

**DOCUMENT OF THE EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT**

Approved by the Board of Directors on 19 November 2025<sup>1</sup>

**KINGDOM OF MOROCCO**

**SAISS III WATER CONSERVATION PROJECT**

*[Redacted in line with the EBRD's Access to Information Policy]*

*[Information considered confidential has been removed from this document in accordance with the EBRD's Access to Information Policy (AIP). Such removed information is considered confidential because it falls under one of the provisions of Section III, paragraph 2 of the AIP]*

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<sup>1</sup> As per section 1.4.8 of EBRD's Directive on Access to Information (2024), the Bank shall disclose Board reports for State Sector Projects within 30 calendar days of approval of the relevant Project by the Board of Directors. Confidential information has been removed from the Board report.

For the avoidance of any doubt, the information set out here was accurate as at the date of preparation of this document, prior to consideration and approval of the project.

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>ABBREVIATIONS / CURRENCY CONVERSIONS .....</b>	<b>4</b>
<b>PRESIDENT’S RECOMMENDATION .....</b>	<b>6</b>
<b>BOARD DECISION SHEET .....</b>	<b>7</b>
<b>ADDITIONAL SUMMARY TERMS FACTSHEET .....</b>	<b>8</b>
<b>1. STRATEGIC FIT AND KEY ISSUES .....</b>	<b>10</b>
1.1 STRATEGIC CONTEXT .....	10
1.2 TRANSITION IMPACT.....	12
1.3 ADDITIONALITY .....	14
1.4 SOUND BANKING - KEY RISKS.....	16
<b>2. MEASURING / MONITORING SUCCESS .....</b>	<b>16</b>
<b>3. KEY PARTIES.....</b>	<b>20</b>
3.1 BORROWER .....	20
3.2 IMPLEMENTING AGENCY.....	20
<b>4. MARKET CONTEXT.....</b>	<b>20</b>
4.1 NATIONAL STRATEGIC POLICIES .....	20
4.2 REGULATORY FRAMEWORK.....	21
<b>5. FINANCIAL / ECONOMIC ANALYSIS.....</b>	<b>22</b>
5.1 FINANCIAL PROJECTIONS.....	22
5.2 ECONOMIC ANALYSIS .....	22
5.3 SENSITIVITY ANALYSIS.....	23
5.4 PROJECTED PROFITABILITY FOR THE BANK .....	23
<b>6. OTHER KEY CONSIDERATIONS .....</b>	<b>24</b>
6.1 ENVIRONMENT.....	24
6.2 INTEGRITY .....	25
6.3 OTHER ISSUES .....	25
<b>ANNEXES TO OPERATION REPORT .....</b>	<b>26</b>
<b>ANNEX 1 – TRANSITION IMPACT SCORING CHART .....</b>	<b>27</b>
<b>ANNEX 2 – SHAREHOLDING STRUCTURE .....</b>	<b>28</b>
<b>ANNEX 3 – GREEN ASSESSMENTS.....</b>	<b>29</b>
<b>ANNEX 4 – PROJECT IMPLEMENTATION.....</b>	<b>31</b>
<b>ANNEX 5 – SSF FICHE – CO-INVESTMENT GRANTS .....</b>	<b>33</b>
<b>ANNEX 6 – SSF FICHE – TC grant .....</b>	<b>34</b>

**ANNEX 7 – EXISTING PROJECTS IMPLEMENTATION STATUS .....35**

## ABBREVIATIONS / CURRENCY CONVERSIONS

### ABBREVIATIONS

ABH	Agence de Bassin Hydraulique (River Basin Agency)
BCR	Benefit-Cost Ratio
CRJEA	Centre régional des jeunes entrepreneurs agricoles et agroalimentaires ( <i>Regional Center for Young Agricultural and Agri-Food Entrepreneurs</i> )
CRO	Climate Resilience Outcome
DTSP	Digital Transformation Support Programme
EBRD	European Bank for Reconstruction and Development
EIRR	Economic Internal Rate of Return
ESG	Environmental, Social, and Governance
ESAP	Environmental and Social Action Plan
EU NIP	European Union Neighbourhood Investment Platform
EUR	Euro
GCF	Green Climate Fund
GDP	Gross Domestic Product
GET	Green Economy Transition
GG	Green Generation 2020-2030
ha	Hectares
HIPCA	High Impact Partnership on Climate Action
IMF	International Monetary Fund
IPM	Investment Profitability Memorandum
IRR	Internal Rate of Return
IWRM	Integrated Water Resources Management
LGD	Loss Given Default
MEF	Ministry of Economy and Finance
MEW	The Ministry of Equipment and Water
MOA	Ministry of Agriculture, Maritime Fisheries, Rural Development, Water and Forests
Mm <sup>3</sup>	Million cubic meters
O&M	Operation and Maintenance
OCCO	Office of the Chief Compliance Officer
OPID	Operational Project ID
ORMVA	Office Régional de Mise en Valeur Agricole ( <i>Regional Office for Agricultural Development</i> )
PD	Probability of Default
PIU	Project Implementation Unit
PNE	Plan National de l'Eau ( <i>National Water Plan</i> )
PMV	Plan Maroc Vert ( <i>Green Morocco Plan</i> )
PNEEI	Programme National d'Économie d'Eau en Irrigation
PPP	Public-Private Partnership
PSD	Project Summary Document
RAROC	Risk-Adjusted Return on Capital
SCADA	Supervisory Control and Data Acquisition
S&P	Standard & Poor's (credit rating agency)
SDG	Sustainable Development Goals
SSF	EBRD Shareholder Special Fund
TC	Technical Cooperation

TI	Transition Impact
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UNDP	United Nations Development Programme
UoP	Use of Proceeds
USD	United States Dollar

### **CURRENCY CONVERSIONS**

MAD/EUR	10.71
USD/EUR	0.86

## **PRESIDENT’S RECOMMENDATION**

This recommendation and the attached Report concerning an operation in favour of the Kingdom of Morocco, the sovereign state of Morocco, for the benefit of the Irrigation and Management of Agricultural Land Directorate (Direction de l’Irrigation et de l’Aménagement de l’Espace Agricole, the “DIAEA”) of the Ministry of Agriculture and Maritime Fisheries, Rural Development, Water and Forest (the “MOA”) are submitted for consideration by the Board of Directors.

The facility will consist of a sovereign loan to the Kingdom of Morocco (“the Borrower”) in the amount of up to EUR 150 million, to finance a water distribution pipeline and network aimed at irrigating 20,000 hectares in the Saiss plain, located in the region of Fez-Meknes (the “Project”). The Bank's loan will be supplemented by an investment grant [REDACTED] from the EBRD Shareholder Special Fund (“SSF”), and an investment grant [REDACTED] from the Foreign, Commonwealth & Development Office of the United Kingdom (“UK FCDO”) under the High Impact Partnership on Climate Action multi-donor fund (“HIPCA”).

