



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country
Partnership **Morocco**



MOROCCO

Programme for Country Partnership — PCP

Annual Report **2020**



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

11 SUSTAINABLE CITIES AND COMMUNITIES

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

17 PARTNERSHIPS FOR THE GOALS

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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PCP MOROCCO AT A GLANCE

STATUS

Date of approval of the development of the PCP by the UNIDO Executive Board: February 2018
Programming phase: March 2018 – March 2019
Implementation phase: January 2020 - ongoing
Expected completion date: December 2023

PRINCIPLE NATIONAL POLICY / STRATEGY SUPPORTED BY THE PCP

Industrial Acceleration Plan (2014-2020, 2021-2025)
COVID-19 Industrial Recovery Plan 2021-2023

FOCUS SECTORS / AREAS

Industrial zones, Agro-industry, Energy, Circular economy, Industry 4.0, E-Commerce.
Cross-cutting components: South-South and triangular industrial cooperation; Gender mainstreaming; Industrial development partnerships; Industrial statistics.

MAIN PARTICIPATING MINISTRIES

Leading the National Coordination Body (NCB): Ministry of Industry, Trade, and Green and Digital Economy

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.

KEY DEVELOPMENT PARTNERS

Financial institutions: African Development Bank, European Bank for Reconstruction and Development, European Investment Bank, International Fund for Agricultural Development, Islamic Development Bank, World Bank Group.

Bilateral/multilateral financing partners: China, European Union, Germany (GIZ), Global Environment Facility, Italy (AICS), Japan (Ministry of Foreign Affairs), Montreal Protocol, USA (USAID).

UN entities: FAO, UN Women, WHO, UNFPA, UNESCO, ITC, ILO, UNDP, UNEP, UNITAR, COVID-19 MPTF, UN SDG-Fund, PAGE partner agencies.

Business sector: General Confederation of Moroccan Enterprises; the Federation of Information Technologies, Telecommunications and Offshoring (APEBI); the National Federation of Agri-business (FENAGRI), the Federation of Transport; the Federation for Textile Industries (AMITH); Women's Business Association (AFEM); Volvo; Festo, EON Reality; HP; HP foundation; Siemens; Sumitomo; H&M; Inditex Group.

Other partners: Coalition for Waste Valorization/Recovery (COVAD); Morocco Sustainable Energy agency (MASEN); National Agency for Energy Efficiency (AMEE); Digital Development Agency (ADD); SMEs Agency (Maroc PME); Investment and export Development Agency (AMDIE); Moroccan Coalition for Water (COALMA); National Office for Vocational Training (OFPPPT); Agriculture Development Agency (ADA); National Office for Electricity and Water (ONEE); University Euromed of Fez (UEMF).

UNIDO PROJECTS WITH FUNDING SECURED (COMPLETED AND ONGOING)

Total number of projects within the framework of the PCP: 3
Total funding secured: US\$ 4,087,511 (See Annex 1)
Total expenditures to end of current reporting period: US\$ 654 347
Total balance available: US\$ 3.4 million

TOTAL INVESTMENT LEVERAGED (CUMULATIVE)

US\$ 220.2 million

TOTAL PCP VOLUME

US\$ 224.3 million

1. EXECUTIVE SUMMARY

The year 2020 marked the start of the implementation of the Programme for Country Partnership (PCP) for Morocco. Activities advanced despite the exceptional circumstances and impacts of the COVID-19 pandemic. Following the outbreak, a Contingency Plan was developed for the PCP, which was regularly updated, and systematically implemented during the reporting period. Throughout 2020, UNIDO and the Government of Morocco ensured the continuity of PCP implementation and coordination through digital means, together with the development community and private sector partners. The PCP adapted and aligned to the emergency plans and priorities put in place by the Government of Morocco in response to the socio-economic impacts of the COVID-19 pandemic, including through the new Industrial Recovery Plan 2021-2023.

The PCP Morocco team intensified efforts to promote and raise awareness of the PCP's objectives and components, mobilize partners, and identify concrete cooperation opportunities to advance implementation. To this end, a draft PCP's Funds Mobilization Strategy was developed to map prospective donors in line with the PCP's priority areas. PCP-related communication and advocacy activities targeted bilateral/multilateral donors, international financial institutions, UN and other development partners, through the organization of and participation in virtual and non-virtual meetings and events, roundtables and fora.

Building on the above-mentioned efforts, the PCP Morocco became a well-known flagship programme in 2020 and attracted the interest of financial institutions, specifically the African Development Bank (AfDB), multilateral partners such as the Millennium Challenge Account-Morocco Agency (MCA-Morocco), and UN sister entities. In parallel, discussions regarding funding prospects for specific PCPs components advanced in 2020 with current and prospective multilateral and bilateral partners, including: EU, GEF, Austria, Belgium, Canada, China, Denmark, Finland, Germany, Japan, Republic of Korea, Italy, Norway, Spain, Sweden, Switzerland, UK, and USA.

