

Morocco

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
MACROECONOMIC FRAMEWORK		
Macroeconomic Stability		
Progress Made on 2018 Commitments		
Strengthening the fiscal framework	<p>Fiscal consolidation and strengthening of the medium-term fiscal framework (MTFF)</p> <ul style="list-style-type: none"> - To strengthen the credibility and transparency of the fiscal policy, the government adopted a three-year fiscal framework document which was submitted, for the second consecutive year, to Parliament as part of the review and voting process for the 2024 budget law. - Through this framework, the government reaffirmed its commitment to continue reducing the fiscal deficit to 4% of GDP in 2024 and 3% in 2026. This progressive fiscal adjustment should bring the debt ratio to less than 70% of GDP in the medium-term. - The consolidation of public finances and the reconstitution of fiscal buffers involve a continued optimization of public spending, the implementation of the tax system reform framework law and the use of non-generating debt financing mechanisms including increased participation of the private sector. - The fiscal framework will be further enhanced through: <ul style="list-style-type: none"> ■ the improvement of the three-year fiscal framework document in particular the chapters relating to the assessment of budgetary risks and debt sustainability; ■ the institutionalization of this Document and the introduction of a new fiscal rule anchored on medium-term debt, in the frame of the amendment project of the Organic Law related to the budget law currently underway. 	IMF
Continue implementation of tax reforms to improve the efficiency and equity of the tax system and make it more investment-friendly and strengthen the tax administration.	<p>The main tax reforms are:</p> <ul style="list-style-type: none"> - Adoption in July 2021 of a tax framework law aiming at revising the foundations of the tax system and resolving its dysfunctions which draws up a medium-term reform plan based on the national tax meeting recommendations held in 2019. - Gradual reduction of industrial corporate tax rate from 2020 and abolition in 2022 of the rates progressivity scale of corporate tax. - Introduction of a 70 percent tax allowance in 2022, applicable on the net capital gain earned from fixed assets disposal, excluding lands and constructions. - Reform of Tax administration proceeding with digitization of tax declarations and payments, local tax simplification, collection improvement, interoperability between administrative systems, development of internal control and audit functions. - Introduction in 2021 of "la contribution professionnelle unique (CPU)" for businesses and proprietorships, which have limited revenues, and its adoption and improvement in the 2022 Finance Act. <p>The main tax provisions introduced in 2023 are:</p> <ul style="list-style-type: none"> - Review of corporate tax rates as part of a whole reform aiming at converging towards a unified rate over the period 2023-2026 to ensure the visibility and stability of the tax system. - Progressive reduction of the withholding tax rate attached to income from shares and similar Income. 	World Bank EU IMF

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	<ul style="list-style-type: none"> - Revision of the income tax system aiming at (i) reducing the tax burden of employees, retirees, and newly recruited workers and (ii) reinstating the principle of taxing the annual global income of individuals. - Revision of the taxation system of land profits. - Extension of the social solidarity contribution on profits and income, in accordance with the recommendations of the New Development Model. <p>The main tax provisions introduced in 2024 are:</p> <ul style="list-style-type: none"> - Reform of value added tax (VAT), using a gradual approach over a three-year period 2024-2026. This reform has three fundamental objectives: (i) a social objective to support household purchasing power and mitigate the impact of inflation by extending VAT exemption to certain basic consumer goods, (ii) an objective of economic neutrality to ensure the neutrality of VAT and reduce the impact on businesses of the differential rates applied upstream and downstream of the production chains for goods and services, by gradually aligning VAT rates (7%, 10%, 14% and 20%) and limiting them to two standard rates (20% and 10%) by 2026, and (iii) an objective of tax fairness with a view to facilitating the integration of the informal sector, rationalizing tax incentives and clarifying and harmonizing the provisions of the tax legislation; - The fight against tax evasion and the integration of the informal sector, by improving procedure for examining the entire tax situation of individuals, to ensure consistency between their income and expenditure and their liquid assets; abolishing the commission on abuse of rights and introducing the right to make an error, enabling irregularities in tax returns to be rectified spontaneously; introducing a new withholding tax system for VAT; extending the scope of VAT to cover remote services provided by non-residents. <p>New commitments and reforms initiatives:</p> <ul style="list-style-type: none"> - Prioritize the income tax system reform by 2025, to implement objectives set out in the framework law, particularly those relating to reducing the tax burden on taxpayers and the progressive nature of personal income taxation. - Subsequent Finance Acts will be devoted to continued introduction of new measures to improve procedures, to broaden the tax base, to combat tax fraud and evasion and to strengthen dematerialization and administrative efficiency. - Production and adoption of a design document for the introduction of a carbon tax. 	
Continue implementation of the transition to a more flexible exchange rate regime	<p>Exchange rate flexibility</p> <p>Exchange rate band widened from $\pm 0,3$ percent to $\pm 2,5$ percent in January 2018 and to ± 5 percent in March 2020. At the same time, the interbank forex market is deepening, and the use of hedging instruments has increased. The authorities will continue to implement the reform of the exchange rate regime.</p> <p>The authorities intend to tackle the next stages of the reform at the appropriate time. At the same time, the Central bank continues to finalize the inflation-targeting framework that will be put in place at an advanced stage of the reform.</p>	IMF
Public Investment Management (including SOEs, PPPs and utilities):		
Progress Made on 2018 Reform Commitments		