The operation will enable climate-resilient irrigation in Morocco given ongoing severe issues with water scarcity, support sustainable water management for agriculture, and enhance human capital development through training programmes for youth and gender-responsive programmes. Donor support is essential to bridge affordability gaps and enable project delivery. The primary TI quality is Green as the Project aims to support climate resilience in Morocco’s agriculture sector and alleviate water scarcity. It will replace unsustainable groundwater abstraction with the use of surface water, with the primary objective of preserving the Saiss aquifer and strengthening the resilience of beneficiaries facing acute drought and heat stress in the region. It will also support the provision of a SCADA based system for remote management, allowing for resource efficiency. The Project will support Inclusive TI quality through its role in strengthening the employability of rural youth by equipping them with the technical skills required to meet the demand for skilled labour in sustainable water management. The Project is also Gender Additional as it includes targeted measures to strengthen women’s access to skills and participation in trainings building on past EBRD engagements.

TC support for this operation, expected to be funded by the SSF, will include (i) support on project implementation, environmental and social compliance and, (ii) promote human capital development and equality of opportunities through initiatives, to enhance skills and employability in sustainable water management, and (iii) digital transformation initiatives.

I am satisfied that the operation is consistent with the Morocco Country Strategy, the Infrastructure Sector Strategy 2025-2029, the Bank’s Equality of Opportunity Strategy, the Strategy for the Promotion of Gender Equity, the Bank’s Green Economy Transition Approach 2021-2025, EBRD Approach to Accelerating the Digital Transition 2021-2025, and the Agreement Establishing the Bank, as well as contributing to the UN Sustainable Development Goals (“SDGs”).

I recommend that the Board approve the proposed loan substantially on the terms of the attached Report.

**Odile Renaud-Basso**

## BOARD DECISION SHEET

KINGDOM OF MOROCCO - SAISS III WATER CONSERVATION PROJECT - DTM 55198	
<b>Transaction / Board Decision</b>	Board approval is sought for a sovereign loan of up to EUR 150 million to the Kingdom of Morocco to finance a water distribution pipeline and network aimed at irrigating 20,000 hectares in the Saiss plain (“the Project”).
<b>Client</b>	The borrower is the Kingdom of Morocco (the “Borrower”), represented by the Ministry of Economy and Finance (the “MEF”). The Project will be implemented by the MOA through the Saiss Operational Project Directorate (“OPD”), acting as the Project Implementation Unit for the Saiss Programme. The Bank has previously participated in the two earlier phases, in Saiss Water Conservation Project (“Saiss I”) and the Saiss & Garet Water Conservation Project (“Saiss II”).
<b>Main Elements of the Proposal</b>	<p><u>Transition impact:</u> The primary quality is Green as the Project is expected to achieve 100% GET score, in accordance with EBRD’s adaptation finance approach. The Project will support climate resilience in Morocco’s agriculture sector and alleviating water scarcity. It will substitute unsustainable groundwater abstraction with surface water and introduce a new SCADA-based technology to increase the resilience of beneficiaries facing severe drought and heat stress due to climate change in the region. The secondary transition quality is Inclusive as the Project supports human capital development for rural youth through the development of accredited technical and vocational trainings in the operation and maintenance (“O&amp;M”) of water infrastructure; complementing past EBRD engagements under Saiss I and II.</p> <p><u>Additionality:</u> The EBRD provides (i) long-term concessional financing and risk mitigation not available in the local market, enabling the Project to proceed, (ii) enhances climate resilience in agricultural production, and (iii) promotes women’s access to skills and their participation in sustainable water management, (iv) enhances the OPD’s operational efficiency in defining the technical requirements for the implementation of digital technologies, through targeted TC.</p> <p><u>Sound banking</u> –[REDACTED] Mobilisation of HIPCA and SSF investment grants, and TC grants, will ensure the affordability and sustainability of the Project.</p>
<b>Key Risks</b>	<p><u>Sovereign Risk:</u> Morocco is a creditworthy borrower with stable credit ratings (BBB-/Stable S&amp;P, Ba1/Stable Moody’s, BB+/Stable Fitch), strong repayment history, concessional support, and a manageable debt profile.</p> <p><u>Implementation/Procurement Risk:</u> [REDACTED]</p> <p><u>Cost-overrun Risk:</u> [REDACTED]</p>
<b>Strategic Fit Summary</b>	The Project is aligned with the Morocco Country Strategy, the Infrastructure Sector Strategy 2025-2029, the Strategy for the Promotion of Gender Equity, the Bank’s Green Economy Transition Approach 2021-2025, Approach to Accelerating the Digital Transition 2021-2025, and the Agreement Establishing the Bank.

## ADDITIONAL SUMMARY TERMS FACTSHEET

<b>EBRD Transaction</b>	Sovereign loan of up to EUR 150 million to the Kingdom of Morocco to finance a water distribution pipeline and network aimed at irrigating the final 20,000 ha of the Saiss Programme in the Saiss plain (the “Project”). The Bank's loan will be supplemented by an investment grant [REDACTED] from the EBRD SSF, and an investment grant [REDACTED] from the UK FCDO under the HIPCA multi-donor fund. The Project is the third and final phase of a staged programme to preserve the Saiss aquifer and promote sustainable water management within the Saiss plain, [REDACTED] for irrigation purposes.
<b>Existing Exposure</b>	The Bank's total sovereign portfolio exposure in Morocco stands at EUR 1,152.3 million [REDACTED] as of September 2025.
<b>Maturity / Exit / Repayment</b>	18 years tenor [REDACTED].
<b>Potential AMI eligible financing</b>	N/A
<b>Use of Proceeds (“UoP”) - Description</b>	The proceeds of the EBRD loan will be used alongside investment grants from SSF and HIPCA UK to co-finance the water distribution pipeline and network in the Saiss plain. The use of proceeds will be controlled and monitored through periodic reporting, such as semi-annual progress reports and reports by the Lender's Independent Monitor [REDACTED] as well as regular monitoring visits.
<b>Investment Plan</b>	[REDACTED]
<b>Financing Plan</b>	[REDACTED]
<b>Key Parties Involved</b>	<b>Borrower:</b> Kingdom of Morocco represented by the MEF <b>Beneficiary:</b> MOA <b>Implementing Agency:</b> the DIAEA under the MOA through the Saiss PIU <b>Investment grant donors:</b> HIPCA UK and EBRD SSF
<b>Conditions to effectiveness / disbursement</b>	[REDACTED]
<b>Key Covenants</b>	[REDACTED]
<b>Security / Guarantees</b>	Sovereign loan
<b>Other material agreements</b>	[REDACTED]
<b>Associated Donor Funded TC and Blended Concessional Finance</b>	<p><b>A. Technical Cooperation (TC)</b> The TCs below build on the ongoing TC engagement under the Bank's existing projects, Saiss I and Saiss II.</p> <ul style="list-style-type: none"> <li>• TC1: Project Implementation Support –[REDACTED] including procurement, covenant compliance, as well development and improvement of Environmental, Health &amp; Safety and Social performance in order to meet the requirements of the Environmental and Social Action Plan (“ESAP”).</li> <li>• TC2: Enhancing skills and employability in sustainable water management for the youth and women in the Fez-Meknes region[REDACTED].</li> <li>• TC3: Lender's Independent Monitor –[REDACTED] to monitor and report on the timely implementation and completion until the whole programme is finalised. [REDACTED]</li> <li>• TC3: Digitalisation support –[REDACTED] to develop technical requirements and an action plan for SCADA and remote monitoring systems, aimed at improving operational efficiency, water use control, and the sustainability of irrigation management.</li> </ul> <p><b>B. Blended Concessional Finance</b></p>



