

Enabling Environment of the Water-Energy-Food Nexus

COUNTRY PROFILE - MOROCCO



WATER and
ENERGY
for **FOOD**



Government of the Netherlands



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1 MACRO-ECONOMIC ENVIRONMENT

- Morocco has steered significant resources towards large investments in economic sectors identified as strategic to growth, and for increased productivity and value addition. From offshoring to aerospace to electronics, these sectors have benefited from substantial public resources and an array of generous incentives to attract foreign direct investment (FDI).¹
- The government's efforts have successfully attracted large foreign investors and created dynamic activity in several sectors, including the automotive industry, aeronautics and renewable energy.¹
- Despite Morocco's strikingly high investment rate, one of the highest in the world at an average of 34 percent of GDP annually since the mid-2000s, the returns in economic growth, job creation and productivity, have been below expectations.¹
- **The Moroccan economy has performed particularly poorly in terms of job creation.** For a working age population that grew, in net terms, by 270,000 people annually between 2012 and 2016, just 26,400 net new jobs were created on average per year.¹
- While economic growth is relatively broad-based, with agriculture, industry and services all significant contributors to the economy, Morocco's economy is vulnerable to a variety of shocks. Economic growth is volatile: agriculture, which employs close to 37 percent of the active population and is a major driver of domestic demand, is largely rainfed and remains dependent on the vagaries of the weather.¹
- Women unemployment rate in Morocco marginally decreased to 10.42 percent in 2020 compared to 10.70 percent in 2017.²
- As of 2020, Morocco has a score of 73.4 in the Ease of doing Business Indicator, ranked at 53.³
- On Getting Electricity Indicator³ Morocco scores 87.3 (Regional average is 72.4) and is ranked at 34.⁴
- Protecting Minority Investors Indicator Morocco scores 70.0 (Regional average is 51.9) and is ranked at 37.³
- Morocco's score for the Registering Property Indicator is 65.8 (Regional average is 63.4) and ranked at 81.³

¹ World Bank (2019), CREATING MARKETS IN MOROCCO: Country Private Sector Diagnostic

² Trade Economics (2021), available at: <https://tradingeconomics.com/morocco/unemployment-female-percent-of-female-labor-force-wb-data.html>, accessed on June 18, 2021.

³ World Bank Development Indicators, Ease of Doing Business Indicators, 2019-2020, detailed scores can be seen In Figure 1 In Annex 5

⁴ Metric considering the procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs.

- Morocco remains a major destination of FDI in MENA. FDI has gone into all sectors, especially into automotive industries, such as in the new Peugeot plant – which is expected to double the sector’s production capacity.
- Morocco ranks highest in all economic indicators considered in the WE4F MENA landscape report. It also has the highest share of transactions in the region after Egypt. Yet, the country is still behind when it comes to the privatization of SOEs, democratization of the banking system, protection against corruption.
- In 2021 Morocco ranks 144 out of 156 countries in the Global Gender Gap Index, index measures reproductive health, empowerment, and economic activity. Low female economic participation (23.4% vs. 74.9% men) impacts growth.⁵

1.1 COVID-19 mitigation measures & responses

- On the economic front, the government has started to rollout the economic recovery roadmap the King announced in July 2020. Beside reform of State-Owned Enterprises, the government has approved a law that sets technical and institutional frameworks in place for expanding social welfare to segments of the population vulnerable to falling into poverty.⁶
- The shock of COVID-19 has pushed the Moroccan economy into its first recession since 1995. Economic output contracted by 15.1% in the second quarter of 2020, primarily as a result of the lockdown but also of a sharp reduction in exports caused by the pandemic’s disruption to global value chains and the collapse of receipts from tourism. The shock to supply and demand, triggered by the pandemic, has been compounded by the fall in agricultural production due to a severe drought. Although activity picked up in the third and fourth quarters of 2020, the government’s preliminary estimates indicate that Morocco’s real GDP contracted by 7% in 2020, leading to an increase in unemployment from 9.2% to 11.9%.⁶
- During the pandemic, the Moroccan authorities have adopted a number of measures to mitigate the impact of these shocks on households and companies by issuing direct transfers to formal and informal workers and partial guarantees to banks for loans granted to firms, as well as reducing the Central Bank’s benchmark interest rate by 75 basis points to a historically low 1.5% and making direct injections of liquidity into the financial system.⁶

⁵ World Economic Forum, Global Gender Gap Report, 20201.

