



# Morocco Country Strategy 2024-2029

Approved by the Board of Directors on 20 March 2024



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European Bank  
for Reconstruction and Development

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		GCF	Green Climate Fund
		GDP	Gross Domestic Product
		GEFF	Green Economy Financing Facility
		GET	Green Economy Transition
		GHG	Green House Gas
		GVC	Green Value Chain Programme
		ICT	Information and Communications Technology
		ICA	Industry, Commerce and Agribusiness
		IFI	International Financial Institution
		MDA	Multi-Donor Account
		MDB	Multilateral Development Bank
		MEF	Ministry of Economy and Finance
		M&S	Manufacturing & Services
		NBFI	Non-Bank Financial Institution
		NDC	Nationally Determined Contribution
		NDM	New Development Model
		NIP	Neighbourhood Investment Platform
		NPL	Non-Performing Loan
		ONCF	Moroccan National Railways Office
		ONEE	National Office of Electricity and Drinking Water
		ONDA	Moroccan Airports Authority
		PFI	Partner Financial Institution
		PPP	Public-Private Partnership
		PR	Performance Requirement
		PTI	Portfolio Transition Impact
		RE	Renewable Energy
		SCF	Strategic and Capital Framework
		SEMED	Southern and Eastern Mediterranean
		SME	Small and Medium-Sized Enterprise
		SOE	State-Owned Enterprise
		SSA	Sub-Saharan Africa
		TC	Technical Cooperation
		TEI	Team Europe Initiative
		TFP	Trade Finance Programme
		TMT	Technology, Media and Telecommunications
		TVET	Technical and Vocational Education and Training
		VC	Venture Capital
		VCCP	Value Chain Competitiveness Programme
		VISP	Vital Infrastructure Support Programme
		WiB	Women in Business Programme
		YiB	Youth in Business Programme



# Executive Summary

Morocco's commitment to the political principles stated in Article 1 continued from the previous country strategy period. Notwithstanding positive developments in the independence of the judiciary and access to justice, including recent additional reforms in these areas, the need for further improvements continues.

In the period since the last country strategy, Morocco has continued to pursue a number of important reforms. The country's political economy is vivid and dynamic, with a strong focus on the rule of law. However, it is also characterised by a notable concentration of political and economic powers that continues to constrain competitiveness.

Morocco suffered a 7.2 per cent recession in 2020 due to the outbreak of the COVID-19 pandemic, with the biggest declines in the tourism, air transport and trade sectors. The agriculture sector also contracted because of the delay in rainfall at the start of the crop year. However, the economy returned to growth (at 7.9 per cent) in 2021, driven by the agricultural sector, which benefited from above average rainfall, as well as the recovery in non-agricultural economic activity, and helped by a swift and strong policy response, as Morocco benefitted from its vaccination campaign and therefore a relatively faster reopening of the economy. Economic growth slowed in 2022 (to 1.3%), as the agriculture sector contracted because of a severe drought, but non-agricultural growth was robust, mainly driven by tourism and trade. Meanwhile, total debt increased since 2019 on account of falling revenues and increased government socio-economic expenditures to mitigate the effects of the pandemic and the war on Ukraine. In September 2023 Morocco suffered a devastating earthquake, claiming nearly 3,000 lives and wreaking widespread damage in the High Atlas mountains area.

Morocco continues to face significant transition challenges, which were further amplified during the COVID-19 pandemic. The country achieved impressive progress in industrial diversification and growth in agricultural production. However, **competitiveness** is constrained by two factors: first, the state remains highly present in some economic activities (mainly in the utilities, transport and infrastructure sectors), and second, the growing export sector is focused on a few large industrial "ecosystems" with relatively limited opportunities for local SME integration and growth. Despite significant investment and improved living standards in rural areas, **inclusion** gaps persist, and the development of rural areas has been limited outside agriculture. Energy intensity also remains high, and amidst rising energy consumption, the need for additional **green** measures to meet climate objectives is becoming increasingly urgent.

Recognising these challenges, following wide consultations a royal commission announced in May 2021 a New Development Model (NDM) for the country. The NDM aims to boost private sector competitiveness, human capital, education, and economic inclusion and other social protections, as well as advance sustainable regional development, solidarity, social justice and freedoms. Key pathways that overlap closely with EBRD operations include fostering innovation and targeted sectoral reforms (including in power, water, logistics and the financial sector), as well as efforts to spread the benefits through greater regional and social inclusion. To achieve these aims, Morocco will need to mobilise additional support from its international partners. The Bank is well placed to assist with these efforts, building upon its decade-long presence and more than €4 billion invested (including record volumes in 2020 as part of the Solidarity Package). It also stands ready, in coordination with the authorities and international partners, to further assist the country as it rebuilds and accelerate inclusive development of the regions affected by the 8 September 2023 earthquake.

With that in mind, the Bank is set to pursue the following strategic priorities in Morocco in 2024-2029:

- *Support the shift to a more private sector-led economy by enhancing competitiveness and supporting Morocco's governance reform agenda;*
- *Strengthen social cohesion and reduce regional disparities for more inclusive growth; and*
- *Accelerate Morocco's Green Economy Transition through more sustainable energy, water and infrastructure.*

# Morocco – EBRD Snapshot

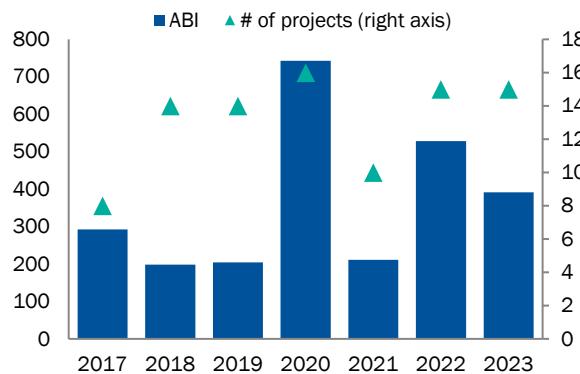


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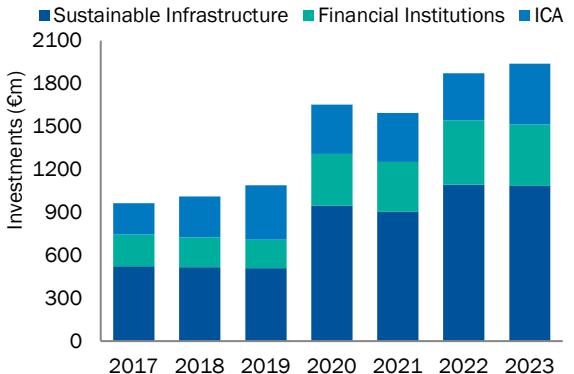
## EBRD investment activities in Morocco (as of end-2023)

Portfolio	€1,939m	Active projects	75
Equity share	6%	Operating assets	€1,586m
Private Sector Share <sup>1</sup>	68.9%	Net cum. investment	€4,425m

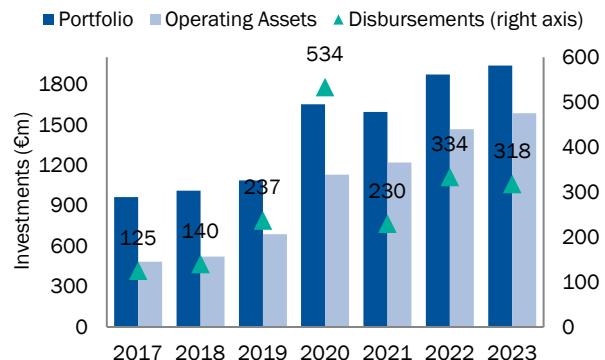
## ABI and operations



## Portfolio composition



## Portfolio dynamics



## Transition Gaps<sup>2</sup>



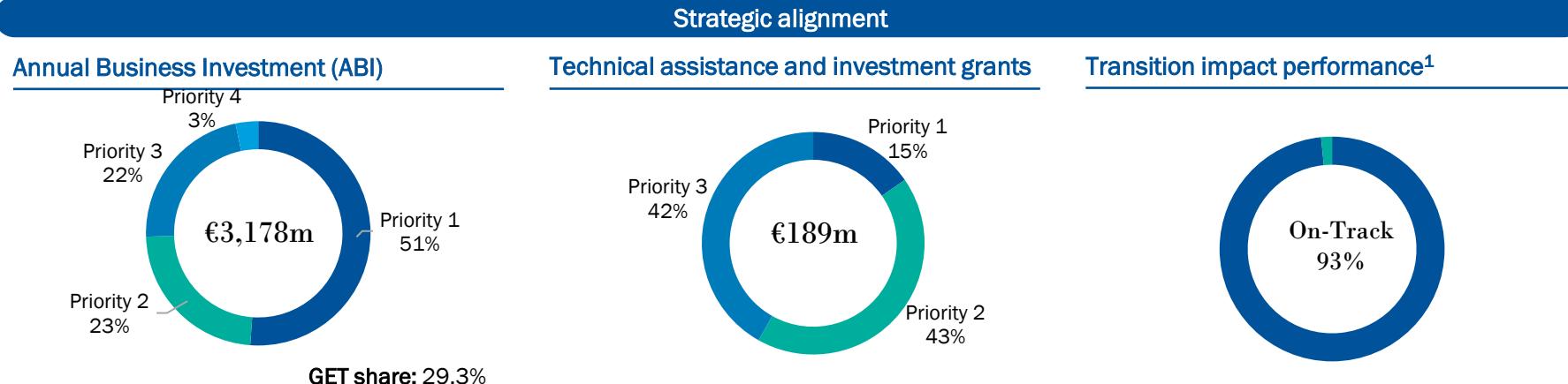
## Morocco context figures

Morocco	Comparators
GDP per capita (PPP, USD) (2023)	(17,123) Egypt 10,408 (43,601) Hungary (41,888) Turkey
Global Competitiveness Index (WEF) (rank / 141 economies) (2019)	(93) Egypt 75 (47) Hungary (61) Turkey
Unemployment (%, ILO est) (2023)	(6.3) Egypt 9.8 (4.1) Hungary (9.6) Turkey
Youth unemployment (%, ILO est) (2023)	(15.6) Egypt 23.4 (12.7) Hungary (17.9) Turkey
Female labour force participation (%, ILO est) (2022)	(15.1) Egypt 21.4 (52.7) Hungary (34.2) Turkey
Energy intensity (TPES/GDP) (2020)	(0.3) Egypt 0.2 (0.2) Hungary (0.2) Turkey
Emission intensity (kg/2015 US\$ of GDP) (2020)	(0.5) Egypt 0.6 (0.3) Hungary (0.4) Turkey