	<ul style="list-style-type: none"><li>• The Bank's loan will be supplemented by an investment grant of [REDACTED] from SSF and an investment grant [REDACTED] from the UK FCDO under HIPCA. [REDACTED]</li></ul>		

[REDACTED]

## INVESTMENT PROPOSAL SUMMARY

### 1. STRATEGIC FIT AND KEY ISSUES

#### 1.1 STRATEGIC CONTEXT

Morocco is a predominantly arid country characterised by limited and highly uneven rainfall and is currently facing a severe and worsening water scarcity crisis. Annual water availability is estimated at approximately 606 m<sup>3</sup> per capita<sup>2</sup>, placing Morocco within the FAO's under "stress" conditions (between 500 and 1000 m<sup>3</sup> per year per capita) and close to the "absolute scarcity" threshold of 500 m<sup>3</sup><sup>3</sup>. Regional disparities are acute, with some basins approaching critical depletion levels. The country's aquifers, including the Sebou–Saiss aquifer, are in steady decline, with water tables dropping by 0.5-2 m/year due to over-abstraction, especially during drought years. The country's long-term average annual precipitation stands at just 346mm<sup>4</sup>, well below the global average of about 1000 mm<sup>5</sup>, and has dropped by 20% over the past 30 years<sup>6</sup>.

Agriculture is central to Morocco's economy as evidenced by the strong correlation between the national and agricultural GDP. The sector is Morocco's largest water consumer, accounting for 86–87% of total withdrawals (over 16 billion m<sup>3</sup> annually), while it contributes around 15% to GDP, and employs around 45% of the workforce, predominantly in rural areas[REDACTED]. The sector's vulnerability to climate shocks has been clearly demonstrated by prolonged droughts in 2022–2024, which reduced wheat yields by 50% and sharply contracted agricultural activity.

The Saiss Water Conservation Programme is a flagship initiative under two of the MOA's strategies, the Plan Maroc Vert (*Green Morocco Plan – "PMV"*) (2008 - 2020) and the Green Generation ("GG") (2020 – 2030). The Programme is designed to replace unsustainable groundwater abstraction with reliable surface water, and has been supported by the EBRD since its inception. In 2017, the Bank extended EUR 120 million sovereign loan of and mobilised [REDACTED] grant financing from the Green Climate Fund ("GCF") for Saiss I, which financed a 45 km section of the main transfer pipeline. This was followed in 2020 by a second sovereign loan of EUR150 million, and mobilised [REDACTED] grant from the EU NIP to finance the main distribution pipeline as well as the distribution network for irrigation of 10,000ha ("Saiss I"). The Saiss I and II projects have been successfully completed and the operationalization of the first 10,000 ha began on 2 July 2025 [REDACTED]. By replacing groundwater with sustainable surface water supply, the Project helps alleviate pressure on the overexploited Sebou–Saiss aquifer, which currently loses about 137 million m<sup>3</sup> per year<sup>6</sup>. [REDACTED]

Moreover, EBRD's engagement in the Programme has been accompanied by strong support for gender and economic inclusion initiatives in the region. Under Phase I and II of the Programme, the EBRD supported the development of trainings for end-user farmers in adopting efficient irrigation techniques and strengthening their entrepreneurial skills to access new markets. Ongoing gender-related TCs include capacity-building activities to promote women's entrepreneurship in sustainable commercial agriculture in the Fes-Meknes region. At the national level, the EBRD is also engaged in a policy dialogue with the MOA to address structural barriers to women's inclusion in agriculture across its programmes and operations, including support for the development of a Gender and Agriculture Strategy

<sup>2</sup> <https://www.waterdiplomat.org/story/2025/09/achieving-urban-water-resilience-through-circular-economy-approaches-morocco>

<sup>4</sup> <https://www.fao.org/land-water/water/water-scarcity/en/>

<sup>4</sup> <https://www.sdg6data.org/country-or-area/morocco>

<sup>5</sup> <https://www.britannica.com/science/climate-meteorology/World-distribution-of-precipitation>

<sup>6</sup> <https://www.sciencedirect.com/science/article/pii/S0921800924003963>

and Action Plan and institutional capacity building in its implementation. While phases I and II focused on inclusion through entrepreneurship, Saiss III shifts the emphasis to human capital development for the sector, supporting youth employability by introducing new targeted Technical and Vocational Education and Training (“TVET”) programmes in the O&M of water infrastructure, a field with growing demand for skilled labour and services. Phase III also builds on lessons from earlier phases to ensure equal access to the new training programmes, promoting women’s skills and representation in sustainable water management.

The Bank will also provide the digital transformation TC support, including a digital maturity analysis and the development of a strategic digital roadmap. This assignment will contribute to strengthening the OPD’s institutional capacity and ensuring that future digital investments are effectively designed and implemented with EBRD financing.

The proposed investment is consistent with the Morocco Country Strategy given that the transaction supports ‘improved sustainability and efficiency of water and other key infrastructure services’ as well as ‘increased access to skills development’ through its inclusive objectives. The Project is also in line with the Infrastructure Sector Strategy 2025-2029 as the Project supports the ‘resilience of infrastructure and associated services’ while also providing initiatives that ‘development human capital and encourage full participation in infrastructure sectors.’ The Project is in line with the Bank’s Green Economy Transition Approach 2021-2025, given its focus on easing water scarcity. The Project is aligned with the Adaptation area of intervention outlined in the EBRD Approach to Accelerating the Digital Transition 2021-2025, as it will enable the OPD to build their overall digital capacity. Finally, the Project is aligned with the Bank’s Equality of Opportunity Strategy 2021-2025, the Strategy for the Promotion of Gender Equality that promotes access to skills and employment opportunities for underrepresented groups, targeting rural youth and women. Finally, the Project contributes to the UN Sustainable Development Goals (“SDGs”), including SDG No. 2 Zero Hunger, SDG No. 6 Clean Water and Sanitation, SDG No. 8 Decent Work and Economic Growth, SDG No. 13 Climate Action, and SDG No. 15 Life on Land.

