



Synthesis of the Note on the Regional Distribution of Public Investment for the year 2025

This Note, which accompanies the 2025 Finance Act, provides an overview of the regional distribution of public investment in the main public policy sectors.

The first section of the Note focuses on two units dedicated respectively to the significant recovery of the national economy, despite the instability of global activity, and to strengthening public investment as a strategic catalyst for inclusive and sustainable development.

The second section provides an overview of the regional distribution of public investment, in particular through the presentation of the main structuring projects in the main government intervention sectors: social, infrastructure and productive.

PART I: PUBLIC INVESTMENT FOR INCLUSIVE AND SUSTAINABLE DEVELOPMENT

As Morocco celebrates the 25th anniversary of the reign of his majesty the king, may God assist him, it is demonstrating its commitment to modernity and sustainable development through major infrastructure projects and institutional reforms. Indeed, the Kingdom has adopted ambitious and diversified sectoral strategies, enabling its economy to cope with global geopolitical instabilities and create a climate conducive to investment.

In 2024, despite a difficult economic climate and modest global growth, the Moroccan economy will post a notable performance, underpinned by monetary stability and considerable foreign exchange reserves.

In fact, despite facing persistent inflation and stagnant external demand, the national economy is forecast to grow by 3.3% in 2024. Moreover, the government's efforts to bolster citizens' purchasing power and boost domestic demand, notably through wage increases for civil servants, bear witness to a determination to boost the national economy. At the same time, and in the same vein, the World Bank this year highlighted the dynamism of

manufacturing exports and remittances from Moroccans residing abroad, contributing to the country's improved current account balance.

However, environmental challenges persist, in particular the drought that is impacting the agricultural sector. In this context, the government is committed to stepping up its efforts to manage water scarcity, by implementing ambitious initiatives such as water basin interconnection projects. The “Green Generation 2020-2030” strategy aims to strengthen the resilience of the agricultural sector to climate change, while supporting innovation in seawater desalination and water resource management.

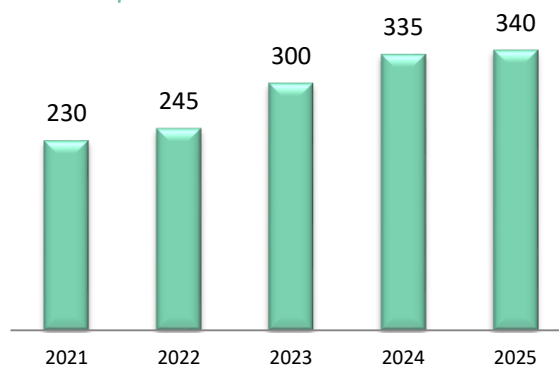
By way of illustration, and to stimulate inclusive and sustainable development, Morocco plans to invest some 335 MMDH in 2024, including reconstruction projects in response to the Al Haouz earthquake. Similarly, the new investment charter, based on decentralized governance and an equitable distribution of resources, further strengthens and encourages private sector investment, while ensuring that the economic benefits accrue to the entire population in all territories. This strategic framework aims to combine economic growth with environmental preservation and improved quality of life for Moroccan citizens.

PART II: REGIONAL DISTRIBUTION OF PUBLIC INVESTMENT (IMPACT ON REGIONAL DEVELOPMENT & ACTION PLAN FOR 2025)

For 2025, the Government is determined to pursue its commitment to strengthening public investment, with a budget

allocation of 340 MMDH, up 1.5% (+5 MMDH) on 2024. This allocation is designed to encourage further public investment and boost the country's economic development.

Figure 1: Change in overall volume of public investment over the period 2021-2025 (In MMDH)



To achieve this goal, the government is firmly committed to making major investments in key sectors of State intervention, in order to improve the well-being of citizens and promote sustainable development for the benefit of the population.

Building a social State based on an inclusive and coherent vision requires a significant increase in investment in the social sectors. In this context, the government is stepping up its efforts to extend and develop pre-school education, with the aim of achieving an enrolment rate of over 80% by 2025. This will involve building and equipping 3,200 new classrooms and refurbishing and equipping 640 existing classrooms. Similarly, to meet the growing demand for education, 181 new schools and 2,094 classrooms will be built as part of the extension of existing schools, for a total budget of around 2.3 MMDH. In addition, 9,900 operations to rehabilitate existing education and training establishments will

be launched, benefiting from a budget of around 2.1 MMDH.