UNIDO and the AfDB launched a Joint Programme to assist Morocco's National Federation of Agri-Business (FENAGRI) in undertaking a socio-economic assessment of the COVID-19 impacts on the agro-food industry, including a proposal for a recovery plan, as part of the PCP's agro-industry component. As part of the PCP's industrial zones component, UNIDO established a strategic partnership with MCA-Morocco to undertake three projects in the industrial zone of the Casablanca-Settat region for a total value of \$3.7 million, as a public-private partnership. In addition, a Joint Programme involving UNIDO, ILO, WHO and UNFPA was approved by the UN COVID-19 Response and Recovery Multi-Partner Trust Fund in 2020.

Promising synergies within the framework of the PCP were also explored with ongoing government public-private partnership initiatives and agencies, such as the Regional Agro-industrial Development and Employment Project, as part of the PCP's agro-industry component, and with the Digital Development Agency of Morocco for the PCP's Industry 4.0 component, as well as with private sector entities such as Fiesto, HP and Siemens.

Another highlight of 2020 was the development and dissemination of a "Guide for the Digitalization of Small and Medium-Sized Enterprises", as part of the PCP's E-Commerce component, to strengthen Morocco's economic response and recovery efforts to the COVID-19 pandemic, and the production of a Country and Industry Profile for Morocco which provides a baseline for the PCP's implementation.

In conclusion, 2020 was a year of challenges but also of opportunities for PCP Morocco, as it confirmed its relevance for the inclusive and sustainable industrial development agenda of the Kingdom of Morocco, and positioned the PCP as a strategic instrument to support the country in its post-pandemic economic and industrial recovery efforts in the years to come.

2. INTRODUCTION

The PCP is UNIDO's 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 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 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 started in March 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.

In November 2018, the UNIDO Executive Board approved the PCP Programme Document. The Document was the result of a systematic and continuous process of consultation between UNIDO and Moroccan counterparts, stakeholders and international donors, which resulted in a technical cooperation framework to contribute to the industrialization objectives of the Kingdom, set in the Industrial Acceleration Plan 2014-2020 and other industrial strategies, as well as the SDGs. In March 2019, the PCP Morocco Document was signed by UNIDO's Director General, LI Yong, and Morocco's Minister of Industry, Trade, and Green and Digital Economy, Moulay Hafid Elalamy.

Throughout 2019, the PCP Morocco team led the formulation of project concepts to support the priority areas of the PCP in view of starting implementation in 2020. In parallel, a mapping exercise was conducted to identify prospective partners and areas of collaboration with financial institutions, the business sector, the donor community and multilateral organizations. The PCP Morocco was also promoted at the occasion of various international forums held in Morocco and elsewhere in 2019.

2.1. NATIONAL POLICY FRAMEWORKS

The main national policy frameworks supported by the PCP (national objectives, vision, industrial policy and main targets) are the Industrial Acceleration Plan 2014-2020 (Plan de accélérations Industrielles, PAI), the Industrial Recovery Plan 2021-2023 developed in response to the impact of the pandemic, and other frameworks briefly described hereunder.

The Industrial Acceleration Plan (Plan d'Accélération Industrielle - PAI) represents the key strategic document for industrialization in Morocco and is based on the implementation of efficient ecosystems that integrate value chains and consolidate links between large firms and SMEs. 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.

The PAI aims at positioning the Kingdom as a reference production and export platform in the Middle East and North Africa, particularly in the automotive, aeronautics, textiles, electronics and household appliance sectors. Industrial zones are the principal tool identified by the PAI to promote industrialization in the country.

The Industrial Recovery Plan 2021-2023: (Plan de Relance Industrielle 2021-2023) In September 2020, the Ministry of Industry announced a plan to help Morocco's industrial sectors to recover from the COVID-19 pandemic and its negative impact on the Moroccan economy. As such, this became an additional policy framework for the PCP during the present reporting period. The Plan aims at implementing an import substitution potential of \$3.4 billion, mainly driven by eight sectors: textiles, transport, mechanical and metallurgical industries, plastics, electric-electronics, agro-business, para-chemistry, and leather. The Plan also targets the creation of 50,000 to 100,000 additional jobs, an automotive integration rate of 80% by 2023 against the current 60%, positioning the country as a low-carbon and circular industrial base through mobilizing renewable energies to serve industry.