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Improve SOEs governance and performance	<p>Improvement of payment delays</p> <ul style="list-style-type: none"> - Operationalization of the Observatory of Payment delays; - Adoption of a new regulatory framework fixing the compensation rate due for delays and the modalities for its settlement; - Monitoring of supplier complaints through a new platform (AJAL) set up to facilitate exchanges and communication between suppliers and SOEs, and system improvement; Generalization of digitalized pay offices of SOEs, subject to prior control; - Electronic invoicing for SOEs suppliers having opted for the use of the platform AJAL in line with the fixed schedule. - Publication of two respective reports on payment delays; - Publication in the Official Gazette (OG), in June 2023, of the Law 69.21 enacting special provisions related to payment delays. Its entry into force will be progressive depending on company size. - Issuing by tax administration of a circular note explaining the provisions of the law 69-21 instituting pecuniary sanctions against companies that exceed the legal payment delays. <p>SOEs sector oversight and refocus on core public mandates</p> <ul style="list-style-type: none"> - Adoption in August 2021 of the Framework Law related to the reform of SOEs aiming at gathering SOEs with similar activities; the merger of SOEs or subsidiaries; transformation of SOEs which are carrying out commercial activities into Public limited companies; termination and liquidation of some entities whose missions are outdated, or those which have structural deficits. - Adoption in July 2021 of the law creating the National Agency for Strategic Management of State Holdings and Monitoring the Performance of SOEs to play a key role in the implementation of the reform. - Approval of the Agency's management instruments, namely the organizational chart, the staff statutes, contract regulations and the model for its financing, and the roadmap for the development of the State's shareholding policy. - Launching, in January 2024, by the National Agency for Strategic Management of State Holdings and Monitoring the Performance of SOEs, of the project to consolidate the accounts of the State as shareholder, in accordance with IFRS. <p>Publication of the following legal and regulatory texts</p> <ul style="list-style-type: none"> - 2 Decrees setting conditions and modalities for the appointment and compensation of State representatives and independent members sitting in the deliberative bodies (DBs) of SOEs (January 2023); - Decree related to the composition and operating procedures of consultative body on the State's shareholding policy, (January 2023); - Decree relating to the appointment of State representatives within the Board of Directors of the National Agency for the Strategic Management of State Holdings and the Monitoring of the Performance of SOEs. - Law n° 40-22 setting the number of independent directors and the conditions and procedure for their appointment to the decision-making bodies of public companies (July 2023); - Law n° 83-21 concerning the creation of regional multiservice companies (July 2023); - Laws relating to the reform of the health sector; - Decree no. 2.22.581 on the procedures for appointing State representatives to sit on the DBs of SOEs (February 2023); - Decree no. 2.22.582 on the terms of appointment and remuneration of independent members sitting on the BDs of SOEs (February 2023); - Decree no. 2.23.128 amending decree no. 2.13.24 establishing the list of SOEs subject to accompanying control (April 2023); - Decree no. 2.23.1033 implementing article 2 of the law on regional multi-service companies (SRM) (February 2024); - Decree n° 2.23.1034 authorizing the creation of 12 SRM (February 2024); - Decree no. 2.23.1035 implementing article 14 of law no. 83.21 relating to SRM (February 2024). 	<p>Payment delays: World Bank</p> <p>SOEs Mandate: World Bank EBRD</p> <p>SOEs Code: IFC World Bank AfDB</p> <p>Authorities: EBRD EU</p> <p>Green steering of SOEs: AFD</p>

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	<p>Texts under the process of adoption:</p> <ul style="list-style-type: none"> - Project of strategic orientation of State's shareholder policy, scheduled for adoption in the 1st half of 2024; - Draft decree defining the cases in which the State must conclude contract-programs with SOEs, which was finalized, and scheduled for publication in the 1st half of 2024; - Draft decree approving the code of good governance practices for EEPs. <p>Texts underway to be prepared</p> <ul style="list-style-type: none"> - Draft law on the reform of the governance and financial control system of the State over SOEs; - Draft law to create 12 regional urban planning and housing agencies (second half of 2024). - Draft law on the privatization regime (1st half of 2025); - Draft law on the creation of a central body for the liquidation of SOEs (1st half of 2025); - Draft law on legal measures governing the creation of SOEs whose creation does not fall within the scope of the law, and the acquisition of stakes by SOEs in the capital of private companies (to be introduced into the adoption circuit during the 1st half of 2025 after consultations with stakeholders). - Draft decree approving the Contractualization Guide and Program Contract Model (2nd half of 2024). - Draft decree on the valuation of the public domain made available to SOEs (1st half of 2025). <p>Restructuring operations</p> <ul style="list-style-type: none"> - The year 2022 has seen the targeting of a number of sectors deemed to be priorities such as energy, transport and logistics, and some other sectors or SOEs with high stakes. Restructuring operations are carried out within the framework of a collective and partnership approach and aim to address, within a planned framework, all issues and risks that hinder the achievement of performance and development projects. - Consultations with stakeholders are underway, and a roadmap is elaborated to resize the public portfolio and to review and strengthen business models of several strategic SOEs. The restructuring of these entities is part of an overall vision that extends over five years. - Regarding the other SOEs that are not part of the strategic sphere, a roadmap is drawn up for the implementation of an integrated restructuring program for these entities. To this end, work and consultations are currently underway with all the stakeholders concerned, with a view to approving this program and implementing it within the required timeframe. - In this context, the urban planning, higher education sector and health insurance sectors have been targeted, as well as logistics, water and electricity distribution and energy efficiency sectors, enabling several restructuring and reform operations to be identified. <p>Code of Good Governance Practices for SOEs</p> <ul style="list-style-type: none"> - Since the launching in 2012 of a Moroccan Guide of Good Governance Practices for SOEs, significant progress was made at several levels in terms of the functioning of the SOEs' Deliberative Bodies, including a sustained dynamic in terms of the establishment of specialized committees emanating from the DBs, the adoption by the DBs of more than 40 SOEs plans, charters and other instruments to improve governance. - Finalization of the Draft Code on May 2022 and launching of direct consultations with 28 SOEs and 7 reference institutions (Court of Auditors, Capital Markets Authority, Competition Council, UN WOMEN, CFA, World Bank.). - The proposals of the partners were processed and integrated into the Draft Code and discussed at the National Council. - The final version of the code was subject to a tripartite meeting (SGG-CNGE-DEPP) before being forwarded to the SGG. - Launching, in July 2023, by the National Corporate Governance Commission (NCGC), of a public consultation on the draft revised Code of Good Governance for SOEs with the aim of gathering remarks and comments from companies and other stakeholders, on the proposed changes. 	

