



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country
Partnership **Morocco**



Morocco

Programme for Country Partnership

PCP Annual Report 2019

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| STATUS | <p>Programming phase: 2018-2019 Implementation phase: to start in 2020 Expected completion date: 2023</p> |
| MAIN NATIONAL POLICY/STRATEGY SUPPORTED BY THE PCP | Industrial Acceleration Plan of Morocco 2014- 2020 |
| FOCUS SECTORS/AREAS | <ul style="list-style-type: none"> • Industrial zones • Agro-industry • Energy • Circular economy • Industry 4.0 • E-commerce <p>Cross-cutting components: South-South and triangular industrial cooperation, partnerships, gender and statistics.</p> |
| MAIN PARTICIPATING MINISTRIES | <p>Leading the national coordination body (NCB): Ministry of Industry, Trade, and Green and Digital Economy</p> <p>Participating in NCB: Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates; Ministry of Economy, Finance and Administration Reform; Ministry of Agriculture, Maritime Fisheries, Rural Development, Waters and Forests; Ministry of National Education, Vocational Training, Higher Education and Scientific Research; and Ministry of Energy, Mines and Environment</p> |
| KEY DEVELOPMENT PARTNERS | <p>Financial institutions: African Development Bank, Islamic Development Bank, European Bank for Reconstruction and Development, European Investment Bank, World Bank Group.</p> <p>Bilateral/multilateral financing partners: European Union, Global Environment Facility, Austria, Belgium, Canada, China, Denmark, Finland, Germany, Japan, Korea, Italy, Norway, Spain, Sweden, Switzerland, UK, USA.</p> <p>UN entities: Food and Agriculture Organization, UN Women</p> <p>Business sector: General Confederation of Moroccan Enterprises; the Federation of Information Technologies, Telecommunications and Offshoring; the National Federation of Agri-business.</p> <p>Other partners: Coalition for Waste Valorization/ Recovery.</p> |
| UNIDO PROJECTS WITH FUNDING SECURED¹ (COMPLETED AND ONGOING) | Estimated 8 new component projects under formulation and/or finalization |
| TOTAL INVESTMENTS LEVERAGED² (CUMULATIVE UNTIL 2019) | N/A |
| TOTAL PCP VOLUME³ | N/A |

¹ **Funding secured:** The total budget (net of programme support costs) under signed agreements for UNIDO programmes and projects.

² **Funding leveraged:** Financial contributions allocated by public or private partners towards objectives pursued in a PCP. They are contributed partly as a result of UNIDO interventions within the framework of the PCP. Such resources are not channeled through UNIDO's accounts and accordingly not under the Organization's direct control.

³ **Total PCP volume:** UNIDO's portfolio with funding secured plus investments leveraged.

1. EXECUTIVE SUMMARY

The Director General of UNIDO and Morocco's Minister of Industry, Trade, and Green and Digital Economy signed the finalized programme document for the Programme for Country Partnership (PCP) for Morocco at an official ceremony held in Rabat in March 2019. A trust fund agreement was signed on this occasion, confirming the Government's financial commitment to the PCP. In the course of 2019, UNIDO received the Government's financial contribution to support the finalization of the new technical projects to support the priority areas of the PCP in view of starting its implementation in 2020.

UNIDO carried out various activities to mobilize partners and identify concrete cooperation opportunities as the PCP moves towards implementation. UNIDO conducted a mapping exercise, in particular for collaboration with financial institutions and the business sector, and, together with the Government, held meetings on cooperation prospects with various bilateral and multilateral partners.

Financial entities interested in cooperation through the PCP for Morocco include the African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Islamic Development Bank (IsDB) and the World Bank Group (WBG). Cooperation with the AfDB is ongoing on the industrial zones' component of the PCP.

Funding prospects are also being explored with the following multilateral and bilateral partners: EU, GEF, Austria, Belgium, Canada, China, Denmark, Finland, Germany, Japan, Korea, Italy, Norway, Spain, Sweden, Switzerland, UK, USA.