1 Cumulative Bank Investment: 5 year rolling basis on portfolio. 2 Cf. EBRD Transition Report 2023-24.

# 1. Implementation of Previous Strategy (2015-2023)

## 1.1. Key Transition Results Achieved during Previous Strategy (1/3)



### Priority 1 | Realizing Morocco's Entrepreneurial Potential

#### Advice for Small Businesses



#### Key transition results

- Strengthened SME access to finance by extending credit lines in the amount of €528m (including green lines via a newly launched GEFF and Green Value Chains credit lines) through 9 partner financial institutions. Also invested €68m into private equity funds to help increase the availability of equity financing for SMEs.
- Bolstered trade through TFP lines totalling €568m and, in 2022, supported the country through the global food crisis with 90% of new TFP for food and agriculture related import transactions.
- Supported Morocco's companies integration into global value chains via the Bank's Value Chain Competitiveness Programme (VCCP), with EBRD financing for both local SMEs (e.g., Lamatem, Tuyaute) as well as key FDIs such as Peugeot, Faurecia and Figeac.
- Helped boost private sector competitiveness by providing over 600 SMEs dedicated advisory support through the ASB programme and enrolled 4 companies in the Bank's Blue Ribbon programme.
- Launched the Women in Business program through dedicated FI credit lines and bespoke technical assistance
- Helped private clients weather the COVID-19 crisis by deploying the Bank's Solidarity Package, including over €220m in FI & TFP lines; fast-track restructurings of four ICA clients; ASB workshops & trainings; and a TC with the Ministry of Tourism to help speed the recovery of this critical sector.
- Successfully financed the EBRD's first intra-regional transaction in the Maghreb: the expansion of Tunisian company Land'Or in Morocco through a new plant supported in part by advisory and TC under the Bank's VCCP and Blue Ribbon programmes.
- Helped draft the Crowdfunding Law and its executive regulations for implementation (covering equity-based, loan-based and donation-based crowdfunding).
- Provided equity investment in a pharmaceutical platform, supporting the creation of a regional pharma player.

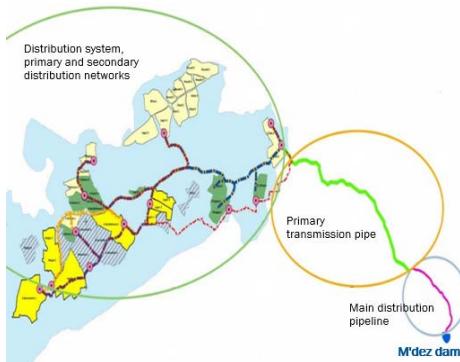
<sup>1</sup>. Transition impact performance reflects how likely projects are to achieve the transition impact expected of them at signing. Calculated based on active mature (> 2 years) portfolio

# 1. Implementation of Previous Strategy (2015-2023)

## 1.1. Key Transition Results Achieved during Previous Strategy (2/3)

### Priority 2 | Promote Regional Inclusion

#### Saïss Staged Programme

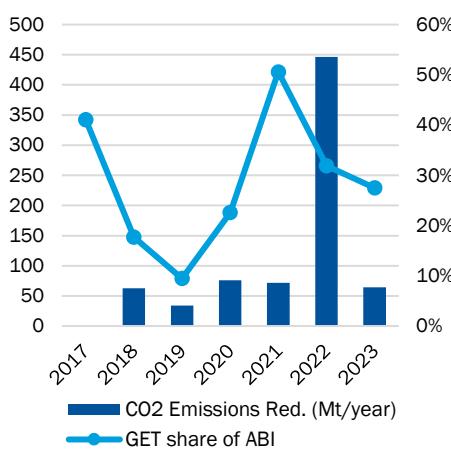


#### Key transition results

- Strengthened EBRD's outreach in the regions by opening the first offices of an IFI in Tangier and in Agadir to further support SMEs in the regions via the ASB programme.
- Signed two sovereign loans for a water conservation project in the plain of Saïss aiming at replacing underground water by surface water for irrigation: Saïss Water Conservation Project for €120m in 2017 (accompanied by a €32m GCF grant); and Saïss & Garet Water Conservation Project for €150m in 2020 (accompanied by a €28.5m EU-NIP grant). The Saïss project is a staged investment programme to tackle climate change challenges and enhance the inclusion of small farmers and women in commercial agriculture in the Saïss region between Fez and Meknes and in the Orientale region.
- Provided €300m to Société Nador West Med to develop the new Nador West Med Port, with technical assistance to develop skills in the industrial port sector, supporting the economic development of the Oriental Region.
- Supported further development of the auto sector with an emphasis on youth employment, training, inclusion and skills transfer through various FDI financings across the country (e.g., Tangier Automotive City, PSA in Kenitra, FEV UTAC) and establishment of a cooperation programme with a local education provider.
- Through another FDI, financed the construction and commissioning of a new olive oil factory of Al Dahra in the Fez-Meknes region to aggregate olive farmers in the region to produce and export olive oil.
- Signed an MoU with the Region Casablanca-Settat to develop the private sector, facilitate intra-regional integration and promote sustainable development, social inclusion and a gender-inclusive approach.

### Priority 3 | Support Sustainability and Commercialisation of Public Services and Infrastructure

#### GET



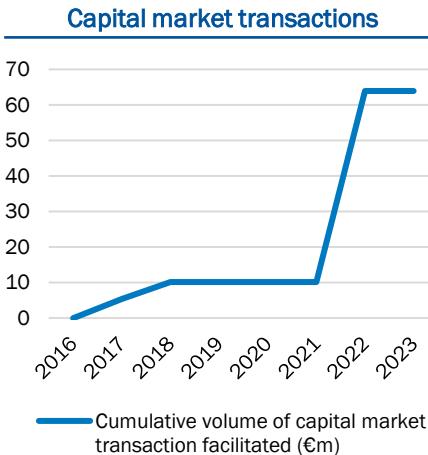
#### Key transition results

- As part of the Bank's Solidarity Package, provided €300m in sovereign loans to three SOEs (ONEE Water, ADM and ONDA) to strengthen resilience and support vital infrastructure services, along with capacity building to strengthen procurement, debt and forex management and governance/ IFRS practices.
- Provided technical assistance with the MEF to develop a reform plan aiming to enhance the governance of SOEs through a State Ownership Policy (SOP).
- Financed the first private renewable energy project in Morocco, the Khalladi wind farm, and supported Africa's first wind farm repowering (Koudia Al Baida), contributing to Morocco's target of developing 2,000 MW of wind capacity.
- Engaged in active policy dialogue with the authorities on renewable energy development, in particular to resolve delays in implementing the law to open the medium-voltage sector and allow private developers to complete their projects. Also provided technical assistance on the grid code and a grid capacity assessment to provide more transparency and visibility to private investors.
- Supported the Ministry of Energy by updating Morocco's draft Gas Law in line with EBRD recommendations and best EU practices.
- Active capacity building on PPPs with the MEF to demonstrate international best practices through workshops leveraging the Bank's successful experience as well as comprehensive training.
- Provided €40m loan to Agence Nationale des Ports to enhance climate resilience of ports along Morocco's Atlantic coast line.

# 1. Implementation of Previous Strategy (2015-2023)

## 1.1. Key Transition Results Achieved during Previous Strategy (3/3)

### Priority 4 | Advance Capital Markets Development



### Key transition results

- Provided ongoing technical assistance to the MEF, Central Bank and capital market regulator (AMMC) to support capital markets reforms, including to: (i) review the debt markets regulatory framework; and (ii) support yield curve modelling for government bonds to establish a pricing benchmark to be used by all market participants.
- Supported the development and launch of the new Moroccan Money Market Index (MONIA): a robust risk-free rate to enhance the development of new products and transparency of money market operations, leading to a more resilient financial system.
- In 2018, invested €59m in “Amundi Planet - Emerging Green One”, a global fund which focuses on green bond issuances by private sector FIs in Morocco and other emerging markets, of which €10m was allocated to Morocco.
- Partially exited the EBRD's first direct equity investment in Morocco through the IPO of Aradei on the Casablanca Stock Exchange using an innovative REIT-like vehicle, supporting the company's market liquidity.
- Participated in the first ever infrastructure green bond (issued by the ONCF, the Moroccan railway operator) to support development of high-speed rail lines.
- Invested in the first ever municipal bond (issued by the City of Agadir), supporting development of an effective municipal bond market in Morocco.

# 1. Implementation of Previous Strategy (2015-2023)

## 1.2. Challenges to Implementation and Key Lessons

### Context for implementation

Since the last country strategy, Morocco has continued to pursue a number of important reforms. The country's political economy is vivid and dynamic, with a strong focus on the rule of law. However, it is also characterised by a notable concentration of political and economic powers that continues to constrain competitiveness. The state remains highly present in some economic activities, with the growing export sector focused on a few large industrial "ecosystems" with relatively limited opportunities for local SME integration and growth. Despite significant investment and improved living standards in rural areas, inclusion gaps persist and the development of rural areas has been limited outside agriculture. Water stress has become more acute in recent years, calling for more sustainable supply and demand management. Energy intensity also remains high, and amidst rising energy consumption, the need for additional measures to meet climate objectives is becoming increasingly urgent. Recognising these challenges, the New Development Model (NDM) announced in May 2021 aims to boost private sector competitiveness, human capital and economic inclusion, as well as advance sustainable regional development. To achieve these aims, Morocco will need to mobilise additional support from its international partners. The Bank is well placed, building upon its decade-long presence and more than €4 billion invested (including record volumes in 2020 as part of the Solidarity Package), to assist with these efforts.

#### Implementation challenges

- High commercial liquidity available to a concentrated private sector and EBRD's limited geographical mandate previously prevented support to SSA investments.
- EBRD's effective crisis response via the Solidarity Package/VISP was an effective leverage for SOE reform – but was inherently transitory.
- Limited utilisation in recent years of PPP structures in infrastructure/energy projects as well as abundant long-term IFI concessional funding available.
- Previous efforts to boost inclusion largely through banks (e.g., Women in Business) received limited traction.
- Renewable energy segment growing, but private sector opportunities under the previous strategy period were limited by restrictive regulatory framework.
- Limited opportunities to date to expand capital markets, with equity valuations high and exits difficult.

#### Key lessons & way forward

- Deploy innovative financings with niche focus (e.g., gender, inclusion, green, digital) and look to leverage donor co-finance and TC to selectively improve the competitiveness of EBRD products, with a portfolio approach when required; EBRD expansion can facilitate new opportunities in SSA
- Along with other IFIs, look to build on existing relationships, SOP policy engagement and NDM momentum to further strengthen commercialisation at key SOEs and address governance.
- NDM and new budget law signal increased openness to PPPs. A coordinated IFI approach can also underscore the benefits of increased private sector participation in key sectors.
- Review intermediated inclusion products to better adapt them to local context and make them more additional to public programmes, notably through a stronger focus on technical assistance. Increased digitalisation can also enhance service delivery to underserved groups.
- Strong potential to scale up in coming years, particularly in light of Morocco's NDC commitments. Continue to support shift towards more private sector approach, which is necessary to realise this ambition.
- Continue efforts to broaden and deepen local markets through capacity building and new products (including green), and look for opportunities to serve as an institutional/anchor investor in bonds and equity.