⁶ World Bank, Morocco Overview: Context, Last Updated March 25, 2021

2 POLICIES AND TRENDS IN THE WATER-ENERGY-FOOD NEXUS

2.1 Agriculture

- Agriculture is an important pillar of development in Morocco. Its economic and social weight, structuring association in rural areas, and the multiplicity of its functions including the economic, social, environmental and food related aspects, make it a natural development engine.⁷
- The food industry is an important sector for the economy with a production value of 10 billion MAD. It is the first sector of the domestic industry and one of the best development strengths of the country (30% of added value (5% of GDP)).⁷
- About 40% of employment is in the agriculture sector or related to agriculture in Morocco.⁸ Demand for labor will decrease in the agricultural sector due to water scarcity and changes in crop yields.⁸
- The share of agriculture in total gross domestic product (GDP) of Morocco usually fluctuates around 15%⁸
- Although the share of irrigated crops in the total harvested area of Morocco is around 20 to 25%, nearly 65% of the monetary value of crops produced comes from irrigated crops.⁸
- Morocco has a diversified cropping pattern: 1 million hectares of olive, more than 265 000 ha of vegetable crops, 11,800 of citrus fruits, 25 million head of which 75% of sheep.⁷
- About 57% of women are engaged in agricultural activities, mainly in the areas of livestock (67.8%) and horticulture (46.2%). Overall, women contribute more than 50% of the agricultural labour and, in particular, 63% of the labour in livestock and 41.6% of the labour in vegetable production. Women are primarily engaged in weeding, harvesting and storage of food crops and participate in planting, transplanting, irrigation, pest control and fertilization. They are responsible for the domestic work of the household. In fisheries, women work almost exclusively in the area of processing.⁹
- The Plan Maroc Vert strategy places agriculture as the central motor of economic growth in Morocco. The plan focuses on large and small agricultural holdings to create opportunities for rural women through value chains in the agri-food sector, Maroc Vert targets the 90 per cent of farmers who work off less than five hectares, with women farmers likely to belong to this smallholder category. However, there are a number of state agencies, such as the Agence de Développement Sociale (ADS), which, under the broad rubric of INDH, work with small farmers to develop and diversify their businesses.¹⁰

⁷ Agency for Agricultural Development, Investor's Guide in the Agricultural Sector in Morocco

⁸ World Bank (2020), Water Scarcity in Morocco – Analysis of Key Water Challenges

⁹ FAO (2019), Morocco Fact Sheet, available at: <http://www.fao.org/3/v8195e/v8195e01.htm>, accessed on July 4, 2021

¹⁰ ILO (2019), Morocco: Young Women Employment and Empowerment in the rural economy, available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_622767.pdf, accessed on June 5, 2021.

- ICT has the potential to allow women to leapfrog traditional patriarchal systems. There is a need to strengthen information flows about what goods are available and where, with ICT providing an ideal platform for such information flows to be enhanced.¹¹
- See Annex 4 for additional information on incentives for agribusiness.

2.2 Water & Energy

- The annual water withdrawal ranges between 11 billion and 15 billion cubic meters per year in Morocco.⁸ Irrigation uses about 75 to 87% of total water withdrawal.¹²
- The water share per capita is 645 m³ which is less than the water poverty level (1000 m³).¹³
- Morocco has major hydro-agricultural infrastructure: 19 dams allowing mobilization of 175 billion m³ of water of which 14 billion for agricultural use.⁷
- Morocco is expected face a major water shortfall and reduction in rain-fed crop yields.⁸
- About 90% of the total primary energy supply (TPES) depends on fossil fuels. Oil is the main source of TPES as it accounts for 62% while coal accounts for 22% and Natural gas for 5%.¹⁴ In 2017, the total primary energy supply (TPES) was approximately 20.5 million ton of oil-equivalent (Mtoe).¹⁴
- The main consuming sectors are transport which consumes about 36%, residential that consumes 25% and industry which consumes about 24% of the total final consumption (TFC).¹⁴
- The TFC for the year 2017 equates to 16.1 Mtoe.¹⁴
- Morocco is witnessing an expansion in installation of renewable electricity that reached a segment of 42% of the total installed capacity in 2020 and it is aimed to reach beyond 52% by 2030.¹⁵
- The total renewable energy capacity in Morocco is about 3447 MW: 1306 MW renewable Hydropower, 1405 MW Wind energy and 734 MW Solar energy capacity.¹⁵
- Since Morocco held the 22nd COP22 of the UNFCCC in 2016, it became an IEA Association country and signed a joint programme for three years.¹⁵
- The Bank of Africa has several programs for funding SMEs in the energy sector such as "BMCE Cap Energie" and "Energy Lease" to fund energy efficiency investments.¹⁵

¹¹ Idem.

¹² FAO AQUASTAT

¹³ World Bank (2017), Managing Urban Water Scarcity in Morocco

¹⁴ IEA (2019), Energy Policies beyond IEA Countries: Morocco

¹⁵ IRENA (2021), Renewable Energy Capacity Statistics 2021

3 THE SME ECOSYSTEM

- According to The United Nations Economic Commission for Africa (UNECA) (2008), 93% of all Moroccan industrial firms are SMEs and account for 38% of production, 38% of investment, 31% of exports and 45% of all jobs.¹⁶
- The sectors occupying the top three highest shares of SME value-added in 2010 were chemical industry, food processing industry, and metal & engineering industry with 42%, 31% and 11% respectively.¹⁶
- As for contribution to employment, the textile & leather industry, food processing industry, and chemical industry occupied the three highest shares with 35%, 21% and 20% respectively in 2010 (Ministry of Industry, Commerce, and New Technologies (MICNT, 2011)).¹⁶
- SME are present in all sectors of the Moroccan economy with a rate of 98%: industry, handicrafts, construction, trade and finally services including tourism, and financial services.¹⁷
- The distribution of small firms is unequal in Morocco, at both sectorial and geographical levels. Most of SMEs are located in Casablanca (which is considered as the economic capital), and they are concentrated in trading and services.¹⁷
- In the 2015 GEM (Global Entrepreneur Monitor) Maroc report, TEA (Total Early-Stage Entrepreneurial Activity) dropped to 4.44 (percentage of people engaged in the creation of emergent companies), below the average of 62 in the countries participating in the world-wide GEM and the TAE of the MENA zone, at 12.81.¹⁸
- Technical Assistance (TA) providers are prevalent in Morocco and the Levantine region, reflecting the more developed enterprise landscape of the countries in the region and the enterprise capacity to prove those services.
- Morocco has continued to implement reforms that include Strengthening minority investor protections, Reducing the corporate income tax rate and Introducing e-payment of port fees.
- Morocco and Tunisia, which are close to the European market, are the only countries in North Africa that have integrated supply chain trade on the downstream side, while the other countries in the region have concentrated on the upstream side. Focusing on the value add and productive downstream side ensure a higher and long-lasting economic value for SMEs.

