

IFC in Morocco

Our Strategy

IFC's strategy in Morocco focuses on increasing access to finance by supporting the development of local financial institutions, particularly those that concentrate their lending on small and medium enterprises. With an unemployment rate of almost 14 percent in urban areas, the Moroccan government realizes the importance of creating jobs to reduce poverty in its labor-abundant country. Morocco is also working with IFC on projects to create a corporate governance code and identify public-private partnership opportunities.

Investments

In fiscal year 2012, IFC committed around \$150 million including mobilization in cross-border and financial sector investments. IFC's portfolio in Morocco currently stands at \$200 million. In the 2012 fiscal year, our investments included:

- An investment in of \$118 million in Saham Finances, a regional insurance provider, in conjunction with the IFC African, Latin American, and Caribbean Fund, to help the company expand into Sub-Saharan Africa.; and
- An \$8.3 million partial credit guarantee for Morocco's third-largest microfinance institution, FONDEP, to facilitate access to finance for local micro, small and medium enterprises.
- In fiscal years 2010 and 2011, IFC a combined \$29 million. Our investments included:
 - \$3 million to Kasbah Resources Limited in fiscal year 2011 and \$2 million in fiscal year 2010 to build a successful exploration and mining company that will focus its exploration in a frontier region of the country; and
 - Over \$8 million in the Argan Infrastructure Fund in fiscal year 2010 that will make investments in infrastructure projects.

Advisory Services

IFC Advisory Services works in Morocco to improve the investment climate, increase access to finance, strengthen small and medium enterprises and support infrastructure development. We have:

- Worked with the Moroccan Ministry of Justice and Liberties, the general Confederation of Moroccan Enterprises and the

Euro-Mediterranean Center for Mediation and Arbitration on promoting judicial mediation to help companies resolve legal disputes quickly and amicably, thus supporting the economic development of the country.

- Help the Moroccan Female Entrepreneurs Association (AFEM) promote alternative dispute resolution among women entrepreneurs as a way to settle commercial disputes more quickly and easily, helping release trapped assets and further growth.
- Helped FONDEP to mitigate credit risk and expand its lending operations to micro, small and medium enterprises.
- Helped Al Amana, a leading microfinance institution, improve its credit operations and follow a sustained growth path, helping the microfinance industry to grow and improve.
- Helped the Institute Marocain des Administrateurs to become a leading director-training institution and corporate governance advocate in Morocco, promoting corporate governance practices and allowing board members of private sector companies to fulfill their responsibilities with efficiency, integrity and transparency.

We've also launched several region-wide initiatives expected to address long-term challenges. They include:

- The Middle East and North Africa SME Facility, which is expected to channel \$550 million and a host of advisory services to smaller businesses over the next five years;
- The Arab Financing Facility for Infrastructure (AFFI) in partnership with the World Bank and the Islamic Development Bank to provide access to long-tenor financing for infrastructure projects;
- The e4e Initiative for Arab Youth, which aims to create private education programs tailored to the needs of the job market; and
- The MENA Fund, which will help to boost investor confidence and support capital markets in the region.
- The Maghreb Private Equity Fund, which is aiming to invest €200 million in small and medium enterprises in Tunisia, Morocco, Algeria, Libya, and Egypt. Target sectors include agribusiness, financial services, packaging, manufacturing, telecoms, and transport.