

Report on the Public Establishments and Enterprises (PEE) sector accompanying the 2025 Finance Bill - SUMMARY -

Public Establishments and Enterprises (PEE) have always been at the heart of the public authorities' priorities, given their decisive contribution to the implementation of economic and social development policies and to public investment. Indeed, these entities are involved in all strategic sectors, including infrastructure, water, energy, agriculture, maritime fishing, education, vocational training, research, health, social protection, tourism, transport and logistics, as well as producing a wide range of services for businesses and citizens.

Likewise, the PEEs intervene massively in territorial development programs and the reduction of social and spatial inequalities and play a major role in the implementation of strategic projects, thus contributing to the diversification of sources of growth, to the strengthening of the resilience and competitiveness of the economy with the objective of consolidating the international positioning of the country.

PEEs are also playing a major role in boosting the country's economic, digital and social transformation, and are playing an active part in implementing the major projects launched by his **majesty king Mohammed VI, may God assist him**, including the generalization of social protection, the promotion of private initiative and the acceleration of strategic programs in the water, energy and agriculture sectors, and the extension of quality infrastructure, in addition to their contribution to the new project to prepare for the 2030 World Cup.

In view of the strategic stakes involved in the economic and social efficiency of the public sector, and with the aim of improving its performance, the in-depth reform of this sector has been elevated to the rank of a national priority, in line with the **royal high directions**, notably those contained in the Royal Speech of July 29, 2020, calling for the rapid implementation of an in-depth reform of the public sector to correct the structural dysfunctions of the public sector, guarantee optimal complementarity and coherence between their respective missions and, *ultimately*, enhance their economic and social efficiency.

This reform project also takes into account the need to align with the provisions of the draft amendment to the Organic Law relating to the Finance Act, which provides for the extension of its scope of application to non-market public establishments.

The main objectives of this reform are to rationalize the size of the public portfolio and consolidate its performance through a program of restructuring operations designed to remedy overlapping missions or activities assigned to the PEEs, to dissolve and liquidate entities suffering from a chronic financial deficit, and to work towards exploiting synergies and complementarities, creating value, improving the quality of management and governance, and anchoring the principles of transparency and accountability. The ultimate goal is to guarantee quality service at the lowest possible cost to the community, while reducing pressure on the State budget.

This reform project took a major step forward with the approval by the Council of Ministers, held on June 1, 2024 under the presidency of **his majesty king Mohammed VI, may God assist him**, of the Strategic Orientations of the State Shareholding Policy (SSP).

Following the favourable opinion issued by the Instance de Concertation on the SSP project on 19/09/2024, the project will be submitted to the Government Council for approval, enabling its deployment to begin. This policy will mark an important stage in the restructuring and modernization of the State's portfolio, providing a single reference document to guide the State's action as a shareholder.

The adoption of the SSP will enable ANG_SPE (the National Agency for Strategic State Participations and Monitoring of Establishments and Public Enterprises) to initiate due diligence, studies and assessments in consultation with the partners concerned, with a view to accelerating the implementation and execution of the reform program for the PEEs falling within its scope, which carry significant economic and social stakes.

With regard to the PEEs managed by the Ministry of Economy and Finance, the action plan we have launched has enabled us to identify a restructuring program for some sixty PEEs, the majority of which are currently being implemented. At the same time, assessments and consultations are continuing in other sectors, with a view to identifying new restructuring operations and drawing up a reform program aligned with the objectives of rationalizing the public portfolio and reducing its size.