## 2. Economic Context

### 2.1. Macroeconomic Context and Outlook for Strategy Period

Morocco – Main Macroeconomic Indicators						
	2018	2019	2020	2021	2022	2023 (est.)
GDP growth (% y-o-y)	3.1	2.9	-7.2	8.0	1.3	2.9
CPI inflation (% avg.)	1.6	0.2	0.7	1.4	6.6	6.1
Government balance (% GDP) <sup>2</sup>	-3.4	-3.6	-7.1	-6.0	-5.2	4.4
Current account balance (% GDP)	-4.9	-3.4	-1.2	-2.3	-3.5	-3.1
Net FDI (% of GDP) <sup>1</sup>	-2.2	-0.6	-0.8	-1.1	-1.2	-1.2
External debt (% GDP)	40.5	42.5	54.2	45.9	49.5	50.1
Gross reserves (% GDP)	19.2	20.5	29.7	25.1	24.7	24.9
General gov't gross debt (% GDP)	60.5	60.3	72.2	69.5	71.5	69.7
Unemployment (% labour force) <sup>2</sup>	9.5	9.2	11.9	12.3	11.8	12.0
Nominal GDP (\$bn)	127.3	128.9	121.4	141.8	130.9	147.3

<sup>1</sup> Negative FDI figures represent inflows.

<sup>2</sup> National estimates.

Source: National authorities, IMF

- Morocco's growth initially saw a strong rebound in 2021 (7.9% of GDP growth) but 2022 saw modest growth at just 1.3%, due to adverse weather conditions for the agricultural sector
- The agriculture sector contracted as a result of severe drought, but non-agricultural growth reached 3.0%,(down from 6.3% in the previous year) .
- The fiscal deficit narrowed to 4.4% of GDP in 2023 as both revenues and expenditures increased. Tax revenues picked up with the economic recovery, and dividends from Office Chérifien des Phosphates (OCP) were strong. This, coupled with a drop in subsidies, offset the rise in interest payments and enabled higher public investment (mostly to mitigate the impact of the earthquake and build drought resilience). Meanwhile, total government debt remained around to 70% of GDP, but higher than the 59.9% averaged during 2015-19.
- To counteract the effects of the war on Ukraine and soaring global commodity and energy prices, Morocco dedicated almost US\$1 billion of support for farmers (initially in response to the drought), provided subsidies to road freight companies, and doubled the budget for subsidies for butane gas, flour and sugar.
- On the external side, the current account deficit widened to 3.5% of GDP in 2022 (estimated to have slightly narrowed to 3.1% in 2023), as imports rose significantly (mainly food and energy), outweighing the increase in exports, tourism receipts (which returned close to its pre-pandemic levels) and remittances. Reserves reached US\$35.6 billion by the end of 2023, comfortably covering over 5 months of imports.
- A pickup is expected in 2023 (to 2.9% GDP growth) as agriculture recovers and inflation moderates, while Morocco's removal from the Financial Action Task Force (FATF)'s Grey List provides a boost to investor confidence. In the medium run, growth will likely revert to pre-pandemic of around 3% levels and potentially more if fundamental reforms are implemented that could substantially boost growth. Downside risks include increases in hydrocarbon prices, worsening global conditions, lower demand from Europe, tighter financial conditions and global supply-chain disruptions. While industrial output and linkages to the overall economy of the four regions impacted by the earthquake are moderate, the €11bn earthquake response programme announced by the government will require significant and sustained financing over the next few years.

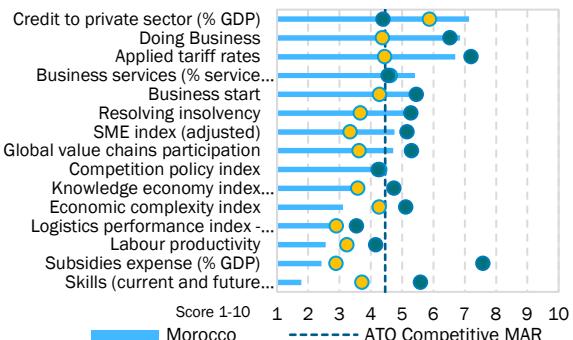
## 2. Economic Context

### 2.2 Key Transition Challenges (I/II)

Competitive (4.3)

- Morocco has the best **business environment** in the SEMED region and has established a competitive automotive production hub.
- Still, enterprises sometimes face burdensome regulations, and corruption is viewed as a top obstacles for businesses, according to recent surveys<sup>1</sup> (more so than in other SEMED countries).
- The economic complexity of production and exports remains below the SEMED average, and the potential for value chain integration (e.g., in agribusiness) remains underutilised.
- **SMEs** make up approximately 90% of Moroccan firms, but they suffer from low labour quality and skills mismatches and need more support to upgrade and integrate into global value chains.

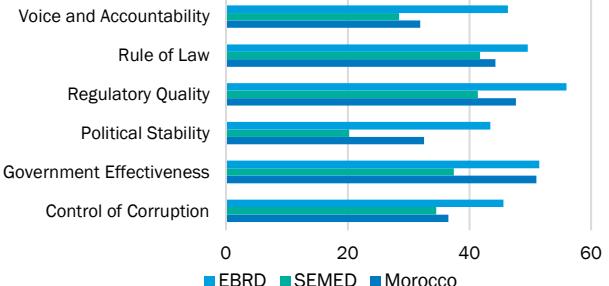
#### Competitive ATQ indicators' scores



Well-governed (5.8)

- Morocco has improved the quality of **national level governance**, but survey data suggests that enforcement of laws and judicial recourse for enterprises are still perceived as inefficient.<sup>2</sup>
- Morocco ranked 86th out of 180 in the 2020 **Corruption** Perceptions Index, with 53% of people surveyed indicating that corruption had increased in the previous 12 months, despite government efforts to combat it, including through the government's digital strategy (Maroc Digital 2020).<sup>3</sup>
- Morocco is a regional leader in implementing large-scale privatisation programmes, **SOE restructuring** and in publishing annual reporting on SOE operations. However, further transparency and access to information in sectors dominated by SOEs is needed for the private sector to compete.

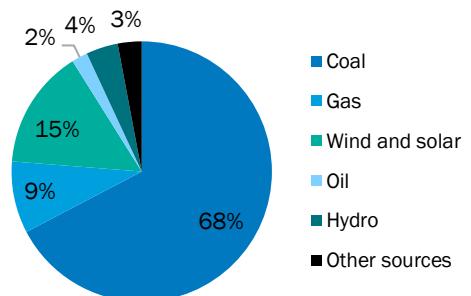
#### Worldwide Governance Indicators 2021



Green (5.2)

- Morocco is **water-scarce** and is confronted with dwindling groundwater reserves and a strong dependence on rain-fed agriculture.
- Under the **Paris Agreement**, Morocco has committed to reducing GHG emissions by 45.5% below business-as-usual levels by 2030, one of the most ambitious NDC targets.
- **Energy** consumption remains dominated by oil, coal and natural gas, which are mostly imported.
- The share of **renewables** in electricity is progressing fast. The 2009 National Energy Strategy envisaged renewable electricity constituting 42% of installed capacity by 2020, raised in 2015 to 52% by 2030.
- Morocco has a potential for green energy, however, additional energy **efficiency** measures will be needed to meet ambitious energy and climate objectives and reduce emissions from industry and households.

#### Electricity Generation



1 World Bank Enterprise Surveys 2019

2 World Bank's Worldwide Governance Indicators, and World Economic Forum's Global Competitiveness Report

3 Transparency International, Corruption Perception Index 2020

## 2. Economic Context

### 2.2 Key Transition Challenges (II/II)

Inclusive (4.2)

- Youth Inclusion:** Youth unemployment remains high at 32.7%, and the quality of education is low. The skills of the workforce do not fully match employers' needs, including on key sectors for the future. Labour productivity is adversely affected by the low education and skill levels of the workforce as well as high informality. Reforms have been initiated to overcome these deficits.
- Gender Inclusion:** Female labour force participation remains low at 21%, constrained by cultural and legal factors and restrictions in certain professions<sup>1</sup>.
- Regional Inclusion:** Despite progress in recent years, inequalities between urban and rural area still persist, with the Southern Oasis, Fes-Meknes and Oriental regions having less access to infrastructure (including digital) and economic opportunities. The 2023 earthquake shed light on some of these regional disparities. The quality of trade and transport infrastructure is also below the regional average.

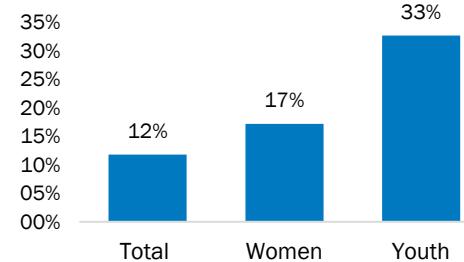
Integrated (5.2)

- Morocco's **location** serves as a strategic hub for foreign companies interested in operating in the African market.
- Morocco's **openness to FDI** flows has been stable over the past decade, but below regional and the EBRD averages. The country is a party to 58 bilateral investment treaties.
- Road and non-road **connectivity** is above regional and EBRD averages, and the quality of infrastructure has improved in recent years.
- Logistic performance improved in recent years, notably ports. Meanwhile, both **domestic and international logistic performance** are lower than EBRD and comparator country averages, according to the 2018 Logistics Performance Index. The proportion of products lost to breakage or spoilage during shipping is the highest among all EBRD countries.

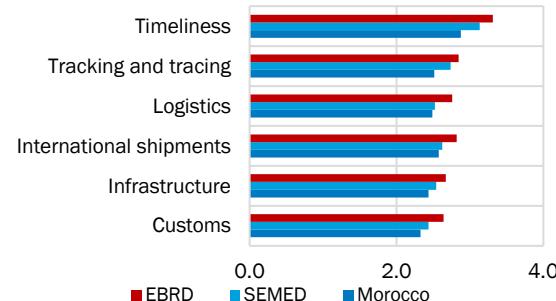
Resilient (4.8)

- The Moroccan **banking sector** is one of the most developed in the region. Major banks have expanded regionally in **SSA**.
- However, it remains highly concentrated: the top 3 banks account for over 2/3rds of financial sector assets and deposits and lending to SMEs remains limited. Asset quality has been stable, but remains a concern, with NPLs higher than in many other EBRD CoOs, but well-provisioned.
- According to BAM, **financial inclusion** has improved. 44% of adults had a bank account in 2021, but access of women and youths remains more limited, only 9% of young people between 15-24 had a bank account, even though this age bracket represents more than 20% of the total population.
- Domestic capital markets** are relatively developed but **NBFIs** need to play a larger role in financing smaller companies.
- The energy sector** has made good progress in recent years, thanks to structural reforms (e.g., creation of an independent regulator and approval of the first grid code). However, the legacy of state dominance and the delays in effectively opening up different electricity segments are hampering the establishment of a truly open and resilient energy market.