¹⁶ Sefiani, Y. (2013). FACTORS FOR SUCCESS IN SMEs: A PERSPECTIVE FROM TANGIER) in the Faculty of Business, Education and Professional Studies.

¹⁷ Mouhallab, S., & Jianguo, W. (2016). Small and Medium Enterprises in Morocco: Definition's Issues and Challenges. SSRN Electronic Journal. <https://doi.org/10.2139/ssrn.2834604>

¹⁸ Ruiz-Navarro, J., Iopez, concepción, Sanchez, J., & Nechar, M. (2017). Moroccan Universities and Entrepreneurship.

- Moroccan SMEs also benefit from targeted funds and instruments, although these are not as encompassing or generous as those in place for large investors.¹
- Maroc PME (National Agency for the Promotion of Small and Medium Enterprises) is the main public agency working with micro, small and medium-sized firms, start-ups and auto-entrepreneurs, and with SMEs that seek to upgrade and export.¹
- **A variety of entrepreneurship ecosystem factors contribute to individuals' willingness to engage in entrepreneurial activity.** According to the 2017–18 Global Entrepreneurship Monitor, Morocco is among seven countries that need to tackle one-third to more than one-half of the 12 entrepreneurial framework conditions.¹
- The typical Moroccan entrepreneur is less educated than global benchmarks. A typical Moroccan entrepreneur is 25–34 years old (35–44 for established entrepreneurs), has completed high school, and lives in a household earning less than MAD 40,000.¹
- Women entrepreneurship is largely untapped in Morocco. the number of women entrepreneurs does not exceed 10,000, which represents barely 0.5% of women's employment in the formal sector and about 10% of the number total enterprises. This is mainly attributed to the business environment namely the social cultural environment, market conditions and difficulties in accessing finance, lack of information and insufficient support programs for women entrepreneurs. In addition to other factors related to family responsibilities and risk aversion.¹⁹
- Public wages are relatively high in Morocco and may be more attractive than entrepreneurship for the highly educated Moroccans, including those who study abroad and return home. Average public wages in Morocco are almost as high as those in the Gulf Cooperation Council (GCC), about 2–3 times higher than average private sector wages, not including the substantial nonwage benefits received by most public sector employees, such as various allowances, retirement benefits, and job security.¹
- Annex 1 shows the enabling actors and stakeholders for growth in the field of WE4F
- Annex 2 shows list of incubators and accelerators for growth related to WE4F
- Annex 3 contains the tax profile for Morocco.
- Figure 2 In Annex 5, shows the Start-up Ecosystem in Morocco.

¹⁹ Asli, Amina and Habbiba Bensassi Nour (2018), Female Entrepreneurship in Morocco, Obstacles and Ways to Overcome Them, in Tipurić, Darko Labaš, Davor (Ed.): 6th International OFEL Conference on Governance, Management and Entrepreneurship. New Business Models and Institutional Entrepreneurs: Leading Disruptive Change. April 13th - 14th, 2018, Dubrovnik, Croatia.

4 OPPORTUNITIES AND CHALLENGES IN THE WEF NEXUS

Opportunities	Challenges
– Morocco's financial sector has emerged as one of the most developed and inclusive in MENA region, to strengthen the financing available to startups and innovative companies, the Moroccan government has set up an innovation and seed financing mechanism, Innov-Invest. In 2019, the fund it had committed \$24m and leveraged an additional \$43m from local and international, \$4m of which had been allocated to 67 start-ups as of May 2019. – The new banking law is expected to help mobile payments to finally take off. Morocco's central bank and the telecommunications regulator launched M-wallet end of November 2018. – Improved easiness in tax payment by the government through simplifications in the online tax portal as well as its integration with accounting software, reducing the numbers of hours required to file and pay taxes. – Morocco has been particularly successful in attracting large-scale, export-oriented foreign direct investment (FDI). – Morocco has opportunities to grow and diversify exports. Morocco is globally competitive in a number of industries, (for example, textiles, animal products, agricultural crops). – High incentives for investment in the agribusiness sector and industry, this includes subsidies, financial and economic incentives and access to resources. – Investment potential and opportunity in renewable energy, the Moroccan government is massively promoting and investing in renewable energy, one the most Important projects Is the Ouarzazate Solar Power Station which Is the world's largest concentrated solar power plant.	– Financing, to gather opinions having to do with the lack of initial capital and the difficulties obtaining financing from financial organizations. Inadequate access to both credit and equity financing. – An entrepreneurial culture, which reflects the absence of a culture of management or a lack of awareness and information on entrepreneurship, or programs to promote and foster an entrepreneurial spirit, for example. – Education in the field of entrepreneurship, a deficit of competencies (technical and relational), the content and the objectives of secondary education, courses in entrepreneurship in general are given by university faculty, the curriculum of the itineraries does not feature education in entrepreneurship, and the lack of a strategy within the university framework, among others. – Bureaucracy and institutions - Economy, including the business climate and time-consuming administrative procedures, the lack of a culture of partnership, and the absence of a strategic vision of entrepreneurs as drivers of self-employment. Administrative and regulatory barriers.