Moreover, PCP interventions are aligned with various national sectoral strategies/policies. The agro-industry component aims at transforming agri-food value chains and supporting integration of the upstream (production) and downstream (transformation of agricultural goods) phases. The increase of value addition in agricultural production is in line with the national "Contrat Programme". The energy component, by promoting higher efficiency in the use of energy inputs for industrial processes is aligned to the **National Energy Strategy** (Stratégie Énergétique Nationale Horizon 2030). The circular economy component contributes to the green development agenda of the Ministry of Industry, Trade, and Green and Digital Economy to increase the recycling share of the manufacturing sector, as outlined in the **National Waste Programme** (Stratégie Nationale de réduction et de valorisation des déchets) and the **National Sustainable Development Strategy** (Stratégie Nationale de Développement Durable).

During the year 2020, due to the consequences of the pandemic, the Industry 4.0 and the E-commerce components were instrumental to the country's aspirations to modernize production processes through the use of digital technologies in line with the **National Digital Strategy** (Stratégie Nationale Digitale). The PCP is also aligned with the Government's support programme for SMEs, managed by the Agence Nationale pour la Promotion des Petites et Moyennes Entreprises (Maroc PME).

3. ALIGNMENT WITH AND CONTRIBUTION TO UNSDCF

The United Nations Development Assistance Framework (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 incorporates the principles of sustainability, inclusion and resilience as set out in the 2030 Agenda for Sustainable Development, as well as the SDGs most in line with national priorities. It has six outcomes, whose achievement requires the mobilization and channeling of financial resources to priority areas and regions, ensuring that the skills needed to achieve them are available in an efficient and sustainable manner.

UNIDO, through the PCP and its various technical assistance projects in Morocco, is involved in four themes of the Framework, namely:

- Inclusive and sustainable development;
- Education;
- Economic inclusion, reducing inequalities and vulnerabilities;
- Inclusive, integrated and sustainable rural development.

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, promoting gender mainstreaming. The main targets of SDG 9 addressed by the PCP Morocco are:

- 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).

The PCP, as partnership-centered framework, works in cooperation with the UNCT and aligns with the work of a number of UN specialized agencies. A number of joint projects were explored in 2020 with UNDP, WHO, UNESCO, UN Women, ILO and FAO, in line with the UNDAF pillars. During the reporting period, UNIDO with WHO and UNFPA implemented a Joint Project to ensure the continuity of essential primary healthcare and hospital services for the most vulnerable and hygiene measures for essential non-health sectors during the COVID-19 pandemic

UNIDO also contributed to the Common Country Assessment (CCA) exercise launched in 2020, co-led (with UNECA) the economic pillar, and served as member of inter-agency task forces under the themes of economy and environment.

4. PROGRAMME-LEVEL RESULTS

4.1. COORDINATION AND GOVERNANCE

PCP Morocco is based on the principle of national ownership and leadership, thus ensuring the sustainability and effectiveness of its results. In order to facilitate the coordination, implementation and monitoring of PCP Morocco's interventions, as well as the mobilization of resources and partnerships, the National Coordination Body (NCB) was established as the PCP's governance structure. The first meeting of the PCP Morocco National Coordination Body was held in 2018.

The Government of Morocco has allocated national resources to PCP programming, complemented by contributions from the Government of China to the UNIDO Partnership Fund to support PCP formulation and coordination activities. The Government of Morocco has also committed financial resources and in-kind contributions for PCP coordination and implementation activities.

The main Government counterpart in charge of the implementation of the PCP Morocco is the Ministry of Industry, Trade, and Green and Digital Economy (MICEVN), which also serves as the Chairman of the NCB. The NCB is in charge of facilitating and guiding the implementation of the PCP, and ensuring the alignment of the PCP with the country's policies and growth objectives. Specifically its role is to:

- Ensure the monitoring and oversight 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 the different PCP Morocco stakeholders, particularly to identify the appropriate adjustments, able to optimize the results of the PCP Morocco and to propose potential partnerships to be put forth in the programme;
- Establish, where appropriate, specific ad-hoc working groups to address particular themes.

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

- Ministry of Industry, Trade, and Green and Digital Economy (MICEVN);
- Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates;
- Ministry of Economy, Finance and Administration Reform;
- Ministry of Agriculture, Fisheries, Rural Development, Water and Forests;
- Ministry of National Education, Vocational Training, Higher Education and Scientific Research;
- Ministry of Energy, Mines and Environment;
- Secretary of State for Sustainable Development;
- Secretary of State for Vocational Training;
- General Confederation of Enterprises in Morocco (CGEM);

- Federation of Information Technologies, Telecommunications and Offshoring (APEBI);
- National Federation of Agribusiness (FENAGRI);
- Coalition for Waste Valorization/Recovery (COVAD);
- UNIDO.

In the course of 2020, several UNIDO PCP team meetings were held to coordinate the finalization of UNIDO projects documents for the components of the PCP and the identification of fundraising opportunities. Regular communication and consultations was held virtually with the Government of Morocco.