## 1.2 TRANSITION IMPACT

### Primary Quality: Green

Obj. No.	Objective	Details
1.1	<i>The percentage of EBRD use of proceeds that supports a green economy transition and therefore qualifies as GET finance exceeds 50%..</i>	<p>A GET share of 100% is attributed to this project as a result of the enabling impact of the Saiss Programme, in accordance with EBRD adaptation finance approach, consistent with j-MDB methodology. A summary of the adaptation GET rationale is provided below.</p> <p>The Saiss plain is one of Morocco's most fertile agricultural regions, where farmers have long relied on increasingly depleted groundwater to irrigate their crops and safeguard food security and livelihoods. However, amid a prolonged five-year nationwide drought and rising temperatures, wells can no longer meet crop water demands. As a result, agricultural productivity has declined sharply, with many crops now merely surviving rather than producing viable harvests. Water-intensive crops have been replaced by less demanding varieties, further impacting yields and income.</p> <p>The Project marks the final phase of a broader programme to replace unsustainable groundwater abstraction with surface water supplied from a newly constructed dam. Its primary objective is to enhance the resilience of farmers and agricultural systems in the Saiss plain, enabling them to better withstand the increasing frequency and intensity of droughts driven by climate change.</p>
1.2	<i>The project introduces one of the first three of its kind green products or technologies that are innovative at the national or regional level.</i>	<p>The OPD plans to implement a SCADA-based system for the remote management and monitoring of all components of the irrigation infrastructure. The Bank is mobilising a TC assignment under the DTSP to provide a clear roadmap for the future investment and implementation of the SCADA and remote monitoring system [REDACTED].</p> <p>This system will enable real-time monitoring of flow and pressure across the network, allowing operators to optimise both water and energy efficiency. Through real-time data collection and remote-control capabilities, the SCADA system will support the detection of leaks, identification of excessive water use, and improved control of pumping operations throughout the project's lifetime. [REDACTED]</p> <p>SCADA systems have been introduced in several irrigation schemes. However, it has not yet been deployed at a large scale, nor has it been used to manage a wide range of components or to perform a substantial number of functions and utilities, thus making it one of the first three use cases in the country. The scale and ambition of this project are exceptional in the country. [REDACTED]</p>
1.3	<i>The project has an excellent climate resilience benefit-to-cost ratio which exceeds two.</i>	<p>Climate Resilience Benefit is derived from groundwater savings. The Saiss programme displaces depleted and scarce groundwater resources by an amount equivalent to the volume of water supplied to the scheme from the M'Dez dam, [REDACTED]. This phase of the project covers two thirds of the total area to be irrigated, and hence accounts for two thirds of the groundwatersavings achieved under the Saiss Programme[REDACTED].</p>

**Secondary Quality: Inclusive**

<b>Obj. No.</b>	<b>Objective</b>	<b>Details</b>
2.1	<i>EMPLOYABILITY : The Project broadens access to market-relevant skills and training opportunities, boosting the supply of human capital with demonstrably moderate need and outstanding effectiveness.</i>	<p>The OPD will partner with local TVET providers in the Fez-Meknès region to launch two nationally accredited training programmes [REDACTED], equipping youth with practical skills in irrigation O&amp;M and sustainable water management.</p> <p>1) Technical training programme in O&amp;M and sustainable water governance: Courses in O&amp;M of agricultural hydraulic systems to technicians and engineers, as well as specialised modules on topics such as water-related contractual frameworks and governance, remote irrigation management systems delivered in partnership with local technical institutes and engineering schools[REDACTED].</p> <p>2) Local youth-based vocational training programme for the delivery of irrigation-related support services: the second programme will deliver nationally-accredited, short-term vocational training for unskilled rural youth, particularly NEETs and children of farmers, in partnership with agricultural schools [REDACTED].</p> <p>Graduates from both programmes [REDACTED] will receive nationally recognised certifications, enhancing their employability by equipping them with relevant sustainable water management skills across public and private sectors. EBRD's investment is expected to generate [REDACTED] jobs (including maintenance agents, O&amp;M technicians, and supervisors) for the connection [REDACTED] and the O&amp;M of the Saiss irrigated area[REDACTED]. Phase III builds on (i) earlier EBRD support for end-user farmers and for women developing entrepreneurial skills, and (ii) the ongoing Gender Policy Dialogue as it ensures equal access for women to training programmes, strengthening their skills and role in sustainable water management.</p>
2.2	<i>EMPLOYABILITY : The Project delivers inclusive business policies, practices or standards at the client level with verifiable commitment within 1-2 distinct behavioural change areas</i>	<p>As part of the upcoming Saiss III activities, targeted measures will be implemented to improve the employability of rural youth in the Fes-Meknes region [REDACTED]. [REDACTED] The Project will bring significant improvements for the MOA's practices under one distinct behavioural change area by fostering partnerships between the OPD (including the Saiss network's operator and its sub-contractors) and local TVET providers. These partnerships will strengthen the local training offer and build the capacity of local training institutes to deliver skills development programmes in irrigation O&amp;M and sustainable water management. The initiative creates new employment pathways for rural youth through:</p> <ul style="list-style-type: none"> <li>• Supporting local training institutes in designing and implementing O&amp;M-focused curricula that address the evolving needs of the irrigation sector and climate adaptation.</li> <li>• Facilitating partnerships between training providers, the future Saiss network operator, and private contractors to establish apprenticeship and job placement pathways, ensuring that training translates into tangible employment opportunities.</li> </ul>

**Risks to TI delivery**

The delivery risks relate to (i) potential delays or challenges in completing the remaining sections of the water distribution network, i.e. the Project, which could affect the achievement of Green transition objectives, and (ii) the effective implementation and rollout of the indicated Inclusive actions. However,

the risks are mitigated by the strong track record and institutional credibility of the Saiss Programme, which is well known to the Bank and remains a high-priority initiative for our government counterparts. The programme has consistently delivered on its physical and policy targets, including the timely completion of infrastructure works and the successful roll-out of inclusive activities in previous phases. Moreover, the Bank will maintain close coordination with the MOA and appointed consultants throughout implementation to ensure that both Green and Inclusive objectives remain realistic and achievable. Continued engagement with programme stakeholders and adaptive management approaches will further strengthen delivery capacity and reduce the likelihood of slippage.

**Digital Approach:** The Project is aligned with the Adaptation area of intervention outlined in the EBRD Approach to Accelerating the Digital Transition 2021-2025, as it will strengthen the OPD's operational efficiency by providing the digital transformation TC support, including a digital maturity analysis and the development of a strategic digital roadmap.

### 1.3 ADDITIONALITY

Identified triggers	Description
A subsequent transaction with the same client and in the same destination country ( <i>repeat transaction</i> )	The Saiss III component is part of a phased programme to preserve the Saiss aquifer and promote sustainable water management in the Saiss plain, building on EBRD investments under Saiss I and II that delivered key transfer and distribution infrastructure with substantial grant co-financing. Continued EBRD engagement in Phase III is essential to ensuring the system's long-term sustainability through skilled workforce development, inclusive governance, and strengthened institutional capacity for water management.
Additionality sources	Evidence of additionality sources
<b>Financing Structure -</b> <ul style="list-style-type: none"> <li>- EBRD provides financing on terms not available from commercial sources in the local market, including extended tenors suited to the needs of large-scale infrastructure projects.</li> <li>- EBRD offers a large volume instrument that fills a market funding gap and is required to structure the project.</li> </ul>	The Bank offers financing terms not available on the local market, including an 18-year tenor [REDACTED], which are critical for structuring long-maturity infrastructure projects. [REDACTED]The EBRD's sovereign loan of EUR 150 million, combined with [REDACTED]grants, fills a significant funding gap that public resources alone cannot cover. [REDACTED]
<b>Risk Mitigation</b> EBRD supports the client in building resilience against extreme and escalating physical climate risks while helping to mitigate ESG challenges by identifying and managing risks related to natural capital depletion, raw materials, and water availability.	The Bank's presence mitigates non-financial risks like climate risk, implementation capacity, and economic volatility by leveraging its experience in large-scale infrastructure, environmental monitoring, and inclusion. This is evident from the successful completion of Saiss I and II [REDACTED]. The EBRD also supports Morocco's climate strategy by enhancing resilience in agriculture. Saiss III addresses climate risks such as declining rainfall, heat stress, and groundwater depletion [REDACTED]. The Bank further helps farmers adapt through technical assistance, capacity-building, and promoting water-efficient practices. It also supports sustainability in water governance by working with partners like the MOA, the Ministry of Equipment and Water ("MEW") and the Agence de

