

MOROCCO

STATEMENT BY THE KINGDOM OF MOROCCO

DURING

THE 26TH ANNUAL MEETING

OF THE BOARD OF GOVERNORS OF THE EBRD

NICOSIA

9 and 10 May 2017

**Mr Chair of the Board of Governors,
Mr President of the Bank,
Governors,
Ladies and Gentlemen,**

We congratulate the President of the EBRD, Mr Suma Chakrabarti, the Board of Directors and the Bank's entire staff for the quality of the reports they have prepared, as well as for the outstanding financial and operational results that the Bank achieved in 2016, in spite of the tough regional and international context.

In that regard, we commend the Bank's efforts over the past year, which have enabled it to achieve, for the second year running, a record level of investment of some €9.4 billion. This momentum is a testament, if it were ever needed, to the Bank's continued commitment to developing viable and efficient market economies that include the qualities of being competitive, well-governed, green, inclusive, resilient and integrated.

We are also keen to congratulate the Bank on having renewed its strategic vision and on its ability to constantly adapt to changes in the regional and international environment. The extension of the EBRD's region of operations to new countries and the periodic review of its strategic framework for action are a reflection of the proactivity required to meet the latest transition challenges.

We welcome the launch of the EBRD's first Economic Inclusion Strategy in the wake of the Bank's redefinition of the concept of transition. In our view, private sector momentum has a very relevant role to play in accelerating the transition towards inclusive market economies that guarantee equality of opportunity and fair access to economic opportunities.

We firmly believe that, with the backing of its clients, the roll-out of this new Strategy will enable the EBRD to strengthen the economic impact of its projects and further establish its status as a benchmark institution for economic inclusion.

Mr Chair,

Ladies and Gentlemen,

The EBRD is launching its Economic Inclusion Strategy at a crucial stage in the transition processes that it is supporting, insofar as the momentum of change being powered by the Bank's projects is coming up against the after-effects of an unprecedented economic and financial crisis.

Indeed, the slow return to growth throughout the world, combined with increased economic inequalities and rising unemployment, particularly among young people, have made a significant contribution to both the increase in extremism and upsurge in compartmented views of identity that we have witnessed over the last few years.

This situation concerns us in terms of the means available to build the inclusion capacity of our current growth models; we risk casting doubt on the very foundations of the market economy and the democratic values promoted by the Bank.

Against this background, we cannot but welcome the solutions in the EBRD's new Economic Inclusion Strategy, which targets women, young people entering the job market and populations in disadvantaged regions.

We congratulate the Bank on its innovative vision of the instruments that should facilitate the economic inclusion of these target groups, such as: access to employment and skills; entrepreneurship and access to financing; and access to services that promote economic opportunities.

We subscribe to this vision; it is perfectly in line with the direction of Morocco's development model, which advocates strong, sustainable and inclusive growth.

We firmly believe that the EBRD's efforts and its capacity to adapt to new challenges will enable this innovative vision to be rolled out, despite the difficulties of the economic and political environment in a large area of the Bank's region of operations.

We can actually see that considerable advances have already been made as part of the first Strategy Implementation Plan 2016–2018, both in terms of the volume and quality

of work carried out by the Bank, as well as on transition and an annual volume of bank investments, which has exceeded the forecasts of the 2016 business plan.

The launch of the Operational Effectiveness and Efficiency Programme by the EBRD is intended to improve the Bank's offer to its clients and the services it provides to them; to strengthen its impact for shareholders; and to provide job satisfaction internally for its employees.

We also welcome the implementation of the EBRD's Green Economy Transition approach in 2016, which aims to boost investment in projects promoting sustainable development and environmental protection; between now and 2020, the proportion of such investments should rise to 40 per cent of the Bank's total annual financing.

On this point, we should remind ourselves about Morocco's permanent commitment to sustainable development and green growth, which it advocated on behalf of the countries of the South by hosting the COP 22 meeting in Marrakech at the end of 2016. Along with COP 21 in Paris, COP 22 marked a major turning point in terms of the international community's commitment to climate issues and progress along the road to a low-carbon economy.

Similarly, we support the cautious approach adopted by the Bank within the second Strategy Implementation Plan 2017–2019, given the uncertainties that abound in the current environment in which the Bank is conducting its activities.

However, we believe that this cautious approach should be applied in a differentiated way to take account of the efforts being made by the Bank's countries of operations aimed at maintaining a stable political and economic environment that enables companies to invest in a climate conducive to their development.

We would also like to request that the EBRD improve its offer on traditional loans designed to finance private sector operations with a strong impact on inclusion, in particular by lowering eligibility thresholds, increasing the Bank's equity investment and adjusting financing conditions.

In addition, we welcome the EBRD's ongoing support to the public sector in terms of determining and implementing economic and social development strategies. We call on

the Bank to step up its efforts in this area so as to more effectively take account of inclusion objectives, particularly through:

- contributing to building capacity within the public sector and local authorities to devise and set up public-private partnership (PPP) projects;
- supporting programmes for developing the private sector and establishing platforms for cooperation and exchange between the public and private sectors on economic inclusion issues.

Mr Chair,

Ladies and Gentlemen,

Finally, we would like to commend the EBRD's decision to extend its geographical mandate to the territories of the West Bank and Gaza, thereby reinforcing the Bank's foothold in the SEMED region and its commitment to the reconstruction and economic development of the countries in this region.