4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

In 2020, the Government of Morocco, through the counterpart ministries, continued to play a leading role and provide guidance to the implementation of the PCP. The Government's support and ownership was instrumental in leveraging resources from financial institutions and mobilizing partners. The importance given by the Government of Morocco to the PCP also contributed to establishing cooperation with bilateral and multilateral donors, financial institutions and the private sector. Over the course of 2019 and 2020, round tables and consultations were held 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).

The partner mapping exercise conducted by UNIDO in 2019 was instrumental to streamline funds mobilization efforts in 2020 and explore synergies with parallel partner initiatives in the country, in particular with financial institutions, the business sector and United Nations entities who showed interest in collaborating through the PCP.

A concrete result was the partnership with the African Development Bank (AfDB) which led to the preparation and publication of a report entitled "COVID-19 Pandemic Management: Study of the Impact on Moroccan Agri-business Industries and a Proposal of Recovery Strategy". The initiative benefitted from the close collaboration between UNIDO, the Moroccan Agri-Business Federation (FENAGRI) and the Ministry of Industry, Trade, and Green and Digital Economy. Fourteen webinars were conducted with associations representing the different sub-sectors of the Moroccan agri-business sector. The study identifies fifteen strategic recommendations for the sector to recover and ensure long-term development. UNIDO and the AfDB are discussing the way forward for implementing the priority recommendations of the study, as part of the PCP's agri-business component.

Highlights of 2020 resource mobilization efforts for the PCP's priority areas and/or cross-cutting elements include the following:

Industrial zones: On October 2020, the Millennium Challenge Account-Morocco Agency (MCA-MCC) and UNIDO signed a \$3.7 million grant agreement to support the design and implementation of a technical assistance and capacity-building programme under the industrial parks component of the PCP Morocco. The project "Mise à niveau et valorisation des zones industrielles au Maroc" is funded by this grant and its implementation started in the last quarter of 2020. The programme includes a diagnostic study on industrial zones and a road map for performance improvement. It will support capacity-building for the Ministry of Industry, Trade, and Green and Digital Economy, as well as other main stakeholders related to industrial zones, and the development of a national electronic platform for industrial zones.

The Millennium Challenge Account (MCA Morocco) is the other priority programme aimed at boosting the industrialization of the country. Through this channel, a \$127 million industrial land investments will support public-private partnerships to develop, manage and maintain industrial zones that meet the needs of businesses and attract private investment.

Agro-industry: Discussions are underway with USAID regarding a Regional Agro-industrial Development and Employment Project amounting to approximately \$7 million, and a public-private partnership project (engaging the Ministry of Industry, Ministry of Education, OFPPT, FENAGRI, Festo, HP, and Siemens) to foster local economic development and youth employment by transferring agro-industry relevant skills to vulnerable groups and supporting local businesses in Beni Mellal-Khenifra.

Energy: GIZ expressed interest to support PCP activities in the area of energy efficiency and renewable energy in industrial production with a grant of approximately \$2.8 million

Circular economy: The main initiative under this component is part of a global Japan-funded project on "Strengthening the

capacity of developing countries to mitigate the impacts of the COVID-19 pandemic through appropriate technology transfer from Japan”. The project initiated in 2020 in Morocco focuses on technology demonstration/transfer of decentralized wastewater treatment systems. In addition, GEF is another potential partner through the implementation of Clean Tech (phase II).

Industry 4.0 and E-Commerce: During 2020, the PCP team, jointly with the Digital Development Agency of Morocco and the Ministry of Industry, Trade, and Green and Digital Economy, identified the AfDB and BMZ as partners to promote the Smart Industry model and foster a conducive environment to the expansion of E-Commerce in the country.

Cross-cutting components: In terms of industrial statistics, the Government of Morocco and the Government of China have expressed interest in funding activities envisaged under this component for an estimated amount of \$500,000.

In addition, during the reporting period, project formulation activities were carried out, enhancing cooperation within the framework of the PCP. Among these, an initiative identified in 2020 is the proposed Digital SDP (Supplier Development Support Programme) for Moroccan Women Cooperatives. UNIDO is working together with UNDP, UN Women, UNESCO to take this project forward. Another Joint Project for which preparatory activities were carried during the period was the proposed Joint Programme entitled “Empowering women in small-scale agriculture and fisheries in the context of COVID-19 and climate change”. Moreover, in 2020, UNIDO collaborated with ILO, UNFPA and WHO on the development and implementation of a project to ensure the continuity of healthcare and hospital services, funded by the UN COVID-19 Response and Recovery Multi-Partner Trust Fund (see section 5: Response to COVID-19).