	Bassin Hydraulique (the “ABH”) of Sebou to strengthen irrigation management and stakeholder engagement.
<b>Standard-setting: helping projects and clients achieve higher standards</b> <u>Gender SMART</u> : Client seeks/makes use of EBRD expertise for the adoption of gender standards and/or equal opportunities action plans	<p>The Project will adopt a gender-responsive approach to all technical and vocational training under Saiss III, promoting women’s active role in sustainable water management in the Saiss plain. To address gender-specific barriers and ensure equal access to skills, the Project will introduce:</p> <ul style="list-style-type: none"> <li>• Adapted training content and delivery, with targeted measures (e.g., tailored scheduling to accommodate domestic responsibilities, transport support, and inclusive teaching methods) to ensure women’s active participation in the new trainings developed;</li> <li>• Targeted outreach and information campaigns to attract young women to the programmes (e.g., school-based sensitisation and the use of female technicians and engineers as ambassadors to inspire women to join male-dominated technical fields);</li> <li>• Work–study traineeships with the future network operator, with targeted outreach to encourage women’s participation, equipping them with practical skills for irrigation-related services and supporting their integration into the labour market.</li> </ul>
<b>Knowledge, innovation, and capacity building</b> EBRD provides expertise, innovation, knowledge and/or capabilities that are material to the timely realisation of the project’s objectives, including support to strengthen the capacity of the client.	<p>The Project will strengthen the OPD’s operational efficiency by providing the digital transformation TC support, including a digital maturity analysis and the development of a strategic digital roadmap. This assignment will contribute to strengthening the MOA’s institutional capacity and ensuring that future digital investments are effectively designed and implemented with EBRD financing.</p>



## 1.4 SOUND BANKING - KEY RISKS

Risks	Probability / Effect	Comments
Sovereign risk (i.e. Fiscal / Macroeconomic Risk)	Low/High	[REDACTED] Morocco holds stable sovereign credit ratings (BBB-/Stable from S&P; Ba1/Stable from Moody's; BB+/Stable from Fitch) and has a strong repayment record with EBRD and external creditors generally. The project's benefits from concessional grant support and is structured to maintain a sustainable and manageable debt profile.
Implementation / Procurement Risk	Medium / High	[REDACTED] The project builds on Saiss I and II (both well-advanced) with established implementation frameworks. A dedicated Project Implementation Unit and EBRD-funded technical support will ensure timely procurement, project oversight, and effective quality control throughout delivery.
Cost-Overrun Risk	Medium/Medium	[REDACTED] A dedicated PIU and EBRD technical support will ensure close monitoring and early risk identification. The technical experts also support cost-effective procurement by ensuring accurate specifications to achieve savings without affecting performance. The combination of established implementation capacity and demonstrated government support provides comfort with managing price volatility and associated cost over-run.
Funding Risk	Low / High	Delays or shortfalls in committed funding could impact the timely completion or scope of the project. [REDACTED] EBRD's presence ensures funding stability and credibility.
Regulatory and Policy Risk	Low / Medium	[REDACTED]The project is fully aligned with national frameworks such as Law 36-15 on Water and Generation Green 2020–2030. [REDACTED]
FX Risk	Low/Medium	[REDACTED] Morocco maintains solid reserves as of 1 <sup>st</sup> of August 2025 (USD 45 billion) and IMF support (USD 4.5 billion Flexible Credit Line) to manage external shocks. Inflation is low (0.4% in June 2025), and monetary policy remains supportive, reducing FX volatility risks during project implementation.

## 2. MEASURING / MONITORING SUCCESS

### Transition Impact Monitoring Indicators

TI indicator(s), primary Quality: Green

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
1.1	Area of land under sustainable land management practices (ha)	The final phase involves financing a water distribution pipeline and network[REDACTED].	[REDACTED]	[REDACTED]	[REDACTED]
1.2	New or updated GET technology or product leading to energy efficiency introduced	Irrigated land monitored/controlled by SCADA, enabling efficiencies in water and energy consumption over the project's lifetime.	[REDACTED]	[REDACTED]	[REDACTED]
1.3	Water saved (m3/year)	The Saiss Programme displaces depleted and scarce groundwater resources by an amount	[REDACTED]	[REDACTED]	[REDACTED]



		equivalent to the volume of water supplied to the scheme from the M'Dez dam in normal year [REDACTED]. This phase of the project covers two thirds of the area to be irrigated, and hence two thirds of the groundwater saved thanks to the Saiss Programme [REDACTED].			
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**TI indicator(s), secondary Quality: Inclusive**

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
2.1	Number of individuals enhancing their skills as a result of training	Under the tenure of the loan, the Project aims to support [REDACTED]trainees [REDACTED] with specialised technical and engineering skills. Individuals will receive training on O&M of agricultural hydraulic systems, as well as specialised modules on topics such as water-related contractual frameworks and governance, remote irrigation management systems, etc. The Project will also support [REDACTED]unskilled rural youth[REDACTED], particularly NEETs and children of farmers, with training on vocational and entrepreneurship skills for the creation of service businesses/cooperatives to provide irrigation-related support services to farmers. [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2.2	Tailored training programme developed and implemented	The OPD will partner with local TVET providers in the Fes-Meknes region to introduce at least two new training programmes to develop business-critical skills needed for technicians and unqualified workers in the growing O&M and sustainable water sector. Graduates who	[REDACTED]	[REDACTED]	[REDACTED]

		successfully complete the training modules will earn a nationally recognised qualification. [REDACTED]			
2.3	Partnership between private sector and education providers established or strengthened	The OPD will establish at least two new formal partnerships with local TVET providers [REDACTED] in the Fes-Meknes region. These partnerships will aim to align vocational training programmes with the anticipated workforce needs for the operational phase of the Saiss III Project, as well as the broader demands of the growing sustainable water sector. This partnership will further support collaboration between the future Saiss network operator, and private contractors to establish apprenticeship and job placement pathways, ensuring that training translates into tangible employment opportunities including for women. Drawing on lessons from earlier phases under the ongoing Gender and Agriculture Policy Dialogue, the training programmes and apprenticeships will be designed to ensure equal opportunities and strengthen women's representation in sustainable water management (see Gender SMART Additional Indicators).	[REDACTED]	[REDACTED]	[REDACTED]