The PCP for Morocco was promoted at several international forums, including, in May 2019, the EU-Africa business roundtable, which was organized as part of the annual European Business Summit. UNIDO also participated in several key industry events in Morocco to promote the PCP and potential partnerships. This included "Industry Meeting Day 2019", the largest annual national conference on the industrial sector, the country's first Forum on Industrial Parks and the first Global Industry 4.0 conference held in Morocco.

Closer synergies were also established with the national private sector and international enterprises. UNIDO developed a proposal to set up a Partnership Platform for Inclusive and Sustainable Industrial Development, requested by the National Confederation of Moroccan Enterprises.

2. INTRODUCTION

The PCP is UNIDO's newest programme to support countries in accelerating inclusive and sustainable industrial development (ISID). It is founded on a multi-stakeholder partnership to ensure synergies between different interventions and maximize impact. Each programme is tailored to country needs, aligned with the national development agenda and owned by the host government. The PCP focuses on priority industrial sectors and areas essential to the national development agenda. PCP interventions aim to unlock public and private investment for the realization of large-scale industrial projects.

Through the PCP, UNIDO provides an integrated service package to the Member State by combining the Organization's advisory and normative services, technical assistance and convening function.

In October 2017, the UNIDO Director General made his first official visit to Morocco and met with the Head of Government, Saad-Eddine El Othmani, the Minister of Industry, Trade, and Green and Digital Economy, and representatives of other key ministries and the private sector, to discuss a PCP for Morocco. In February 2018, the UNIDO Executive Board approved the development of a PCP for Morocco, which became the first PCP in the Arab region and the last PCP of the pilot phase.

PCP Morocco was formulated and will be implemented taking into account lessons learned and best practices from other PCP pilot countries. The programme is tailored to country needs, aligned to the national development agenda and owned by the Government of Morocco. Thus, the PCP Morocco is fully aligned with the national Industrial Acceleration Plan 2014-2020 and focuses on sectors with high growth potential. UNIDO's technical assistance will be delivered in synergy with other industry-related programmes in the country, pooling resources and expertise from various public and private actors and international partners to help Morocco achieve its development objectives and advance the Sustainable Development Goals (SDGs). Through integrated interventions and synergies, PCP Morocco will seek to leverage financial and non-financial resources to support the Kingdom's industrial goals and development objectives.

The programming phase launched in April 2018, in close collaboration with the Government of Morocco. As part of the programming, UNIDO conducted a country diagnostic to identify the main opportunities and challenges for accelerating industrialization and support the selection of priority areas for the PCP. Based on the country diagnostic, several formulation missions and systematic consultations with the Government, six priority areas were selected: (i) Industrial zones; (ii) Agro-industry; (iii) Energy; (iv) Circular economy; (v) Industry 4.0; and (vi) E-commerce. The PCP will also address cross-cutting areas, such as South-South and triangular industrial cooperation, partnerships, gender mainstreaming, and statistics. In November 2018, the Executive Board of UNIDO approved the PCP Morocco programme document.

An inter-ministerial national coordination body (NCB) was established under the leadership of the Government of Morocco, chaired by the Ministry of Industry, Trade, and Green and Digital Economy, and held its first meeting in 2018.

MOROCCO'S INDUSTRIAL ACCELERATION PLAN 2014-2020 (PLAN D'ACCÉLÉRATION INDUSTRIELLE 2014-2020 - PAI)

The implementation of the PAI focuses mainly on gradually acquiring key attributes of newly industrialized countries, with industry serving as “the main” generator of jobs and catalyst for economic emergence. PAI targets are to create 500,000 industrial jobs by 2020 and bring the industry’s share of gross domestic product (GDP) from 14% to 23% by the same deadline. The PCP will contribute to the achievement of PAI targets by stimulating the growth of the industrial sector and job creation.