The Head of Government's Guidance Note no. 10/2024 of August 06, 2024 on the preparation of the Finance Bill for the 2025 budget year sets out the major priorities for the coming years, which revolve around water, food and energy sovereignty, and strengthening the sustainability of public finances, with the aim of freeing up the budgetary space needed to pursue the various development projects, while preserving the momentum of public investment, an essential lever for consolidating the pillars of the social State. Accordingly, the general orientations of the Finance Bill for the fiscal year 2025 are structured around the following priorities:

- **Further strengthening the pillars of the welfare State;**
- **Consolidating investment momentum and job creation;**

- **Continued implementation of structural reforms;**
- **Preserving the sustainability of public finances.**

I. COMPOSITION AND PERFORMANCE OF THE PUBLIC PORTFOLIO

1. Composition of the public portfolio

At the end of September 2024, the public portfolio comprised **271 PEEs**, broken down as follows:

- **228 Public establishments (PE)¹ ;**
- **43 Public limited companies with direct Treasury participation ² (LC-DTP).**

In addition, some PEEs have subsidiaries and/or holdings totalling **525** entities, **53%** of which are majority-owned.

The public portfolio also includes:

- **73 Public limited companies with direct local authority participation³ (PLCDLAP)** of which **21 companies** are subject to financial control and are monitored at the level of the public portfolio;
- **53 Other Public⁴ bodies**, of which **30 entities** are subject to financial control and are monitored at the level of the public portfolio.

2. Economic and financial indicators

The evolution of financial indicators shows a significant recovery in terms of 2023 achievements and 2024 closing forecasts, with forecasts for the 2025-2027 period confirming this trend, both for the public portfolio as a whole and for the ANGSPER perimeter.

In 2023, **sales (SA)** in the PEE sector amounted to **332,070 MDH**, marking a quasi-stagnation compared with 2022, essentially as a result of the decline in OCP Group's CA, which fell from **114,574 MDH** in 2022 to **91,277 MDH** in 2023.

Forecasts for fiscal 2024 point to sales of **345,912 MDH** for the sector as a whole, up 4% on 2023.

Operating expenses excluding grants (CEHD) amounted to **279,128 MDH** in 2023, down 7% compared with 2022, mainly due to the decline in OCP Group's CEHD.

Net income in the PEE sector improved significantly, rising from **1,044 MDH** in 2022 to **9,278 MDH** in 2023. Closing forecasts for 2024 confirm the return of the upward trend in the PEE sector's results. Net income for the sector is forecast at **14,071 MDH**.

¹These are legal entities under public law, with legal personality and financial autonomy, qualified as public establishments by their founding documents.

²These are private companies whose capital is held directly in whole or in part by the State.

³ These are private companies whose capital is at least 34% owned by local authorities.

⁴ These are legal entities under public law with legal personality and financial autonomy.

3. Publics Investments by Public Establishments and Enterprises

In 2023, PEEs achieved a total investment volume of **81,285 MDH**, up 6% on 2022 (+**4,533 MDH**).

This level of investment performance was achieved by the OCP Group (**27,400 MDH**), ONEE (**6,823 MDH**), AREF (**6,059 MDH**), HAO (**4,548 MDH**), SRRA (**3,747 MDH**), CDG Group (**3,417 MDH**) and the Régies de Distribution (**2,494 MDH**).

In 2024, discounted investments by PEE amount to **132,067 MDH**, compared with the initial forecast of **152,013 MDH** (Finance Act for the 2024 financial year), down 13%. This decrease is explained by the impact of decisions taken during budget discussions and deliberations of the PEE governing bodies, which take into account economic and market developments during the last quarter of the previous fiscal year and the first quarter of the new fiscal year. Closing forecasts for 2024 are set at **115,215 MDH**, or 87% of updated forecasts.

For forecasts for the years 2025, 2026 and 2027, PEE investments would amount to **137,700 MDH**, **141,614 MDH** and **122,298 MDH** respectively.

4. Financial relations between the State and PEEs

Transfers from the BGE to the PEEs for 2023 amounted to **65,687 MDH**, representing a realization rate of 93% compared with forecasts (**70,766 MDH**).

The sectoral breakdown shows that State budget transfers to PEEs in 2023 are essentially earmarked for priority sectors, namely education, higher education and training (**29,428 MDH**), agriculture and fisheries (**8,474 MDH**), water, energy and mining (**6,766 MDH**), transport (**5,058 MDH**) and health and social development (**4,073 MDH**).