Unemployment, 2022, in%



Logistics Performance Index 2018



Financial Soundness Indicators, in%

	2018	2019	2020	2021	2022
NPL/total loans	7.3	7.5	8.2	8.5	8.4
Capital Adequacy Ratio (CAR)	10.9	11.5	11.4	12.0	11.8
Credit to the private sector (% of GDP)	57.8	58.9	66.2	62.4	64.2
Market capitalisation of listed domestic companies (% of GDP)	48.7	50.5	50.8	54.2	42.2

# 3. Government Priorities and Stakeholder Engagement

## 3.1 Government Reform Priorities

In recent years Morocco has pursued a number of reforms with the objective of further modernising the nation, including in the financial and state sectors, as well as improvements to the social protection framework. Most notably, in 2021, the Royal Commission convened by King Mohamed VI announced the New Development Model (NDM), an ambitious plan to transform Morocco's economy by 2035. The NDM aims to position the country in the top third of global rankings and comprises five development objectives, accompanied by a set of strategic choices and performance indicators:

- **Economic growth:** enhance private sector initiative and improve competitiveness through increased transparency in the business environment and simplified regulation; guide private investments towards productive businesses; establish a growth-oriented framework setting out the basis for a dynamic financial sector, capital market development and optimized public expenditure and corporate taxation; strengthen the social economy and employment.
- **Enhanced human capital:** increase quality of education through reforms; expand higher education by ensuring autonomous governance, improving scientific research and creating synergies between academic institutions and professional training organizations; ensure access to quality health care by strengthening the public health care system and supporting cooperation with the private sector.
- **Inclusion and solidarity:** ensure gender equality and strengthen women's participation through targeted education programmes and elimination of social constraints; increase the integration of young people in the work force; promote pluralism and enhance social security to foster inclusion, cooperation and solidarity.
- **Sustainability and territorial integration:** promote regional and local reorganisation to improve governance and ensure quality service delivery; Improve urban environments and strengthen connectivity through new housing policies and public transport enhancement; protect natural resources and develop fully sustainable agriculture processes; better manage scarce water resources.
- **Becoming a regional leader:** promote advanced digital technology and low carbon transition; become regionally recognised for higher education, research, and innovation; become a regional financial hub; establish "Made in Morocco" as a symbol of quality, competitiveness, and sustainability and enhancer of global value chains integration.

## 3.2 EBRD Reform Areas Broadly Agreed with Authorities

- Expanded private sector role with a focus on SMEs, circular economy, decarbonisation of industry, digital, innovation, skills and exports
- More diversified and innovative sources of finance, including further mobilisation of equity and quasi-equity, innovative capital market instruments and PPPs, to increase availability of long-term capital and assist with the post-pandemic revitalisation of the economy
- Support for State Owned Enterprise reform, PPPs and privatisations
- Scale up renewable energy, including through stronger regulatory framework and SOE governance, enhanced private sector participation, decarbonisation of the energy and industrial sectors and further assistance to address water stress
- Reduced regional disparities and a greater role for women and youth in the economy, with a focus on skills development and increased access to finance to MSMEs, to promote balanced and inclusive economic growth
- Support advanced regionalisation and Morocco's further investment and trade linkages with SSA, by capitalising on prospects, opportunities and synergies in the region

## 3.3 Key Messages from Civil Society to EBRD

- CSOs welcomed the Bank's planned activities to enhance regional inclusion and strengthen economic opportunities for women and youth, noting the importance of good communication and CSO involvement to the success of programmes such as WiB and YiB. They also advocated further development and scaling up of targeted vocational training, mentoring and skills programmes for women and young entrepreneurs.
- CSOs endorsed the EBRD's support for the country's green transition, and encouraged the Bank to ensure that its activities are fair and inclusive and avoid potential negative spill overs on the surrounding ecosystem and society. CSOs identified water scarcity as a primary climate challenge and welcomed further support in managing water resources alongside climate adaptation measures and decarbonisation of transport.
- CSOs also encouraged the Bank to collaborate with the central and local authorities to develop governance mechanisms in which they can participate.



# 4. Defining EBRD Morocco Country Strategy Priorities

What needs to change? (Country Diagnostic)	Can it be changed? (Political Economy)	What can the Bank do? (Institutional Capabilities)	Strategic Priorities (2024-2029)	What We Want to see in 2029
<ul style="list-style-type: none"> <li>Strong dichotomy in the economy, with investment and value added concentrated in select 'ecosystems', while many other firms struggle</li> <li>Good export performance but Global Value Chains need further upscaling, integration</li> <li>Large banking sector but low appetite to finance MSMEs; NBFIs can fill the gap</li> <li>Sizeable but concentrated equity market with low liquidity and high valuations</li> <li>Lack of explicit State Ownership Policy, limited transparency &amp; power of boards</li> </ul>	<ul style="list-style-type: none"> <li>NDM aims to boost private sector competitiveness by strengthening innovation, reducing structural costs</li> <li>NDM may also provide opportunity to recalibrate the role of the state in the economy, including new impetus for SOE reform (2020 King's Speech)</li> <li>Morocco has built a competitive edge in certain high-tech industries, e.g., automotives, aeronautics</li> <li>Potential for deeper business/financial integration with SSA</li> </ul>	<ul style="list-style-type: none"> <li>Well tailored products to help SMEs and corporates grow (e.g., value chains, exports, innovation)</li> <li>Specialised experience in developing capital markets and expanding financial product range, including in local currency</li> <li>EBRD can support improved corporate governance in SOEs, help develop a SOP and promote privatisation, in coordination with other IFIs</li> <li>Focused policy engagement can promote fair access and strengthen competition</li> </ul>	<p><i>Support the shift to a more private sector-led economy by enhancing competitiveness and supporting Morocco's governance reform agenda</i></p>	<ul style="list-style-type: none"> <li>A more expansive, dynamic, outward looking and competitive private sector</li> <li>Improved governance to support a private sector-led economy and increase competition</li> <li>Strengthened resilience via further development of capital markets and local currency products</li> </ul>
<ul style="list-style-type: none"> <li>Financial inclusion is low, with many people/firms lacking bank accounts</li> <li>Female labour force participation is only 21% versus 70% for men, with high youth unemployment</li> <li>Regionalisation still at early stage, with further decentralisation needed</li> <li>Development of rural areas is limited, with low skilled workforce and economic activity largely confined to agriculture</li> <li>Insufficient connectivity, including digitalisation, further inhibits rural integration</li> </ul>	<ul style="list-style-type: none"> <li>More widely sharing the benefits of economic growth a core ambition of the NDM</li> <li>National Financial Inclusion Strategy and growing NIFI sector can expand financial services to the underserved</li> <li>Accelerating digital financial services a key part of the new Moroccan digital roadmap</li> <li>Government efforts to improve rural connectivity and upscale agriculture</li> <li>Regional Investment Centres could improve access to business services</li> </ul>	<ul style="list-style-type: none"> <li>EBRD can promote greater financial inclusion, incl. via tailored support for underserved segments (WiB/YiB) with a new focus on digitalisation</li> <li>Support for TVET reform and private-led skills development, incl. digital solutions</li> <li>Ability to leverage investment/advisory portfolio outside main cities</li> <li>EBRD investments can boost tourism and improve infrastructure/municipal services while also creating skilled jobs and deepening backward linkages</li> </ul>	<p><i>Strengthen social cohesion and reduce regional disparities for more inclusive growth</i></p>	<ul style="list-style-type: none"> <li>Increased access to finance and entrepreneurship, in particular for women and youth</li> <li>Increased access to skills development</li> <li>Reduced regional disparities</li> </ul>
<ul style="list-style-type: none"> <li>Electricity generation mostly from imported coal, with demand growing by 5% each year</li> <li>Share of renewable energy growing, but further investment needed</li> <li>Water scarcity a growing problem, with increasing municipal and industrial demand requiring more sustainable management</li> <li>Sustainability of municipal infrastructure is low, especially in the waste sector</li> <li>Energy intensity is twice EU-28 levels; decarbonisation across sectors needed</li> <li>Need for additional energy efficiency measures to meet climate objectives</li> <li>Increasing climate vulnerability will require further adaptation and disaster preparedness</li> </ul>	<ul style="list-style-type: none"> <li>National Energy Strategy aims to achieve 52% of electricity from renewables by 2030</li> <li>RE segment growing rapidly, more than tripling in the last decade</li> <li>Addressing water stress has become a national priority, with notably an ambitious desalination strategy</li> <li>New Green Generation 2020-2030 plan to enhance agriculture sector's sustainability</li> <li>Revised EE strategy provides for action plans in transport, agriculture, construction sectors, among others</li> <li>Morocco's updated NDC commits to a 45.5% reduction of GHG emissions by 2030 and increased adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Strong track record of advancing renewable energy in SEMED countries</li> <li>Experience developing inclusive and sustainable infrastructure, including water networks</li> <li>EBRD can develop GCAPs for more sustainable, climate resilient cities &amp; regions</li> <li>EBRD technical assistance can help local authorities improve water management and address scarcity</li> <li>Institutional, financial and technical support for resource efficiency, climate resilience and adaptation via dedicated GET products</li> <li>Full alignment with Paris Agreement by end-2022, including prohibition on coal projects</li> </ul>	<p><i>Accelerate Morocco's Green Economy Transition through more sustainable energy, water and infrastructure</i></p>	<ul style="list-style-type: none"> <li>Increased renewable energy capacity and a more diversified energy mix</li> <li>Improved sustainability and efficiency of water and other key infrastructure services</li> <li>Increased decarbonisation through energy and resource efficiency and climate resilience</li> </ul>

# 5. Activities and Results Framework (1/3)

## Priority 1: Support the shift to a more private sector-led economy by enhancing competitiveness and supporting Morocco's governance reform agenda

