

Country Assessment for Morocco Report on dialogue with civil society

Introduction

On 24 May 2012, the EBRD held a workshop with civil society organisations (CSOs) in Casablanca, Morocco with the aim to introduce the EBRD, its mandate and business model to CSO participants as well as solicit CSO inputs on the operational environment- including transition challenges, business environment and political context. The aim of the workshop was also to receive comments on the Bank's potential operational priorities in Morocco. This exercise was part of a series of discussions and meetings with civil society held by the EBRD in the southern and eastern Mediterranean (SEMED) region. The discussion was based on the Concept Note that was used for the preparation of the Country Assessment and dialogue with the Moroccan authorities.

The Civil Society Engagement Unit identified a diversified range of relevant civil society organisations and representatives to ensure that civil society's views on the planning, implementation and expected impact of the Bank's future engagement in the country could be voiced. The CSOs were identified according to five thematic areas: democracy and human rights; transparency and accountability; environmental issues; gender and inclusion issues; and entrepreneurship and small and medium sized business development. In addition, the Bank disseminated information about the meeting via international and local CSO networks as well the EBRD website, Facebook and Twitter pages to reach out to a wide range of civil society stakeholders.

The meeting was attended by 25 representatives coming from 18 Moroccan civil society organisations, ranging from human rights NGOs, environmentalists, women's groups, policy think tanks to associations of young entrepreneurs, foundations and SME development groups. The list of organisation is included in the Annex to this Report.

CSO comments

Policy dialogue

CSOs welcomed the EBRD expansion towards the SEMED region and acknowledged that the situation in Arab countries might to some extent be compared to the transition process in Eastern Europe. However, CSOs warned about a simplistic approach in applying lessons learned from other geographical areas and stressed the need to acknowledge differences between countries in the SEMED region. Some CSOs expressed certain distrust in the evaluation of policies carried out by IFIs and other IOs operating in Morocco, which consistently overlook major developmental issues affecting the country. To fill this gap, CSOs urged the EBRD to further engage with civil society as a source of expertise on the ground so as to identify relevant operational priorities and develop effective, culturally sound and evidence-based policies.

Regarding the energy sector, CSOs highlighted that there can often exist a dichotomy between sustainability and market principles, such as competitiveness. A long term

perspective is needed while investing in the energy sector to ensure a sustainable pattern of energy production and consumption. To this end, CSOs urged the EBRD to secure a strong governmental commitment through policy dialogue.

Long lasting structural problems, such as lack of competitiveness and underdeveloped value chains, remain an obstacle for the scaling-up of the agribusiness sector, CSOs said. As a consequence, the EBRD should engage in policy dialogue with the authorities to remove financial and non-financial barriers to competition and promote innovation in the sector.

EBRD mandate

CSOs positively acknowledged the political aspects of the mandate of the Bank as set forth by Article 1. EBRD management explained the criteria for preparing the political assessments. CSOs encouraged the Bank to pay particular attention to the issues of human rights and good governance in assessing the country situation and engaging in Morocco.

Transition challenges

CSOs identified as main transition gaps the lack of qualified labour, a weak culture of entrepreneurship, a scant export oriented market, the brain-drain of qualified labour force and high unemployment rates. Transition outcomes are expected to be the development of a South-to-South market, the support to youth entrepreneurship, facilitating access to credit and more economic opportunities for women. In addition, CSOs advised the EBRD to take into account the existing mismatch between labour force skills/qualifications and the actual needs of the labour market.

CSOs also warned about problems with the reliability of official data and statistics and urged the EBRD to take special care in conducting primary research and verifying available data.

Banking and SME financing

CSOs urged the Bank to apply lower interest rates to facilitate access to credit. EBRD management pointed out that the Bank is not meant to replace existing mechanisms in the credit market.