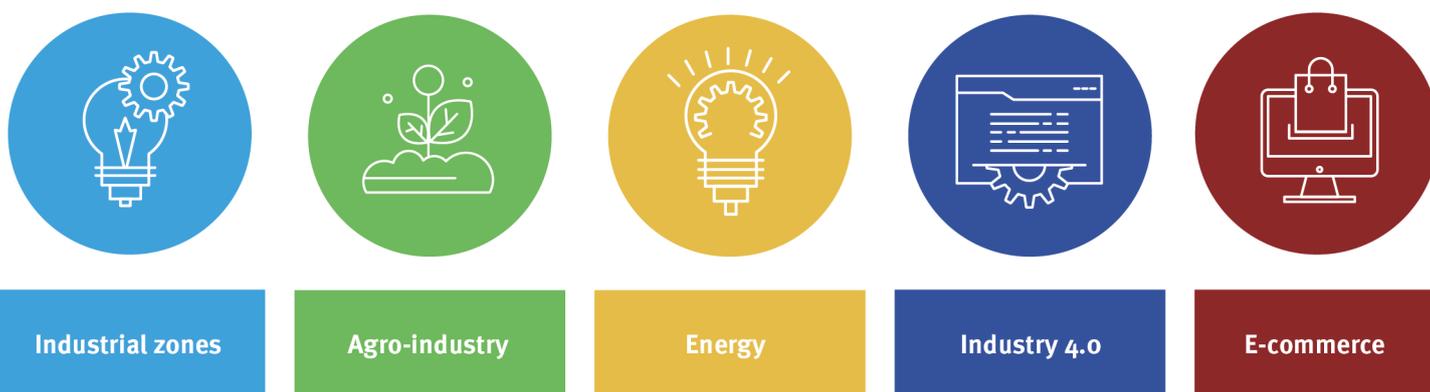
4.3. RESULTS OF PCP ADVISORY SERVICES

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 in 2020, as a follow-up to the Country Diagnostic and applying the new assessment tool developed by UNIDO, a Country and Industry Profile (CIP) for Morocco was developed. The CIP provides a quick overview of the Kingdom of Morocco’s industrial development and assesses the progress of the country towards inclusive and sustainable industrial development, and will serve as a baseline for the PCP’s future implementation.

In 2020, a Guide for the Digitalization of Small and Medium-Sized Enterprises was produced to support economic response and recovery efforts related to COVID-19, as part of the PCP’s E-commerce component.

4.4. TECHNICAL COOPERATION RESULTS

PCP Morocco priority areas and cross-cutting issues



4.4.1 INDUSTRIAL ZONES

The overall objective of the Industrial Zones component is to "improve the performance of the national manufacturing sector", both in terms of job creation and for increasing the share of manufacturing value added in Morocco's GDP.

The projects under this component support sustainable industrial zones, eco-designed, with high-quality standards, and energy efficiency. As part of this component, UNIDO established a strategic partnership with the Millennium Challenge Account-Morocco Agency (MCA-Morocco) to undertake a technical assistance and capacity-building project in the industrial zone of the Casablanca-Settat region, in the framework of a public-private partnership, for a total value of \$3.7 million. MCA-Morocco is a public institution created in September 2016 in charge of Contract II, a joint programme of the Kingdom of Morocco and the United States of America, to improve the quality of human capital and land productivity.

The project envisages: 1) A diagnostic study on the selected industrial zones; 2) A road map for performance improvement; 3) A capacity-building programme for MICEVN and other national and local partners, involved in development, management, financing, and investment promotion of industrial zones; and 4) The establishment of an electronic platform as a service provider for the industrial zones.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
200160	Mise à niveau et valorisation des zones industrielles au Maroc	Millennium Challenge Account-Morocco Agency (MCA- Morocco)	3,208,477



4.4.2 AGRO-INDUSTRY

The agri-food industry remains a strategic sector in Morocco due to its vital role both economically and socially. The second largest industrial sub-sector in the country, the agri-food sector employs up to 25% of Morocco's industrial workforce. The number of units (in 2016) operating in this sector, according to the Ministry of Industry, Trade, and Green and Digital Economy (MICEVN), amounts to more than 1,900 establishments. Agri-food industry is key for the Moroccan economy for its contribution to the country's food security, growth, employment and foreign trade. Its contribution to the national GDP is around 5%. The amount of investments increased from 3.2 billion dirhams in 2005 to 5.7 billion dirhams in 2016, representing 32% of the total investment in industry.

Against this background, the agro-industry component of the PCP Morocco aims at improving the performance and competitiveness of agro-industry SMEs. This will be done by upgrading an existing technical center (CETIA) to act as a service provider to agro-industry SMEs, establishing a design and packaging center using "smart packaging" to foster international competitiveness.