To date, the Industrial Acceleration Plan has contributed to the following major transformations:

- The acceleration of the creation of industrial jobs, as per the first four years of its implementation, the PAI has contributed to 405,490 new jobs in industry, according to data of the National Social Security Fund (May 2019); and
- The positioning of the Kingdom as a reference production and export platform in the Middle East and North Africa) zone, particularly in the automotive, aeronautics, textiles, electronics and household appliance sectors. There is an increase in local integration that reflects the cost competitiveness of the Kingdom and, qualitatively, the presence of an ecosystem of qualifications and technical skills, particularly in engineering.

In addition to supporting overall PAI objectives, PCP interventions are aligned with various national sectoral strategies/policies. In the agro-industry component, the PCP will seek to transform agri-food value chains and strengthen the connection between the upstream phase (production) and the downstream phase (transformation of agricultural goods). The increase of value added in agricultural production is expected to lead to an improvement of value added and employment indicators in the context of the “Contrat Programme”.

In line with national objectives contained in the “Stratégie Énergétique Nationale Horizon 2030”, the PCP will support higher efficiency in the use of energy inputs for industrial processes, a reduction of risk in energy availability systems, and a reduction of costs for environmental damages.

The PCP will support circular economy, contributing to both industrial development and environmental objectives. The Ministry of Industry, Trade, Green and Digital Economy has identified several goals, namely to: increase the recycling industry share of the manufacturing sector, and help increase manufacturing employment and share of manufacturing value added (MVA) in GDP as planned in the PAI; reduce trade imbalances; and match the environmental objectives as outlined in the “Plan National des Déchets and the Stratégie Nationale de Développement Durable”, incorporating the green development agenda of the country.

A full transition towards modern internet diffusion is essential to the country’s aspirations to modernize production processes and exchange systems through a strengthening of e-commerce and internet connectivity. Planned UNIDO interventions in these domains are fully aligned with the country’s objectives in the National Digital Strategy (Stratégie Nationale Digitale).

3. ALIGNMENT WITH AND CONTRIBUTION TO UNDAF

All planned UNIDO areas of intervention in the context of PCP Morocco are aligned with the strategic directions of the country. In turn, these strategic directions are fully aligned with the internationally recognized general objectives of development of the countries as planned by the Sustainable Development Goals (SDGs).

The United Nations provides technical support to the Government of Morocco for the economic and social development of the country, with priorities set out in the United Nations Development Assistance Framework (UNDAF) for Morocco. The UNDAF for Morocco for the period 2017-2021 is a joint response by the Government of Morocco, the United Nations system and relevant partners to the issues of inequality, inequity and vulnerability.

The UNDAF has six outcomes and UNIDO, through its various technical interventions part of the PCP for Morocco, will be involved in four themes of this framework, namely: inclusive and sustainable development; education; economic inclusion, reducing inequalities and vulnerabilities; and inclusive, integrated and sustainable rural development.

ISID can enhance economic growth and diversification in a socially inclusive and environmentally sustainable manner, guided by four overarching principles applied to Morocco:

- The country is able to achieve a higher level of industrialization in its economy, and benefits from the globalization of markets for industrial goods and services;
- No one is left behind in benefiting from industrial growth, and prosperity is shared among all parts of the society, between men and women;
- Broader economic and social progress is supported within an environmentally sustainable framework; and
- The skills and resources of all partners are combined to maximize the impact on ISID.

PCP Morocco is directly linked to many of the targets of SDG 9, including increasing the share of industry in GDP, increasing industrial employment, access to finance for small businesses, improving sanitation and the efficient use of resources, etc.

The main targets of SDG 9 addressed by the PCP Morocco will be:

- 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and GDP, in line with national circumstances, and double its share in least developed countries.
- 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
- 9.b: Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.

PCP Morocco covers also other SDGs, including those related to poverty eradication (SDG 1), gender equality (SDG 5), clean water and sanitation (SDG 6), access to clean and affordable energy (SDG 7), decent work and economic growth (SDG 8), climate action (SDG 13), and partnerships for the goals (SDG 17).