Key Objectives	Activities	Tracking Indicators
<b>A more expansive, dynamic, outward looking and competitive private sector</b>	<ul style="list-style-type: none"> <li>Provide direct and indirect finance, including through risk sharing instruments, to help Moroccan corporates and SMEs in particular in growth areas such as automotive, agribusiness, pharmaceuticals, property, tourism and digital to scale up, increase their competitiveness and more fully integrate into global value chains, alongside advisory to increase resilience through improved corporate governance, incl. equal opportunity policies, operational efficiency and business standards</li> <li>Support deeper regional integration and help further establish Morocco as a regional hub and as a gateway to Africa by supporting international expansion of the private sector to new markets (in particular sub-Saharan Africa), promoting exports and helping Morocco take advantage of near-shoring opportunities post-COVID, including via investment, scaled up trade finance, export support and modern, efficient and climate resilient logistics (e.g. ports, warehouses)</li> <li>Support development of innovative practices and technologies by Moroccan start-ups and incubators through direct investment/VC funds, coupled with advisory and the Star Venture programme</li> <li>Look to finance inbound FDI, with a focus on global value chains and knowledge transfer</li> <li>Continue to scale up SME advisory programme, with a focus on competitiveness, support to women entrepreneurs, digitalisation and exports, and build up engagement in the regions, leveraging network of stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Total volume/ number of loans disbursed by PFIs for SMEs</li> <li>Number of clients increasing exports with EBRD assistance</li> </ul>
<b>Improved governance to support a private sector-led economy and increase competition</b>	<ul style="list-style-type: none"> <li>Continue to promote greater commercialisation in select SOEs and local and regional authorities, including through support for investment programmes, restructurings, unbundling, liquidity support and privatisations where relevant, and where credit profiles allow, seek to support SOEs without a sovereign guarantee</li> <li>Alongside the Ministry of Economy and Finance (MEF) and the New State Assets Agency, support the development and adoption of a State Ownership Policy that aims to help SOEs operate more efficiently, transparently and increasingly in line with private commercial standards, in cooperation with other IFIs</li> <li>Look to facilitate greater private sector participation in essential infrastructure services through PPPs, with a primary focus on the water, transport, municipal and energy sectors, including technical assistance to improve institutional capacity, and explore opportunities in social infrastructure (health and education)</li> <li>Provide technical assistance to key regulatory bodies in charges of ensuring fair access and competition (e.g., Energy Regulator, Competition Council) and explore opportunities to support digitalisation and other e-governance initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Number of SOE clients improving corporate governance</li> <li>Total number of PPPs or concessions implemented</li> </ul>
<b>Strengthened resilience via further development of capital markets and local currency products</b>	<ul style="list-style-type: none"> <li>Continued support to broaden and deepen local capital markets as an alternative source of finance, including equity/debt/mezzanine instruments from public and private issuers, directly or through funds (such as private equity, infrastructure, venture capital), funds of funds, REITs, and further develop local currency finance</li> <li>Help increase capital market sophistication by participating in domestic or international bond offerings of Moroccan issuers (potentially to include private placements), including new innovative instruments such as gender, social, infrastructure and green bonds or securitization</li> <li>Continued policy engagement and capacity building with the MEF, Central Bank and Capital Market Authority, as well as legal and regulatory TC to further support capital markets instruments and infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Total volume of capital market transactions facilitated</li> </ul>

## 5. Activities and Results Framework (2/3)

### Priority 2: Strengthen social cohesion and reduce regional disparities for more inclusive growth

Key Objectives	Activities	Tracking Indicators
Increased access to finance and entrepreneurship , in particular for women and youth	<ul style="list-style-type: none"><li>Continue to support female and youth entrepreneurs by further expanding the Bank's Women and Youth in Business programmes, along with targeted credit lines and specialised advisory and start-up support to MSMEs (e.g., to increase formalisation, financial literacy and digitalisation), including in underserved regions</li><li>Promote fair access to finance and equal economic opportunities for MSMEs, in particular those led by women and youth through (i) comprehensive financing and technical assistance packages offered via private sector stakeholders and (ii) policy initiatives with key public bodies to remove regulatory and operational barriers to financial inclusion</li><li>Provide financing and advisory to earthquake-affected businesses to maintain and build back better operations</li><li>Help support digitalisation of MSMEs and corporates to (i) improve performance and efficiency, (ii) drive innovation and (iii) create new business models, through financial and technical support to address a lack of tailored financings, resistance to change and capacity gaps</li></ul>	<ul style="list-style-type: none"><li>Total volume/ number of loans disbursed by PFIs for MSMEs that are women-led and/or in underserved regions</li></ul>
Increased access to skills development	<ul style="list-style-type: none"><li>Support private sector-led reviews of TVET skills, policies and curricula (with a primary emphasis on industrial ecosystems and the tourism industry) and together with corporate and SOE clients, develop and scale up programmes to enhance market relevant vocational training and skills development for youth, women and people living in underserved urban and rural areas, building on existing initiatives such as communities of professions and competences. Continue to assist relevant government agencies in tackling skills mismatches, including green and digital. Explore investment opportunities in education, where affordability is safeguarded</li><li>Alongside corporate clients, SOEs and other partners, continue to promote equal opportunity policies and practices to improve access to employment for women, people with disabilities and other underserved groups</li><li>Look to support the Government's new 'Generation Green 2020-2030' plan to increase rural capacity by helping augment skills and training programmes in the agriculture sector</li></ul>	<ul style="list-style-type: none"><li>Number of individuals/ women/youth enhancing skills as a result of training</li></ul>
Reduced regional disparities	<ul style="list-style-type: none"><li>Seek to support further development of key infrastructure connecting different parts of the country (e.g., ports, high speed rail, roads, industrial real estate, logistics and broadband platforms) with a view towards facilitating greater regional integration, strengthening access to services and enhancing economic opportunities, while promoting more gender responsive service delivery in municipal and transport projects</li><li>Support the continued provision of critical services, as well as the development of key municipal, water, energy and transport infrastructure in the earthquake-affected regions, directly or through the High Atlas Development Agency</li><li>Look for ways to further support intra-regional integration, and increase municipal resilience, including through high-level policy engagement in support of the Government's decentralisation agenda and technical assistance to select regions / cities to help strengthen their project capacity and financial standing. As part of promoting local sustainable development (e.g. solid waste management), explore ways to better engage the informal sector.</li><li>Continue to support the development of a more sustainable and inclusive agriculture sector in line with the Generation Green plan by investing in agribusinesses with strong upstream and downstream linkages</li><li>Deploy targeted investments, training and capacity building to further develop a green and inclusive tourism sector, including through policy engagement to improve the sector's resilience post-COVID-19</li></ul>	<ul style="list-style-type: none"><li>Number of individuals with improved access to services (transport, water and municipal)</li></ul>



## 5. Activities and Results Framework (3/3)

### Priority 3: Accelerate Morocco's Green Economy Transition through more sustainable energy, water and infrastructure

Key Objectives	Activities	Tracking Indicators
<b>Increased renewable energy capacity and a more diversified energy mix</b>	<ul style="list-style-type: none"> <li>Provide direct and intermediated financing to support private renewable energy projects, including investments with SOEs and distribution companies to increase capacity of the grid (transmission and distribution) to absorb more renewable energy, and policy engagement with the Ministry of Energy and other key stakeholders to further open the sector to private development</li> <li>Explore opportunities to support new green technologies such as green hydrogen and biofuels/biomaterials as a means of decarbonisation, including development of a supportive legislative/regulatory framework</li> <li>Support further reforms in the energy sector with state-owned utility ONEE (decarbonisation, digitalisation, unbundling) and other key public stakeholders, including through policy activities and investments that strengthen governance and foster green energy transition in line with Paris Agreement objectives and underpinned by a low carbon pathway</li> </ul>	<ul style="list-style-type: none"> <li>Total CO2e reduced (tonnes/year)</li> <li>Total renewable electricity capacity installed (MW)</li> </ul>
<b>Improved sustainability and efficiency of water and other key infrastructure services</b>	<ul style="list-style-type: none"> <li>Provide direct and intermediated financing to improve water management and address water scarcity, with a focus on both increasing water efficiency and scaling up supply of sustainable water (e.g., investment in renewable powered desalination plants for drinking water, irrigation and industrial uses)</li> <li>Support government/government entities, municipal and regional authorities in addressing water scarcity at the local level (e.g., water supply, wastewater treatment) as well as in developing other key modern, sustainable and inclusive municipal infrastructure and services (e.g., waste management, street lighting etc.), either directly or through the Fonds d'Equipement Communal (FEC), including under the Green Cities Framework, to improve quality and accessibility. Support urban regeneration projects through development of green properties</li> <li>As part of support for Morocco's Generation Green plan, look for opportunities to finance water infrastructure projects promoting conservation of the resource, its rationale use for irrigation and support other climate mitigation and adaptation measures that will increase the sustainability and climate resilience of Morocco's agriculture sector and leverage where possible renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Total water saved (m3/year).</li> <li>Number of individuals with improved access to services (water, waste water and solid waste)</li> </ul>
<b>Increased decarbonisation through energy and resource efficiency and climate resilience</b>	<ul style="list-style-type: none"> <li>Support the decarbonisation of the Moroccan economy, with a focus on industry, buildings, MSMEs and agriculture through direct and intermediated green and circular economy investments as well as related advisory to improve energy and resource efficiency and reduce GHG emissions in resource intensive sectors, and promote climate resilient investments and practices across sectors, including through enhanced climate corporate governance and disclosure, and ensuring gender-responsive approach to climate action and green finance.</li> <li>Explore support at policy and client levels to anticipate carbon pricing schemes as they may emerge domestically and internationally, including green certificates, Article 6 of the Paris Agreement and EU CBAM</li> <li>Through investment and technical assistance, support clients on climate adaptation, with a focus on the most vulnerable sectors (water-intensive sectors, coastal infrastructure, energy, agribusiness, manufacturing), including where relevant climate-disaster readiness, and help the financial sector to better integrate climate risk</li> <li>Support the decarbonisation of transport across modalities, including by promoting electrification, use of alternative fuels, and increased resilience to the impacts of climate change, through investments and policy advice supporting structural climate adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Total number/volume of loans disbursed by PFIs for EE/RE investments</li> <li>Number of legal, institutional and/or regulatory improvements supporting climate resilience</li> </ul>

# 6. Mapping of International Partners' Complementarity in EBRD Business Areas

EBRD Business Areas											
	Sectors					Cross-cutting Themes					
	Industry, Commerce & Agribusiness			Sustainable Infrastructure	FI		Strategic Initiatives				
Indicative annual average annual investments/ grants (€m, 2015-2023)	Agribusiness	Manufacturing & Services	Property & Tourism	TMT	Natural resources	Energy	Infrastructure	Banking	Non-Bank FIs	Green Economy	Inclusion & Gender
World Bank	617	EP				EP	EP			EP	EP
AfDB <sup>2</sup>	487	EP			€	€	€	EP		EP	EP
KfW	391					€	€	EP		EP	EP
AFD <sup>2,3</sup>	450	EP	€			EP	€	€	EP	EP	EP
EIB	348	€	€			€	€	EP		€	€
EU <sup>4</sup>	263	EP					€		EP	EP	€
IFC <sup>5</sup>	79	€	€				€	€	EP	EP	EP
JICA <sup>2</sup>	50	EP					EP				
EBRD	351	€	€	EP	EP	€	EP	€	EP	EP	EP

€ Area of significant investments

● Focus mostly on private sector

P Area of significant policy engagement

○ Focus mostly on public sector

## Potential Areas of Cooperation



### Competitive

- Continue partnership with EU to improve value chains and increase competitiveness of SMEs through VCCP.