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	<p>- The draft decree approving the SOEs Code of Good Governance Practices is in the process of being adopted (2nd half of 2024). SOE and public investment management reforms to optimize finance for infra entities</p> <p>Creation, in January 2021, of the Mohammed VI Fund for Investment, structured into sectoral and thematic Funds in areas of high priority mainly industrial restructuring, innovation and activities with high growth potential, promotion of SMEs, infrastructure, agriculture and tourism. The infrastructure sub-fund will target using an MFD and PCM approach.</p> <p>The Executive Director of this fund was appointed in October 2022 and became operational with the first Board of Directors meeting in December 2022.</p> <p>Mohammed VI Fund for Investment has announced its strategy, which is largely based on a strong involvement for the implementation of productive investments with a strong impact on economic and social development;</p> <p>The Fund advocates three guiding principles for the development of its strategy:</p> <ul style="list-style-type: none"> - Dual sustainability: financial and economic, social, and environmental impact; - Additionality: financial (long time horizons...) and non-financial (project structuring, high standards...); - Multiplier effect through the mobilization of private financing by positioning the Fund as a pioneer player that leverages private investments. <p>The financing vision of this Sovereign Wealth Fund, currently being structured, emphasizes a balanced public-private financing mix according to the characteristics of the targeted sectors. The Fund, endowed with an initial \$1.5 billion State budget allocation, aims to raise \$3 billion from private investors.</p> <p>Following a call for expressions of interest addressed to management companies, the Fund is currently in the selection and negotiation phase, with a view to selecting the management companies that will lead the creation of the first thematic and sector-based sub-funds.</p> <p>In addition, the Fund aims to set up a quasi-equity financing product coupled with a bank loan to boost the financing capacity of SMEs and support their investment programs.</p> <p>Regulatory authorities (electricity, postal, telecoms) established or endowed with greater powers</p> <p>Completion, in 2021, of the structuring and the establishment of the Electricity sector regulatory authority (ANRE).</p> <p>Further diligence is underway for efficient deployment of the ANRE and further liberalizing the electricity sector, which should develop a more competitive electricity market and accelerate the transition to renewable energies, notably through:</p> <ul style="list-style-type: none"> - The separation of ONEE's generation, transmission, and distribution activities and the strengthening of the transmission network, with the creation of a national Transmission System Operator. - The reform of the distribution sector, through the creation of SRMs, which will have exclusive rights to distribute electricity, drinking water, and liquid sanitation, through the enforcement of the Law 83.21, and its implementation decrees related to the transfer of assets belonging to ONEE 	

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	<p>adopted in February 2024. In line with the principle of progressive implementation of this reform, four SRMs relating to the Casablanca-Settat, Marrakech-Safi, Souss-Massa, and Oriental regions are to be set up in 2024.</p> <ul style="list-style-type: none"> - The strong involvement of the private sector in electricity generation, particularly through the continuation of the regulatory process for setting service tariffs. The latter is an essential condition for investors to commit to electricity generation for their private customers, and even for distributors. - The ANRE published, by February 2024, the tariff for the use of the national electricity transmission network and the tariff for system services, which are set for the period 2024-2026, as well as the national electricity system's renewable energy hosting capacity for the period 2024-2028. ANRE will also publish the tariff(s) for access to the medium-voltage electricity distribution network by renewable energy producers. - The implementation of the legislation on the electricity sector, notably through the gradual adoption of the regulatory texts provided for by the Laws 48-15, 40-19 and 82-21. - The effective implementation of new provisions, notably through ANRE's approval and publication of the quality indicators to be observed by the national transmission system, in terms of safety, reliability and efficiency (Art 12 of Law 48.15), and of the Transmission System Operator's code of conduct (Art 13 of Law 48.15). <p>Green steering of SOEs</p> <p>Within the framework of the Green Budget Transition program, the MEF is carrying out Green Transition actions for SOEs sector, mainly:</p> <ul style="list-style-type: none"> - Introduction of Corporate Social Responsibility (CSR) practices to be implemented at the level of the EEP code of good governance practices; - Inclusion of a chapter on green transition objectives in the contracting guide; - Inclusion of a section on green transition commitments in the standard model for program contracts; - Inclusion of a section on CSR/climate progress by SOEs in the report on SOEs accompanying the Budget Law; - Drafting of a working/conduct guide for sustainable governance for SOEs management; - Integration of a climate module into the SOEs budget risk monitoring project; - Set up a "green transition" SOEs club to promote best practices through cross-functional exchanges. <p>Membership in the SOEs MENA Compact</p> <p>Morocco has joined the World Bank's SOEs MENA Compact, which provides an appropriate framework for measuring the implementation of reforms in the SOEs sector, and a basis for policy dialogue between the International Financial Institutions (IFIs) and the countries of the MENA region;</p> <p>This project includes commitments to improve governance of SOEs through strong governance of SOEs, fair competition, climate change mitigation, and sound fiscal management.</p>	

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	A roadmap for the MENA Pact for SOEs reform is currently being drawn up by the World Bank and all the stakeholders (DEPP-DTFE-DB-DP-DCPC, CC and ANGSPÉ).	
Develop PPPs	<p>PPP Framework brought in line with EU practices, and Investment Charter (for FDI) being revamped.</p> <p>Amended PPP law, adopted in March 2020;</p> <p>Publication of the implementing decrees of the law issued because of the amendment of the law on PPP contracts:</p> <ul style="list-style-type: none"> - State and SOEs: Amendment of procedural and National PPP Commission Decrees published in September 2021. - Local Authorities (Regional): Publication in August 2022 of two Decrees related to PPP contracts carried by Regional Authorities and the Standing Committee specific to Regional Authorities. 	EBRD
New Reform Commitments and Initiatives		
Further diligence is underway for PPP deployment, notably	<ul style="list-style-type: none"> - Operationalization of the National Commission; - Operationalization of the permanent Commission at the local level. - Setting of an investment threshold under which the preliminary evaluation will be optional; - Publication of the order for the pre-selection of candidates. - Order in progress appointing members of the ministerial PPP commission (chaired by the DEPP). 	
Generalize social protection	<p>Reform of social protection system within five years</p> <ul style="list-style-type: none"> - Publication in 2021 of a framework law n° 09-21 related to social protection system by which all citizens will access social security benefits. - Generalization of health care insurance by the end of 2022. - Generalization of family benefits by 2024. Payment of the first tranche of direct social assistance, through the allocation of a dignity income for the elderly, family allowances for all households and lifelong support for people with disabilities, began in December 2023. - Expansion of pension system and unemployment benefits by 2025. - Publication, in December 2023, of Law No. 58.23 on direct social program. This social program has been allocated the following benefits: <ul style="list-style-type: none"> ■ Protection assistance related to childhood: intended for families in situations of poverty with children under 21 years old. It includes basic monthly monetary assistance per child, additional assistance, and a birth grant. ■ Additional assistance: reserved for families who do not have children or have children over 21 and who are in poverty, fragility or suffering from risks linked to old age. ■ Special assistance: direct assistance to orphaned and abandoned children taken care of by social protection establishments. 	World Bank

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Social Assistance Program

BUSINESS FRAMEWORK	
Business Environment and Regulation	
Progress Made on 2018 Reform Commitments	

Implement the roadmap for improving the business climate 2023-26

Business climate strategy 2023–26

The roadmap for improving the business climate 2023–26 is based on an action plan with three pillars, a cross-cutting pillar and 10 priority areas with 46 priority initiatives. 70% of these initiatives were started in 2023 (41% have been finalized or in the process of being finalized):

The first pillar aims to improve the structural conditions for investment and entrepreneurship through:

- Strengthening the business law framework;
- Optimization, digitization, and devolution of administrative procedures;
- Strengthening coordination and monitoring of the business environment.