Transparency and accountability issues

CSOs urged the Bank to carefully examine the issue of corruption, which is an endemic phenomenon at the country level and characterised by a high degree of impunity. In particular, the Bank was advised to put in place preventive measures to avoid instances of corruption in the implementation of projects with the private sector at municipal level. In addition, CSOs expressed their concerns about how the EBRD identifies its clients and ensures integrity. Civil society representatives feared that the Bank will engage with traditional players thus overlooking opportunities for the development of new players. EBRD management assured CSOs that the Bank performs a thorough due diligence and reputation assessment of business partners and also looks at the public disclosure of assets of prominent political and public figures to avoid any conflict of interest.

Gender and social inclusion

Women's organisations recognized that while investing in the private sector, the EBRD could contribute to gender equality in the country. In particular, the implementation of projects at the municipal level might positively contribute to women's socio-economic empowerment if gender is mainstreamed throughout the entire project cycle. In addition, human rights activists encouraged the Bank to further explore social inclusion issues of rural communities in particular of ethnic and linguistic minorities and of those residing in remote areas of the country.

EBRD engagement with civil society

Civil society representatives welcomed the EBRD interest towards the SEMED region and its willingness to engage in consultations with the civil society. According to CSOs, the EBRD should not only inform and consult with civil society but also promote capacity building to further enhance civil society's role in scaling-up market economy and democracy. While this has not been a feature of the Bank's engagement with CSOs to date, Management would consider such opportunities in line with its mandate. Civil society representatives suggested that more attention should be paid to civil society's role in ensuring social accountability of enterprises engaging in business with the Bank.

In addition, civil society encouraged the EBRD to maintain communication with CSOs on a regular basis and ensure the availability of relevant working and policy documents in French and/or Arabic. Civil society also proposed the EBRD to take the lead in the organisation of thematic workshops (e.g. gender, environmental issues, transparency, etc.), which would provide with a platform for in-depth dialogue between the Bank and relevant CSOs on specific topics. In particular, environmental groups expressed their interest in collaborating with the EBRD in the development of environmental feasibility studies and assessments of the Bank's financed projects.

Conclusion

The workshop with civil society in Casablanca informed the development of the Country Assessment for Morocco, which will guide the EBRD's operations in the country during the second phase of engagement and until a country strategy is approved by the Board of Directors. The workshop represented an opportunity for the Bank to take stock and analyse the contribution of civil society to the Bank in terms of informing all aspects of the Bank's investment strategy, assessment of the operational environment and evaluation of results. CSOs provided the Bank with civil society's perspective on the transition challenges faced by the country and welcomed the opportunity to further engage with the EBRD.

The dialogue between civil society and EBRD representatives represented a valuable input for the preparation of the Country Assessment for Morocco. Civil society's recommendations were reflected to a large extent in the Country Assessment, which addresses the main transition challenges faced by the country. The Country Assessment acknowledges civil society's concerns regarding transparency and accountability, sustainable

energy strategy and the need of modernising the agribusiness value chain. The Country Assessment dedicates a specific section on gender issues and also addresses women's economic empowerment. The Assessment further recognises that- over the medium term- the economy's competitiveness represents the main priority. The Bank values the contribution of civil society in promoting public dialogue about decisions that affect the lives of local people and environments, as well as holding governments and policy makers publicly accountable.

Annex

List of civil society organisations

1. Transparency Maroc
2. UNESCO Chair in Environment
3. Moroccan Center for Civic Education
4. Moroccan Association for Human Rights (AMDH)
5. Groupement d'Etudes et de Recherches sur la Méditerranée (GERM)
6. NOVEC (group of multidisciplinary engineers)
7. RSK (environmental consulting company)
8. Democratic Association of Moroccan Women (ADFM)/ Faculté des Sciences Economiques Juridiques et Sociales de Rabat
9. Ecole de Gouvernance et d'Economie de Rabat (EGE)
10. Moroccan Association for Development and Alternative Diplomacy
11. Strategic Planning of Sustainable Human Development (ISTIGOP)
12. Fondation Suisse Maroc pour le Développement
13. Forum Saada Hay Mohamadi
14. Care International Maroc
15. Espace Associatif
16. WWF
17. Group de Travail Politique Européenne de Voisinage
18. Fondation Benslimane pour Développement Durable