State support for PEEs is not limited to the subsidies and endowments allocated to certain PEEs by the BGE, but also includes other financial assistance. These include the proceeds of parafiscal taxes collected by certain organizations. Total income from these taxes rose from **3,575 MDH** in 2014 to **5,644 MDH** in 2023.

Transfers between the State and the PEEs take the form of financial flows to the State in the form of dividends, profit shares, monopoly income, budget contributions, royalties for occupying the public domain and other income.

Income paid by PEEs to the BGE (excluding income from asset disposals and privatizations) amounted to **13,987 MDH** under the **Finance Act for fiscal year 2023**, representing a realization rate of **85%** compared with the initial forecast (**16,464 MDH**). The main payments were made by **OCP SA (7,441 MDH)**, **ANCFCC (4,000 MDH)** and **Bank Al Maghrib (937 MDH)**.

With regard to the **Finance Act for fiscal year 2024**, initial forecasts for income to be generated by PEEs, excluding income from asset disposals and privatizations, amounted to **15,480 MDH**, whereas closing forecasts totaled **18,485 MDH** (+19%).

The **Finance Bill for the 2025 financial year** provides for the payment of **19,546 MDH** in income to be generated by the PEEs, excluding proceeds from asset disposals and

privatizations. This represents an increase of 26% on the forecast in the Finance Act for fiscal year 2024, excluding proceeds from asset disposals and privatizations (**15,480 MDH**).

Proceeds from asset disposals and privatizations amounted to **1,607 MDH** in 2023, representing 18% of the initial forecast of **9,000 MDH**.

In 2023, PEE's contribution to corporate income tax, personal income tax and VAT amounted to **26,638 MDH** (excluding the Social Solidarity Contribution on profits, estimated at **1,716 MDH**), up 7% on 2022 and representing around 16% of total revenue from these taxes.

II. ECONOMIC AND SOCIAL DEVELOPMENT PROJECTS SUPPORTED BY PEE

The PEEs are continuing to implement their action plans, which focus primarily on the projects launched by **his majesty king Mohammed VI, may God assist him**. These plans revolve around the objectives of consolidating the foundations of the social State and the competitiveness of the national economy, creating value and jobs, promoting private initiative, strengthening connectivity by means of an infrastructure of the highest standards, and accelerating programs focused on national priorities, notably those linked to the country's sovereignty in the water, energy and health sectors.

With regard to **the royal project to generalize social protection**, **31.5 million** people are covered by AMO, representing 84% of the Moroccan population, including **24.2 million** insured by CNSS and **7.3 million** by other players (CNOPS, Mutuelle des Forces Armées Royales, etc.).

With regard to **the water sector**, and with a view to coping with the multiple effects of prolonged water stress, **his majesty king Mohammed VI, may God assist him**, called, during the Royal Speech on the occasion of the Feast of the Throne on July 29, 2024, for the continuous updating of the levers of national water policy and the **definition of a strategic objective**, whatever the circumstances: to **guarantee drinking water to all citizens and to cover at least 80% of irrigation needs throughout the national territory**.

Thus, **his majesty** has given his **high instructions** for the optimal implementation of the various components of the PNAEPI 2020-2027, the protection of the public hydraulic domain, the operationalization of the water police and the fight against the phenomenon of abusive exploitation and anarchic pumping of water.

With regard to **the program of preparatory work for the 2030 World Cup**, a number of PEEs are contributing to this structuring project, in particular to the construction and delivery, on schedule and to the required standards, of sports stadiums, and to providing the host cities with transport and communication infrastructures that meet the required international standards.

In this context, ONCF has launched a rail development program at an estimated cost of **87 MMDH**, covering several components including the extension of the high-speed line from Kenitra to Marrakech, and the development of a Regional Express Network (RER) in Casablanca, Rabat and Marrakech.