ANNEX 1: ENABLING ACTORS/STAKEHOLDERS FOR GROWTH RELATED WE4F

Sector	Name	Relevance to WE4F
NGOs/CSOs or Policy Advocacy Groups		
Financial & Technical	The General Confederation of Moroccan Enterprises - Confédération Générale des Entreprises du Maroc (CGEM)	– Information dissemination, institutional and capacity building, advisory services for SMEs – Ensures a favorable economic environment for the development of businesses. – Defend the interests of private sector companies vis-à-vis the public authorities and social partners. – Be a force for proposals and actively participate in public debate on economic and social issues. – Contribute to improving the competitiveness of businesses. – Encourage entrepreneurship and economic freedom. – Help Moroccan companies to develop their activity nationally as well as internationally. – Promote the role of the company in public opinion as a creator of wealth and a contributor to economic and social development. – Work towards a better territorial distribution of economic development by supporting the creation of regional ecosystems.
Financial & Technical	Association Marocaine d'Appui à la Promotion de la Petite Entreprise	– Information dissemination, institutional and capacity building, advisory services for SMEs
Food	ARDI Foundation	– Promoting micro business particularly in rural areas, through the exercise and promotion of micro credit. – Promote the creation and development of micro-income generating projects and rural jobs
Water - Energy	The Information Center on Sustainable Energy and Environment	– Provides relevant information on sustainable energy and environment.
Water - Energy - Food	Association Afak	– Protection of the natural and built heritage – Saving water and energy
Governmental Organizations and Regulatory		
Water	The Ministry of Equipment, Transport,	– Responsible for initiating, promoting and coordinating the protection of water resources, pollution abatement and legislation enforcement. In addition, it is responsible for environmental control, auditing and reporting, including public awareness and participation regarding

	Logistics and Water	water resources and the environment. The ministry's Water Department has been assigned the executive role regarding water issues.
Water	The Ministry of the Interior	Involved in water management through the Water and Wastewater Directorate (DEA) and the General Directorate of Local Authorities (DGCL).
Water	The Supreme Council for Water and Climate	An inter-ministerial consultation forum established in 1980 (previously called the High Council for Water) to reinforce horizontal and vertical coordination among the different actors, including ministries, public agencies (of drinking water, irrigation, hydroelectricity) and water users, as well as non-governmental stakeholders. The council oversees assessing the national strategy on climate change and its impact on water resources.
Food - Water	Ministry of Agriculture, Fisheries, Rural Development, Water and Forests	- Department of Agriculture - is responsible for developing and implementing the Government policy concerning Agriculture and Rural Development. - Take the main arrangements to rationalize the use of water resources for irrigation
Energy	Ministry of Energy, Mines and Environment	- Setting and implementing government policy in the fields of energy, mining and geology. - Supervising the state-owned enterprises and public institutions under its jurisdiction as well as the control of other sectors under its authority, in accordance with the laws and regulations in force. - Taking the necessary options and measures to guarantee the security of energy supplies, generalize access of rural and urban populations to commercial energy services, and ensure the safety of people and of energy and mining facilities. - Enforcing strategic storage policy and undertake emergency measures for security of energy supplies in case of a crisis. - Ensuring a permanent strategic and forward-looking vision that allows, in particular, for harmonious institutional development, continuous adaptation, and the development of energy, mining and geological sectors. - Ensuring the organization and operation of the electricity, gas and oil markets, as part of the consolidation of a liberalized energy market that is integrated in its regional environment, notably by strengthening exchanges through interconnections, in order to allow the country to play an active role in the regional and international development dynamics of the sector. - Facilitating actions aimed at strengthening exchanges of ideas and consultation with all administrations, organizations and partners involved in the development of the energy and mining sectors. - Establishing the databases and information necessary for the preparation of economic and strategic analyzes and impact studies, through the establishment of a system of energy and mining observation and planning.

		– Ensuring the promotion of national engineering in the energy, mining and geological fields, as well as the training of the required human capacities and the preparation of the necessary management structures.
Energy	FENELEC, National Federation of Electricity, Electronics and Renewable Energies	– FENELEC counts 386 adherent companies, representing more than 95% of product and service activity of electricity and electronic sectors. – Active participation to the implementation of electric & electronic sectors – Initiating works to accompany the company in its transformation to meet Moroccan and international standards
Energy	IRESN, Research Institute for Solar Energy and New Energies	– IRESN is a research institute created in 2011 by the Ministry of Energy, Mining, Water and Environment, with the participation of several key players of the energy sector in Morocco devoted to accompanying the national energy strategy, by supporting the research and innovation used in the field of solar energy and new energies. – The Institute is positioned in the field of R&D through its funding agency and its research center, offering multiple opportunities for synergies between the socio-economic world and the scientific world around collaborative R&D projects.
Financial & Technical	Ministry of Industry, Commerce and Handicrafts	– Credit, marketing and technical advisory, institutional building
Financial & Technical	Office pour le Développement Industriel (ODI)	– Promotional activities, technical advisory services, support to partnerships
Financial & Technical	Confederation of Chambers of Commerce	– Technical and managerial advisory for local entrepreneurs.
Financial & Technical	Centre Marocain de Promotion des Exportations (CMPE)	– Dissemination of information, sectoral research, export assistance.
Financial & Technical	Bourse Nationale de Sous-Traitance et de Partenariat (BNSTP)	– Support and promotion of the subcontracting activity.
International Bodies and Agencies		