4. PROGRAMME-LEVEL RESULTS

4.1. COORDINATION AND GOVERNANCE

PCP Morocco is developed to support the implementation of the national industrial strategy. It is based on the principle of national ownership and leadership at the highest political level, to ensure the sustainability, scope and effectiveness of PCP results. In order to facilitate the coordination and monitoring of PCP Morocco's interventions, as well as the mobilization of resources and the establishment of partnerships, three governance bodies are planned, namely: (i) a national coordination body (NCB); (ii) a task force for resource mobilization; and (iii) a coordination unit.

The main government counterpart in charge of the implementation of the PCP Morocco is the Ministry of Industry, Trade, and Green and Digital Economy, which holds the presidency of the NCB with the following mandate:

- Facilitate and guide the implementation of the PCP, thus have the role of ensuring the alignment of the PCP with the country's policies, national policies and growth objectives;
- Ensure the monitoring of all PCP Morocco programmes and projects and identify mechanisms likely to contribute to their financing;
- Regularly inform and update stakeholders on the progress of PCP Morocco;
- Contribute to coordination between different PCP Morocco stakeholders, particularly to identify appropriate adjustments, optimize results of PCP Morocco and propose potential partnerships for the programme; and
- Establish, where appropriate, specific ad-hoc working groups to address particular themes.

National Coordination Body

The NCB is composed of representatives of other ministries, representatives of the private sector, representatives of UNIDO and other partners from the public and private sectors, namely:

- Ministry of Industry, Trade, and Green and Digital Economy
- Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates;
- Ministry of Economy, Finance and Administration Reform;
- Ministry of Agriculture, Maritime Fisheries, Rural Development, Waters and Forests;
- Ministry of National Education, Vocational Training, Higher Education and Scientific Research;
- Ministry of Energy, Mines and Environment;
- General Confederation of Enterprises in Morocco;
- Federation of Information Technologies, Telecommunications and Offshoring;
- National Federation of Agribusiness;
- Coalition for Waste Valorization/Recovery; and
- UNIDO.

The first meeting of the PCP Morocco NCB was held on September 23, 2018 in Rabat, at the headquarters of the Ministry of Industry, Trade, and Green and Digital Economy.

In the course of 2019, UNIDO received the Government's financial contribution to support the finalization of the new technical projects to support the priority areas of the PCP in view of starting implementation in 2020. Several PCP team meetings were held in 2019 to coordinate the finalization of PCP component projects documents, the identification of fundraising opportunities and of opportunities for women's economic empowerment.

4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

In 2019, various activities were carried out to mobilize partners and identify concrete cooperation opportunities as the PCP moves towards implementation in 2020. Round tables and meetings were organized with multilateral (European Union, Global Environment Facility) and bilateral partners (Austria, Belgium, Canada, China, Denmark, Finland, Germany, Japan, Korea, Italy, Norway, Spain, Sweden, Switzerland, UK, USA), as well as with financial institutions (AfDB; EBRD, EIB; IsDB and World Bank Group) and the business sector (ABB, Volvo, and other foreign and national companies). A mapping exercise was conducted by UNIDO, in particular for collaboration with financial institutions and the business sector. United Nations entities have also shown interested in collaborating through the PCP.

A partnership was initiated with the AfDB in September 2019 on the PCP Morocco component focused on industrial zones. The IsDB expressed interest in partnering with the Government of Morocco and UNIDO in areas such as energy, South-South cooperation and statistics. Closer synergies were also established with the national private sector and international enterprises. UNIDO developed a proposal to set up a Partnership Platform for Inclusive and Sustainable Industrial Development, requested by the National Confederation of Moroccan Enterprises.

In addition to the aforementioned meetings organized in Morocco, several activities for mobilizing PCP funds have been carried out in 2019 with potential country partners at UNIDO HQs, such as in March with China, namely with the Department of International Cooperation of the General Administration of Customs of the People's Republic of China (GACC) and a high-level delegation from Hunan Province, as well as with Germany, through the Federal Ministry for Economic Cooperation and Development delegation.