Discussions have also begun with a view to drawing up a program contract between the State and ONCF, which will define the components of this development plan and its financing arrangements.

For its part, ADM has initiated consultations with stakeholders to define and finalize the financing plan for the **1,000 km** motorway development program to be carried out in accordance with the **high royal directions** following the Message of **his majesty king Mohammed VI, may God assist him**, addressed on November 08, 2023 to participants at the 4th edition of the Forum for Investment in Africa, announcing the extension of the motorway network to **3,000 km** by 2030.

ONDA has launched its investment program, valued at **12.3 MMDH**, which involves extending the capacity of the Mohammed V, Rabat-Salé, Marrakech, Agadir, Tétouan, Tangier, Fès and Al Hoceima airports.

This program will also support growth in the tourism sector and RAM's development plan, defined as part of the program-contract signed in July 2023 and aimed in particular at expanding its fleet from 50 to 200 aircraft and densifying its network of international and domestic routes.

In line with the telecommunications sector's 2030 strategy, ANRT has also launched the 5G coverage project, with the aim of reaching 25% of the population by 2026 and 70% by the end of 2030, while ensuring 100% coverage for the cities hosting the 2030 World Cup.

As for the **energy sector**, MASEN and ONEE have stepped up the pace of implementation of the Renewable Energies (RE) development program, with a view to accelerating the energy transition strategy and helping to reduce our country's energy dependency.

At the end of 2023, installed RE capacity stood at **4,607 MW**, representing **over 41%** of the national electricity mix. Similarly, and taking into account the program currently underway, the share of renewable energies in the electricity mix should reach 56% by 2027, exceeding the strategic target of 52% by 2030.

MASEN has also launched the implementation of the action plan relating to the Morocco Offer for the development of the green hydrogen sector. Potential investors have already submitted their bids, opening up promising prospects for this sector, which is set to make a major contribution to accelerating the energy transition and decarbonizing domestic production, in addition to the benefits in terms of growth, job creation and strengthening the export offer.

In addition, design and structuring studies were launched for the Nador West Med (NWM), natural gas terminal and the gas pipeline connecting NWM to Mohammedia via the Maghreb-Europe Gas Pipeline (GME). The ONHYM is continuing to carry out studies and consultations with the partners concerned, with a view to implementing the strategic Nigeria-Morocco Gas Pipeline project, which made decisive progress following the launch, at the end of August 2024, of work to validate the Intergovernmental Agreement (IGA) and the Host Country Agreement (HGA).

With regard to the **agricultural sector**, the sector's PEEs are continuing to roll out the “Generation Green” strategy, by carrying out several projects in the fields of agricultural aggregation, PPP around State-owned farmland, and support for youth entrepreneurship in the agricultural sector. These organizations have also contributed to the implementation of several measures for the smooth running of the 2023-2024 agricultural season, including seed and fertilizer supplies, irrigation water management and agricultural insurance.

Thus, despite a sharp drop in rainfall, the agricultural sector continues to ensure regular supplies to markets, emphasizing that this sector has shown strong resilience insofar as exports, in 2023, of agricultural and agri-food products reached **83,142 MDH** against **81,236 MDH** in 2022, placing this sector among the main providers of foreign currency earnings.

As far as **vocational training** is concerned, the OFPPT's initial training offering will reach a capacity of 414,855 teaching places by 2024-2025. This improvement is due to the planned opening of 20 new establishments with a capacity of 5,000 teaching places.

The **Royal project to build 12 City of Trades and Skills (CMCs)** is also making significant progress, with six (6) CMCs commissioned in the regions of Souss-Massa, Oriental, Laâyoune Sakia-El Hamra, Rabat-Salé-Kénitra, Tangier-Tétouan-Al Hoceima and Béni Mellal-Khénifra, with a capacity of **21,865 teaching seats, i.e. 64% of the target capacity of 34,000 trainees for the 12 CMCs**, stressing that the remaining six CMCs are being built with a view to opening in 2025.