Energy-Food	UNIDO	Support SMEs in growth in the Industrial and Agriculture Sector
Water-Food	WFP	Food Security Projects
Water-Energy-Food	GIZ	Funding programs in collaboration with government bodies
Water-Energy-Food	World Bank	Funding programs in collaboration with government bodies
Water-Energy-Food	USAID	Grand challenges focused on the nexus
Water-Energy-Food	SIDA	Funding programs in collaboration with government bodies
Water-Energy-Food	EBRD	Green Economy Financing Facility to SMEs'

ANNEX 2: INCUBATORS AND ACCELERATORS FOR GROWTH RELATED WE4F

Name	Support
LaStartupFactory	– Have 3 Techlabs for their Incubated startups, who want to prototype new ideas. – Scaling up of projects: from structuring access to the market, validating proof of concept (POC), setting up their MVP and in their search for funding and creation. – They support startups, in expanding your business and changing scale through the implementation of a growth strategy, which includes access to suitable financing solutions.
Maroc Numeric Fund	– The first Venture Capital fund dedicated to Moroccan technology startups with a total size of 100 million Dirhams. – Provide technical expertise for startups. – Institutional financing. – Innovation partner.
New Work Lab	– Workshops to strengthen skills and acquire the methodologies and practical tools that give the weapons to attack customers and the market – Weekly meetings with experts to work on specific issues and have personalized feedback and accelerated progress – Access to a network of experts on specific topics as well as networking with NWL partners – Possibility of using the coworking space to work in the space.
StartUp Maroc	– Up to 200K subsidy through the Innov Invest fund for startups based in Morocco – Up to 500K loan of honor through the Innov Invest fund for startups based in Morocco – Several 1: 1 coaching sessions with national and international mentors (serial entrepreneurs, CEOs, Investors, Experts) to structure and execute your development plan. – Several sessions with national and international experts on all the validation and growth levers of your startup: Client Acquisition, Strategy & Pivoting, operations, product roadmap, Market validation, HR, Marketing strategy, investment readiness, communication, ... – Establishing relationships with investors and national and international partners for market access and fundraising – Power Meeting (pitch and connect with Business Angels and investors) by EBAN – Exhibition in international conferences in Europe – As part of the program, access to free offices at Medinatech, a brand-new open office space located in the heart of the Medina of Rabat
CE3M	– Support for innovation, by identifying the technologies necessary for its implementation, help with setting up the application file, in particular for submission in calls for projects, Assistance with project management, – Funding support, through the Innov Idea Financial Aid and "Innov Start" Honor Loan for innovative Startups in the pre-seed phase. Search for

	suitable financing according to the nature of the project and its state of progress. – Support for business development, organization of participation in national and international benchmarks. – Networking, and Meetings with national contractors.
Menara	– Moroccan association specializing in the agri-food and luxury cosmetics industries – Promote innovation in the food and cosmetic industries. – Facilitate the growth of SMEs through Interclustering (among others). – Incubate innovative startups. – Help international companies and investors to develop in Morocco.
Bidaya	– The Social Green Tech incubator in Morocco for PULSE, a leading organization in the support of entrepreneurship with impact present internationally – Bidaya works for high impact entrepreneurship through 4 areas of activity: – Bidaya Incub, the general support program for start-ups – Bidaya Funds, the support program for financing companies that have validated their proof of concept – Bidaya Space, the program to promote entrepreneurship with a social or environmental impact – Bidaya Lab, the program for sharing and enhancing Bidaya expertise
Happy Ventires	– Happy Ventures is a member of the African Innovation Ecosystem and works to develop a virtual innovation acceleration framework for startups in the Middle East and Africa. – Focus on seed phase in the investment process. – Focus on Telecom - IoT - Cloud sector.
212 founders	– 212 Founders is a support and funding program to accelerate the development of your startup in Morocco and internationally. It is carried by CDG Invest, which constitutes the investment arm of the CDG Group. – From Seed to Mature phase in the investment process. – Provides External mentoring, entrepreneur advisership, technical expertise and program management, – Focus on Clean Tech and Green Tech sectors
1000 Fikra	– PopUp Training – Incubation: Support & coaching (4 months) support by experienced coaches and mentors. – Access to a network of experts and a community of entrepreneurs. – Access to AFRIQUIA service stations and monthly allowance for consumption in the coffee oases. – Access to funding of up to 200,000 dirhams. This funding will mainly be granted in the form of a grant and an honor loan.
Central Guarantee Fund - CCG	– The intervention in favor of Moroccan companies is carried out through three key businesses: ○ Guarantee ○ Co-financing with the financial sector

	○ Financing of equity and innovation – Focus from seed to mature phase in the investment process. – Focus on Clean Tech and Green Tech sectors
Cluster Solari	– The Solar Cluster operates mainly in three sectors, namely those of: ○ Large-scale renewable energy projects, through the strengthening of the skills of local businesses and their support to access these markets for the maximization of local integration. ○ Solar applications such as decentralized PV, pumping or solar water heaters, through the contribution to the development and qualification of this promising and high-potential market. ○ Green entrepreneurship and innovation, through the creation of the 1st incubator to support project leaders in renewable energies and GreenTech in order to contribute to the creation of green jobs. – The platform offers various features to users including: ○ Access to a directory of companies in the sector ○ An instant exchange space promoting the connection between the different actors of the sector ○ Access to business opportunities; Access to national calls for tenders, consultation of collaborative projects, etc. ○ A market watch; Continuous consultation of news on Cluster/MCIC members and the sector as a whole
H Seven	– H. Seven is the largest startup accelerator in Africa. – Provide entrepreneurs with access to an Incubator, an Innovation Lab, an Accelerator, and to Funding – Provide investors with access to the most promising deal flow. – Provide Corporations with access to promising startups and disruptive ideas & technologies for their open innovation programs. – Provide Institutions & Governments with an ecosystem to implement their Entrepreneurship & Innovation initiatives
INCO Scholar	– INCO Scholar trains and supports students, doctoral students and young graduates in the creation and development of startups that meet social issues, environmental preservation, or civic engagement, and professionalizes associations that work for stronger civic engagement and the inclusion of the most vulnerable populations. – 4 programs to support students, doctorates and young graduates as well as associations: ○ Learn2Create: INCO Scholar's training program that offers entrepreneurship training and social entrepreneurship awareness sessions to students in order to strengthen their business skills and generate ideas for projects that respond effectively to challenges. major shakes in Moroccan society. ○ The Social Lab is the incubation program of INCO Scholar which supports 10 startups and 2 associations every 5 months in their development, by providing them with many services (training, individual strategic monitoring, workshops, support for the raising of funds)

