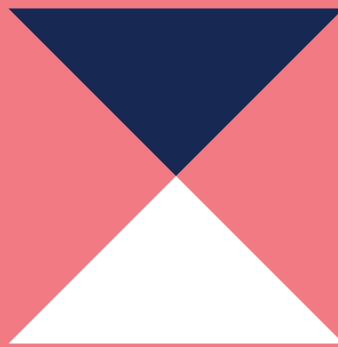


# Morocco

July 2023



CHALLENGE  
FUND  
F&R  
YOUTH  
EMPLOYMENT

Scoping Report ANNEX

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*This report has been produced by the Challenge Fund for Youth Employment*  
<https://fundforyouthemployment.nl/>

*The Challenge Fund for Youth Employment (CFYE) is a 7-year programme funded by the Netherlands Ministry of Foreign Affairs, managed by Palladium, VSO Nederland and Randstad.*

# About the Programme

The Challenge Fund for Youth Employment (CFYE) is a 7-year programme launched in 2019 by the Dutch Ministry of Foreign Affairs with the aim of providing better and more inclusive jobs for 230,000 young women and men (aged 15-35 years) in the Middle East, North Africa, Sahel & West Africa, and the Horn of Africa. This will be achieved by supporting youth employment initiatives which will offer youth, particularly young women, opportunities for decent work. The Fund seeks private sector applicants who submit project proposals to address specific challenges or business expansion plans framed around creating scalable business solutions for more and better jobs for youth with a specific focus on women. Solutions will be built around integrated approaches designed to bridge the mismatch between the demand for high-quality jobs and the supply of skilled labour.

The first Call for Solutions was launched last year in Morocco in January 2022 and targeted working with private sector firms in key growth sectors, implementing sustainable solutions for the creation of jobs, embedding decency of work, aspirations of the youth, sensitivity to gender and other inclusion requirements in compliance with the labour laws of Morocco. More details on the beneficiaries and existing portfolio of existing implanting partners can be found on the website: <https://fundforyouthemployment.nl/morocco-portfolio/>.

This Call for Solutions will prioritise projects operating in either the digital or green streams or both.

## Purpose of this Document

This document summarises the findings from the scoping work conducted in Morocco from March to July 2023. The information will be used to update the existing scoping research report in line with the specific focus of Call 6 (in line with the Embassy of the Netherlands combination tracks) on Morocco. The data was collected by mapping relevant stakeholders, including private sector entities, conducting semi-structured interviews, and analysing their insights.

The insights in this report have been shared with the Moroccan CFYE team and will be adopted to update the existing scoping research report that you can find on the website:

<https://fundforyouthemployment.nl/call-for-solutions-morocco/>

## Priority Windows

This second Call for Solutions in Morocco is focused on green and digital jobs, and proposals from other sectors will not be considered. For this second Call, CFYE invites proposals for innovative private sector-led initiatives that provide businesses access to suitably skilled personnel and realise decent employment for youth in the Green and Digital sub-sectors.

Digital Business Development Services refer to the use of digital technologies to enhance and optimise business development processes. Digital BDS aims to help businesses leverage the power of digital technologies to improve their operations and drive growth in today's increasingly digital world.

This includes companies engaged in ICT, offshoring services, e-commerce, online employment support services, and digitisation of business solutions (sector-agnostic), and can also encompass AgriTech, FinTech, EdTech, and HealthTech, where companies aim to digitise their business offerings.

- ▶ Green economy is crucial in addressing climate change and promoting sustainable economic development. They refer to employment opportunities in industries contributing to environmental sustainability and the transition to a more sustainable economy. Green jobs are typically associated with efforts to reduce greenhouse gas emissions, promote renewable energy, conserve natural resources, and minimise pollution and waste.

## Green

Given the challenges that climate change is putting on water and land resources and the expected negative impacts on agricultural production and food security, Morocco has incorporated climate change strategies and supported green growth, seeking to increase the resilience and adaptation of rural populations to climate change. Morocco's vision is to enhance its territory and make people more resilient to climate change while ensuring a rapid transition to a low-carbon economy.

The transformation of the agricultural sector and decarbonisation can open new opportunities for the private sector by developing innovative technologies and green climate services, with positive spillovers regarding economic growth and jobs.