### Green

- Cooperation with WB, EU, AfDB, KfW, EIB and AFD on supporting Morocco's climate ambitions, including under EU TEI.
- Continue to co-finance green and climate resilient investments with the EU and GCF under the GEFF and GVC programmes



### Integrated

- Cooperation with WB, AfDB, EIB, AFD and KfW to support modernisation of infrastructure.
- Cooperation with IFC on PPP co-financings; and sub-sovereign lending to municipalities/regions to support the "advanced regionalisation" reform.



### Resilient

- Cooperation with EU, EIB, AFD, KfW and IFC to support Morocco's post Covid-19 recovery, incl. under EU TEI.



### Inclusive

- Continue cooperation with the EU to support entrepreneurship and inclusion under WiB and the EU Initiative for Financial Inclusion.

# 7. Implementation Risks and Environmental and Social Implications

Risks to the strategy implementation	Probability	Effect	Environmental and social implications
▪ Heightened global macroeconomic risks and international geopolitical tensions, continued disruptions to global value chains, weaker demand from trading partners and a tepid return of tourism, could delay economic recovery and deter longer term investment			<ul style="list-style-type: none"> <li>▪ <b>Assessment and Management of E&amp;S Impacts:</b> Ensure that direct, indirect, cumulative and transboundary E&amp;S impacts of projects are appropriately assessed and mitigated in accordance with the EU EIA Directive and EBRD ESP and PRs, and ensure an analysis of alternatives (including E&amp;S criteria) is conducted. Ensure the identification of vulnerable people and groups (including ethnic minorities) and the assessment and mitigation of impacts on their lands, cultural heritage and livelihoods follow the requirements of EBRD's ESP. TC support to clients with implementation of E&amp;S management systems and contractor management according to international standards may be required.</li> </ul>
▪ Risk of slowed momentum under the NDM for adopting critical structural reforms, including opening of key sectors to private sector investment			<ul style="list-style-type: none"> <li>▪ <b>Labour and Working Conditions:</b> Ensure that clients' labour practices comply with EBRD's PR2, particularly in respect of: labour rights and working conditions; non-discrimination; worker organisation; contractor management and primary supply chain; and prevention of gender-based violence and harassment (GBVH) and sexual exploitation and abuse (SEA).</li> </ul>
▪ Limited private sector participation in delivery of public infrastructure (e.g., PPPs) and privatisation of state-owned assets, could inhibit the Bank's ability to develop relevant projects			<ul style="list-style-type: none"> <li>▪ <b>Resource Efficiency and Pollution Prevention and Control:</b> Challenges remain in waste and wastewater collection and treatment and air pollution. Support clients in complying with relevant EU Directives and improve industry processes in line with BAT as part of the Bank's GET mandate. Develop circular economy and resource efficiency projects, foster a low carbon economy through renewable energy and strengthen climate adaptation.</li> </ul>
▪ EBRD products may not be competitive given the availability of other types of finance, particularly in the energy and infrastructure sectors			<ul style="list-style-type: none"> <li>▪ <b>Health, Safety and Security:</b> Help improve occupational and community health and safety via infrastructure and energy projects. TC funds may be required to improve road and rail safety.</li> </ul>
▪ Challenges in accessing long term local currency, particularly in energy and infrastructure for project finance structures requiring long maturities			<ul style="list-style-type: none"> <li>▪ <b>Land Acquisition, Involuntary Resettlement and Economic Displacement:</b> Ensure that any projects requiring acquisition of land, either permanently or temporarily, comply with EBRD compensation and livelihood restoration requirements, and impacted stakeholders including vulnerable groups are meaningfully engaged and consulted. TC funds may be required to improve client and consultant application of PR5 requirements.</li> </ul>
▪ Water scarcity and vulnerability to climate change may negatively affect viability of municipal infrastructure and agribusiness projects			<ul style="list-style-type: none"> <li>▪ <b>Biodiversity Conservation and Sustainable Management of Living Natural Resources:</b> Ensure potential risks and impacts of projects on sensitive and/or legally protected and internationally recognised areas of biodiversity value (186 terrestrial and marine protected areas in the country) are adequately considered. Ensure species and habitats of conservation importance are protected particularly where projects encroach upon protected areas, Emerald sites, IBA and/or Key Biodiversity Areas. TC funds for biodiversity assessments and/or implementation of particular mitigation plans may be required.</li> <li>▪ <b>Cultural Heritage:</b> Help clients ensure appropriate assessment processes and mitigation plans are in place to protect tangible &amp; intangible cultural heritage in consultation with key stakeholders.</li> <li>▪ <b>Financial Intermediaries:</b> Ensure that FI partners have adequate E&amp;S capacity and risk management procedures in place.</li> <li>▪ <b>Stakeholder Engagement:</b> Support clients in developing and implementing stakeholder engagement plans to ensure meaningful consultation and public disclosure are carried out effectively throughout the project lifecycle.</li> </ul>

## 8. Donor Partnerships Assessment

### Needs Assessment for the New Country Strategy Period

Donor funding will be needed to achieve the strategic objectives of the Country Strategy, including for:

- Credit lines and advisory to enhance international competitiveness and support MSMEs, SMEs and the agriculture and tourism sectors.
- Financial, legal and regulatory support to promote female and youth entrepreneurship and financial inclusion by increasing access to vocational training and banking/non-banking transmission mechanisms.
- Finance, technical assistance and policy engagement to facilitate intra-regional integration and strengthen sectors such as education and health care.
- Co-Investments and technical assistance to strengthen the development of capital markets and local currency solutions to aid Morocco's economic recovery.
- Direct and indirect finance alongside policy engagement to increase renewable energy capacity and improve water and waste water management. Credit lines to increase green investments in support of Morocco's efforts at climate change mitigation and adaptation.

### Potential Sources of Donor Funds

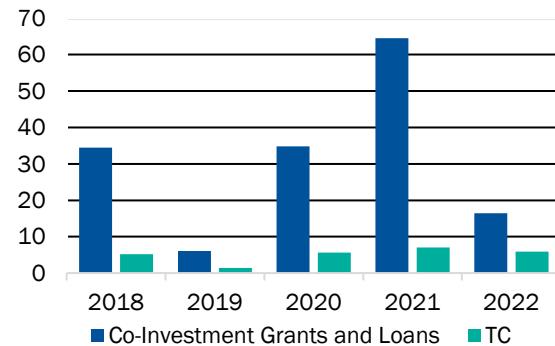
- The **EU's Neighbourhood Investment Platform (NIP)** has supported EBRD green, municipal, agribusiness and SME projects in Morocco with capex, TC grants and investment incentives. **EU NIP and EFSD+ co-financing** will be available in line with EU country priorities of facilitating investment and improving market access in priority sectors, e.g., renewable energy, digital services and agribusiness; reduction of non-tariff trade barriers and mutual recognition of relevant regulations and standards; and supporting SMEs and improving the business climate.
- Funding from the **Green Climate Fund (GCF)** is available, both TC and co-investment grants, for energy and resource efficiency credit lines with partner FIs under the **Green Economy Financing Facility (GEFF)** and the **High Impact Programme for the Corporate Sector**. Financing is available from other climate funds such as the Global Environment Facility and Climate Investment Funds. Morocco is currently able to avail funding from bilateral sources through **HIPCA**, and other multi-donor funds. Additional support from **bilateral donors** will also be explored.
- Historically, Morocco benefited from the **SEMED MDA** and **Shareholder Special Fund (SSF)**, mainly for gender equality and economic inclusion. Going forward funding will be available (in the form of TC and co-investment grants) to support the country strategy and commitments under the **Strategic and Capital Framework (SCF)** particularly (but not exclusively) around the three SCF cross-cutting themes of green, gender and inclusion and digital.

### Selected Affordability Indicators

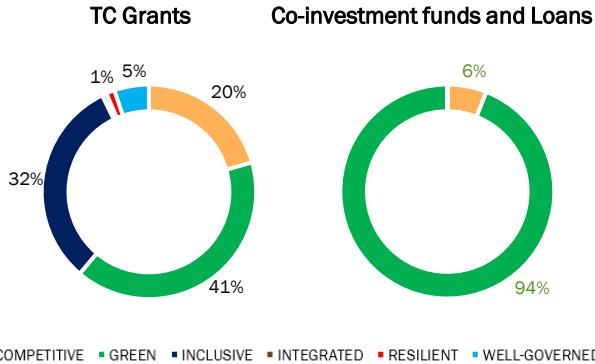
EBRD regional  
percentile rank<sup>1</sup>

GDP per capita (PPP, 2022. \$) <sup>1</sup>	9,900	13th
ODA Country	Yes	N/A
ODA as share of Gross National Income (%) <sup>2</sup>	0.74	21 <sup>st</sup>
ODA per capita (\$ - current prices) <sup>2</sup>	26	21st

### Donor finance during 2018-2022 (€m)<sup>3</sup>



### Use of grants in 2022



1. Simple percentile rank reported as the share of EBRD economies represented below Morocco. 2. OECD (2021) 3. Methodology for reporting co-investment amounts has changed from being based on client signings to being based on earmarks at commitment level in 2022. 2018-2022 TC data and Co-investment 2022 amount are based on earmarks at commitment level, and co-investment grant amounts 2018-2021 are based on client signings. 4. Based on the primary Transition Quality of earmarked donor funds.

# Annex



**European Bank  
for Reconstruction and Development**

# Annex 1 – Political Assessment in the Context of Article 1

*Morocco's commitment to the political principles stated in Article 1 continued from the previous country strategy period. Notwithstanding positive developments in the independence of the judiciary and access to justice including recent additional reforms in these areas the need for further improvements continues.*

## **Free Elections and Representative Government**

### *Free, fair and competitive elections*

Morocco's Constitution, provides citizens with the right to free elections.

In the period since the last country strategy, Morocco held two parliamentary and regional elections, in October 2016 and September 2021. The Ministry of Interior reported that the turn out in the latter was 50 per cent of registered voters, higher than the 43 per cent reported in 2016.

