

the strain on the country's environmental and water resources. Experts feel that it is only a matter of time before there is an important water shortage in Morocco. The Bank will focus its efforts on helping the Government of Morocco achieve the three following goals: (i) building the nascent framework for environment/water resource management (ii) strengthening regulatory and legal frameworks for environmental standards and protection and (iii) dealing with framework distortions, such as tariffs. The environment and water sectors will account for some fifteen percent of the Bank's five-year lending program.

(6) Closer links with foreign markets and investors

Forging closer links with foreign markets will foster increased competitiveness and heighten Morocco's access to foreign resources. The Bank has undertaken studies on the impact of a trade agreement with the European Union, Morocco's largest economic partner. Bank-financed projects will seek to further incorporate Morocco's economy into that of the world.

**Lending Priorities**

As of December, 1995, the World Bank lending pipeline for Morocco totalled US\$1,160 million, and can be broken-down sectorally as follows:

- (1) Agriculture - US\$160 million (13.8%);
- (2) Education - US\$110 million (9.5%);
- (3) Energy - No Projects in Pipeline;
- (4) Environment - US\$60 million (5.7%);
- (5) Finance - No Projects in Pipeline;
- (6) Industry - US\$40 million (3.4%);
- (7) Infrastructure - No Projects in Pipeline;
- (8) Population, Health & Nutrition - US\$130 million (11.2%);
- (9) Power - US\$150 million (12.9%);
- (10) Private Sector Development - No Projects in Pipeline;
- (11) Public Sector Management - US\$80 million (6.9%);