

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

STRATEGY FOR MOROCCO

**REPORT ON THE INVITATION TO THE PUBLIC
TO COMMENT**

1. INTRODUCTION

The objective of this report is to summarize key comments received from the general public and civil society stakeholders during the consultation period dedicated to the first Bank's Strategy for Morocco and provide the Bank's management responses to these. The comments received during the public consultation period were reviewed by the Bank's management and reflected in the Strategy as appropriate.

In accordance with the EBRD Public Information Policy (PIP), the draft Strategy for Morocco was posted on the EBRD web site in English and French for 45 calendar days. The public was invited to submit comments on the draft Strategy from 5 December 2014 until 19 January 2015.

Information about the public consultation process was posted on the EBRD's dedicated webpage "Have your say", which highlights the latest opportunities for public to comment on the Bank's policies and strategies under review. In addition, targeted notifications of the consultation process were sent to local and international civil society organisations (CSOs) that have expressed interest in the Bank's work in the country. The start of the review process was also advertised through Facebook and Twitter.

In an effort to gather information and insight for the development of the first Strategy for Morocco, on 24 April 2014, the EBRD organised a consultative meeting with civil society organisations (CSOs) in Casablanca with the objective to discuss current and prospected activities of the Bank in the country. The meeting attracted 24 civil society representatives from 18 CSOs. The consultative meeting was chaired by the EBRD Head of the Resident Office in Morocco and attended by EBRD economists, gender specialists and specialists working on support to small and medium enterprises (SMEs). The summary of the meeting and list of participating organisations are provided in the Annex to this report.

During the consultation period one comment was received by the Bank in written format.

2. PUBLIC COMMENTS AND STAFF RESPONSES

Reference	Comment	EBRD Response
Political context		
	<p>The EBRD was recommended to integrate in the Strategy the issue of Western Sahara as a separate section of its political assessment.</p>	<p>In considering how to assess political progress, the Bank applies its <i>Procedures to Implement the Political Aspects of the Mandate of the EBRD</i>. The political methodology can be accessed at http://www.ebrd.com/documents/comms-and-bis/pdf-political-aspects-of-the-mandate-of-the-ebrd.pdf.</p>
	<p>The EBRD was encouraged to review the commitment of Moroccan authorities to improve political and human rights via-a-vis concerns over human rights protection. For the assessment on human rights issues, the EBRD was recommended to consider reports issued <i>inter alia</i> by Human Rights Watch, the Robert Fitzgerald Kennedy Center for Justice and Human Rights, the United States Department of State, Amnesty International, Moroccan Association of Human Rights, UN Special Rapporteur on Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment.</p>	<p>For the development of its political assessment, the EBRD held consultations with various stakeholders following that dossier, in and outside the Kingdom of Morocco. The Bank's consultations on the issue included international and local NGOs that cover developments in that region. As per the political methodology, references sources for political assessments include <i>inter alia</i> reports from UN agencies and Special Rapporteurs, the Council of Europe and the European Union.</p>
	<p>While acknowledging that Morocco is advocating for autonomy of the Western Sahara under Moroccan authorities and the Polisario Front aims for independence, the Strategy should also recall that both parties have agreed to hold a referendum on independence as part of the UN sponsored agreement which they signed in 1991. Reportedly, according to independent observers, Morocco has not allowed the organisation of the referendum on self-determination, which is central to advance the UN-led peace talks between Morocco and the Polisario Front.</p>	<p>The Bank closely follows political developments in the country where it operates and provides written and oral updates to the EBRD Board of Directors when relevant. Country Strategies do not aim to provide detailed assessments of the political situation but an overview of the progress of countries of operations towards multiparty democracy, pluralism and market economics.</p> <p>The political annex of the Bank's Country Strategy for Morocco invokes the key UN Resolutions regarding the Western Sahara issue. The Bank continues to follow the</p>

		Western Sahara discussions closely, and is guided by the relevant UN Resolutions on the matter.
	The EBRD was requested to clarify in the Strategy its position about potential investments in Western Sahara.	The Bank does not intend to invest in the Western Sahara in the course of this Country Strategy period.
	According to the CSO, the revenues deriving from natural resources in Western Sahara represents information that distorts Morocco's economic prospects for investors.	The Bank takes note of the comment. For considerations related to the macroeconomic outlook of the countries where it operates, the EBRD uses available data such as official statistics, as well as IMF and World Bank reports.