#### Additional Indicators

Indicator type	Monitoring indicator	Details	Baseline	Target	Due date
Advisory & Policy Indicators:	Practices of the relevant stakeholder	The Project will adapt training delivery methods to facilitate women's participation (e.g.	[REDACTED]	[REDACTED]	[REDACTED]

Gender SMART	improved (equal opportunity policies and practices)	tailored scheduling to accommodate domestic responsibilities, provision of transport support, and inclusive pedagogical approaches) to ensure women's active participation in technical and vocational training programmes as well as in the apprenticeship.			
Advisory & Policy Indicators: Gender SMART	Practices of the relevant stakeholder improved (community outreach, advocacy, awareness-raising)	To increase awareness of new training opportunities, the Project will introduce targeted outreach, including school sessions and female role models promoting women's participation in male-dominated technical fields	[REDACTED]	[REDACTED]	[REDACTED]

### 3. KEY PARTIES

#### 3.1 BORROWER

The Borrower is the Kingdom of Morocco, as represented by the Ministry of Economy and Finance. Morocco remains a creditworthy sovereign borrower, as affirmed by its 2024 credit ratings from major international agencies. As of the latest assessments, Standard & Poor's rates Morocco at BBB- with a stable outlook (September 2025), Moody's at Ba1 with a stable outlook (March 2025), and Fitch Ratings at BB+ with a stable outlook (October 2024).<sup>7</sup> These ratings reflect Morocco's improved macroeconomic fundamentals, resilient institutions, and sound fiscal policy trajectory.

Economic growth in Morocco has recovered steadily. In 2024, GDP expanded by 3.9%, underpinned by a rebound in agriculture and consistent performance in tourism, manufacturing, and mining. Early data show that in Q1 2025, the economy grew by 4.8 %, bolstered by surging domestic demand and a strong agricultural and industrial recovery. The International Monetary Fund ("IMF") projects growth to remain at 3.9% in 2025, supported by favourable external conditions and domestic reforms. Inflation, which peaked at over 6% in 2022, has moderated to 1.5% in 2024, contributing to a more stable macroeconomic environment.<sup>8</sup>

Morocco's creditworthiness is supported by a combination of structural reforms and sound policy choices. Ratings agencies have highlighted the country's political stability, credible fiscal consolidation plans, and institutional capacity to implement reforms. Ongoing initiatives to reform subsidies, expand the tax base, and improve public investment management contribute to medium-term fiscal sustainability. Furthermore, Morocco benefits from robust governance indicators relative to peer countries, reinforcing investor trust and access to international capital markets.

#### 3.2 IMPLEMENTING AGENCY

The Project will be managed and implemented by the Irrigation and Management of Agricultural Land Directorate ("DIAEA") of the MOA, through the Saiss Operational Project Directorate ("OPD"), acting as the Project Implementation Unit ("PIU") for Saiss. The OPD, established under the Bank's previous Saiss I and Saiss II projects, serves as the executing agency for the Project. It is staffed by civil servants from the MOA and reports directly to the DIAEA. The OPD is responsible for monitoring the completion of project-related studies, topographic surveys, and the expropriation process; supervising hydro-agricultural development works; controlling the quality of works and ensuring their timely completion in compliance with applicable technical standards and procedures; and preparing periodic progress and completion reports for relevant stakeholders. It is also in charge of overseeing the environmental and social management of the Project in line with the Bank's requirements.

### 4. MARKET CONTEXT

#### 4.1 NATIONAL STRATEGIC POLICIES

Morocco's national policy framework has progressively prioritised water conservation and agricultural modernization to address the dual challenges of resource scarcity and sectoral growth. The Green Morocco Plan (*Plan Maroc Vert* or "PMV") 2008-2020, was a landmark strategic initiative designed to transform the agricultural sector[REDACTED]. This comprehensive plan focused on enhancing

<sup>7</sup> S&P, Moody's, Fitch Online

<sup>8</sup> <https://www.imf.org/en/Countries/MAR>

productivity, fostering competitiveness, and promoting sustainable practices across rural economies. Complementing the PMV, the National Programme for Water Savings in Irrigation (*Programme National d'Économie d'Eau en Irrigation* or “PNEEI”), supported by IFIs, targeted the modernisation of irrigation infrastructure[REDACTED]. This programme sought to improve water-use efficiency, reduce wastage, and upgrade irrigation methods by introducing advanced technologies such as drip and sprinkler systems, alongside improved water management practices at the farm level.

Following the initial PMV and PNEEI, Morocco introduced the Generation Green 2020-2030 strategy, which sets an ambitious agenda for sustainable development with a renewed focus on climate resilience, water resource management and green growth. In parallel, the National Programme for Agriculture, Potable Water Supply and Irrigation (*Programme National pour l'Approvisionnement en Eau Potable et l'Irrigation* or “PNAEPI”) 2020–2027, the first phase within the National Water Plan (*Plan National de l'Eau*) or “PNE”) 2020-2050, the PNAEPI integrates water security objectives with agricultural modernization, emphasizing efficiency, infrastructure renewal and resilience to climate variability. The Saiss Programme is a flagship initiative under the “Green Generation” strategy (2020-2030) targeting the sustainable irrigation of one million hectares by 2030 to support food security and rural livelihoods.

Morocco has also launched several investment programmes in line with these initiatives aimed at preserving water resources and ensuring long-term supply security. The government is expanding its water infrastructure with plans to build [REDACTED] desalination plants [REDACTED]. These plants are critical to addressing coastal water scarcity and reducing pressure on freshwater resources [REDACTED]. Importantly, the integration of renewable energy sources in desalination operations underscores Morocco’s commitment to sustainable and low-carbon water solutions. [REDACTED] Additionally, Morocco is advancing a series of strategic inter-basin water transfer projects to redistribute water resources more equitably across regions. One of the most significant undertakings is the interconnection of the Sebou and Bouregreg basins, designed to balance water availability between these critical catchment areas. This infrastructure facilitates improved drought resilience and agricultural productivity by enabling water transfer from basins with surplus water resources to support water scarce areas.

## 4.2 REGULATORY FRAMEWORK

Morocco is a frontrunner in the MENA region on the water policy and irrigation investments. On the legislative front, Morocco has strengthened its water governance framework through the enactment of the 2015 Water Law (Law 36-15), which aligns national water management policies with the EU Water Framework Directive. This law introduced innovative mechanisms such as aquifer contracts (legally binding agreements designed to regulate groundwater use and promote sustainable extraction) and strengthened the role of basin agencies by instituting participatory governance models and integrated water resources planning. This law then underwent important amendments (in 2020 and 2023) to further reinforce its effectiveness and adapt to evolving challenges. Notably, these amendments expanded regulatory provisions to tighten controls on illegal water extraction, strengthened penalties for non-compliance, and introduced enhanced requirements for environmental impact assessments related to water infrastructure projects. Additionally, the amendments bolstered the role of basin agencies by granting them greater authority in enforcement and oversight, while encouraging increased stakeholder engagement and transparency through improved data-sharing platforms and public consultation processes. These updates aim to address emerging climate pressures and water scarcity risks, ensuring Morocco’s water governance remains resilient and adaptive to future challenges.