Among the green industries to support growth and generate jobs, we find:

- ▶ Sustainable Agriculture (Agriculture and Agribusiness)
- ▶ Renewable energy
- ▶ Energy efficiency
- ▶ Liquid sanitation
- ▶ Construction
- ▶ Transportation
- ▶ Waste management and recovery
- ▶ Aquaculture
- ▶ Water
- ▶ Climate Adaptation and Risk Management services
- ▶ Forest value chains
- ▶ Aromatic and medicinal plants

For example, it is estimated that investing in renewables and energy efficiency in line with government targets of achieving 52% of the energy mix by 2030 could

This includes companies involved in waste management, recycling, renewable energy, agriculture and agribusiness, sustainable construction, electric mobility, eco-tourism, and circular economy (sector-agnostic), where companies seek to implement green practices throughout their value chain.

potentially contribute to around 28,000 net jobs per year, particularly in four technologies (utility-scale solar, distributed solar; utility-scale wind; and increasing energy efficiency)<sup>1</sup>. Indeed, various flagship projects in solar and wind power have been developed to tap into the country's potential in renewable energy.

In Morocco, these green-related emerging sectors remain underrepresented, and few private players operate in these sectors given the high cost of capital in some cases, the fact that the competition landscape is characterised by informality, the lack of relevant regulations, and the lack of skilled resources.

Thus, these sectors represent opportunities for private-sector responsible investment and job creation. For example, in the Waste Management subsector, opportunities exist to create and offer better opportunities for youth and women with low-medium skills working in the informal sector to move toward more organised entities. In the energy value chain and energy efficiency sub-sectors, opportunities for medium to highly-skilled youth and women exist in auditing services, consulting, engineering, and technical services (ex: project management, installation, construction, and operations and maintenance). Other types of opportunities exist in rural areas for job quality improvement and income generation related to the development of sustainable agri-food local value chains in some specific regions. This includes the improvement and diversification of organic production systems, transformation and valorisation, as well as commercialisation of local products. Finally, self-employment opportunities exist for youth to establish their startups, offering innovative and sustainable solutions.

1 MOROCCO GREEN GENERATION PROGRAM, *The World bank 2020*

To achieve this ambition, appropriate higher education, vocational training, and re-skilling activities would need to be in place to prepare the workforce to access these new jobs capable of offering technical and soft/life skills.



	Observation	Opportunities
<b>Labour Demand</b>	<ul style="list-style-type: none"> <li>Skill requirements vary depending on the sub-sectors, from low semi-skilled labour in sectors like waste management to highly skilled in energy efficiency and renewable energy.</li> <li>The majority of the labour force in this sector is composed of males and young people</li> <li>Sustainable agriculture and crafts offer more opportunities for women, especially in rural areas (i.e.cooperatives...)</li> <li>Self-employment opportunities exist for skilled urban youth to establish their startups offering innovative green solutions.</li> <li>The type of labour and skill level depend on the sub-sector.</li> <li>The majority of job opportunities in this sector are available to young people.</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities exist to create and offer better opportunities for youth and women with low-medium skills working in the informal sector to move toward more organised formal entities.</li> <li>Investment in new emerging value chains and contribute to fostering the "Made in Morocco" label, raising the competitiveness of local value chains.</li> <li>Renewable energy and energy efficiency offer more opportunities to medium and highly-skilled youth</li> <li>Opportunities are available for innovative ventures and start-ups.</li> <li>Contributing to the acceleration of these emerging sectors offers new opportunities to existing and new ventures to generate more jobs.</li> <li>Opportunities exist for training and reskilling for youth to acquire new technical and business skills.</li> </ul>
<b>Labor Supply and Skills Development</b>	<ul style="list-style-type: none"> <li>The green sub-sectors have diverse skill requirements depending on specific needs, but most positions require semi-skilled or highly skilled individuals.</li> <li>Some business associations and organisations provide specific training in green and renewable energy.</li> </ul>	<ul style="list-style-type: none"> <li>Working with TVETs, NGOs, and sectors' business associations to train and upskill.</li> </ul>
<b>Business Support &amp; Access to Finance</b>	<ul style="list-style-type: none"> <li>The green industries are emerging sectors with much potential for private sector investment; however, it remains risky given the informal competition and lack of specific regulations protecting this sector (ex: waste management.)</li> <li>Investment in renewable energies is still dominated and driven by semi-private public entities (SEOs)</li> </ul>	<ul style="list-style-type: none"> <li>Numerous Opportunities for private sector investment exist.</li> <li>More support for research institutions and the private sector to develop new technologies, make them commercially viable, and foster green technology adoption</li> </ul>
<b>Culture &amp; Social Norms</b>	<ul style="list-style-type: none"> <li>The sector is male-dominated, while women are more prevalent in agriculture and sales departments.</li> </ul>	
<b>Decency of work</b>	<ul style="list-style-type: none"> <li>The majority of jobs in some green sectors, like Waste Management and sustainable agriculture, are for semi-skilled labour, casual, informal, or seasonal. At the same time, permanent positions exist, especially for medium and high-skilled positions.</li> </ul>	<ul style="list-style-type: none"> <li>The growth of businesses in related sectors would make jobs more sustainable, shifting from seasonal casual positions to permanent or full-time casual positions and providing opportunities for skills improvement and new opportunities for youth to find relevant jobs.</li> <li>Private sector investment can offer opportunities for more formal self-employment</li> </ul>

