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Investing in rural people in the Kingdom of Morocco

Rural poverty in Morocco

Poverty is essentially a rural phenomenon in Morocco. About three quarters of poor people in the country live in rural areas. Under an ambitious poverty reduction programme called the National Initiative for Human Development (INDH), Morocco achieved remarkable results in poverty alleviation. The poverty rate dropped from 14 per cent in 2004 to 6.2 per cent in 2011 (the latest figure available). However, poverty in rural areas is still three times higher than in urban zones.

Agriculture and fisheries contribute more than 14 per cent of gross domestic product (GDP) and are the main employers in rural areas, providing 80 per cent of income. Yet many rural people have access to only a limited amount of non-irrigated arable land, which has poor agricultural potential. Because farmers often do not have formal title to land, it is difficult for them to obtain credit to start activities that diversify their sources of income.

The incidence and distribution of poverty vary considerably among regions. The coastal areas are generally better off and less affected by poverty, though there are many poor fishing communities scattered along the coast. The country's



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mountainous areas, steppes and arid south are home to most of the poorest Moroccans. The most vulnerable groups include smallholders, people engaged in artisanal fishing, landless people, rural wage earners, unemployed young people and women in all categories.

Eradicating rural poverty in Morocco

Morocco is a middle-income country with an estimated population of 34 million (2014) and an average rate of demographic growth of 1.4 per cent. Rural people account for 40 per cent of the population as a whole (2014). The country's economic growth, which is highly volatile owing to climate-driven variations in agricultural production, has rarely exceeded 5 per cent.

Among the causes of poverty are factors that hinder agricultural development, such as land tenure issues, frequent climatic fluctuations, poor soil and water resources and degradation of natural resources, poor access to credit, farmers' lack of organization, illiteracy and low levels of training. There is little diversification of agricultural activities and insufficient access to finance, basic social services and infrastructure, particularly in the mountains, semi-arid plains and uplands. Another factor is the weakness of community organizations, which lack the necessary training and support to take charge of their own development.

IFAD's strategy in Morocco

Since 1979, IFAD has financed 14 rural development projects for a total of US\$268.6 million.

IFAD's country strategic opportunities programme (COSOP) for Morocco outlines IFAD's strategic objectives, which are to:

- Increase the participation of rural communities in the development process, raise the organizational and managerial capacities of rural people and their grass-roots organizations.
- Promote access, especially by women and young people, to appropriate and sustainable financial services, particularly microfinance services that are tailored to their needs.
- Promote farming as a business through a value chain approach both upstream (production) and downstream (marketing).

IFAD has built strong partnerships with the government and with various public agencies, research institutions, professional associations and microcredit associations. IFAD-supported programmes and projects are also developing broad partnerships with local-level development associations, agricultural water users' associations, women's associations and microfinance cooperatives.

Over the period from 1979 to 1986, projects focused mainly on increasing rainfed and irrigated agricultural production nationwide, and on developing opportunities for short-term and medium-term credit for poor farmers.

A second generation of projects focused on marginal areas and included activities such as soil and water conservation, upgrading rural roads and infrastructure (particularly water supply), and institution-building and institutional support.

Third-generation projects target socio-economic development in poor regions in mountainous zones where rainfed agriculture is the main source of income. The active participation of poor rural people in rural investment projects is encouraged, with a focus on accountability for implementing and maintaining planned activities to ensure their sustainability.

A fourth generation of projects was launched starting in 2008, when a second COSOP for Morocco covering the period 2009-2014 was prepared. These projects are in line with the second pillar of the Green Morocco Plan (PMV) dedicated to smallholder agriculture, and focus on value chain development. The COSOP has been extended for another five year period (2015-2020).

In the poorest areas, IFAD's target groups include smallholder farmers and landless farmers, small-scale livestock farmers, rural women and unemployed young people.

In Morocco's mountain zones, poverty is high and access to basic infrastructure and services limited, while population pressure on natural resources continues to rise.

In 2014, IFAD and the Government of Morocco agreed to strengthen their long-term partnership through a programme approach aimed at reducing poverty by 30 per cent and improving the living conditions of rural populations in mountain zones by 2030.

