



**COMPACT GOAL**

The five-year, \$697.5 million compact with the Kingdom of Morocco seeks to reduce poverty and stimulate economic growth through investments in five projects. These strategic investments will increase productivity and improve employment in high growth potential sectors such as fruit tree productivity, small-scale fisheries, and artisan crafts. Small business creation and economic growth will also be complemented by investments in financial services and enterprise support.

**COMPACT AT A GLANCE**

Compact Signed	<b>08-31-2007</b>
Entry Into Force	<b>09-15-2008</b>
Compact End Date	<b>09-15-2013</b>
Compact Total	<b>\$697,500,000</b>
Amount Committed	<b>\$598,949,095</b>
Amount Expended	<b>\$360,047,990</b>
Estimated Program Beneficiaries	<b>845,415</b>
Estimated Increase in Household Income	<b>\$907,200,000</b>

**% OF TOTAL COMPACT      BUDGET (USD MILLIONS)**

<b>47%</b>	<b>Fruit Tree Productivity Project</b>	<b>\$328.7</b>
<b>17%</b>	<b>Small-Scale Fisheries Project</b>	<b>\$120.1</b>
<b>14%</b>	<b>Artisan and Fez Medina Project</b>	<b>\$95.5</b>
<b>6%</b>	<b>Financial Services Project</b>	<b>\$42.6</b>
<b>9%</b>	<b>Program Administration</b>	<b>\$64.7</b>
<b>2%</b>	<b>Monitoring and Evaluation</b>	<b>\$14.7</b>
<b>2%</b>	<b>Monitoring and Evaluation</b>	<b>\$16.2</b>

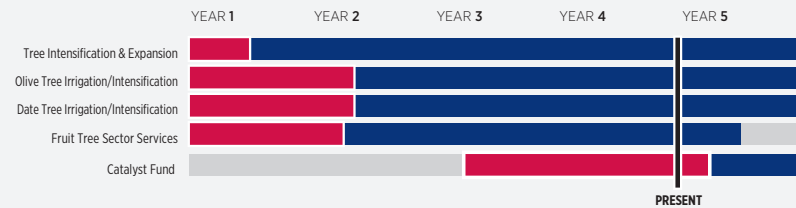


■ Project Preparation      ■ Project Implementation

**Fruit Tree Productivity Project**

<b>PROJECT COST</b>	<b>TOTAL CONTRACT COMMITMENTS</b>	<b>TOTAL PROJECT EXPENDITURES<sup>1</sup></b>
<b>\$328,718,069</b>	<b>\$297,707,500</b>	<b>\$194,005,962</b>

Stimulate the agricultural sector and reduce production volatility by rehabilitating existing olive trees and expanding production of olive, almond and fig trees; moving small farms from high water-use, lower-value cereal grains to low water-use, higher-value fruit trees in certain terraced areas; and supporting increased irrigation efficiency and productivity.



**Projected Long-Term Results**  
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
<b>579,925</b>	<b>\$505,000,000</b>

**PROJECTED RESULTS BY END OF COMPACT**

49,860 farmers trained; 583 agribusinesses assisted. 62,074 new hectares are under production with MCC support, as well as agricultural production worth \$129.5 million.

**PROGRESS TO DATE**

The first series of works contracts in rain-fed (9,000 ha) and irrigated (25,480 ha) areas is complete. Over 50,000 ha have been planted. Improved soil and water conservation measures on 28,500 ha of rain-fed areas have been installed. Nearly 20,000 farmers, including 6,500 young farmers, have been trained, as well as 108 olive and date processors assisted. Four proposals to fund producer-owned olive oil processing plants have been approved.

**PROJECT ACHIEVEMENTS**

More than 13,000 ha, of a total of 20,000 ha of rain-fed orchards funded by the Government of Morocco, have been planted. Fourteen pilot projects, which are testing innovative ways to integrate women more fully into the olive and date value chains, are underway. Project-funded practical research to improve smallholder agriculture is advancing.

