I. Introduction and Context

Country Context

Agriculture is an important asset to the Moroccan economy, and further development of the sector is expected over the next decade. Today, agriculture represents on average 15 percent of Gross Domestic Product (GDP), 23 percent of exports, and employs close to half of the labor force. These numbers are expected to increase in the years to come: the Government of Morocco (GoM) is implementing a paradigm shift from a strategy emphasizing food self-sufficiency to a more dynamic one that aims to integrate farmers with domestic and international markets. This is expected to increase agriculture’s value added, and support economic growth especially in areas of the country traditionally characterized by social and economic marginalization.

Small farmers suffer from a vicious cycle in which poverty, marginal areas, and environmental degradation are interlinked. Rural areas host about half of the population, but are home to 70 percent of the poor. Unemployment is common especially among youth, and a large proportion of the labor force is employed in informal and low-paid jobs. 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, as farmers are often old and with poor education. The small scale of the farms, the lack of organization, the unsatisfactory product quality levels, and the limited market integration are further causes of low income. Overexploitation and unsustainable management of agricultural land lead to land and water degradation, and loss of biodiversity, affecting the production capacity of marginal areas, and further relegating small farmers into poverty.

Sectoral and Institutional Context

The Plan Maroc Vert (PMV) is the country’s agricultural strategy for the period 2008-2020. The PMV provides a roadmap for implementing a series of systemic public sector reforms and investments, which should result in doubling the agriculture’s value added within a decade, and in creating 1.5 million new jobs. The PMV is based on two Pillars, to account for the dualistic nature of Moroccan agriculture: Pillar I supports commercial farmers’ integration into international economy, and Pillar II is focused on the inclusion of small farmers into domestic markets. Around 550 projects directed to 855,000 small farmers (Pillar II Projects) are expected to be implemented throughout Morocco by 2020, for an investment of US$2.37 billion. Each Pillar II Project is designed to promote the vertical integration from production to commercialization of one agri-food chain.

The Plan Maroc Vert relies on territorial-based investments for a coherent development of agri-food chains within the national priorities. The PMV recognizes the environmental challenges in marginal areas, where the ecosystem can more difficulty dilute, assimilate, and decompose by-products. Through the promotion of sustainable intensification, the PMV aims to protect natural ecosystems and improve the livelihood of small farmers, thereby breaking the linkage between poverty and marginal areas.

The Morocco - Social and Integrated Agriculture (Agriculture Solidaire et Intégrée au Maroc, ASIMA) Project will finance pilots at Pillar II Project level for the integration of land, water, and biodiversity conservation measures, and will offer ways to leverage the Plan Maroc Vert strategy in an environmentally sound perspective. Small farmers will implement conservation measures with reference to selected agri-food chains typical of marginal areas. In addition, synergies will be explored among agri-food chains. While the vertical integration within each agri-food chain will facilitate farmers’ integration in the markets, the horizontal integration between agri-food chains will allow them to better use the limited natural resources and better management of by-products. The
ASIMA will be funded by the Global Environment Facility (GEF) with parallel financing from the GoM.

The ASIMA is framed in the broader World Bank support to the Plan Maroc Vert, and it builds on the experience gained in the World Bank’s analytical and lending activities in Morocco. Among the most relevant studies for the scope of the ASIMA are the Agriculture Sector Review (2010) and the Cost of Environmental Degradation – Case studies from the Middle East and North Africa (2010). The ASIMA is consistent with the actions promoted by an ongoing programmatic series of two Agricultural Development Policy Loans (DPLs) in support to the PMV, having four components: (A) Improve the efficiency of domestic markets; (B) Improve the socio-economic impacts of Pillar II Projects; (C) Improve agricultural services; and (D) Improve the use and the management of irrigation water and the planning of irrigation infrastructures. The ASIMA builds on the lessons learned during the preparation of the Integrating Climate Change in the implementation of the PMV (PICCPMV) project, financed by GEF/SCCF as part of the World Bank support to the PMV. Both ASIMA and the PICCPMV promote innovative bottom-up approaches to be piloted in Pillar II Projects and fostered at PMV level. In addition, the two projects have similar implementation arrangements: the ASIMA will benefit from the fiduciary capacity built during the preparation and implementation of the PICCPMV.