The MEW oversees the planning and coordination of water resource protection, with a strong focus on pollution and environmental impact mitigation, supported by its dedicated Department for Water. Key stakeholders in Morocco’s water sector also include the are the nine river basin agencies (Agences de

Bassin Hydraulique or the “ABH”), which are responsible for authorizing water abstraction and discharge activities. These agencies operate under the authority of the MEW. Among these, the ABH of Sebou plays a critical role in the integrated management of both surface and groundwater resources within the Sebou basin, ensuring sustainable allocation and protection of vital water assets.

The Saiss Programme supports these reforms by establishing advanced groundwater monitoring and control systems alongside institutional mechanisms. [REDACTED] This contract prioritizes the sustainable use of groundwater as a catalyst for the region social and economic development, encourages the use of surface water where feasible, enhances data collection on water quantity and quality, and promotes farmer engagement in the aquifer preservation. To improve groundwater management, the Programme is deploying real-time monitoring tools such as piezometers, remote water meters on farm wells, and a geoportal system that centralizes spatial data on aquifers and water withdrawals. These technologies enable effective tracking of water use, enforcement of quotas, and informed decision making. Additionally, the Programme will support feasibility studies on wastewater reuse in the region to help alleviate pressure on aquifer resources.

## **5. FINANCIAL / ECONOMIC ANALYSIS**

### **5.1 FINANCIAL PROJECTIONS**

[REDACTED]

### **5.2 ECONOMIC ANALYSIS**

[REDACTED]

### **5.3 SENSITIVITY ANALYSIS**

[REDACTED]

### **5.4 PROJECTED PROFITABILITY FOR THE BANK**

[REDACTED]

## 6. OTHER KEY CONSIDERATIONS

### 6.1 ENVIRONMENT

Category B (2024 ESP) The Project aim is to improve water efficiency and resilience in the irrigated Saiss Plain in Morocco. This third investment in the Saiss Water Conservation Programme will complete a large surface water transfer and distribution network [REDACTED] for irrigation purposes from the M'Dez dam to the agricultural plain. Saiss I financed a 150 kilometres long underground transfer pipeline and Saiss II the connection to a main distribution pipeline and a distribution network covering 10,000 hectares of agricultural production. Saiss III will further expand the distribution network to an additional 20,000 hectares. The total volume of water to be transferred is approximately the annual average water deficit of the Saiss Plain aquifer, which is currently satisfied via use of groundwater.

The due diligence for Saiss I and II was carried out by the Bank and an independent consultant in 2016. Due diligence for Saiss III was also carried out by an independent consultant and included a review of the existing EHSS and HR management systems and past performance of the PIU, as well as implementation progress of the previous phases, with focus on including land acquisition and stakeholder engagement.

The due diligence confirmed that the impacts and associated mitigation measures identified under Saiss I and Saiss II remain pertinent and are by-and-large applicable to Saiss III. The Project is not subject to an Environmental Impact Assessment under Moroccan legislation. Saiss III is entirely located within the Saiss plain, which is dominated by agricultural activities. The MOA is able to implement the project in line with EBRD's ESRs, as demonstrated by the good implementation of the ESAPs of the previous phases. As non-compliances were identified on labour standards and working conditions, such as excessive overtime and late payment of salaries, additional contractor labour management capacity will complement the PIU, and labour management procedures will be updated to ensure full compliance with ESR2. A traffic management plan will be developed, as well as specific procedures for work under extreme heat. The existing Occupational Health & Safety procedures will be cascaded to the new phase of the programme. The Community Health and Safety Management plan developed under the previous phases will be updated to capture the sensitive receptors likely to be affected by the new phase.

As the Project will need to cross sensitive water bodies (Oued Tizguite and Oued Ouaslane), specific hazardous material storage and waste management procedures will be developed during construction and operation to prevent any impact. Herbicides will also be banned on site. The Project will be implemented in the buffer zone of sensitive areas (IBA Dwiya SIBE and Idriss Premier Dam SIBE), and construction work during breeding season will be avoided to limit disturbance of avifauna and mammals. Priority Biodiversity Features (mollusc, fish and damselfly) were identified on site, and other management measures such as pre-construction surveys, clear demarcation of the working and storage areas, and appropriate training to workers will form a Biodiversity Management and Evaluation Plan to be implemented to eliminate any risks of impact on these species during construction. No construction work will be undertaken in the neighbouring Atlas Cedar Biosphere Reserve. No net loss of biodiversity is expected.

The due diligence found that principles of avoidance of physical resettlement, consultation with the affected parties, as well as minimisation of economic displacement were well understood and implemented under Saiss I and II, despite some delays with corresponding Land Acquisition and Compensation Plans ("LACP") development and implementation, and pending compensation under the previous projects are earmarked and kept under escrow where they could not be disbursed (e.g. due to



difficulties identifying the rightful beneficiaries or ongoing court cases challenging valuations, which are common in Morocco). A LACP will be developed for Saiss III, building on the plans already developed, to ensure compensation at full replacement cost, as well as implementation of specific livelihood restoration measures for any vulnerable Project Affected Persons.

The environmental impacts of Saiss, once operational, will be mainly linked to the reduced flow downstream of the M'Dez dam. Law 36-15 on water requires the application of a minimum flow to preserve aquatic ecosystems, and support is being provided by EBRD through TC support to determine the minimum flow in the context of the Project.

Overall, the positive socio-economic impacts during the operation period of the Saiss development are expected to be significant, by improving access to irrigation water, more efficient usage, and increased crop yields and value. An important dimension of maximising these positive benefits will be the pricing of the water distribution service. It is a key priority for the Ministry of Agriculture and Fisheries to ensure access to irrigation water is equitable and work is ongoing to determine the most suitable and inclusive pricing structure. The Project aims to further women and youth's economic inclusion in the Saiss plain by providing access to training, information, capacity building and economic opportunities. The stakeholder engagement activities deployed under the programme are adequate, supported by TC funds. The Stakeholder Engagement Plan ("SEP") will be updated to cover Saiss III PAPs and beneficiaries.

Based on the environmental and social actions already agreed under Saiss I and Saiss II, an ESAP has been developed for Saiss III and agreed with the Ministry of Agriculture and Fisheries Existing and additional TC support will be adapted or developed to support the project implementation, including ESAP. The updated SEP and NTS will be prepared in English and French and disclosed on the MOA and Bank websites. The MOA will continue to report annually on E&S compliance and ESAP progress. This will be supplemented by external monitoring.

## 6.2 INTEGRITY

In conjunction with OCCO, updated integrity due diligence was undertaken on the Client, its management and stakeholders related to this engagement, including inter alia Ministers and Public Servants. [REDACTED]

All actions required by applicable EBRD procedures relevant to the prevention of money laundering, terrorist financing and other integrity issues have been taken with respect to the project, and the project files contain the integrity checklists and other required documentation which have been properly and accurately completed to proceed with the project.