The second pillar aims to strengthen national competitiveness, through:

- Mobilizing financing for a better economic recovery;
- Improving access to renewable energy and industrial decarbonization;
- Strengthening access to land;
- Strengthening logistics competitiveness.

The third pillar aims to develop an environment conducive to entrepreneurship and innovation, through:

- The development of support mechanisms for SMEs and startups;
- Promotion of innovation, R&D activities, and entrepreneurial culture;
- Strengthening training offer and human capital performance.

The transversal pillar aims to strengthen ethics, integrity, and the prevention of corruption.

The implementation of this roadmap has allowed:

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	<ul style="list-style-type: none"> - The approval, in February 2023, of the simplification of 22 administrative procedures for investment, which should reduce the documents required in this field by 45%, in addition to the effective decentralization of 15 investment-related procedures at the territorial level, to speed up investment decision-making. - The launch, in February 2024, of a study on simplifying and optimizing investor processes, through an innovative approach based on digitization and interoperability of information systems between different administrations. 	
Simplify business-related administrative procedures, strengthen dematerialization, and create one-stop shop	<p>Reform of the legal framework governing public limited companies:</p> <ul style="list-style-type: none"> - Enactment in June 2019 of the law 20-19 modifying and completing the law 17-95 aiming at promoting gender equality in governance bodies; - Enactment in July 2021 of the law 19-20 amending the law 17-95 relating to joint stock companies and the law 5-96 related to limited partnership, public limited companies, general partnership, joint venture companies and limited liability companies, aiming at promoting gender equality in governance bodies, enabling virtual meetings and electronic voting. - Enactment in February 2023 of the law 96-21 modifying and completing the law 17-95 relating to public limited companies and enacting transitional dispositions relating to the conversion of bearer shares into registered shares. <p>Secured transactions framework:</p> <ul style="list-style-type: none"> - Enactment in April 2019 of the Law 21-18 on secured transactions and adoption in November 2019 of the Decree regarding the operating modalities and management of a National Movable Collateral Registry (Registre National électronique des sûretés mobilières) launched in March 2020. - Organization of a campaign of sensitization on this reform and training workshops for stakeholders (banks, financing companies, lawyers, notaries, chartered accountants, judges...) <p>Creation and support of businesses by electronic means</p> <ul style="list-style-type: none"> - Enactment in January 2019 of the law 89-17 modifying and completing the law 15-95 aiming at the creation of an electronic trade register grouping all local trade registers managed by the Secretariat of the competent courts, and the central electronic trade register. - Entry into force, in March 2019, of the Law 88-17 relating to the creation and assistance of businesses by electronic means, aiming at dematerializing legal formalities and digitalizing administrations services related to businesses (creation of companies, registration in the electronic trade register, delivering business certificates, tax matters, and so on). - Adoption, by the Government Council in March 2024, of Decree no. 2.22.92 laying down the procedures and measures for setting up and supporting businesses by electronic means. <p>Reform of Regional Investment Centers (CRIs)</p> <ul style="list-style-type: none"> - Enactment in February 2019 of the law 47-18 reforming regional investment centers and creating the Unified regional investment commissions, and its implementation Decree (April 2019). - This reform is based on CRIs restructuring, creation of a unified regional investment commission, and simplification of investment procedures for processing investment files. <p>Next steps: a new reform of the CRIs is being adopted. This reform aims at enabling CRIs to supervise the entire investment process and increase their efficiency, and to provide better support services for the benefit of project holders, until their final realization.</p> <p>Simplification of administrative procedures and formalities</p>	Secured transaction framework: EBRD Business creation and support: IFC and AfDB

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	<ul style="list-style-type: none"> - Launch, in 2019, of the Tawtik.ma platform which aims to dematerialize tax certificates and create a one-stop shop for property transfers. - Launch, in 2019, of the platform "Roukhass.ma" which is a single point of contact for application procedures, instruction and issuance of economic authorizations under the jurisdiction of municipalities, prefectures and wilaya. - Enactment in September 2020 of the Law 55.19 related to the Simplification of administrative procedures and formalities; - Launching, in April 2021, of the National Administration Portal "idarati.ma". <p>Simplification of public procurement procedures</p> <ul style="list-style-type: none"> - Entry into force, on April 2020, of circulars aimed at simplifying public procurement procedures through i) facilitating electronic submission on the public procurement portal and ii) removing the ceiling for the use of the purchase order procedure by SOE. <p>Modernizing Foreign trade</p> <ul style="list-style-type: none"> - Total elimination of the use of paper in all import and export procedures: Approximately 85 percent to 90 percent of procedures and formalities are conducted electronically, including import permits, export licenses, customs clearance requests, all customs procedures, and import control procedures. - Exchange of information between import control agencies and customs is operational, and logistical formalities for port and airport clearance. - Adoption of the Single Window for Foreign Trade Procedures (Portnet): this system offers 120 formalities and services for the benefit of 65,000 users, including 55,000 importers and exporters. These formalities cover import and export procedures and permits, exchange of import control results, customs procedures, multichannel payment, and port and airport clearance formalities. 	
Align the new Investment Charter with the ambition of the new Moroccan Development Model regarding the enhancement of the role of private sector	<p>Overhaul of the Investment Charter</p> <ul style="list-style-type: none"> - Entry into force, in December 2022, of the framework law forming the new Investment Charter. - This new Investment Charter aims to increase the share of private investment to two-thirds of total investment by 2035, by encouraging investment by both local and foreign investors, particularly in less developed regions and granting incentives to boost promising sectors, and support for VSMEs, in addition to the development of Moroccan investments abroad. - Effective entry into force of the framework law through Adoption of a decree and three decisions relating to the implementation of the main and the specific support schemes applicable to strategic investment projects. <p>Since the entry into force of the new investment charter in May 2023, investment projects worth over MAD 150 billion has been approved by the National Investment Commission, intended to create more than 70,000 direct and indirect jobs in key sectors such as chemistry/parachemistry, seawater desalination, mining, automobiles, agri-food, tourism, aeronautics, and renewable energies.</p>	
Modernize the legal, institutional, and regulatory framework for business	<p>Operationalization of the Competition Council</p> <ul style="list-style-type: none"> - Competition council operationalized with the appointment of its President and other members in March 2021. - Publication in December 2022 of Law No. 40.21 amending and supplementing Law No. 104-12 on the freedom of prices and competition. - Adoption in May 2023 of Decree No. 2.23.273 amending and supplementing Decree No. 2-14-652 for the implementation of Law No. 104-12 on the freedom of prices and competition. - The Competition Council stepped up its activities to prevent and combat anti-competitive practices, economic concentration, and monopoly operations. The year 2023 was marked by an acceleration in the number of cases overseen and sanctions. <p>Operationalization of the National Integrity, Prevention and Anti-Corruption Agency (INPPLC)</p>	<p>Competition: IFC INPPLC: EU</p>