Summary of EBRD meeting with civil society- 24 April 2014, Casablanca

EBRD and civil society

Civil society welcomed the Bank's approach in consulting civil society at an early stage of the country strategy process and urged the Bank to pursue the dialogue with civil society as part of institutional decision-making processes. Participants also recommended the Bank to build partnership with civil society beyond consultations in consideration of the contribution that civil society can bring to sustainable development.

Environmental and social standards

Representatives from civil society organisations shared their expectations in terms of the role played by the EBRD in advancing corporate social responsibilities practices, enhancing compliance with environmental and social standards and promoting gender equality in Morocco. In particular, improving water management practices in the country, especially in relation to industrial and agribusiness use, was regarded as a priority. The EBRD structures all its projects to comply with its Environmental and Social Policy and whereas the prospected client falls short in meeting environmental and social requirements, the Bank provides support and advice to clients on how to avoid, minimise, mitigate or offset for adverse impact. Through its Strategic Gender Initiative the EBRD has developed a structured approach to gender equality in order to mainstream it throughout its activities focussing on the provision of access to finance, services and employment and skills.

Regional disparities

The EBRD was urged to consider regional disparities in the country as a criterion for the selection of investment projects. The region of Gharb-Chrarda-Beni Hssen in the North West of Morocco is considered as one of the most disadvantaged regions in need of investment. The EBRD recognised the importance of overcoming regional disparities and stated its commitment in investing across the countries whereby proposed projects meet the EBRD's investment criteria of transition, sound banking and additionality.

IFIs cooperation

According to some civil society participants, other international financial institutions (IFIs) operating in Morocco have obtained marginal results in relation to private sector development due to poor local ownership and coordination among donors and financiers. Each EBRD country strategy contains a specific section on IFIs cooperation in order to avoid overlaps and build on synergies.

Support to SMEs

Small and Medium Enterprises (SMEs) represent the backbone of the Moroccan economy, however their size is smaller than the EU definition of SMEs thus hampering the opportunities for access to credit. The EBRD supports SMEs development in the countries where it operates according to national parameters of SMEs' size.

Transparency and accountability

According to transparency organisation, corruption remains a matter of concern in Morocco and hampers the full development of the business sector in the country. Against this background, the EBRD is expected to promote accountability of private and public corporates and conducts investigation in case of corruption allegations. As part of the due diligence process, the EBRD performs corporate checks and looks at integrity issues of its prospected clients. Furthermore, the EBRD's Office of the Chief Compliance Officer deals with allegations of conflict of interest, corruption, confidentiality and money laundering related to the Bank's financed projects and ensures that the highest standards of integrity are applied to all activities of the Bank.

Morocco and the EBRD region

Twinning and partnerships with enterprises from the EBRD region are welcome in Morocco as these might bring innovation to the country and a fresher perspective in doing business. The EBRD, however, was urged to pay particularly attention to country specificities in order to contribute to sustainable development through Bank's financed projects.

List of participating organisations

1. Association AMAL- femmes en mouvement pour un avenir meilleur
2. Association Démocratique des Femmes du Maroc
3. Association IntEnt Maroc
4. Association Marocaine d'Appui pour la Promotion de la Petite Entreprise
5. Association Marocaine de l'Evaluation- AME
6. Association Marocaine pour le Journalisme d'Investigation- AMJI
7. Association Timoulily pour le Développement- ATD
8. Centre Marocaine pour l'Education Civique
9. Espace Associatif
10. Espace de Solidarité et de Coopération de l'Oriental – ESCO
11. Forum Marocain du Consommateur- FOMAC
12. Institute Marocain des Relations Internationales
13. Réseau Marocain de Défense des Biens Publics
14. Réseau Marocaine pour le Droit d'Accès à l'Information- REMDI
15. Transparency Maroc
16. Université Hassan II Casablanca, Faculté des Sciences Juridiques, Economiques et Sociales
17. World Wide Fund for Nature Maroc- WWF Maroc
18. Group de Travail pour l'Environnement