At the end of August 2024, commitments under the CMC program amounted to **4,900 MDH**, and payments made totaled **3,200 MDH** (65%).

In 2023, **the tourism sector** confirmed its exceptional dynamism and its position as one of the biggest foreign currency earners for our country, with a volume of arrivals of **14.52 million** tourists (+34% compared with 2022) and foreign currency travel receipts of **105 MMDH** compared with **94 MMDH** in 2022 (+12%).

In the **phosphates sector**, OCP's financial performance was stable, demonstrating the Group's resilience in the face of recurring international market fluctuations. The Group's fundamentals remained solid, enabling it to maintain a competitive position in the global fertilizer market, noting that in 2022, the Group achieved record sales under the effect of a sharp rise in phosphate product prices.

As a result, Group sales stood at **91,277 MDH** at the end of 2023, down 20% on 2022 (**114,574 MDH**). Net income is down 49%, from **28,185 MDH** in 2022 to **14,369 MDH** in 2023.

III. OPERATIONALIZING THE REFORM OF THE PEE SECTOR

With regard to the PEE reform project, a roadmap has been drawn up, based on an approach designed to ensure the overall coherence and convergence of all the actions envisaged within the framework of this project, taking into account the objectives of the draft amendment to the Organic Law relating to the Finance Law. This roadmap is based on two main components: the introduction of the texts provided for in the reform project, and the introduction and implementation of a program of restructuring operations.

The 1st component, relating to the implementation of texts, has made significant progress, insofar as out of a total of 19 legislative and regulatory texts provided for in the reform project, 8 texts have been adopted and published in the *Bulletin Officiel*, 4 have been put on the approval circuit and 7 draft texts are being prepared and will be put on the adoption circuit as soon as the related studies and consultations have been completed.

Likewise, **ANGSPE has defined an action plan for its scope**, based on priority projects aimed at strengthening governance, supporting the transformation into public limited companies

(TSAs), carrying out sector restructuring, implementing the consolidation of accounts and setting up a performance management system for the PEEs within its scope.

In this context, ANGSPE is pursuing the implementation of several restructuring operations, notably in the audiovisual sector, with a view to creating a viable and sustainable public holding company, as well as the launch of a study aimed at redefining ONEE's strategic model in light of the institutional changes that have affected the Office's ecosystem. The Agency is also supporting a number of PEEs, including SNTL and BAM, in preparing their restructuring projects and redefining their strategic models.

Restructuring operations involving the PEEs supervised by the Ministry of Economy and Finance are characterized by complexities and difficulties of a strategic, institutional, organizational and social nature, requiring extensive consultation with the supervisory ministries, the PEEs concerned and other stakeholders.

The success of these restructuring operations requires the support of a sectoral vision set out in an updated sectoral strategy, which must determine, among other things, the objectives, resources and institutional and operational organization for implementing said strategy.

The cases of the **housing and urban planning** sector and the **health sector** are illustrative, insofar as these two Departments have decided, on the basis of a sectoral vision, on the target institutional structure that is to support the sectoral strategy. To this end, they have legislated to put in place a restructuring plan for the PEEs under their supervision, in line with the reorganization recommended for their respective sectors.

In this context, and with a view to accelerating the process, the Ministry of Economy and Finance (MEF) has initiated consultations with several ministries, certain PEEs and other stakeholders to set up a PEE restructuring program based on an approach centered on the strategic, financial, economic and operational challenges of the sectors and PEEs concerned.

This approach is based on criteria such as boosting economic and social efficiency, improving service quality, exploiting synergies and complementarities, eliminating overlapping missions between public players, reducing calls on the State budget and withdrawing from mature markets that can be better managed by the private sector.

This approach is also based on external audits carried out by the MEF, which in recent years have focused on strategic audits and institutional and organizational reforms, enabling the identification of new restructuring operations.

