

MOROCCO

SPEECH DELIVERED ON BEHALF OF THE KINGDOM OF MOROCCO

DURING

**THE 25TH ANNUAL MEETING
OF THE BOARD OF GOVERNORS OF THE EBRD**

LONDON
11 and 12 May 2016

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

It is a genuine pleasure for me to be participating in the work of this 25th meeting of the Board of Governors of the European Bank for Reconstruction and Development (EBRD), marking a quarter century since the Bank has been in operation.

On this occasion, I wish to commend the UK authorities, the Bank's management and staff on the excellent organisation of this meeting.

I would also like to congratulate Suma Chakrabarti, President of the EBRD, the Board of Directors and the Bank's entire staff for the gratifying operational results achieved in 2015, in spite of the backdrop of a continuing slowdown in economic activity, particularly in the main emerging countries, and of increasing volatility in the financial markets.

I am pleased to note that, despite this economic situation, the EBRD achieved a net profit of €800 million and also increased the annual volume of its investments to a record level of €9.4 billion in 2015 in 35 emerging countries, thereby reinforcing its support for the transition process, especially through the development of the private sector and promotion of inclusive growth and sustainable development.

Almost 25 years ago, in the wake of the fall of the Berlin Wall, the Bank was created in this very place, with the purpose of supporting the transition of, initially, the countries of Central and Eastern Europe to market economies, and subsequently of the countries of the former Soviet Union. Today, the EBRD is investing in 36 countries on three continents, extending from central Europe to Central Asia, and from the Western Balkans to the southern and eastern Mediterranean.

We pay tribute to the international community and the members of the Bank who have given their support to the EBRD to enable it to expand its operations into the countries of the southern and eastern Mediterranean region, known as SEMED, and Morocco in particular.

Although the situation in these countries is different to that in the central and eastern European countries 25 years ago, the experience acquired by the Bank in supporting the transition to market economies has been crucially important and enabled it to quickly identify the needs of the countries in the SEMED region and target its areas of operation.

Building on the expertise it has acquired and by the initiatives it has implemented over these long years, the EBRD has stepped up its operations in the SEMED region. It has made a total investment of €3.4 billion since 2012 in key areas such as support for financial institutions, infrastructure

development, support for the private sector, especially for SMEs, and the promotion of the sustainable use of energy and water. In 2015 the Bank increased its investments in the region by almost 35% to a figure of €1.5 billion.

The Kingdom of Morocco was extremely proud to host in 2015 the Business Forum organised by the EBRD, held for the first time in the SEMED region. This highlighted its support for promoting investment opportunities in the private sector in this region.

Relations between Morocco and the EBRD date back to 1991 when the Bank was created. The results of the partnership over these 25 years are excellent.

From the outset of its relations with the Bank, Morocco has benefited from the Bank's technical expertise in several areas. In 2012 there was a sea change in the cooperation ties between Morocco and the Bank, with the launch of the EBRD's operations in Morocco.

This cooperation has produced a portfolio of activities which is diverse and innovative in terms of financial products and project approach, enabling a volume of commitments in excess of €700 million to be achieved.

The country strategy adopted in 2015 for the 2015-2018 period is intended to consolidate and further expand cooperation between Morocco and the EBRD, with a focus on realising entrepreneurial potential, promoting regional inclusion, supporting the sustainability and commercialisation of utilities and infrastructure and advancing the development of capital markets.

I welcome the Bank's adoption of the framework for net income allocation proposals during the Strategic and Capital Framework (SCF) period of 2016-2020, which sets out the medium-term direction and strategic guidelines for the next five years.

We also support the two areas selected by the Bank as the focus for the Strategy Implementation Plan 2016-2018, namely, (i) sustainable development, with the Bank intending to allocate 40% of its annual investment to green economy projects between now and 2020, and (ii) strengthening the Bank's policy delivery capability.

Convinced of the importance of the new Sustainable Development Goals (SDGs), into which must be integrated economic growth, social justice and environmental management, the Kingdom of Morocco has undertaken to tackle the challenges of the 21st century by making sustainable development a real social project and a new development model.

This will ensure that the growth model used in Morocco migrates gradually towards a model favouring the development of renewable energy sources as the driving force in its transition to a green economy.

We would like to take this opportunity to remind you that in November 2016, Morocco will host the 22nd Conference of the Parties to the United Nations Framework Convention on Climate Change (COP22), which will facilitate the deployment of the tools for implementing the Paris Agreement that resulted from COP21.

Furthermore, we support the Bank's strategy for the years ahead, which is guided by three priorities aimed at revitalising the transition process and is perfectly aligned with the Kingdom of Morocco's own priorities, which are:

- Supporting the effective implementation of reforms in order to improve social inclusion, the investment climate, the development of the capital market and the strengthening of SMEs which contribute to job creation.
- Promoting integration by supporting investments which boost financial flows and develop economic infrastructure.
- Tackling the global and regional challenges we face, such as the efficient use of resources, combatting climate change and improving food security.

Before I finish, I would like to stress how pleased we are about the new procedure for future Annual Meetings, now grouped in a three-year cycle, which will allow the countries involved to plan and be effectively involved in this process.

While welcoming the Bank's decision to hold its 27th Annual Meeting in 2018 in Jordan, which is the first time in a country from the SEMED region, I would like to express the Kingdom of Morocco's interest in hosting one of the sessions scheduled for the next cycle of Annual Meetings in 2020-22.

Finally, I would like to thank the Bank's President, Suma Chakrabarti, and the entire staff of the EBRD for all their efforts in consolidating and strengthening the role of our Bank as a special partner for all its countries of operations, while adapting to their needs and aspirations.