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	<ul style="list-style-type: none"> - Enactment in May 2021 of Law 46.19 relating to the (INPPLC) strategy. - Operationalization, in October 2022, of its Board of Trustees through the appointment of the Agency Secretary-General and its 20 members. - To further anchor the values of probity and integrity, the operationalization of the INPPLC, whose prerogatives have been strengthened, continues through the reinforcement of both its human capital and the framework of cooperation with the various stakeholders. <p>Consolidation of Public Procurement regulatory framework</p> <ul style="list-style-type: none"> - Publication, in March 2023, of Decree 2.22.431 on public procurement, aimed at strengthening transparency, improving the business climate, opening to small businesses and self-employed entrepreneurs, and enshrining the principle of national preference. The text also enshrines mechanisms strengthening the integration of socio-economic, environmental, and sustainable development dimensions in public procurement. 	
Promote industrial and digital activities	<p>Promoting industrial activities and decarbonization:</p> <ul style="list-style-type: none"> - Launch, in January 2021, of the Tatwir Croissance Verte program to support the decarbonization of industrial SMEs. It aims to support industrial SMEs in their efforts to develop decarbonized processes and products and support the emergence of new green industrial sectors and reduction of industrial pollution. - Launch, in April 2021, by Maroc PME of the NAWAT program aimed at VSEs, project holders and self-entrepreneurs to develop their entrepreneurial and managerial skills and benefit from advice and TA. - Launch in May 2022 of an electronic platform of industrial land www.industrial-estate.gov.ma. This new website is considered a tool for promoting industrial zones to reinforce the international competitiveness and attractiveness of the national industrial land. It provides Moroccan and international industrial investors with information on the availability of industrial land. - Launch, in September 2022, of the R&D and Innovation program, which aims to support R&D and innovation projects in the industrial sector. - Entry into force, in February 2023, of the law 102.21 relating to industrial zones, which aims to encourage investment in the industrial sector through the lever of industrial land, to strengthen the legal framework of development and management of industrial zones and to ensure their sustainable and effective management. Ongoing implementation of this law through the drafting and publication of application texts. <p>Promoting digital activities</p> <ul style="list-style-type: none"> - Implementation of the Digital Plan 2025, which aims to reduce the digital divide, training a new generation of 50,000 young employable talents and develop specific initiatives in sectors such as education, health, agriculture, and crafts. - Launching of the Morocco Tech initiative which aims to promote the country's digital sector and improve its attractiveness of FDIs by strengthening its competitiveness and releasing the investment potential of national operators and start-ups. - Granting a premium to support technological investments financing, covering expenses incurred in innovation and development of green products and supporting MSMEs to benefit from advice and technical expertise actions. - To date, following the launch of 10 calls for projects under this program, 16 clusters have been selected and benefit from State support. 	
New Commitments		
National Sustainable Development Strategy		

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Accelerate Morocco's climate and energy transition	<p>Drawing up, in 2023, a new National Sustainable Development Strategy by 2035. The objective of this strategy is to achieve a gradual transition to a green economy, taking account of environmental challenges, promoting human development and social cohesion, and strengthening economic competitiveness in a sustainable way.</p> <p>Nationally determined contributions (NDCs)</p> <p>Review and submission, in 2021, of the Nationally determined contributions (NDC) to UNFCCC, which sets an overall target of a 45.5% reduction in Morocco's GHG emissions by 2030, compared to a business-as-usual scenario for seven sectors (power generation, waste disposal, industry, transport, agriculture, forestry and buildings).</p> <p>Long-Term Low Emission Development Strategy (LT-LEDS)</p> <p>Drawing up, in 2021, a vision of a National Strategy Low Carbone by 2050 (SNBC). In 2023, Morocco elaborates its SNBC aiming to achieve carbon neutrality by 2050 and ensuring a sustainable future for generations to come. Presented at COP28 in Dubai, this strategy is based on 4 strategic orientations:</p> <ol style="list-style-type: none"> 1. Accelerate the strong development of renewable energies with a view to achieving 96% decarbonized electricity mix by 2050, and promote the development of green hydrogen to decarbonize industry and road freight; 2. Generalize energy efficiency and the efficient use of natural resources in all sectors, particularly industry, construction, and transport, and stimulate new circular economy and waste recovery sectors; 3. Develop sustainable, climate-smart, and resilient agriculture and forest ecosystems, as well as carbon sinks; 4. Promote a new generation of sober and "intelligent" regions and cities, with zero-emission transport plans and logistics that favor multimodality and integrate new digital technologies. <p>Next steps:</p> <ul style="list-style-type: none"> - Finalization of the modeling of macroeconomic impacts of the SNBC strategy to achieve a fair transition at optimal cost. - Finalization of the SNBC implementation programming roadmap - Launch of the Net Zero roadmap for Morocco's 12 regions - Process for the upcoming revision of the NDC its alignment with the SNBC-LT - Revision of the Law n°28.00 on waste management and introduction of extended producer responsibility (EPR) - Drafting of the law on the circular economy and development of the national circular economy strategy <p>Strengthening the institutional and legislative framework for Morocco's climate and energy transition</p> <ul style="list-style-type: none"> - Creation of a climate unit within the Ministry of Economy and Finance (MEF) to implement the Green Budget Transition. - Establishment of an inter-ministerial climate risk management committee to coordinate the efforts and initiatives of the different ministries to respond to the challenges of climate change. 	