The work carried out to date has enabled us to identify an overall program of restructuring operations, divided into three categories:

- Restructuring operations in progress or at an advanced stage of maturity. The operations identified under this heading concern some sixty PEEs;
- Operations that are currently being evaluated and considered, but which have not yet reached the required level of maturity and therefore require in-depth analysis and consultation;
- A program of specific actions aimed at improving PEE governance and financial control, as well as other support actions, notably in the area of debt recovery.

IV. PUBLIC-PRIVATE SYNERGIES AND THE CONTRIBUTION OF PEE TO IMPROVING THE BUSINESS CLIMATE

With regard to the reform of the State's system of governance and financial control over PEEs, a draft law is currently being finalized in consultation with the partners concerned, in order to gather their opinions and proposals before putting it on the adoption circuit.

This project is based on five major inflections, notably the control of the public portfolio, the introduction of good governance practices, the generalization of financial control, the reinforcement of transparency, steering by performance and the modulation of control on the basis of criteria linked to the quality of management and governance.

Concerning the **draft of the new PEE Code of Good Governance Practices**, the Code was drawn up to keep pace with changes in national and international corporate governance standards. The draft Code, submitted for public consultation in July 2023, has been put on the adoption circuit with a view to publication by decree.

An action plan will be launched as soon as the decree approving the Code is published, with a view to launching an awareness-raising and communication campaign to disseminate the new practices introduced by the Code, notably in terms of accountability of governance bodies, their composition and missions, the introduction of independent directors, performance assessment, respect for stakeholder rights, the dissemination of environmental, social and governance (ESG) values and principles, greater transparency and the publication of financial and non-financial information.

In line with **the objectives of the PEE reform project**, the new generation of program-contract projects will be based on validated PEE strategic plans, clear institutional frameworks, effective business plans and viable economic and financial models.

In this context, a draft decree is currently being adopted to set out the circumstances in which program-contracts are concluded, with the aim of guaranteeing the support required by PEEs to ensure the success of the programs and policies entrusted to these organizations.

A new methodological guide to contractualization is also being introduced. This guide aims to clarify the process and chain of contractualization by proposing models for program contracts, performance contracts and internal objective contracts. In particular, it will define public service obligations, while encouraging greater contribution by PEEs to the green transition and sustainable development.

In terms of **payment times**, the Payment Delays Observatory (ODP), created in 2017, plays a key role in increasing transparency and accountability in commercial transactions. At its sixth meeting held in June 2024, the ODP highlighted the positive results of the system of pecuniary penalties introduced by Law no. 69-21 amending Law no. 15-95 forming the Commercial Code and enacting special transitional provisions relating to payment times, which was designed to reduce payment times in the private sector.

The fourth report published by the Observatory, on July 26, 2024, includes an initial assessment of the deployment of the above-mentioned sanctions mechanism, highlighting promising prospects for reducing delays between companies and consolidating the balance of relations between private players.

For PEEs, the aforementioned report confirms their performance in reducing their payment times, which reached an average of 35.5 days at the end of 2023, compared with 55.9 days in 2018.

With regard to **Public-Private Partnerships**, Law no. 86-12 on PPP contracts was amended and supplemented by Law no. 46-18, published in the *Bulletin Officiel* on March 19, 2020. The entry into force of this law is conditional on the publication of all its implementing regulations, of which seven (7) have been published and two (2) are currently being finalized with a view to their adoption.

In anticipation of the entry into force of this new legal framework, work has begun to prepare the 1st meeting of the National PPP Commission (CNPPP), chaired by the Head of Government, whose main tasks are to define the general guidelines and national strategy for PPPs, and to draw up the national program of PPP projects.

In this context, consultation meetings were held with several ministries and the PEE under their supervision, with a view to collecting the projects to be included in the national PPP program, and gathering their expectations and proposals in terms of PPP strategic orientations. A draft circular listing PPP projects has also been submitted to the Head of Government for signature.