## Digital

The digital economy plays a pivotal role in addressing Morocco's most pressing socio-economic challenges. It is considered a driver of transformative change, with the potential to enhance citizen-administration interactions and boost the Moroccan economy's productivity and competitiveness. Additionally, it can play a significant role in mitigating key inequalities within the country.

Recognising its importance, and in response to these imperatives, Morocco has demonstrated its commitment to digital development through the implementation of various national programmes over the past decade. Among these initiatives, a comprehensive strategy for digitalisation was developed, aiming to integrate digital technologies across multiple sectors of the economy and society.

The digital sector has seen strong growth in recent years, driven by the increasing use of social media, e-commerce and digital platforms, increased internet penetration, and a growing middle class; hence many ICT and digital and offshoring companies (BPO, ITO...) have been expanding their activities and attracting investment. With growing businesses and organisations across different sectors such as Banking, Finance, and many other industries looking to digitise their operations (ex: Industry 4.0), the demand for qualified, skilled youth has seen strong demand.

Still, this sector faces many challenges, including the low penetration of the digital infrastructure, the legal and regulatory barriers, and an enormous digital skills gap that undermines the country's potential for digital growth and being considered as "Digital Nation". ICT recruiters report that they face difficulties in finding young talents in middle management with tech skills and good soft skills. Another frustrating trend is the tradition of Morocco to export talents when it comes to engineers' "brain drain", which is motivated by the lack of perspectives and the international talent war for Tech talents with tech skills in development, AI, and machine learning.<sup>2</sup>

The ICT sector is promising for Morocco because it meets youth aspirations, especially for women, given its open knowledge networks, work location flexibility, and inclusiveness, especially in rural and remote areas. However, for Morocco to take advantage of economic opportunities, secure long-term economic development, and ensure the private sector's resilience, the country must close the digital skills gap.