	○ The collective workshop is INCO Scholar's co-working space located at the heart of the faculty and which offers student-entrepreneurs a work environment conducive to reflection and creation. The place also welcomes coworkers in order to strengthen the links between the academic world and the entrepreneurial ecosystem. ○ La Fabrique Citoyenne is the event program of INCO Scholar which aims, through screenings, meetups, open classes and debates, to make young people aware of the challenges of the contemporary world.
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ANNEX 3: TAX PROFILE

Financial Year: 1 January – 31 December

Currency: Moroccan dirham pound (MAD)

Residence: Moroccan residency status applies if a company is incorporated in Morocco, or its place of effective management is in Morocco.²⁰

Main Allowable Deductions and Tax Credits: Expenses incurred in connection with business activities are generally deductible unless specifically excluded. Start-up expenses shall be capitalized and depreciated for tax purposes over a five-year period. Interest on loans granted by direct shareholders is deductible if the capital is fully paid in, limited to the share capital equity and the interest rate provided annually by the Ministry of Finance.²¹

Consumption Taxes (As Value-Added Tax)	20%
Reduced Tax Rate	A reduced rate of 10% applies to solar water heaters. VAT rate for transport, electricity and solar energy is 14%/ A reduced rate of 7% applies to water, rental of water and electricity meters. Zero-rated items include exported goods and services; goods placed under customs suspensive regime; fertilizers; machinery for exclusively agricultural use; investment goods recorded as fixed assets, acquired by taxpayers, for a period of 36 months as from the start of the activity.
Exclusion From Taxation	Exempt items include sales, other than for consumption on the spot, of goods including fresh, frozen, whole or cut fish products; sales of water pumps that use solar energy or any other renewable energy used in the agricultural sector.
Corporate Taxes	
From MAD 0 to 300,000	10%
From MAD 300,001 to 1,000,000	20%
Above MAD 1,000,000	31% (28% for companies performing industrial activities with taxable income under MAD 100 million)
Minimum contribution	CIT has to be minimum 0.5% (or 0.25% for specific products) of the turnover and other specific revenues (after 36 months of activity) Where the current income, excluding capital allowances, of a company is declared as a loss position for two consecutive years beyond 36-month exemption period, the applicable rate becomes 0.6%
Opt-in tax for contractors engaged in engineering, construction or assembly projects relating to industrial or technical installations	8% of the contract price (net VAT and other similar taxes)

²⁰ RBC Global Connect, Morocco: Tax System

²¹ Santander Trade, Morocco: Tax System

Companies exporting goods and services	0% for the first five years 17.5% thereafter
Reduced rate for the first 5 years for agricultural income earners subject to corporate tax, family businesses, mining companies, private schools and educational institutions	17.5%

ANNEX 4: INCENTIVES TO AGRI-FOOD ENTERPRISES

- The Green Morocco Plan (Plan Maroc Vert, PMV), launched in 2008 to run through 2020, is the kingdom's strategic agricultural policy. Centered around two main pillars, the first aims to boost productivity and sector profitability, while the second looks to improve smallholders' earnings through agricultural development to help alleviate poverty in rural and disadvantaged parts of the country.²²
- Since its launch in 2008, the PMV has secured Dh28.68bn (€2.7bn) worth of international assistance. With Dh5.29bn (€489.9m), or 18.5% of the total, allocated by the end of 2016, the World Bank was the leading provider of international funding, ahead of the AfDB with Dh3.67bn (€339.8m), Qatar with Dh2.87bn (\$265.8m), the US with Dh2.8bn (€259.3m) and Saudi Arabia with Dh1.98bn (€183.3m). The EU was also a main provider of assistance, with Dh1.6bn (€148.2m), while the European Bank for Reconstruction and Development (EBRD), the European Investment Bank and EU member states – especially France, Belgium and Germany – also contributed significantly.²³
- The Moroccan government allocated Dh7.17bn (€663.9m) to the PMV by end-2016. The financial sector played an important role, with Crédit Agricole Maroc lending Dh45bn (€4.2bn) to related initiatives over 2009-18. An estimated Dh90bn (€8.3bn) is required for the 2017-20 period, according to the MAPMDREF.²³
- Within the framework of support for the implementation of the Green Morocco Plan, financial aids are granted by the State to encourage private investment in agriculture. They are implemented through the FDA (Agricultural Development Fund) and are periodically reviewed in order to meet their purpose.²⁴
- Measures have been put in place, such as totally adapted and formalized procedures, one stop Shop, with branches where appropriate, with Provincial Directorates of Agriculture (DPA) and the Regional Office of Agricultural Development and a specific application (ORMVA), entitled System of Agricultural Aids and Subsidies (SABA).
- The latter, available from the web portal Ministry of Agriculture and Maritime Fisheries (MAPM), under the heading 'Online Services', offers a multitude of benefits:
 - A speedy and simplified handling of files.
 - A collaborative work and information sharing in real time between the different levels of the territory.
 - Improvement of the quality of services offered to users.
 - A traceability of operations.
 - Spontaneous monitoring of files.
 - A check of public funds.