Different political parties contested the September 2021 elections, which were observed by several international and local organisations. In September 2021, the report of the observation mission of the Parliamentary Assembly of the Council of Europe reported that the elections "were successfully run with integrity and transparency" and that the election was "a testament to Morocco's commitment to maintaining openness and to pursuing higher standards of democracy"<sup>1</sup>. Observers have commended on the ability of contesting parties to campaign freely, motivate the electorate to participate, and to raise and discuss openly key political, economic, and social issues. The creation of regional lists have significantly increased participation from rural regions across the Kingdom.

However, the report of the electoral observation mission of the Parliamentary Assembly of the Council of Europe notes that there were complaints about excessive campaign financing, whether in cities and regions or on social media, as well as allegations of irregularities and vote-buying. The Moroccan Authorities have informed that investigations into these allegations have been undertaken and decided upon by the relevant judicial authorities.

Elections in the Kingdom of Morocco are supervised by a central monitoring commission, composed of the Minister of Interior, the President of the Public Prosecutor's Office, and regional and provincial commissions. Local civil society and relevant international organisations are calling for the creation of an independent electoral commission.

### *Separation of powers and checks and balances*

The constitution states that Morocco is a constitutional, democratic, parliamentary, and social monarchy. The King appoints the Chief of Government from the party that came ahead in the elections of the members of the Chamber of Representatives. This constitutional procedure followed the September 2021 elections. The ensuing governing coalition has parliamentary majority.

The Constitution empowers Parliament with broad legislative and powers of oversight over the Government. In the period since the last country strategy, Parliament has assertively exercised these powers.

The Constitution separates the Judiciary from the legislature and the executive. The Constitution provided for the enactment of the Higher Council of the Judiciary and the Status of Magistrates with major mandates concerning inspection, oversight, imposing disciplinary measures, and prosecution without interference. The Constitution gives the exclusive right of opining on laws to the Constitutional Court.

<sup>1</sup> Parliamentary Assembly of the Council of Europe, *Election Observation Report on 9 September 2021*.

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## *Effective power to govern of elected officials*

In the period since the constitutional amendments in 2011, the power to govern has increasingly been held by elected officials. And as mentioned above, according to the Constitution, the King appoints the Chief of Government from among the party with the most elected representatives in the Chamber of Representatives.

The 2011 Constitution gives the Chief of Government an enhanced status as the Head of the executive, fully responsible for the Government, public administration and the implementation of the Government's programme. And with the exception of certain areas designated as strategic and under the King's direct control, the Constitution endows the Government with wide powers over making appointments, proposing policies and laws to the Parliament, and undertaking executive measures.

According to the Constitution, the King, as per official designations – as Commander of the faithful, the Head of the State, Supreme State Representative, and Symbol of National and Territorial Unity – is in charge of religious affairs. The King appoints members of the Government on the proposal of the Chief of Government and terminates their mandates after consultation with the latter. The King can, after consulting with the President of the Constitutional Court and informing the President of the House of Representatives and the President of the House of Councillors, dissolve Parliament. The King appoints the heads of a large number of Institutional Entities, in addition to Regional Governors, Heads of Administrative Provinces, the Directors of several public agencies, and Royal Commissions, such as the 2019-established Special Commission on the New Development Model.

## **Civil Society, Media and Participation**

### *Scale and independence of civil society*

Morocco has a large, diverse civil society. Tens of thousands of CSOs operate in the country focusing on various political, economic, social, and environmental concerns. Moroccan labour unions have for decades been strong and vocal civil society actors with strong contributions to the political and economic agenda in the country.

Several international CSOs have operated in the country for decades.

The current legal framework regulating civil society in Morocco, which is based on the 1958 Law of Associations, and its amendments in 1973, 2002, and 2009, and the 2011 Constitution, has significantly improved the overall environment in which CSOs operate in the country. The Constitution provides that CSOs and NGOs are formed and undertake their activities in complete freedom and in compliance with the Constitution and the Law, and that they cannot be dissolved or their activities suspended except by a judicial ruling. CSOs are established based on a declarative basis with no-objection notifications to the Authorities, as opposed to an older registration and approval system. There are limited legal restrictions on receiving foreign funding, and a new law to facilitate this is in the process of being adopted by the Government.

However, relevant international sources have raised several concerns regarding civil society in Morocco. These include that the security services have major influence over the notification process, for example through delaying receiving documentation which result in delaying their becoming legal organisations. However, organisations that consider themselves aggrieved by non-issuance of receipt of incorporation can resort to the judicial system. Regulations also prohibit the formation of associations on vague wording such as being contrary to "good morals" and "the integrity of the national territory". And there have been cases in which CSOs were prevented from working<sup>2</sup>. The Moroccan Authorities disagree with these statements.

<sup>2</sup> Submissions in the United Nations, Human Right Council Universal Periodic Review for Morocco.

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## *Independent pluralistic media that operate without censorship*

The Constitution enshrines the right to free media operating without censorship. The Constitution granted the High Authority for Audio-Visual Communication a constitutional status. The Press Code has eliminated cases which could result in jail sentences, introduced clauses that protect journalists sources from prosecution, and has given legal recognition to digital communication.

Morocco has tens of print media and tv and radio stations that operate in the country, where a wide range of views on social, political, and economic issues are aired, and where the government is normally criticised.

Press and media related syndicates have a long history in Morocco, in which they were active actors in political, social, and economic domains.

The Council of Europe has noted that the Higher Authority for Audio-Visual Communication has seen “a consolidation of its institutional regulator capacities through the sharing of information and structural pluralism in the media”<sup>3</sup>. The Higher Authority is the only non-European member of the European Audio-Visual Observatory.

However there are limitations on the freedom of the media. The law has clauses that relevant international organisations have characterised as vague and which allow for accusations based on contemptuousness of Constitutional Institutions, bodies, and public officials. Also the Criminal Code establishes “terms of imprisonment as penalties for acts perceived as being offence to religion or the monarch or to the country’s territorial integrity”<sup>4</sup>, which are considered “national constants” in the Moroccan Constitution. There have been cases of legal proceedings against bloggers and commentators on social media, including some who were arrested and sentenced on charges similar to the above.

## *Multiple channels of civic and political participation*

Morocco has experienced significant openness in the political environment and in political participation in the past decade, since the Amendments to the Constitution. The Kingdom’s amendments of the administrative laws – as per the country’s Regionalisation Strategy – have strengthened elected regional councils. Amendments to the electoral law have resulted in higher participation in remote and rural areas than was previously.

Civil and political participation take other forms. Labour unions and professional syndicates actively participate in debates on key policies, including recently in important legislative consultations.

In 2018, a nation-wide campaign to boycott certain commercial brands were publicly organised and promoted, and was a prominent example of activism aiming to criticise aspects of the country’s political economy.

## *Freedom to form political parties and existence of organised opposition*

Morocco has a vibrant political environment with various parties with vastly different ideological backgrounds and political representations. The ruling coalition, following the September 2021 elections, constitutes parties with different socio-political and economic backgrounds. There is an organised, active and vocal opposition.

<sup>3</sup> Council of Europe. Neighbourhood Partnership with Morocco 2018-2021. Published Feb 2018.

<sup>4</sup> United Nations Concluding observations on the sixth periodic report of Morocco/ CCPR/C/MAR/CO/6

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There are no major obstacles against forming political parties, although a small number of political groups remain unregistered due to their non-compliance with the provisions of the law organising the formation of political parties in the country. There is also a vibrant activist movement in universities, regional associations, and other forms of civil society.

## Rule of Law and Access to Justice

### *Supremacy of the Law*

Morocco is a constitutional monarchy with a long and well established legal system. The Constitution guarantees the supremacy of the law. It puts restrictions on the powers of the executive. The 2011 Amendments have strongly empowered the Parliament in overseeing, questioning, and withholding confidence from the Government. The Judiciary is empowered to investigate and prosecute.

However, relevant international sources have raised concerns, including that there have been several cases in which legal enforcement agencies have not adhered to legal and procedural safeguards with regard to arrests and detentions. There have been allegations of arbitrary arrests and extensive pre-trial detentions. The Moroccan Authorities disagree with these statements. Moroccan law provides for challenging the legality of pre-trial detention.

There are also allegations by international civil society organisations of political activists who were arrested and sentenced on moral charges.

### *The independence of the judiciary*

The Constitution establishes the independence of the judiciary. Morocco has a strong and active Constitutional Court. A royally-appointed High Commission for Comprehensive Judicial Reform completed, few years ago, a national charter for judicial reform, which was later amended. The charter has been put into implementation.

In 2017, the Supreme Council of the Judiciary was given major powers. Those include the appointment, promotion, and transfer to retirement of judges. They also include the protection of the independence of the judiciary and of expression of view on laws. The Council was also mandated with issuing annual reports on the situation of justice in the Kingdom, and on the work of the Public Prosecution.

A major milestone of judicial reform in the country was that the Public Prosecution was given independence from the Ministry of Justice<sup>5</sup>. This was a notable development particularly that it was a key point in the National Dialogue for the Reform of the Justice System, and also because few years before, tens of judges had petitioned for allowing the prosecutors to operate independently from the executive and for more enhanced judicial reform that addresses what they considered to be corruption.

The King chairs the Supreme Council of the Judiciary and appoints five of its members.

While the Supreme Council of the Judiciary is fully independent, including financially from the Government, the Ministry of Justice remains the financial administrator of courts and magistrates.

<sup>5</sup> Law no. 33.17 has transferred powers from the Government to the Crown Prosecutor General at the Court of Cassation, in his capacity as President of the Prosecutor General's office, and incorporating them in the statute governing the presidency of the Prosecutor General's office.

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In 2017, the Moroccan Government, the European Commission and the Council of Europe have jointly launched a programme for justice sector reform. The Council of Europe has commented that several “tools developed by the European Commission for the Efficiency of Justice have been fully used in Morocco.<sup>6</sup>” There have also been major efforts to improve the efficiency and quality of judicial services in the country including a number of support mechanisms, “pilot experiments”, and programmes, primarily between the Venice Commission and the Moroccan Magistracy.

## *Government and citizens equally subject to the law*

The Constitution establishes equality before the law.

Efforts by the Supreme Council of the Judiciary and the independence of the Public Prosecution has resulted in improvements in transparency and access to justice, in a timely manner, to ordinary citizens relative to the situation before these reforms were enacted.

However, relevant international sources have commented that units of the security services have extraordinary powers with regard to monitoring, arrests, and detentions, and that these powers were in the past used with limited due process. The Moroccan Authorities disagree with these allegations.

Though largely used in relation to limiting movement with regard to efforts to combat the COVID pandemic, Morocco was under state of emergency for extended period in the two years until 28 February 2023, which, as in other countries affected by the pandemic, endowed the executive with wide powers.