As part of the PCP's agro-industry component, UNIDO and the AfDB carried out in 2020 a socio-economic assessment of COVID-19 impacts on the agro-food industry to assist Morocco's National Federation of Agri-Business (FENAGRI), including a proposal for a recovery plan. This impact assessment was an important step towards the progress of this component as it provides a baseline scenario for planning and fine-tuning post-pandemic PCP interventions.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190058	Supporting agro-industry in Morocco	AfDB	19,717,683

4.4.3 ENERGY

The Government of Morocco aims to accelerate the process of structural transformation through rapid industrialization, which includes important considerations in terms of energy and environment, notably energy and materials consumption, and gas emissions with greenhouse effects (GHG). Morocco is a North African leader in renewable energy deployment with Government set targets as follows:

- Energy efficiency: National Energy Strategy Horizon 2030 plans to reduce energy consumption by 12% by 2020 and by 15% by 2030. The Morocco law 47.09 poses objectives of final energy consumption for the transport, buildings and industry sectors.
- Renewable energies: The goal is to achieve a rate of 52% by 2030 in electricity production.

As part of the energy component, the PCP aims at promoting renewable energy and energy efficiency technologies, supporting the implementation of an energy management system, integrating renewable energy and energy efficiency technologies in infrastructure of industrial zones and localizing the renewable energy supply chain.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190191	PCP Morocco: Energy component	GIZ	12,999,386

4.4.4 CIRCULAR ECONOMY

The Government of Morocco aims to eliminate all informal landfills, and achieve a target of recycling 30% of waste (Programme Nationale des Déchets Ménagers). Morocco generates 3.5 million tons of waste per year, and therefore has high potential for recycling. The PCP supports the implementation of circular economy principles, in particular a green-eco-system, promoting and adopting green technologies, setting up and operationalizing a Green Factory Model, and implementing a programme to rationalize water and input consumption and valorized by-products.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190040	Circular economy in Morocco	Japan, BMZ	15,061,349

4.4.5 INDUSTRY

The Ministry of Industry, Trade, and Green and Digital Economy of the Kingdom of Morocco has recently launched a digital strategy aimed at:

- The digital transformation of the national economy, especially through a radical and deep change in administrative services, an integrated evolution of the critical sectors of the economy and the generalization of the use of Information Technologies (IT), and connectivity for all, citizens and businesses;
- Morocco's stronger positioning as a regional digital hub;
- The development of a high-performance digital ecosystem with connectivity infrastructures and data transmission compliant with international standards, highly specialized digital skills and a dynamic network of stakeholders (locomotive promotion and start-up outbreaks).

The boost of the digitalization of the country will represent a strong impetus for the advancement of the online exchanges through E-commerce, which can contribute to the rapid industrialization of the country through a reinforcement of the domestic market as well as international exchanges. The exponential growth of digital data exchanges and Internet usage can drive for the integration of a new wave of technologies, such as Industry 4.0 and the Internet of Things (IoT).

To support Morocco's proactive digital strategy, this PCP component focuses on key factors to accelerate Industry 4.0. To this end, the PCP aims at establishing a new generation Smart Factory and linking it to international partners, establishing an Industry 4.0 integration platform for national cooperation and coordination, and developing skills and curricula in Industry 4.0-related topics.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190060	Strengthening Industry 4.0 technologies in Morocco	TBD	8,303,067

4.4.6 E-COMMERCE

Morocco is experiencing the rapid development of E-commerce due to enhanced use of IT technologies. The PCP's E-commerce component aims to carry out activities for developing electronic procurement platforms, establishing a coherent regulatory framework, developing a business-to-business market and forming a critical mass of E-commerce users. The development and dissemination, in 2020, of a Guide for the Digitalization of Small and Medium-Sized Enterprises to support Morocco's economic response and recovery efforts vis-a-vis COVID-19 pandemic, is part of this component.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190061	Strengthening Morocco's E-commerce ecosystem to facilitate a successful transition to the digital economy	TBD	4,590,184

4.4.7 CROSS-CUTTING COMPONENTS

The six focus areas of the PCP Morocco are complemented by interventions in the cross-cutting areas of South-South and triangular cooperation, partnerships, gender mainstreaming and industrial statistics.