V. PEE INVOLVEMENT IN GREEN TRANSITION PROJECTS

With a view to structuring and strengthening the effectiveness of public and private financing in achieving the objectives of the NMD and CDN, a Green Budget Transition (TBV) program has been launched within the MEF with the support of the Agence Française de Développement (AFD).

This program, spread over the period 2023-2027, aims to align public finances with climate issues, through mitigation and adaptation to the effects of climate change, while developing climate finance. Its objectives include, among others, the establishment of an institutional framework for the coordination of climate management, climate-labeling of budgets and the use of financial instruments such as green bonds.

The EEP sector constitutes a main component of the TBV program, insofar as these EEPs intervene in almost all sectors with strong impacts on the environment (water, energy, mines, construction, planning, transport, logistics, agriculture, etc.).

In this way, PEEs are called upon to comply with climate standards, which will enable them to meet the growing expectations of investors in terms of ESG criteria (environmental, social, governance) and facilitate their access to sustainable financing.

In this context, PEEs are called upon to fully integrate the ecological transition into their strategy, with incentive mechanisms and purchasing policies favoring green products and services. They must also develop environmental reporting tools and integrate climate risk analysis into their management.

OCP Group stands out as a forerunner in the green transition with the launch, in 2023, of the ambitious **130 MMDH** Green Program 2023-2027, focused on sustainable development and decarbonization of the Group's activities.

This program aims to produce 20 million tonnes of low-carbon fertilizers by 2027, thanks to a **20 MMDH** investment in the local production of green ammonia, thus reducing dependence on imports.

It also includes an **11 MMDH** plan to develop **5 GW** of renewable energies, covering the Group's energy needs, as well as **23.5 MMDH** for desalination and wastewater reuse projects, guaranteeing its water autonomy.

OCP SA is the only public company in Morocco to publish its climate data according to the standards of the Task Force on Climate Related Financial Disclosures (TCFD), the most exhaustive and demanding system for climate reporting.

The TMSA Group is pursuing an ambition of carbon neutrality by 2030 for all its operations. Its roadmap, drawn up in 2022, plans to achieve zero carbon by developing infrastructures for connecting ships to the quayside and increasing the production of renewable energy.

In terms of sustainable mobility, the Group plans to develop infrastructures for electric and green hydrogen vehicles, convert its fleet of vehicles and install charging stations.

The Renewable Energies (RE) development program, a key component of Morocco's energy transition strategy, aims to achieve a 52% share of RE in the national electricity mix by 2030, by building 10,000 MW of electricity generation capacity from renewable sources. At the end of 2023, installed renewable energy capacity represented 41% of the national electricity mix, rising to 56% by 2027. **MASEN** has been designated as the focal point for the development of the green hydrogen sector, which represents an effective vector for the conversion and supply of green energy to activities and sectors in all economic sectors (industry, mobility, desalination, transport, etc.).

ONCF continues to make progress in reducing its carbon footprint and promoting sustainable practices, as part of its “Innovative and Integrated Rail Strategy to 2030”.

ADM has stepped up its efforts in the area of sustainable development through two major programs: the Green program, which focuses on reforestation, erosion control, resource conservation and waste recycling and reduction, and the Azur program, which focuses on sustainable energy and electric mobility projects throughout the motorway network, with the installation of electric vehicle infrastructure at 55% of rest areas.

In addition, **CDG's** new 2024-2030 strategic plan confirms the Group's determination to strengthen its role as a major player in building a sustainable and inclusive future.

As a result, all the **Group's Branches** have launched projects aimed at mitigating environmental impact and promoting the responsible use of resources, including CDG Capital, which has adopted a CSR policy and obtained an “ISO 26000” maturity certificate with an “Advanced” level.

Other PEEs are also involved in climate change adaptation projects, particularly in the water and agriculture sectors, such as ADA, ANDZOA, ORMVA, ABH and ONEE, helping to build resilience in the face of climatic and environmental challenges.