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	<p>Strengthening the capacities of local authorities</p> <p>2021: Generalization of territorial climate plans for 12 regions;</p> <p>2024: 6 Regional adaptation investment programs at territorial level and 12 Regional energy efficiency plans.</p> <p>Climate-smart agriculture</p> <ul style="list-style-type: none"> - Launch, in February 2020, of the new development strategy for the agricultural sector "Green Generation 2020-2030", it aims to consolidate the achievements made by the Morocco Green Plan, through the adoption of a new vision of the agricultural sector, enshrining a new governance and the establishment of up-to-date means to serve this sector. - The "Generation Green" strategy integrates a climate-smart approach through the following levers: <ul style="list-style-type: none"> ■ Improving the resilience of agriculture to the impacts of climate change by doubling water efficiency and saving irrigation water, promoting the use of renewable energies and soil conservation; ■ Promoting agricultural scientific research through increasing the budget dedicated to research; ■ Valorization of waste and agricultural biomass into energy and organic fertilizer; ■ Adoption of precision agriculture using new technologies for the conduct, management, and monitoring of agricultural operations (Drones, sensors, early warning, etc.) to increase productivity while reducing energy and inputs consumption; ■ Introduction of new technologies and digitization of agricultural services for the benefit of nearly 2 million active farmers; ■ Development and expansion of multi-risk agricultural climate insurance with a target of 2.5 million hectares. 	
Strengthen decarbonization and access of industrial zones to renewable energy	<p>Progress and forecasting in terms of Morocco's industrial zones decarbonization</p> <ul style="list-style-type: none"> - 2022: Signing of an Agreement between the government and the National Office for Electricity and Drinking Water (ONEE) related to industrial access to electricity from renewable sources. The terms of this agreement are based on the commitment of the parties to set criteria and conditions enabling industrial companies to benefit from competitively priced electricity, with a view to increasing their competitiveness, by supplying them with electricity from renewable sources authorized under Law 13.09. - Publication, in February 2023, of the law n°82.21 on self-generation of electrical energy, while pursuing a sustainable approach in all sectors to contribute to the development of a low-carbon national economy, while creating a favorable investment climate through lower energy bills. - Publication, in February 2023, of law no. 40.19 amending and supplementing the law no. 13.09 on renewable energies. - Review of the national energy efficiency strategy's action plans, particularly those dedicated to the industrial sector. - Adoption, in February 2024, by ANRE of the national electricity system's capacity for energy from renewable sources for the next five years (2024-2028). This decision will provide crucial visibility for manufacturers and investors in the renewable energies sector. It will enable them to better plan and size their projects. - Publication, in March 2024, of Morocco's new International Green Hydrogen Offer which is based on a comprehensive, practical, and transparent approach that gives investors a clear vision. This Offer consists of six parts, namely 1. scope of application, 2. land mobilization for its implementation, 3. necessary infrastructure to develop the green hydrogen sector, 4. incentive measures, 5. the process of investors selection and concluding contracts with the State, and 6. the green hydrogen sector governance. This Offer applies to integrated projects ranging from 	

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	<p>power generation from renewable energies and electrolysis to the conversion of green hydrogen, ammonia, methanol and synthetic fuels, as well as related logistics. It aims to attract investors or investor groups interested in producing green hydrogen and its derivatives, whether for both domestic and export markets. The strong and active interest expressed by nearly 100 national and international investors in generating green hydrogen in Morocco confirms Morocco's great potential in this field.</p> <p><u>Next steps:</u></p> <p>Completion of the legal framework for energy efficiency by:</p> <ul style="list-style-type: none"> - Publishing a ministerial decree implementing the law on self-generation of electrical energy. - Adopting ministerial decrees specifying the labeling and minimum efficiency standards for a series of products; - Preparing a similar ministerial decree on lighting products; - Adopting the draft ministerial decree on ESCO (Energy Service Companies); - Preparing a study and regulatory texts on lowering the threshold of energy consumption associated with the mandatory audit. 	
Elaborate the national strategy of digital transformation	<ul style="list-style-type: none"> - Elaboration of the national strategy of digital transformation with ambition to make Morocco a digital hub to accelerate social and economic development through the promotion of digital public services, the emergence of digital startups and the acceleration of the digital inclusion. - Publication, in November 2023, of the decree creating a National Commission for Digital Development, chaired by the Head of Government, and composed of representatives from public and private sectors, which establish a governance framework to finalize the national strategy and ensure its effective implementation. As of April 2024, two meetings have been held. 	
FINANCING FRAMEWORK		
Reduce Risks Investments (efficient risk mitigation instruments)		
Progress Made on 2018 Reform Commitments		
Strengthen and diversify financing instruments for SMEs and promoting financing for startups and innovative companies	<p>National Financial Inclusion Strategy (SNIF) being implemented</p> <ul style="list-style-type: none"> - The objective of the SNIF is to make financial inclusion a real vector for socio-economic development, particularly among young people, women, populations in rural areas, and SMEs. - The SNIF deployment approach was validated, in June 2019, by the National Committee, whose mission is to steer and implement the strategy, at its first meeting. - Seven roadmaps covering all strategic levers have been turned to 150 actions to pace and secure their implementation, a large part of which was completed. - Several actions in the working groups roadmap have been implemented structuring reforms such as the publication, in 2021, of law n°50-20 on microfinance and the law n°15-18 on crowdfunding. - Work is underway to update the roadmap taking into consideration the recovery measures following the covid-19 crisis. <p><u>Next steps:</u></p> <ul style="list-style-type: none"> - The year 2023 marks the completion of the first stage of SNIF. The Ministry of the Economy and Finance has mobilized TA to prepare a roadmap for the 2nd stage of this strategy, covering the period from 2024 to 2027. 	<p>SNIF: World Bank EIB EU KfW AFDB GIZ FOPEP</p> <p>National Guarantee System: KfW</p>