Through the programme, IFAD is helping smallholder farmers modernize and add value to their agricultural production. It is also promoting technologies to enable farmers to manage water and land resources sustainably and cope with climate change.

In addition, IFAD is helping people increase and diversify their income sources and improve their access to social services such as health care and education.

The programme is aligned with the PMV Pillar II, particularly its objective of setting agricultural policy to make the sector more competitive and modern and to create wealth along the entire value chain.

Ongoing operations

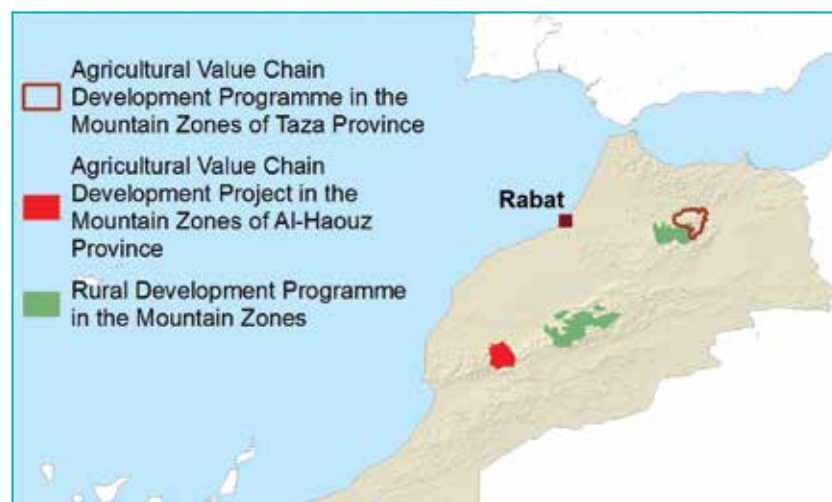
Agricultural Value Chain Development Programme in the Mountain Zones of Taza Province

The programme targets about 48,000 poor rural people - smallholders, landless farmers, rural women and unemployed young people - and is financed through an IFAD loan of US\$23 million.

Its objective is to reduce poverty among poor rural communities through sustainable income growth and improved management of the natural resources.

Specifically, it will focus on:

- Diversifying agricultural activities through the promotion of adapted agricultural commodities.
- Enhancing value of products at the farm level through processing, packaging and direct access to profitable markets.
- Ensuring the sustainability of investments by supporting cross-cutting activities.



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Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province

This project will directly benefit approximately 33,000 people – including smallholder farmers and livestock producers, women, young people and landless farmers – involved in three agricultural value chains or agricultural sub-sectors: olives, apples and mutton. The project's overall goal is to alleviate rural poverty through sustainable growth in the incomes of poor rural women, men and young people involved in these three value chains.

The project will:

- Raise the productivity and quality of the three targeted products.
- Enhance the value added of the targeted products through processing and packaging.
- Improve producers' access to more lucrative markets.

In addition, the project will increase women's participation in the planning and implementation of project activities by:

- Providing technical and organizational capacity-building.
- Facilitating access to credit.

The total project cost is US\$9.1 million, of which US\$6.5 million are financed by IFAD.

Rural Development Programme in the Mountain Zones – Phase I

This programme, with an IFAD loan of US\$25.5 million and also including a small IFAD grant of US\$0.5 million, a grant from the Global Environment Facility of US\$6.5 million and a grant from IFAD's Adaptation for Smallholder Agriculture Programme (ASAP) of US\$2.0 million, is designed to improve living conditions for about 64,000 rural people in mountain zones, where climate change has caused erosion and desertification. It has two components:

- Agricultural value chain development and value addition.
- Sustainable nature resource management, climate change adaptation and diversification.

The programme area includes 32 rural communes in the provinces of Sefrou and Azilal, where 80 per cent of the surface area is mountainous. It will target rural communities with high incidences of poverty and vulnerability, and areas with significant soil degradation, with a particular focus on women and young people.



Building a poverty-free world

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$18 billion in grants and low-interest loans to projects that have reached about 462 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

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For further information on rural poverty in Morocco, visit the Rural Poverty Portal <http://www.ruralpovertyportal.org>



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