## 6.3 OTHER ISSUES

**Concessional Finance** - The use of concessional finance is essential to address the Project's affordability constraints and to ensure its timely implementation, given the absence of commercially viable financing for a greenfield sovereign water infrastructure investment of this scale.

[REDACTED]

**ANNEXES TO OPERATION REPORT**

ANNEX 2	Shareholding Structure
ANNEX 3	Green Assessments
ANNEX 4	Project Implementation

## **ANNEX 1 – TRANSITION IMPACT SCORING CHART**

[REDACTED]

**ANNEX 2 – SHAREHOLDING STRUCTURE**  
**[REDACTED]**

## ANNEX 3 – GREEN ASSESSMENTS

### SUMMARY

- The Project is the third and final phase of a staged programme to preserve the Saiss aquifer and promote sustainable water management within the Saiss plain. The final phase involves the financing of a water distribution pipeline and network to irrigate the remaining 20,000 hectares of the total 30,000 ha to be irrigated by the Programme.
- The Project is determined **aligned with both mitigation and adaptation goals of the Paris Agreement**.
- The Project is attributed 100% **Green finance**.

[REDACTED]

### PARIS ALIGNMENT ASSESSMENT

#### *Alignment with the mitigation goals of Paris Agreement - General screening*

The project is determined as aligned with the mitigation goals of the Paris Agreement based on the application of the Bank's Paris alignment approach for direct finance.

- The project displaces on farm butane-fuelled groundwater pumping and leads to a net reduction in GHG emissions. The project activity is predominantly gravity-fed irrigation, with a minor pumping component [REDACTED] There are no activities included in the 'non-aligned list'.

#### *Alignment with the adaptation goals of Paris Agreement*

**The Project is assessed as aligned with the adaptation goals of Paris Agreement (BB2 aligned).**

### GREEN FINANCE ATTRIBUTION

A GET share of 100% is attributed to this project as a result of the enabling impact of the Saiss Programme, in accordance with EBRD's adaptation finance approach, consistent with j-MDB methodology. A summary of the adaptation GET rationale is provided below.

#### Step 1. Context of climate change vulnerability relevant to the project

The Saiss plain is among the most fertile areas in Morocco, where farmers depend on rapidly depleting groundwater resources to irrigate their crops to safeguard food security and livelihoods. In the context of the ongoing 6-year nationwide drought and rising temperatures (and evapotranspiration), wells are not able to retrieve sufficient water to meet the needs of crops in the Saiss plain. Crop productivity has dramatically reduced with many crops being maintained rather than producing harvests, and crops with higher water requirements have been substituted for those with lower requirements.

#### Step 2: Statement of intent of the Bank to address climate resilience through the project:

The current project is the last phase of a programme that replaces unsustainable groundwater abstraction with surface water delivered from a newly constructed dam. As a restriction is in-place on the expansion of irrigated lands on the Saiss plain and the uptake of drip irrigation systems already stands at ~95%, the project displaces insecure groundwater supply for existing irrigated areas, as opposed to supporting additional water abstraction and the expansion of irrigated areas. The Bank is also involved in additional safeguards, including strengthening of existing groundwater monitoring systems. The project not only benefits the farmers that are subscribed to the scheme, but also other users of the Saiss aquifer, thereby enabling system-wide resilience beyond the project boundary.

#### Step 3: Direct link between climate vulnerability context and project activities

The project enables essential irrigation water needs to be met by a sustainable water source, replacing unsustainable groundwater abstraction in a context where the water table is being depleted [REDACTED] and crops are unable to sustain current drought conditions. Given that the project serves existing irrigated areas, the primary objective of the project is to enable the resilience of beneficiaries as well as other users of the Saiss aquifer by safeguarding groundwater supply in the face of increasingly intense droughts under climate change.

**Conclusion:** The project is attributed 100% GET given that the primary objective of the project is to strengthen climate resilience to enable food and water security in the Saiss plain.

**CRO calculation:** The Saiss programme displaces depleted and scarce groundwater resources by an amount equivalent to the volume of water supplied to the scheme from the M'Dez dam [REDACTED]. This phase of the project covers two thirds of the area to be irrigated, and hence two thirds of the groundwater saved thanks to the Saiss Programme [REDACTED]

## ANNEX 4 – PROJECT IMPLEMENTATION

### Procurement classification – *Public (sovereign)*

[REDACTED]

The MOA is well known to the Bank, with Saiss III project marking the third engagement with the MOA. The PIU for project will be the Saiss Operational Project Directorate (“OPD”) established under the Bank’s existing projects (Saiss I and Saiss II) in the Saiss plain. The Saiss OPD has developed significant capacity and experience in implementing procurement under EBRD’s Procurement Policies and Rules (PPR). The purpose of the project is to continue the irrigation network in Saiss plain.

#### **Project implementation arrangements:**

The OPD, established PIU, consist of designated members from Ministry of Agriculture, Maritime Fisheries, Rural Development (“MOA”) irrigation department. The PIU will be assisted by qualified Consultants to cover (i) project preparation services and procurement, (ii) supervision and monitoring of the works contracts, and (iii) ESAP support. It has been recommended by direct contracting to extend the services of the same PIU Consultant that has been supporting the PIU since Saiss I project in accordance with the provisions of PPR Article 5.8 (b).

The project involves large-scale civil works, technical procurement, and coordination across national and regional agencies (e.g., Regional Directorate of Agriculture, Ministry of Agriculture). The challenges for the project smooth implementation are known and well anticipated by the PIU with the Consultant support based on two previous projects experience. The project builds on Saiss I and II experience, currently well-advanced with implementation frameworks already in place. A dedicated PIU and EBRD-funded technical support will ensure timely procurement, project oversight, and quality assurance.

#### **Procurement arrangements:**

The goods and works, financed from the Bank’s loan, will be procured following open tendering procedure in accordance with the requirements of the Bank’s PPR, May 2022 for public sector operations. The PIU has already procured works contracts under the Bank’s existing projects using the Bank’s PPRs November 2017 and switching to the PPR May 2022 using ECEPP.

[REDACTED] All procurement will be open tender single stage in accordance with the requirements of the PPR for public sector operations on ECEPP and using the Bank Standard Procurement Documents (“SPD”). The MOA is familiar with the previous sets of EBRD SPD but not the new ones yet. The Bank has recommended using FIDIC Red Book for Works contracts which will be the first time for the PIU. Additional support will be provided to the PIU to develop FIDIC Books skills and getting familiar with the new SPD.

The MOA had expressed the urgency to launch the project activity and the Bank offered the MOA to undertake advance procurement at the MOA’s own risk. [REDACTED]The Gender and Economic Inclusion Support will be contracted following a single stage competitive selection.

Two other Services contracts will be part of project, financed by the Government of Morocco.

All contracts, either Loan or Grant financed, will be subject to prior review by the Bank.

[REDACTED]



## **ANNEX 5 – SSF FICHE – CO-INVESTMENT GRANTS**

[REDACTED]

ANNEX 6 – SSF FICHE – TC grant [REDACTED]

## **ANNEX 7 – EXISTING PROJECTS IMPLEMENTATION STATUS**

[REDACTED]