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<ul style="list-style-type: none"> - The upcoming stage presents an opportunity to give a new momentum into the strategy by aligning it with the inclusive dynamics initiated at the national level through the various initiatives launched by the government in recent years, particularly in the areas of social protection and employment. 	Crowdfunding:
	Reform of the national guarantee system	EBRD BA: GIZ, World Bank, EU
	Morocco has adopted a strategic vision for the new National guarantee system as part of the Central Guarantee Fund's development plan (2017–21):	IPESF: AfDB
	<ul style="list-style-type: none"> - Restructuring the range of existing guarantee products (12 products) and grouping them into 3 main products, according to three priority targets, namely, start-ups (Damane Venture Capital), VSEs (Damane Express) and SMEs (Damane Atassyir and Damane Istitmar). - Guarantee of financing provided by Microcredit Associations targeting VSEs. - Setting up a guarantee mechanism dedicated to financing by participative banks, especially to VSEs. - Enactment, in July 2020, of the Law No. 36-20 transforming the CCG into a public limited company "National enterprise guarantee and financing company" (Tamwilcom) 	
	As part of the implementation of this law, a draft decree and two orders have been published:	
	<ul style="list-style-type: none"> - Adoption of the decree n° 2.21.289 fixing the capital of the Company and the elaboration of its statutes. - Order of the Minister of Economy and Finance n° 849-22 of April 15, 2022, for the application of the provisions of article 11 of the aforementioned law enumerating the funds managed by the Central Guarantee Fund on behalf of the State which are transferred to TAMWILCOM and providing for the granting of the State guarantee to the elements of the assets and liabilities relating to the aforementioned funds and the elements not appearing to the aforementioned assets and liabilities. - Order of the Minister of Economy and Finance n° 850-22 of April 15, 2022, fixing the conditions and modalities of the benefit of the State guarantee granted to the commitments of Tamwilcom. - Continued support to Moroccan businesses to reinforce their capacity building. 	
	<u>Next steps:</u>	
	<ul style="list-style-type: none"> - Tamwilcom's strategic plan for the period 2023 - 2026 takes over from the 2017-2021 plan, which ended with significant achievements despite a difficult context marked in particular by the Covid-19 crisis. - The new strategic plan aims to consolidate the achievements of previous plans. 6 key thematic areas have been selected, in addition to two cross-cutting themes focusing on greater involvement of Moroccans worldwide and the gender approach: (i) financial inclusion and transition to the formal sector, (ii) private sector-led investment, (iii) green economy, (iv) international business development, (v) innovation & start-ups, (vi) cash flow and operating cycle financing. - The product offering, dominated by the guarantee business, forms the core of the strategy and covers diversified corporate financing solutions, mechanisms addressing the entire financing chain for innovative start-ups, especially in their early stages of development, financing solutions for high value-added investments, and a range of complementary, targeted non-financial services. 	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
	<p>Business Angels</p> <ul style="list-style-type: none"> - Launching in 2018 of a support and training program for Business Angels networks and the establishment of partnership between the Fund Innov Invest (FII) and networks of Business Angels selected based on specifications. - Selection of the network EBAN (European Business Angels Network) to support Moroccan businesses to reinforce their capacity building. - As part of the FII, launching by Tamwilcom, in October 2023, of a notice for Business Angels networks labeling, targeting startups and innovative project holders. Labeled networks would benefit from TA and support, subject to conditions, in the form of non-dilutive financing in favor of startups invested by network members. <p>Crowdfunding</p> <ul style="list-style-type: none"> - Enactment in 2021 of the law n°15-18 on Crowdfunding aiming at financing entrepreneurship and innovation and supporting the emergence of social, cultural, and creative projects. - Adoption, in June 2022, of the decree n°2-21-158 in application of the law n°15-18 that fixes the composition of the committee that declare business angels networks, and the prudential rules related to each category of crowdfunding from the project holder and the contributor sides. - Adoption of the "orders" in application of the law, that set up the elements contained in the annual report of the business angels networks, secondary activities of crowdfunding companies and the declaration elements of business angels networks. - Adoption in August 2023, of the "circulars" in application of the law n°15-18 of the central bank (Bank Al-Maghrib) and the capital market authority (AMMC) related to crowdfunding companies. These circulars set several dispositions related to the functioning of the crowdfunding companies, the required elements related to its IT system and resources, and reporting and communication with the contributors and the supervision authorities. <p>Reform of the law n°41.05 relating to undertakings for collective investment in capital (OPCC):</p> <ul style="list-style-type: none"> - Adoption, in March 2023, by the Government Council, of the law n°58-22 modifying and completing the law n°41-05 relating to the undertakings of collective investment in capital - Publication, in September 2023, of the law n°58-22 related to undertakings for collective investment in capital (OPCC). This reform aims to facilitate and increase the alternative financing of Moroccan companies (in equity and loans), especially SMEs with a strong potential or innovation. It aims mainly at increasing the attractiveness of the legal and regulatory framework of Moroccan private equity, by creating a specific regime for OPCCs intended for professional investors (known as OPCCs with reduced operating rules or OPCC- RFA). <p>Debt Funds</p> <p>In application of the law n°33-06 related to securitization, publication in August 2022 of the order allowing securitization funds to provide financing, which sets:</p> <ul style="list-style-type: none"> - Prudential rules and supervision relating to financings granted by a collective investment fund in securitization or one of its compartments; - Modalities of financing of FPCT or one of its compartments. 	

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
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Next steps: The realization of debt fund operations by securitization companies

Souk At Tanmia project

- Implementation in 2019 of the "Souk At Tanmia" project to set up a platform for national coordination of the entrepreneurial ecosystem, with financial and technical support for entrepreneurs.
- A project management unit was set up for the implementation and coordination of the program.

Integrated Program for Entrepreneurship Support and Financing

- Launch in 2020 of The Integrated Program for Entrepreneurship Support and Financing, focusing on three main areas: entrepreneurship financing, coordination of support actions at the regional level and financial inclusion of rural populations.
- Creation of a special Fund of DH 8 billion under the 2020 Finance Act, spanning over 3 years, financed by the government, the banking sector, and the Hassan II Development Fund. Credits, under this instrument, are granted at historically lowest rates, 2 percent in urban areas and 1.75 percent in rural areas. The guarantee quota for products "Damane Intelak" and "Intelak Al-Moustatmir Al-Qarawi" loans, initially 80% of the loan amount, has been increased to 85% in favor of businesses mainly run by women, as well as those run by Moroccans of the World (MDM).
- For the support component, signing of a framework agreement between MEF and Tamwilcom, in May 2022, providing DH100 million for non-financial support of PIAFE program.
- Signing bilateral agreements between Tamwilcom and each of the 12 CRIs, in August 2022, to define in particular management modalities of the non-financial support program and the reporting methods.
- To continue the support program initiated in partnership with the CRIs, it was decided to allocate an additional DH200 million to Tamwilcom.

Implement the law on derivatives market and OTC operations	<p>Revision of the law governing derivatives market</p> <p>The objective of the revision of the law governing a regulated derivatives market is (i) to extend the scope of the law governing the futures market to OTC derivatives transactions which are currently only regulated by circulars of Bank Al-Maghrib, (ii) to guarantee the legal certainty of these transactions and (iii) to harmonize the provisions of the aforementioned law with the new principles and standards in derivatives regulation, namely those enacted by European regulations.</p> <p>The law on derivatives market and the OTC operations is currently in discussion with the technical services of the SGG in consultation with stakeholders (supervisory authorities, derivative market coordination body).</p>	EBRD
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New Reform Commitments