²² Oxford Business Group, Agricultural investment programs boost production in Morocco

²³ Oxford Business Group, Morocco's attention shifts towards agri-business and diversification of exports

²⁴ Agency for Agricultural Development, Investor's Guide in the Agricultural Sector in Morocco

- More Information can be found In the Ministry of Agriculture's Investors Guide in the Agricultural Sector in Morocco.

ANNEX 5: FIGURES

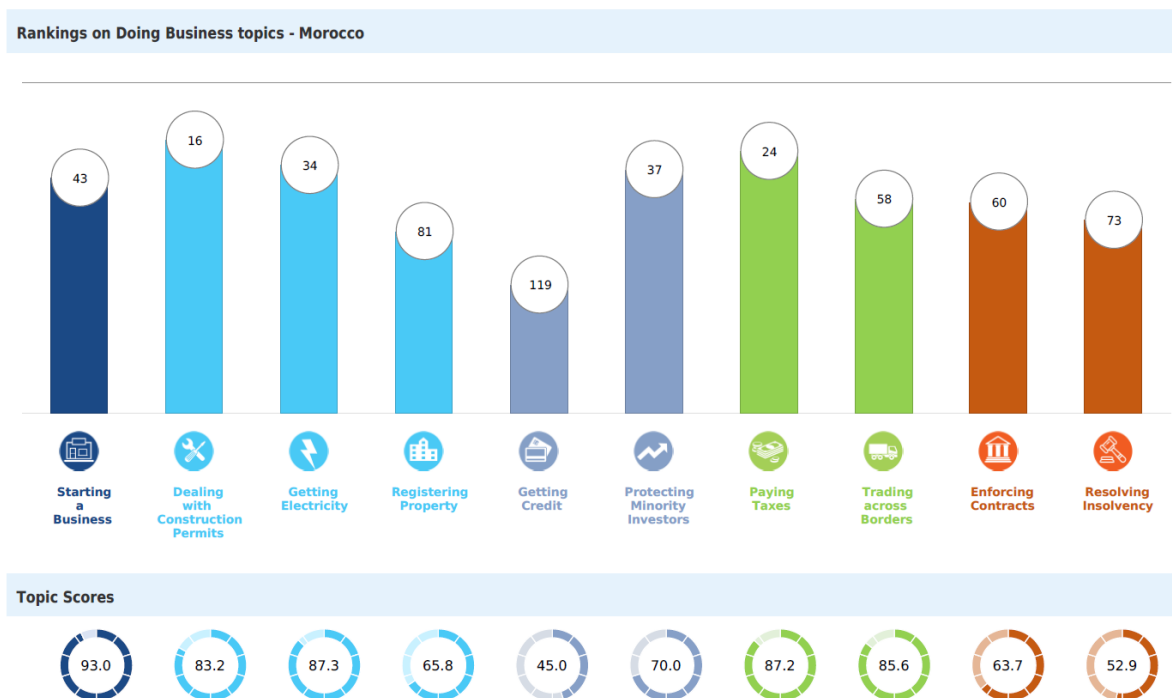


Figure 1: Rankings and Scores on Doing Business Topics – Morocco.
Retrieved from World Bank, Economy Profile Morocco: Doing Business 2020