In the Higher Education Sector, and as part of the plan to accelerate the transformation of the higher education, scientific research and innovation ecosystem. (PACTE ESRI 2030), investment efforts will continue in construction, equipment and rehabilitation projects for university establishments nationwide. These include projects to build the Faculty of Medicine and Pharmacy in Errachidia (at a cost of 445 MDH), the Faculty of Languages, Arts and Human Sciences in Settat (at a total cost of 100 MDH), the Higher School of Education and Training in Kénitra (157 MDH) and the ENCG in Ouarzazate (100 MDH).

In addition, and as part of the modernization of the vocational training system, and in order to guarantee an up-to-date offer that meets the needs of local and national professionals, in all sectors, the year 2025 will be marked by the continuation of the dynamic initiated for the realization of the Cities of Trades and Skills (CTS) program implanted in the 12 regions of the kingdom, with 8 cities already completed and 4 cities in the process of completion.

On the other hand, in 2025, the government will continue to consolidate healthcare provision and optimize the quality of healthcare services, notably through the creation of University Hospitals (CHU) in each region, in order to strengthen the university hospital network, such as the CHU in Rabat, Laâyoune, Guelmim, Béni Mellal and Errachidia. Similarly, the regional hospital network will be strengthened by the

continuation of the construction/reconstruction and equipment work on 28 hospital establishments and centers, at a total cost of more than 13 MMDH, and by the rehabilitation of 524 health centers corresponding to the 3rd tranche of the program to rehabilitate nearly 1,400 primary healthcare establishments in the 12 regions.

The fight against substandard housing and the proliferation of shantytowns remains a crucial challenge for the Moroccan authorities, in order to improve the urban fabric of cities and achieve sustainable development objectives by 2030. The involvement of the private sector in the management of substandard housing has accelerated projects to rehabilitate and reduce shantytowns, and renovate neighborhoods in danger of collapse. By 2025, new investments in the sector will be focused on the regions of Casablanca-Settat, Marrakech-Safi, Tangier-Tetouan-Al Hoceima, Fès-Meknès and Laâyoune-Sakia El Hamra, with the aim of boosting urban development and building local infrastructure, thereby contributing to the attractiveness of the regions and creating an economic dynamic to enhance the well-being and social integration of the population.

Faced with the challenges imposed by climate change, the Government is resolutely committed, under the High Directives of his majesty the king, may God assist him, to strengthening its hydraulic infrastructures to ensure sustainable and efficient management of water resources. As part of this strategic vision, the year 2025 will be marked by the implementation and completion of a

series of strategic projects, such as the Ribat Al Kheir (with an overall cost of 1,077 MDH) and Ratba (2,990 MDH) dams in the Fès-Meknès region, as well as the Targa Oumadi dam (920 MDH) in the Oriental region. At the same time, efforts will be pursued to accelerate interconnection work between water basins, notably as part of the National Drinking Water Supply and Irrigation Program (PNAEPI) 2020-2027, aimed at strengthening the Kingdom's resilience to climatic hazards. In this respect, the year 2025 will see the continuation of interconnection work between the Oued El Makhazine dam reservoir and that of the Dar Khrofa dam, designed to secure the drinking water supply of Greater Tangier. At the same time, particular attention will be paid to seawater desalination projects, notably in Laâyoune (at a cost of 480 MDH) and Dakhla (at a cost of 450 MDH), with a view to promoting the development of a national industry specializing in desalination technologies.

In the transport and infrastructure sector, Morocco plans to continue investing in its road, port, rail and airport networks in 2025, consolidating its position as a leading regional player. Scheduled projects include improving road infrastructure to enhance safety and connectivity, extending port and airport infrastructure to meet growing logistics needs, and expanding the rail network with high-speed links. In addition, regional logistics zones will be developed to support economic competitiveness and promote sustainable transport, in coordination with local authorities and the private sector.

As for the productive sector, the investment program for 2025 will focus

primarily on the “Generation Green 2020-2030” strategy, which will continue to transform the agricultural sector, through major investments in irrigation and hydro-agricultural development in several regions. New public-private partnership projects will also be launched to improve the efficiency and sustainability of irrigation.