Small-Scale Fisheries Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>				
	\$120,196,350	\$104,405,473	\$33,591,364				
<p>Transform the small-scale fisheries sector by: constructing landing sites, building/upgrading fishery facilities; building wholesale markets; providing technical assistance; partially funding fresh-fish transportation equipment for mobile fish vendors; and establishing Marine Protected Areas and increasing efforts to ensure sustainable use of fish resources.</p>							
<p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="0"> <tr> <td style="text-align: center;">ESTIMATED BENEFICIARIES</td> <td style="text-align: center;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center;"><b>125,590</b></td> <td style="text-align: center;"><b>\$273,300,000</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>125,590</b>	<b>\$273,300,000</b>	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>Net annual revenues of boats accessing the improved landing sites expected to increase from \$19,140 to \$31,370; Annual income of mobile fishermen expected to increase from \$3,586 to \$4,880.</p>	<p><b>PROGRESS TO DATE</b></p> <p>The first port facility at Tan Tan and the first improved fish landing site at Tifnit are fully operational, and 433 boats are benefitting from these facilities. The first wholesale fish market at Beni Mellal is ready for commissioning. The project has equipped 322 mobile vendors and trained 3,916 small-scale fishermen.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>Two pilot projects to integrate women more fully into fish value chains are underway, as are efforts to established marine protected areas (MPAs) at three sites. MPAs are critical to assuring the sustainability of the resource upon which small-scale fishing operations depend.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
<b>125,590</b>	<b>\$273,300,000</b>						

Artisan and Fez Medina Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>				
	\$95,511,144	\$83,021,508	\$35,461,546				
<p>Stimulate growth by leveraging links between the craft sector, tourism and the Fez Medina's cultural, historic and architectural assets; strengthen the national system for literacy and vocational education (to benefit artisans and the general population); support the design/reconstruction of historic sites in Medina.</p>							
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ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
<b>126,900</b>	<b>\$65,000,000</b>						

Financial Services Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS		TOTAL PROJECT EXPENDITURES <sup>1</sup>	
	<b>\$42,633,565</b>	<b>\$38,816,514</b>		<b>\$27,363,732</b>	
<p>Increase financial services for microenterprises by addressing sector constraints: investing in Jaida Fund's subordinated debt; analyzing regulatory and operational requirements for microcredit associations to change legal structure; supporting improvements to financial sector efficiency and transparency.</p>					
<b>Projected Long-Term Results</b> (Up to 20 years)					
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME		<b>PROJECTED RESULTS BY END OF COMPACT</b>	<b>PROGRESS TO DATE</b>	<b>PROJECT ACHIEVEMENTS</b>
<b>0</b>	<b>\$0</b>		<p>Improve micro-enterprise services and remove most severe constraints to the development of the microfinance sector based on market principals; ensure funding of the micro-credit sector through the Jaida Fund; develop new financial products.</p>	<p>Microfinance institutions are starting to deploy the 50 vehicles, purchased with MCC funds, to use as mobile bank branches and are launching a variety of MCC co-financed projects to strengthen their organizations and allow technological innovation.</p>	<p>More than 2,000 microloan officers have received environmental and social training.</p>
<p>N/A. This project is designed to be demand-driven and the number of beneficiaries will depend on the actual demand for microcredit borrowing; therefore, beneficiary numbers are not estimated.</p>					

In the spring of 2010, the Government of Morocco requested a modification of the Artisan and Fez Medina Project, and the Makina component of the project was subsequently removed. In the fall of 2010, the Government of Morocco requested a modification of the Fruit Tree Productivity Project, reducing the number of new planting in rain-fed areas from 120,000 ha to 62,000 ha. Rain-fed rehabilitation and area affected by the two irrigated Project activities did not change.

The Agence du Partenariat pour le Progrès (APP) is the entity implementing the Moroccan Compact.

In July of 2011, MCC approved the reallocation of \$21.2 million from the Artisan and Fez Medina Project to the Fruit Tree Productivity Project for creation of a new project activity. The activity, called the "Catalyst Fund," aims to stimulate private sector investment in the olive oil value chain.

In May of 2012, MCC decided not to proceed with the training scale-up of the Enterprise Support Project. MCC determined that while the pilot phase met its implementation targets, there was insufficient quantitative evidence and an Economic Rate of Return below the hurdle rate, as required by the Morocco Compact, to justify scaling up to the second phase of the project.

Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.

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