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Develop a financing offer relating to the green economy	<p>Development of a financing offer related to the green economy</p> <p>The Ministry of Economy and Finance has implemented a co-funding mechanism “Green invest” that features funding from commercial banks and the national company for guarantees and enterprises funding (Tamwilcom), to support green investments carried out by enterprises.</p> <p>Within the framework of its commitments in terms of the development of climate finance, and in accordance with the Kingdom's objectives in terms of renewable energies and the creation of a regional financial hub, the Moroccan Capital Market Authority has adopted a guide on Green Bonds for issuers and professionals.</p> <p>This guide presents key elements of Green Bonds and their main implications. It targets both issuers and investors and aims to promote the development of this new segment on the Moroccan capital market. Indeed, this guide makes it possible to provide a clear framework, inspired by international standards, to issuers and professionals wishing to invest in this market and supports the completion of the first Green Bond issues in Morocco.</p> <p>Moreover, several companies have issued green bonds for a total amount exceeding DH5 billion.</p> <p>It should also be noted that Casablanca Finance City is positioning as a green financial center and Casablanca Finance City Authority (institution in charge of the institutional promotion of the CFC) is a founding member of the network of financial centers for sustainability (FC4S) and actively participates in its work.</p> <p>Study on the development of a financing offer relating to the green economy with main objectives:</p> <ol style="list-style-type: none"> 1. Gap analysis of the offer and needs for green finance instruments across sectoral value chains targeting SMEs; 2. Design of initial outlines of a new instrument to partially meet SMEs needs based on the gap analysis conclusions. <p>To further improve the sustainable finance regulatory framework, the Ministry of economy and finance, the Central bank, the Capital Market Authority, and the Insurance Authority have recently launched the taxonomy preparation process. A working group has been established to monitor and follow up the taxonomy development and implementation process.</p> <p>The Ministry recently initiated the Sustainable Finance Strategy development process, along with the Central bank, the Capital Markets Authority, and the Insurance Authority. This strategy will build on the achievements and levers of the “roadmap for aligning the financial sector with sustainable development,” developed during the COP22 held in Marrakech in 2016. It would include areas such as regulations, the development of green financial instruments, the mobilization of finance, particularly from the private sector, etc.</p> <p>The Ministry of Economy and Finance will advance in greening the national support system for access to financing by implementing requirements for assessing the environmental impacts of funded projects exceeding a certain Threshold.</p>	GIZ

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
Domestic Debt Market Development		
Progress Made on 2018 Reform Commitments		
Consolidate the legal framework for financial instruments: Sukuk certificates, assets securitization, secured bonds, and so on	<p>Ongoing Implementation, especially, securitization framework to distressed asset recovery</p> <ul style="list-style-type: none"> - Enactment in 2018 of Law 69.17 amending Law 33.06 on asset securitization. This amendment introduces new provisions regarding the definition of Sukuks to allow the issuance of different categories and clarifying the relationship with the Higher Council of Oulemas (CSO). The first issuance of sovereign Sukuks was carried out in October 2018. - Adoption in August 2023 of 6 "orders" related to sukuk certificates that concerns investment sukuk certificate and financing sukuk certificates in application of law n°33-06 related to securitization. These orders are essential pillars in the establishment and the development of participative finance ecosystem. - Enactment in 2018 of two decrees of implementation of the Law 70-14 relating to OPCIs. - Establishment of the Commission in charge of approving real estate asset appraisers of OPCIs by a decision of the Ministry of Finance. - Publication in 2019 of circulars relating to the approval of OPCI management companies and the authorization of OPCI funds. - Adoption of 3 decrees authorizing territorial collectivity to finance their investment projects through local banks, international financial institutions, or by issuing debt securities or securitization transactions. <p>Covered bonds</p> <ul style="list-style-type: none"> - Publication, in 2022, of the law on covered bonds. - This law is part of the government's strategy for the development of the Moroccan financial sector and mobilization of long-term resources, as well as diversification of sources of financing. It also aims to meet the needs of investors regarding long-term financial instruments and other benefits for issuing institutions, particularly the diversification of refinancing instruments. <p>Secondary market for non-performing loans</p> <ul style="list-style-type: none"> - Support the reform to kick-off a secondary market for NPLs in Morocco through the swift resolution of key impediments that are preventing the creation of the market from a private sector perspective. - Guidance on a fiscal reform package for better tax treatment of NPL sales was delivered. - Draft legal amendments matrix to allow debt transferability was delivered - Ongoing preparation of a draft decree within the framework of the law on securitization for the establishment of debt funds. - Ongoing support to alleviate fiscal, legal, and institutional barriers facing the creation of a secondary market for non-performing loans. - An additional reform package on debt transferability to support the development of a secondary market for NPLs is being finalized. 	IFC, World Bank KFW
Operationalize the legal framework governing	<p>Good market take-up of Real Estate Investment Trust (REITs)</p> <ul style="list-style-type: none"> - Adoption in 2019 of several prescriptions to complete the regulatory framework of the Collective investment undertaking Act to extend its scope to all private equity activities (venture capital, development capital ...). 	World Bank, KfW

Morocco's Reform Commitments and Initiatives	Progress in Meeting Commitments and Initiatives	Partner Support
collective investment in real estate or in capital	<ul style="list-style-type: none"> - Legal framework being streamlined to support the operationalization of the "Fonds Mohammed VI pour l'Investissement" sub-funds investing in innovative companies. - Ongoing amendment of the law relating to undertakings for collective investment schemes. 	
Improving Access to Financing for Individuals and SMEs		
Progress Made on 2018 Reform Commitments		
Revise the legal framework relating to microfinance	<p>As part of strengthening the role of the microfinance sector in the development of financial inclusion and its support following the level of maturity reached, it was decided to overhaul the legal and regulatory framework that governs it by:</p> <ul style="list-style-type: none"> - Adopting in July 2021 the law 50-20 relating to microfinance; - Publication, in 2023, of circulars provided for in the aforementioned law and others resulting from the adaptation of the banking law. It concerns the minimum of capital, specific conditions applicable to microfinance institutions approved as a credit institution and the classification of the receivables of microfinance institutions and their coverage by provisions. <p>Ongoing regulatory texts preparation relating to the operationalization of the law relating to microfinance:</p> <ul style="list-style-type: none"> - Decree fixing the ceiling amount of the micro-credit. This amount will be decided according to the category, the objectives and the financial means of the association; - Decree setting the criteria and limits of micro-savings and micro-insurance operations carried out by Microfinance Institutions (MFIs). 	World Bank KfW
Develop the framework of the Credit Bureau to extend it to other companies providing non-financial data as part of the national financial inclusion strategy.	<ul style="list-style-type: none"> - Establishment of a legal framework governing Credit Bureau by extending the scope to non-financial data relating to natural and legal persons, originating from non-financial entities, following international best practices. - This law was published in the Official Gazette (OG) on 29 February 2024. 	IFC KfW
Improving Financial Stability		
Progress Made on 2018 Reform Commitments		
Implement the reform on banking resolution	In the aim of preventing banking crises and allowing an orderly resolution of the failures of banking institutions by preserving the real economy and public finances, a draft amendment to law 103.12 relating to credit institutions and assimilated bodies was prepared and submitted for adoption.	World Bank KfW