Although occurring during the period of the previous country strategy, it is worth noting that in 2015, a revision in the Code on Military Justice excluded civilians from the jurisdiction of military courts.

## *Effective policies and institutions to prevent corruption*

In the period since the last country strategy, Morocco has been implementing the National Anti-Corruption Strategy adopted at the end of 2015. The National Authority for Probity, Prevention and the Fight Against Corruption (INPPLC) is independent and plays a leading role in monitoring the work of the Government and in preventing and fighting corruption, especially following the passing of laws that significantly strengthen its prerogatives. The legal mandate of the INPPLC has been strengthened further in the period since the last country strategy. In October 2022, the law entered into effect after the appointment of the Board members to the INPPLC.

The first two stages of the Anti-Corruption Strategy (ended in 2021) entailed launching 180 projects, while the third stage (from 2022 to 2025) will comprise seven projects, aiming to improve the quality of services to citizens, enhance transparency at both the public and private sectors, as well as enhance citizens' access to information, strengthen monitoring and sanctioning by different relevant authorities, and have more effective communication, awareness of rights, and education and training at relevant bodies.

Morocco has an active and powerful Inspectorate General for Finance, supervising and monitoring all key state transactions. Its reports were instrumental in the work of the Inter-Ministerial Commission that was charged to lead the implementation of the Anti-Corruption Strategy.

<sup>6</sup> Council of Europe. Neighbourhood Partnership with Morocco 2018-2021. Published Feb 2018.

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Morocco participates in major projects along with relevant international organisations to improve the standards of governance across the executive. An example has been the Council of Europe's Project for the Regional Support to Reinforce Rights, Rule of Law, and Democracy in the Southern Mediterranean<sup>7</sup>. The Moroccan Authorities have informed that the Council of Europe's Ministers Committee has invited the Kingdom of Morocco to sign the civil and penal conventions on corruption to join the Group of States against Corruption (GRECO).

The Presidency of the Public Ministry runs a hotline for reporting on cases of corruption and abuse of power.

However, relevant international sources have emphasised that there remain major economic and financial power centres in the country who are close to executive decision making. And that despite the modern legal environment, law enforcement in economic domains is still not meeting the expectations of the private sector.

In 2020, Transparency International ranked Morocco 86<sup>th</sup> out of 180 countries, in its Corruption Perception Index. Morocco is one of the countries where Transparency International runs its project, "Strengthening Accountability Networks among Civil Society" to enhance accountability in the country.

## Civil and Political Rights

*Freedom of Speech, information, religion, conscience, movement, association, assembly and private property*

Morocco has made major strides in strengthening human rights in the past two decades. Morocco's approach was anchored on reflecting on the past through the transparent work of the Equity and Reconciliation Commission, whose work although now dated, has continued to guide the country's efforts with regard to human rights.

The Constitution has granted the National Council on Human Rights a Constitutional Status. Also the Council's law was amended so as to include civil, political, social, cultural, and environmental rights, and crucially, the Law now grants the Council the right to investigate alleged violations, including the right to visit places of detention. The Council's annual report is submitted to Parliament.

In the period since the last country strategy, the work of the Inter-Ministerial Delegation for Human Rights, which had been set up few years ago, was carried through. Relevant civil society organisations have commented that the discussions were constructive and entailed frank interactions with key persons in the Government.

The 2016-2021 governmental programme entailed the adoption of an "integrated policy for human rights", and highlighted it as a strategic priority, which continued in the 2021-2026 programme. The Government programme has also updated the National Action Plan on Democracy and Human Rights<sup>8</sup>.

The former Ombudsman Office has been renamed to the Institution of the Mediator of the Kingdom, and its mandate widened. It is now empowered to investigate allegations of injustice resulting from executive decisions and processes.

<sup>7</sup> Council of Europe, Economic Crime and Cooperation Division. Newsroom release. 23 September 2021.

<sup>8</sup> The Kingdom of Morocco. Government Programme for 2016-2021. Presented to Parliament in 2017.

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The Council of Europe has noted that “Morocco has made considerable progress in the human rights field” in the past few years, not only through changes in the legal and regulating framework in the country, but particularly through adopting laws and policies and the implementation of protection mechanisms that have positive impact on human rights conditions in the Kingdom<sup>9</sup>.

However, human rights groups have expressed concerns. These include allegations of surveillance and arrests of journalists, bloggers, and activists on charges of “incitement on social media”, espionage, and “harming state security” that human rights organisations characterise as politically motivated, and that there is an environment that curtails criticisms of State Institutions. The Moroccan Authorities reject these allegations and affirm that all citizens, irrespective of their professions, are subject to the law and treated equally by the judiciary. The Moroccan Association for Human Rights has reported about limitations that affect its operations in the country.

The Law continues to have vague clauses that allow for charging on the basis of “defamation of State Institutions” and “offending public officials”. The Moroccan Authorities have reservations regarding the characterisation of the law here.

## *Political inclusiveness for women, ethnic and other minorities*

Political inclusiveness of women has increased significantly in the past decade, and continued to be a notable feature of Moroccan politics in the period since the last Country Strategy.

The Electoral Law devotes a minimum of 90-seats to women in the House of Representatives. The Law relating to the Chamber of Councilors states that no list of candidates for the Chamber is to include two successive names of two candidates of the same gender. Almost all leading political parties have women in key leadership positions.

The Authorities have taken a number of steps to support the political and economic empowerment of women with the aim of curbing gender violence. A detailed bill for combating violence against women was adopted by Parliament in summer 2016. Morocco’s efforts to reduce gender discrimination have also produced significant changes which are reflected in the country’s Criminal Code, Labour Code, and Code of Personal Status. The Council of Europe has reported about the Venice Commission’s close cooperation with the Government, especially the Ministry of Family Affairs, Solidarity, Equality and Social Development in preparing the legislation instituting the Authority for Parity and the Fight against all Forms of Discrimination (APALD).<sup>10</sup>

The civil society, including several notable organisations such as the Union for Women Action and the Moroccan Association for Women’s Rights, have been active proponents of gender equality, especially in the rural parts of the country. Moroccan law allows women to pass nationality to their children. Morocco accessed to the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.

The past few years have also witnessed a strong focus by the Authorities on political and cultural inclusion of the regions. The Constitutional Authority for Parity and Combating Discrimination has led the efforts to enhance the integration and representation of people from different cultural and ethnic backgrounds. The Law now makes the Amazigh an official state language. The Government granted approvals to a number of radio channels broadcasting in that language. Also in the past few years, there have been efforts to strengthen the implementation of the legislation on advanced regionalisation. This included working with the Council of Europe on capacity building concerning regional administrations and sharing expertise on the legislative framework for regionalisation.

<sup>9</sup> Council of Europe. Neighbourhood Partnership with Morocco 2018-2021. Published Feb 2018.

<sup>10</sup> Council of Europe. Neighbourhood Partnership with Morocco 2018-2021. Published Feb 2018.

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In the past decade, and especially in the years since the previous Country Strategy, Morocco has become a destination country for migrants. The Authorities have introduced a migration policy, and worked with international stakeholders to revise the legislative framework so as to enhance protections against trafficking in humans, as well as to address questions of irregular migration and asylum-seeking. In 2019 Morocco has set up a national commission in charge of combatting human trafficking, and in 2023 adopted a referral mechanism for victims of human trafficking and a national plan to combat this crime.

## *Freedom from harassment, intimidation and torture*

The constitution prohibits torture. This is reaffirmed in the Penal Code that stipulates different descriptions and penalties for such offences.

Parliament has exercised its monitoring prerogatives with respect to allegations of harassment, intimidation, and torture. In May 2020, Parliament passed a law to fund medical staff in forensic-training with the objective of identifying signs of abuse and torture.

The strengthening of the independence of the Public Prosecution allows for expedited investigations of allegations made against police officers and the Royal Gendarmerie. And indeed, there have been several cases that the Public Prosecution investigated and brought to the Courts, including ones that resulted in indictments.

However, concerns persist. Human rights organisations have reported on excessive use of force by security services in dealing with protestors, in investigations, and in detentions centres and prisons. They have charged that although there have been investigations concerning allegations of excessive use of forces, ill treatment, and arbitrary arrests, some branches of the security services operate with impunity.

The Moroccan Government has responded to these allegations by investigations undertaken by the relevant authorities. The General Prosecutor's Office oversees these investigations. Several indictments have already been issued against public officials found to have committed the crime of torture. Other investigations and court cases are in process.

The Moroccan Authorities have informed that in accordance with the commitments entailed in the Optional Protocol to the United Nations Convention against Torture, and other Cruel, Inhumane, and Degrading Treatment, which Morocco ratified in 2014, and in parallel with the establishment of the National Preventive Mechanism for Torture, the Interior Ministry and the security services have launched a programme to bring all branches of the services up to international standards for the protection of individuals deprived of their liberty. The security forces have also integrated in their educational and training curricula modules on human rights and the provisions of national and international regulations governing them.

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In July 2021, UN Human Rights Experts noted “clampdown on human rights defenders”<sup>11</sup>, and the Special Rapporteur on the situation of human rights defenders stated that Morocco “must stop targeting human rights defenders”, and commented that some human rights defenders continue to be “wrongfully criminalised for their legitimate activities, and receive disproportionately long sentences, and whilst imprisoned, they are subjected to inhuman and degrading treatment and torture”<sup>12</sup>. The Moroccan Authorities, including the Mission to the UN, have rejected the accusations. The Moroccan Mission recalled that the individuals mentioned in the Special Rapporteur’s report “were condemned by Moroccan courts for serious crimes including the assassination of representatives of the forces of law and order, and that the conviction was pronounced by the independent courts”<sup>13</sup>.

The Moroccan Authorities have informed that since its installation in September 2019, the National Preventive Mechanism (NPM) has maintained regular contact with the Sub-Committee for the Prevention of Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, and that the NPM cooperates with different international partners, including European institutions focused on anti-torture efforts. In the past two years, particularly in the wake of the Covid-19 pandemic, the NPM undertook dozens of visits to places of detention and drew up mechanisms, which were conveyed to the concerned state departments, to prevent the spread of the pandemic in places of detention.

The Council of Europe has noted the implementation of a broad awareness-raising and training programme for several law enforcement entities in Morocco, including the setting up of the National Preventive Mechanism against torture<sup>14</sup>.

<sup>11</sup> Statement by the Office of the UN Commissioner for Human Rights. 1 July 2021.

<sup>12</sup> Statement by the Office of the UN Commissioner for Human Rights. 1 July 2021.

<sup>13</sup> Statement by the Ambassador of the Kingdom of Morocco, in Geneva, July 2021.

<sup>14</sup> Council of Europe. Neighbourhood Partnership with Morocco 2018-2021. Published Feb 2018