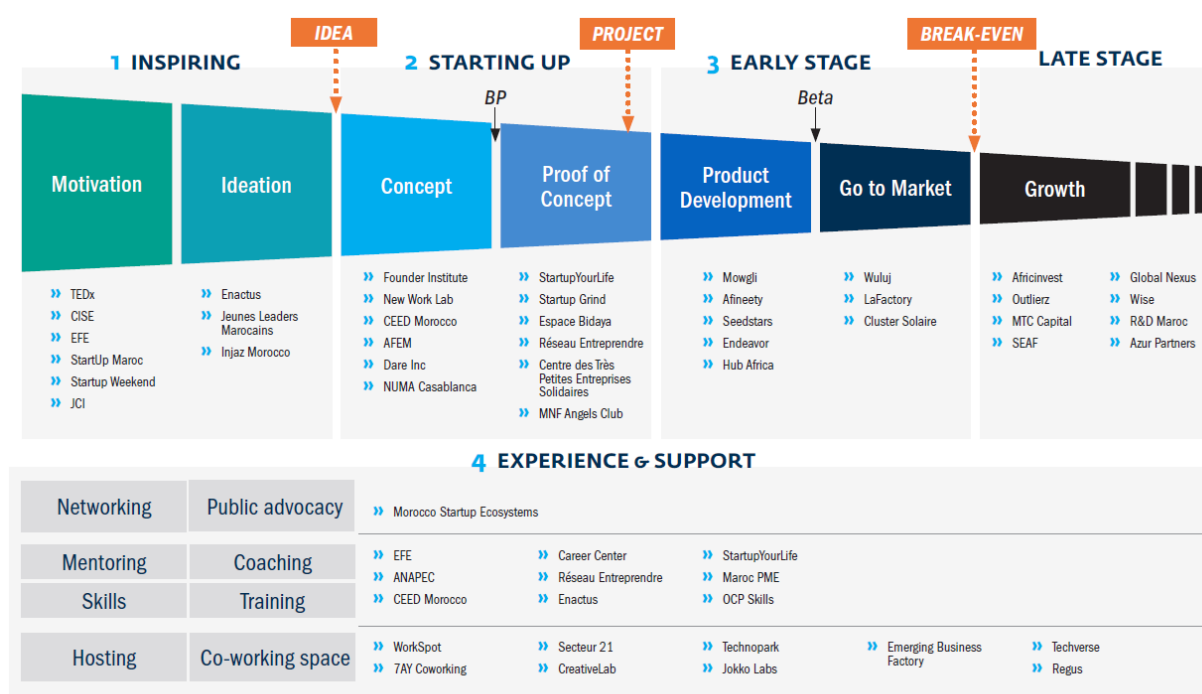


Figure 2: Start-up Ecosystem in Morocco.
Retrieved from World Bank (2019), CREATING MARKETS IN MOROCCO, source: IFC, June 2018.

Aid to water management in agriculture			
Operations	Subsidy rate (% of cost) and ceilings		
	Except aggregation and more than 5 ha	Except aggregation and less than 5 ha	Aggregation projects
Drip irrigation projects			
Digging and casing of wells or boreholes			
Supply and installation of water pumping equipment			
Development of water storage ponds for irrigation	80%	10%	10%
Supply and installation of head station equipment	36000 MAD/Ha	45000 MAD/Ha	45000 MAD/Ha
Supply and installation of irrigation water supply and distribution pipes			
Supply and installation of pipes and distributors of irrigation water at the plot			
Water Storage basins	80%	10%	10%
	16000 MAD/Ha	20000 MAD/Ha	20000 MAD/Ha

Figure 3: Aid to water management in agriculture.

Retrieved from: The Ministry of Agriculture's Investors Guide in the Agricultural Sector in Morocco.

Aid for farm equipment with agricultural machinery				
Machinery	Except aggregation		Aggregation projects	
	Subsidy rate (% of cost)	Ceiling of subsidy (MAD)	Subsidy rate (% of cost)	Ceiling of subsidy (MAD)
Fram tractor		72 000		96 000
Working equipment and maintenance of tractor-moved soil		17 000		22 000
Working equipment and maintenance of power harrowed soil	30%	72 000	40%	96 000
Equipment of spreading organic matters		48 000		64 000
Equipment of supplying and spreading of mineral matters		19 000		26 000
Seeding equipment (single or combined), and planting material		48 000		67 000
Phytosanitary treatment equipment for plants	50%	60 000	70%	84 000
Phytosanitary treatment equipment for other crops other than plants		28 000		39 000
Combine harvester	20%	208 000	30%	312 000
Straddle tractors for olive harvest	30%	480 000	40%	640 000

Figure 4: Aid for farm equipment with Agricultural machinery.

Retrieved from: The Ministry of Agriculture's Investors Guide in the Agricultural Sector in Morocco.

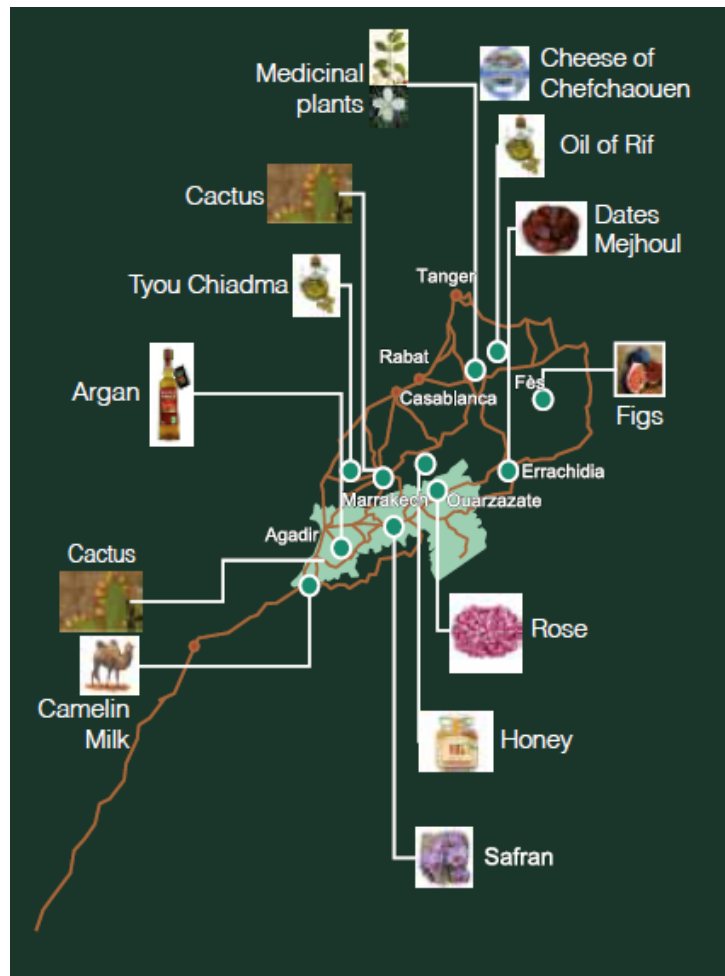


Figure 5: Map of High Value Agricultural Production in Morocco.
 Retrieved from: The Ministry of Agriculture's Investors Guide in the Agricultural Sector in Morocco.