4.4.7.1 South-South and triangular cooperation

The Government of Morocco considers South-South and triangular cooperation (SSTC) an essential pillar for national economic development. The objectives of this component are: Strengthening of institutional capacity for SSTC; disseminating knowledge and technology through Southern networks; supporting the implementation of proven Southern-based technology solutions; and replicating and expanding capacity-building programmes to other Southern countries.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190151	Strengthen institutional capacity of Morocco to enhance South-South and triangular cooperation	TBD	3,267,321

4.4.7.2 Industrial development partnerships

As part of the PCP, UNIDO facilitates the convening of development, private and public sector partners towards the objectives of the PCP with a view to build synergies with parallel interventions in the country and upscale development impact of technical cooperation in Morocco. In the year 2020, the PCP attracted various partners, UN and non-UN entities, for joint initiatives in response to the COVID 19 pandemic, the launching of strategic Government initiatives, and for technical cooperation joint projects, which are currently under consideration and/or development. Building on UNIDO's expertise and history of partnerships with various development actors, activities planned under this component contribute to identifying and promoting partnership opportunities across PCP components, formalizing them through appropriate instruments and ensuring coordination among the various actors engaged.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190002	Industrial Development Partnerships - PCP Morocco	TBD	1,020,000

4.4.7.3 Gender mainstreaming

The planned activities under this component are as follows: Developing measures to empower women and girls; contributing to Morocco's National Employment Strategy aiming to empower women; helping to achieve gender objectives of the UN Development Assistance Framework 2017-2021 for Morocco; and ensuring that gender is mainstreamed across the various PCP components.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190059	Egalité des sexes et autonomisation économique des femmes au Maroc	TBD	2,864,678

4.4.7.4 Industrial statistics

Through this component, UNIDO’s extensive expertise in industrial statistics will be utilized as follows: Statistical capacity-building of the Government; developing a framework for the implementation of a monitoring and evaluation system of the Industrial Acceleration Plan; and developing statistical systems, surveys and mechanisms.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190183	Enhancing statistics capacity in Morocco	China, Morocco	4,932,515

ERP ID	Completed project / sub-programme title (since start of the PCP)	Donor	Funding (US\$)
200116	Ensuring the continuity of essential primary healthcare and hospital services for the most vulnerable and developing prevention and hygiene measures for essential non-health sectors during the COVID-19 pandemic	UN COVID-19 Response and Recovery Fund	193,458

5. RESPONSE TO COVID-19

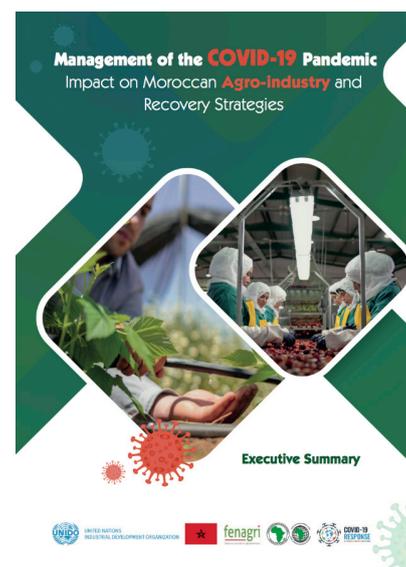
In 2020, UNIDO, as part of the PCP’s Agro-Industry component and in partnership with the AfDB, published a report entitled “COVID-19 Pandemic Management: Study of the Impact on the Moroccan Agri-business Industries and a Proposal of Recovery Strategy”. This initiative is a product of UNIDO’s close collaboration with relevant local stakeholders, notably the Moroccan Agri-Business Federation (FENAGRI) and the Ministry of Industry, Trade, and Green and Digital Economy. Fourteen webinars were conducted with associations representing the different sub-sectors of agri-business sector in Morocco. The study identifies fifteen strategic recommendations to help the sector recovering and ensuring a long-term development. As a follow up of this study, UNIDO and AfDB are discussing the way forward for implementing the priority recommendations in the framework of PCP Morocco Agri-business component.

Through the Field Office, UNIDO contributed as a member of the task force that has been put in place by UNDS and World Bank to assess the socio-economic impact of COVID-19 and coordinate a strategic support to the country’s response.

UNIDO’s Field Office in Morocco collaborated with UNFPA and WHO for a joint programme on ensuring the continuity of essential primary healthcare and hospital services for the most vulnerable and developing prevention and hygiene measures for essential non health sectors during the COVID-19 pandemic. The project interventions contributed to ensuring access to essential services for vulnerable populations, including migrants and refugees, during the COVID-19 pandemic, and contributed to the prevention of consequences on health systems after the pandemic, as well as the important health and economic consequences that affected more essential industries which are represented mainly by small and medium enterprises, particularly fragile faced to risk of propagation of the virus within the medium of professional activity. Specifically, implementation of the UNIDO component of the project aimed to prevent frontline workers from infection in workplaces. The project was funded by UN COVID-19 Response and Recovery Multi-Partner Trust Fund and implemented between 1 June 2020 and 31 December 2020.

In 2020, a Guide for the Digitalization of Small and Medium-Sized Enterprises produced to support economic response and recovery efforts related to COVID-19, as part of the PCP’s E-commerce component. The guide will help traders and SMEs introduce online platforms for businesses as part of the economic response and recovery efforts related to the COVID-19 pandemic.

