support program and to provide information about the procedures for accessing Pillar II projects financing. Indeed, international experience shows that transparency and stakeholder participation are critical to the effectiveness of publicly financed projects. The preparation of the manuals constituted one of the prior actions of the first of the programmatic series of two single-tranche Development Policy Loans in agriculture under preparation by the World Bank in Morocco.

---

31 Comme spécifié dans la Circulaire N° 735 du 23 décembre 2009 du Secrétaire General du MAPM, « en compte tenu des attributions de l’Agence pour le développement agricole en matière de suivi de la réalisation des projets, les demandes de délégation de crédits afférents aux projets Pillier II inscrits dans le budget général devront obligatoirement être validées par l’Agence pour le développement agricole, préalablement à la délégation desdits crédits aux services déconcentrés. Il en est de même pour les demandes de redéploiement de crédits en cours d’exercice budgétaire ».  

61