In May 2019, in Brussels, UNIDO promoted the PCP Morocco at the EU-Africa Business roundtable, an event organized as part of the annual European Business Summit. In July 2019, the Director General of UNIDO met with the President of the EIB to discuss, among other initiatives, partnership opportunities in the context of PCP Morocco.

To further promote partnerships for the PCP Morocco, UNIDO also participated in several key industry-related events in the country, including: the "Industry Meeting Day 2019" in April 2019, the First Industrial Zones Forum in July 2019, and the Global Industry 4.0 Conference in November.

4.3. RESULTS OF PCP ADVISORY SERVICES

The country diagnostic conducted for the PCP Morocco in 2018 is the main advisory service provided to the Government during the programming phase. It contributed to identifying a set of priority sectors/areas to be supported through the PCP, which are also considered as priorities by the Government and for which UNIDO possesses technical expertise.

The country diagnostic also showed the advancement of Morocco in terms of MVA, exports and employment, and that this dynamic can be amplified through the implementation of the PCP, especially with regard to the share of MVA in GDP, employment in the manufacturing sector, and the rebalancing of the trade deficit. New industrial zones, or the restructuring of existing ones, as confirmed by the UNIDO country diagnostic, have strong potential for further advancing industrialization and supporting the strategic orientations of the PAI. The UNIDO diagnostic also showed the impulse given by the "Plan Maroc Vert" to local agricultural production, but also the need to further contribute to the transformation of those products into industrial end products, in particular for boosting domestic economy or exports. The diagnostic also highlighted the importance of promoting business and employment in sectors which have a potential for women's economic empowerment. The study also advised the national counterpart to associate wherever possible a capacity-building component to PCP projects.

4.4. TECHNICAL COOPERATION

New technical projects are under development/finalization within the identified priority areas of the PCP.

5. COMMUNICATION

Updates on PCP Morocco were featured in issues of the UNIDO ISID newsletter, which reports on the progress of the overall PCP portfolio. PCP Morocco was also featured in a new UNIDO brochure on the PCP portfolio (October 2019), other portfolio-level advocacy materials and the partnership specific exhibition material showcased at the eighteenth session of the UNIDO General Conference (November 2019). A webpage dedicated to the PCP Morocco is set up on the UNIDO website, with content both in French and in English. In addition, a communication strategy for the PCP Morocco was formulated.

6. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2020

UNIDO will finalize project documents for the PCP Morocco components and develop related technical interventions, in view of the expected start of implementation in 2020. A PCP task force for funds mobilization will be established to lead and coordinate resource mobilization efforts, under the auspices of the Ministry of Finance. A Morocco Investment Forum is planned for 2020 to promote investment opportunities in key industrial sectors and industrial zones.

7. ANNEX 1: PCP PORTFOLIO OVERVIEW – UNIDO TC

New TC projects/sub-programmes are being formulated.

| ERP ID | PCP component # or cross-cutting area | Ongoing project / sub-programme title | Donor | Funding (USD) |
|--------|---|--|--|----------------|
| 180052 | Cross-cutting: Programming and coordination | Programme for Country Partnership in Morocco | Partnership Trust Fund- China, and Government of Morocco | 462,672 |
| | | | Total | USD \$ 462,672 |

SCAN **HERE** TO ACCESS UNIDO'S PCP MOROCCO WEBSITE



FOR MORE INFORMATION, PLEASE CONTACT >

PCP MOROCCO PROGRAMME MANAGER:
Bassel Alkhatib, Chief, Regional Coordination Division - Arab Region
Email: b.alkhatib@unido.org

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**UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION**

Vienna International Centre, P.O. Box 300, 1400 Vienna, Austria
Telephone: (+43-1) 26026-0 Email: unido@unido.org
Internet: www.unido.org