

Data Sheet

USAID Mission:	Morocco
Program Title:	Free Trade Agreement Support
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	608-011
Proposed FY 2004 Obligation:	\$3,400,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$4,000,000 DA; \$4,000,000 ESF
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2008

Summary: These programs will help Morocco respond to the challenges and opportunities of the Free Trade Agreement (FTA) with the United States by creating jobs and investment opportunities in high value-added products, agribusiness, rural tourism and other sectors to help offset anticipated losses from reduced protection for domestic cereal grains and meat production. The program will create jobs and investment opportunities by increasing agricultural diversity and agribusiness potential, fostering the development of non-farm alternatives, and improving the general environment for business and investment through improved governance.

Inputs, Outputs, Activities:

FY 2004 Program:

Increased productivity in irrigated agriculture and agribusiness (\$1,000,000 DA). USAID will increase rural incomes by providing technical assistance to the public and private sectors to move the agriculture sector towards the cultivation of higher value-added crops. Activities include:

- Training private sector agribusinesses and associations in identifying new market prospects and product development opportunities;
- Assisting Moroccan exporters in meeting sanitary and phytosanitary standards and conforming to organic labeling norms under the FTA;
- Working with the Ministry of Agriculture to make water allocation policy decisions based on the economic demand of water and its opportunity cost;
- Helping improve water delivery when and where it is needed by farmers by developing better and more timely systems for providing information on water supply within irrigation systems. This assistance will be targeted primarily at the national level, but its application will be targeted to selected irrigated perimeters where cereal grains are grown; and
- Encouraging investment in more efficient on-farm irrigation, such as drip irrigation, by assisting members of water user associations who own small farms.

New business opportunities, especially in rural areas and regional market centers (\$1,000,000 DA). USAID will help Moroccans develop new, non-farm business opportunities to offset potential losses in the agriculture sector resulting from the FTA. USAID will work through business associations and related clusters to assure maximum impact. Activities include:

- Conducting market research and launching promotional activities in collaboration with local business services providers, including associations and private consulting firms; and
- Expanding labor-intensive manufacturing and service sectors, including tourism, to provide more jobs.

Improved business environment (\$1,400,000 DA). USAID will help improve governance to meet the opportunities and challenges of free trade. The program will foster an improved business environment by promoting simpler and more transparent investment procedures, enhancing the transparency of economic

and corporate governance, and improving access to financing options by small businesses. Activities will include:

- Assisting national and regional authorities in marketing the country and specific regions as primary investment locations and creating public-private partnerships that address regional constraints to investment and growth;
- Enhancing transparency for investors by assisting national level authorities to update existing laws and procedures and by improving legal and judicial practice in key commercial law areas;
- Improving legal enforcement of FTA-related requirements, including intellectual property rights, by providing expertise to national authorities;
- Reducing the systemic risk of small business lending by helping to update laws, regulations, and business lending practices; and
- Helping the rural population respond to agricultural restructuring by developing new business and financial opportunities and services.

FY 2005 Program:

USAID will continue to fund activities in the three major areas for which initial funding is being requested in FY 2004.

Increased productivity in irrigated agriculture and agribusiness (\$1,200,000 DA, \$1,200,000 ESF). USAID funds will provide expertise to the public and private sectors to help them shift cultivation to higher value-added crops.

New business opportunities, especially in rural areas and regional market centers (\$1,200,000 DA, \$1,200,000 ESF). Expertise is needed by the Moroccans to develop new, non-farm business opportunities to offset potential losses in the agriculture sector resulting from free trade. USAID will work through business associations and related clusters to assure maximum impact.

Improved business environment (\$1,600,000 DA, \$1,600,000 ESF). Expertise is required to improve governance related to the requirements of the free trade agreement. The program will promote simpler and more transparent investment procedures, enhancing the transparency of economic and corporate governance, and improving access by small businesses to financing.

Performance and Results: This is a new program, so there are no results to date. The program is expected to help the Government of Morocco develop and implement public policies that maximize the country's comparative advantage and provide the tools needed by private sector enterprises to expand investment, income, and jobs.

US Financing in Thousands of Dollars

Morocco

	DA	ESF
608-011 Free Trade Agreement Support		
Through September 30, 2002		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2003		
Obligations	0	0
Expenditures	0	0
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	3,400	0
Total Planned Fiscal Year 2004		
Obligations	3,400	0
Proposed Fiscal Year 2005 NOA		
Obligations	4,000	4,000
Future Obligations	19,500	11,000
Est. Total Cost	26,900	15,000