Through the Field Office, UNIDO contributed as a member of the task force that has been put in place by UNDS and World Bank to assess the socio-economic impact of COVID-19 and coordinate a strategic support to the country’s response. UNIDO’s Field Office in Morocco collaborated with UNFPA and WHO for a joint programme on ensuring the continuity of essential primary healthcare and hospital services for the most vulnerable and developing prevention and hygiene measures



for essential non health sectors during the COVID-19 pandemic. The project interventions contributed to ensuring access to essential services for vulnerable populations, including migrants and refugees, during the COVID-19 pandemic, and contributed to the prevention of consequences on health systems after the pandemic, as well as the important health and economic consequences that affected more essential industries which are represented mainly by small and medium enterprises, particularly fragile faced to risk of propagation of the virus within the medium of professional activity. Specifically, implementation of the UNIDO component of the project aimed to prevent frontline workers from infection in workplaces. The project was funded by UN COVID-19 Response and Recovery Multi-Partner Trust Fund and implemented between 1 June 2020 and 31 December 2020.

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6. COMMUNICATION

During 2020, a partnership and communication expert was recruited to raise the visibility of the PCP and undertake an outreach campaign. The PCP Morocco was featured in the UN Global Compact virtual event entitled "Making Global Goals Local Business - Africa", held on 3 December 2020.

7. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2021

In 2021, UNIDO will engage in the preparation of the UN Common Country Assessment and the formulation of the new UN Sustainable Development Cooperation Framework (UNSDCF) for Morocco (2022-2026), in order to integrate and align PCP activities with the UN development system's response to the national development priorities for the coming years. The PCP will also continue to adapt to the context of COVID-19 and the national response and recovery efforts .

UNIDO will continue the development of new initiatives part of the PCP's priority areas, and support the Government in partner and resource mobilization efforts, including through the holding of PCP national coordination body meetings. The organization of the envisaged PCP investment promotion forum and other events put on hold due to the outbreak of the pandemic will be explored in 2021, as possible.

8. ANNEX 1: PCP PORTFOLIO OVERVIEW – UNIDO TC

ERP ID	PCP component or cross-cutting area	Completed and ongoing project / sub-programme title (<i>since start of the PCP</i>)	Donor	Funding (US\$)
200116		Ensuring the continuity of essential primary healthcare and hospital services for the most vulnerable and developing prevention and hygiene measures for essential non-health sectors during the COVID-19 pandemic. (completed in 2020)	UN COVID-19 Multi-partner Response and Recovery Trust Fund	193,458
200160	Industrial zones	Mise à niveau et valorisation des zones industrielles au Maroc	MCA-MCC	3,208,477
180052		Programme for Country Partnership in Morocco (coordination)	Partnership Trust Fund-China, Government of Morocco	532,962 152,614 Sub-total: 658,576

Total	US\$ 4,087,511
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ERP ID	PCP component or cross-cutting area	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190058	Agro-industry	Supporting agro-industry in Morocco	AfDB	19,717,683
190191	Energy	PCP Morocco: Energy component	GIZ	12,999,386
190040	Circular economy	Circular economy in Morocco	Japan, BMZ	15,061,349
190060	Industry 4.0	Strengthening Industry 4.0 technologies in Morocco	TBD	8,303,067
190061	E-commerce	Strengthening Morocco's E-commerce ecosystem to facilitate a successful transition to the digital economy	TBD	4,590,184
190151	South-South and triangular cooperation	Strengthen institutional capacity of Morocco to enhance South-South and triangular cooperation	TBD	3,267,321
190002	Industrial development partnerships	Industrial Development Partnerships - PCP Morocco	TBD	1,020,000
190059	Gender mainstreaming	Egalité des sexes et autonomisation économique des femmes au Maroc	TBD	2,864,678
190183	Industrial statistics	Enhancing statistics capacity in Morocco	China, Morocco	4,932,515

Total	US\$ 72,756,183
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9. ANNEX 2: INVESTMENTS LEVERAGED BY THE PCP BY END OF 2020

PCP component or cross-cutting area	Project / sub-programme title	Partner	Funding (US\$)
Industrial zones	Results-Based Programme for Enhancing Regional Competitiveness in Morocco (PARACT-M)	AfDB	220,000,000
Agro-industry	Cost-share for the socio- economic assessment of COVID-19 impact on the agri-business sector as part of the PCP's agro-industry component	AfDB	20,000
Agro-industry	Study for technical agri-business / FACET	Ministry of Industry (Morocco)	200,000

Total		US\$ 220,220,000
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For more information, please scan the QR Code to
[access the PCP Morocco UNIDO website.](#)



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