

**Kingdom of Morocco: Country Partnership Strategy (CPS) Progress Report  
and  
Kingdom of Morocco: First Skills and Employment Development Policy Loan**

**Meeting of the Executive Directors**

**June 12, 2012**

**Chair's Summing Up\***

Executive Directors discussed the World Bank Group Country Partnership Strategy Progress Report (CPS PR) for Morocco (R2012-0112 [IFC/R2012-0166]). They supported the satisfactory assessment of the CPS implementation to date and noted that the flexible approach had helped the Bank strengthen the focus on governance, competitiveness, inclusion, accountability and voice. They welcomed the increased focus on women and youth.

Directors acknowledged that prudent macro-management and sustained reform measures have helped mitigate the impact of shocks from previous global crises. They noted the country still faces challenges in creating jobs, increasing competitiveness, and improving social indicators. They also noted the potential impact on the Moroccan economy of developments in the euro zone, which might contribute to increased financing needs going forward. Directors commended Morocco for taking bold steps to begin reforming its subsidy program and better target pro-poor spending.

Directors welcomed the joint IBRD-IFC focus of the CPS and agreed with the IFC priorities of promoting private investment, increasing access to finance, especially for women, and supporting regional integration and south-south investments.

**Summary of Discussion\***

With regard to the First Skills and Employment Development Policy Loan, the Executive Directors approved a loan to the Kingdom of Morocco in the amount of EUR 75.1 million (US\$ 100 million equivalent) on the payment terms and conditions set out in the President's Memorandum (R2012-0111).

Executive Directors supported the program's objectives, which would improve skills, productivity and quality of employment, based on solid empirical evidence and analytical work. They urged that close attention be paid to the equity dimension of skills development and labor market policy, to ensure positive outcomes for youth, women and rural populations. Directors noted the need also to pursue long-term reforms that favor employment, including changes in the regulatory framework. Finally, Executive Directors highlighted the importance of strong coordination with the IFC and other donors, in order to support the Government of Morocco in the timely implementation of its skills/employment reform program.

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\*This summary is not an approved record.