	Observation	Opportunities
<b>Labour Demand</b>	<ul style="list-style-type: none"> <li>High growth sector with a high labour demand</li> <li>Opportunities from businesses adopting technology to enable/enhance remote work and reach customers.</li> <li>Emergence of tech-driven ventures such as fintech, ag-tech, health-tech, ed-tech, and e-commerce driving growth in labour demand.</li> <li>ICT-enabled jobs &amp; offshoring opportunities are available across service sectors for youth and women</li> <li>Opportunities available for medium and highly-skilled talents</li> <li>The market demand is concentrated in a few central regions of Morocco</li> <li>More demand for Semi-skilled tech talents (ex: technicians) vs. Highly qualified in companies</li> </ul>	<ul style="list-style-type: none"> <li>ICT training and upskilling centres should be established in vulnerable neighbourhoods and rural areas to provide open access for youth, and women.</li> <li>There are opportunities available for innovative ventures and start-ups.</li> <li>Opportunities to leverage women's inclusion in the job market.</li> <li>Digital technologies can improve business competitiveness and the quality of jobs, especially in sectors like sustainable agriculture.</li> </ul>
<b>Labor Supply and Skills Development</b>	<ul style="list-style-type: none"> <li>There is a shortage of graduates with technical backgrounds with Science, Technology, Engineering, and Mathematics (STEM) qualifications.</li> <li>Misalignment of academic training with the market needs</li> <li>Few companies offer tech and digital skills training; most youth rely on self-learning, mainly YouTube tutorials.</li> <li>Lack of tech talents with good soft and linguistic skills</li> <li>Academic institutes fail to integrate students into the corporate world</li> </ul>	<ul style="list-style-type: none"> <li>Upskilling and ICT skills with the latest professional certifications can be considered an attractive retention tool by youth</li> <li>Provide more opportunities for training for school-to-work transition</li> <li>Provide STEM training and Tech on job training to contribute to closing the gender disparity in the sector.</li> <li>Blended hard tech and soft skills training can be offered to improve the integration of young graduates into the job market</li> </ul>
<b>Business Support &amp; Access to Finance</b>	<ul style="list-style-type: none"> <li>Preference to hire graduates from public schools and universities, preferably with certifications.</li> <li>The digital skills gap affects not only digital sectors but all investment decisions.</li> <li>Start-ups face significant challenges related to bureaucratic and regulatory barriers, as well as a lack of resources with Tech skills needed for their business growth</li> </ul>	<ul style="list-style-type: none"> <li>Support the creation of strong Moroccan Digital ecosystems that contributes to attracting more foreign investments, and creating more jobs</li> <li>Supports the creation of a large ecosystem of talented young entrepreneurs</li> <li>Foster Industry-academia partnerships to ensure curricula align with industry needs, provide internships, and offer practical training opportunities.</li> <li>Improve access to relevant technology, softwares, and resources needed to develop Tech skills, particularly in educational institutions and training centres.</li> <li>More innovative stakeholders' collaboration, between academic institutions/ TVET centres/ government agencies, civil society, and private sector representatives to equip young individuals with the necessary skills and knowledge demanded by the industry and ensure job opportunities</li> </ul>
<b>Culture &amp; Social Norms</b>	<ul style="list-style-type: none"> <li>The perception is that roles in the Digital sector are for men.</li> </ul>	<ul style="list-style-type: none"> <li>Increase awareness in the broader society on the importance of digital inclusion.</li> </ul>
<b>Decency of work</b>	<ul style="list-style-type: none"> <li>This sector presents good opportunities for decent work for medium and highly-skilled tech talents, although other opportunities for self-employment and freelancing exist that meet youth aspirations.</li> <li>Young talents express a preference to work for large international enterprises rather than local SMEs</li> <li>Young generations seem to express negative views on the ICT job market, which results in high turnover.</li> <li>Some youth considers that working for Startups is not attractive because of the limited incentives and lack of a clear career path</li> </ul>	<ul style="list-style-type: none"> <li>SMEs can create a more engaging environment that attracts youth and meet their aspirations.</li> <li>SMEs and startups can offer opportunities</li> <li>Great potential for educational institutions and civil society organisations to match youth into jobs in ICT</li> </ul>

# Key Stakeholders Consulted

<i>Name Interviewee</i>	<i>Position</i>	<i>Name of Organization</i>	<i>Type of Organization</i>
Fatima-Ezzahra AIT EL HABTI	Chef de Division des Plateformes Technologiques & des Clusters (Ministère de l'Industrie et du Commerce)	Ministère de l'Industrie et du Commerce	Public
Samir Idrissi Kassimy	GCIP Morocco Coordinator	Ministry of Energy Transition and Sustainable Development	Public
Nourdine bouyaakoub	Managing Director	CE3M	Business Association
FatimZahra El khalifa	Managing Director	Cluster EnR	Business Association
Kaoutar Filali	Managing Director	Cluster Menara	Business Association
Meryem Rachdi	Managing Director	Moroccan Fashion Cluster	Business Association
Zakaria El Madani	Managing Director	Cluster Valbiom	Business Association
Wafaa Berny-Mezouar	Managing Director	Association Al Jissr	NGO
Issam Cheerat	Managing Director	Association Chifae	NGO
Mounir Aznail	Managing Director	Marock'jeune	NGO
Leila Adghirni	Program Officer	Hiya Wa Howa Siyan	NGO
Marwane Fachane	Managing Director	Hiba Foundation	NGO
Touria Belfquih	Managing Director	Maghreb Kudurat	NGO
Driss Nahya	Managing Director	Polluclean	For Profit Company
Nawal Amimi	Procurement Director	Morocco Copper Foundry	For Profit Company
Hamza Chraibi	President and Founder at Arab Excellence	Arab Excellence	For Profit Company
Aida Tagmouti	Co-Founder and CEO	Jobees	For Profit Company
Yassine Bentaleb	Founder	Foodeals	For-Profit Company
Hamza Cherif D'Ouezzan	Managing Director	The Anou	Cooperative
Mehdi Alaoui	Tech Entrepreneur	StartupStation	Incubator/Accelerator
Amine Hazzaz	Founder and CEO	H7	Incubator/Accelerator
Adnane Bennis	Managing Editor	Morocco World News	For Profit Company