The ASIMA is part of the MENA-Desert Ecosystems and Livelihoods Program (MENA-DELP). MENA-DELP has the goal of contributing to enhance livelihood in arid and semi-arid ecosystems by harnessing their value in an environmentally and socially sustainable manner so that the flow of goods and services can be optimized. The MENA-DELP Program consists of five projects, four national (Morocco, Algeria, Egypt, and Jordan) and one regional. The focus of the national projects ranges from ecotourism to agriculture to livestock management, but they all improve the sustainability of these investments through an integrated ecosystem management approach. The regional umbrella aims to enhance knowledge and experience sharing among the four countries. As part of the MENA-DELP, the ASIMA is responsive to GEF strategic priorities under the Land Degradation and Biodiversity focal area strategies.

Relationship to CAS

The ASIMA is fully aligned with the objectives and priorities defined in the Country Partnership Strategy (CPS) 2010-2013. By targeting small farmers in marginal areas of Morocco, the ASIMA fits under the CPS Pillar 2 “Service delivery to citizens” and Pillar 3 “Sustainable development in a changing climate”, and in particular:

- Program Area 2.4 “Vulnerability and social exclusion”, addressing 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”, addressing 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 collaborating with and empowering the local offices of the Ministry of Agriculture and Maritime Fishery (Ministère de l’Agriculture et de la Pêche Maritime, MAPM), and helping to readjust the balance between central and local level decision making in the agricultural sector; and
- Territoriality, by promoting and integrated approach with active participation of the population.

II. Proposed Global Environmental Objective(s)

Proposed Global Environmental Objective(s)

The Project Development Objective (PDO) is to contribute to Moroccan agricultural sustainability through the piloting of land, water, and biodiversity conservation measures in selected projects directed to small farmers located in targeted marginal areas.

Key Results

The key results of the ASIMA are in line with the relevant sections of the Strategic Framework on the MENA-DELP Program:

- SLWM practices are integrated in Pillar II Projects;
- Soil water retention capacity is improved as a result of an increase in soil fertility;
- Production of produits du terroir and aromatic and medicinal plants typical of the region is promoted;
- Training and field visits for the benefit of public and private stakeholders and small farmers are undertaken; and
- Manual setting procedures for preparing, submitting, and implementing Pillar II Projects is revised to include SLWM practices.

III. Preliminary Description

Concept Description

Component 1: Development of the capacities of public and private institutions on land, water, and biodiversity conservation

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 for integrating land, water, and biodiversity conservation measures in projects directed to small farmers located in marginal areas. Activities to be financed are:

- Training sessions, field visits, and study tours;
- Dissemination materials; and
- Awareness campaigns.
Component 2: Implementation of land, water, and biodiversity conservation measures among small farmers
Component 2 aims to implement land, water, and biodiversity conservation measures among selected small farmers. For each Sub-project, small farmers will benefit from goods, small-scale civil works, and services for the implementation of the measures, as well as training. About 15 Sub-projects will be selected, to cover for the following incremental costs:

- Construction of state-of-the-art drying pits in combination with PMV financed biphasic extraction units for olive oil transformation;
- Construction of units of transformation of olive by-products into fertilizers, animal feed, and biofuel;
- Construction of transformation units for the use of barbary fig by-product into animal feed, cosmetic products, and biofuel;
- Construction of drying units for aromatic and medicinal plants;
- Implementation of water saving techniques at field level (deficit irrigation and rainwater harvesting); and
- Labeling of local products.

Component 3: Project Coordination and Management
Component 3 will cover the following:
- Incremental operating costs for project coordination and management;
- Monitoring and Evaluation (M&E); and
- Audit reports.

IV. Safeguard Policies that might apply

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VI. Contact point

World Bank
Contact: Gabriella Izzi
Title: Program Officer
Tel: 458-8295
Email: gizzi@worldbank.org

Borrower/Client/Recipient
Name: Government of Morocco
Contact: Ms. Sabah Benchekroun
Title: Chargée de mission auprès du Chef du Gouvernement, MAGG
Tel: 
Email: 

Implementing Agencies
Name: Agency for Agricultural Development (ADA)
Contact: Mr. Ahmed Hajjaji
Title: Director
Tel: (212) 537 276543
Email: a.hajjaji@ada.gov.ma

VII. For more information contact:
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop