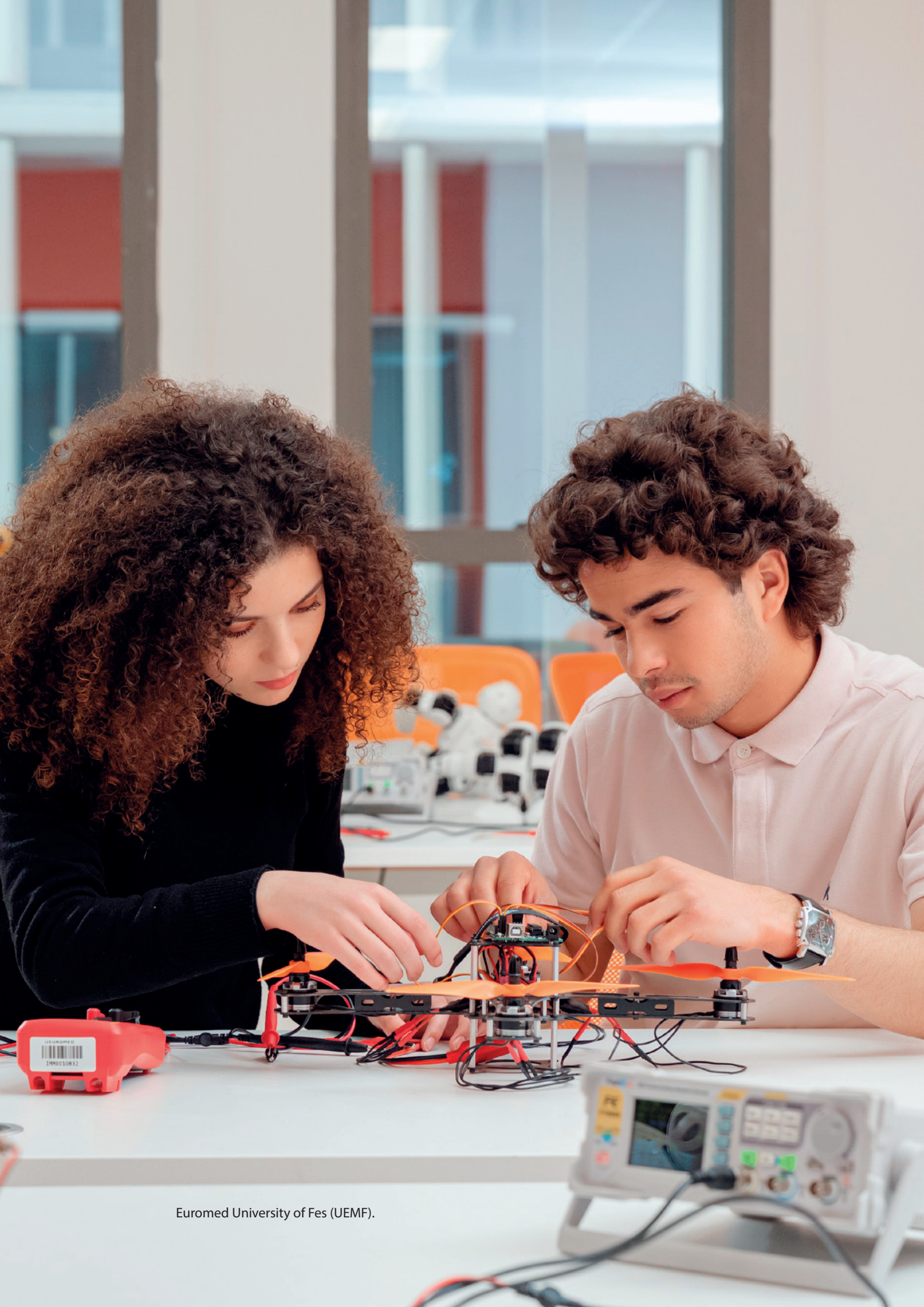


THE EUROPEAN INVESTMENT BANK IN

MOROCCO



European
Investment Bank | Global





Ioannis Tsakiris

Vice-President of the European
Investment Bank

The EIB is a key partner for Morocco.

We have been supporting major projects in key development sectors across Morocco since 1979, investing over €10 billion. The pace has picked up over the past ten years, with €4.1 billion of investment in the Moroccan economy and increased support for its national strategies. Together, we want to speed up the transition to a green and inclusive economy through projects with a strong economic and social impact, for the benefit of everyone in Morocco.

In particular, we support the financing and competitiveness of small and medium-sized enterprises and their inclusion in global value chains. We finance Morocco's major projects, including the development of renewable energy, strengthening of electrical grids, sustainable transport, water and sewerage, and forests. We are also helping to prepare for the future by investing heavily in the education and healthcare sectors.

In all our operations supporting the partnership between Morocco and the European Union, we attach great importance to development impact in terms of job creation, inclusion and sustainability.

I am delighted that we can share with Morocco this common goal of building prosperous and resilient, low-carbon and forward-looking economies. This is a future in which Morocco and the European Union can depend on, complement and mutually support each other.

The EIB's shareholders are the 27 Member States of the European Union. This gives us a high level of consistency with the priorities of the partnership between the European Union and Morocco to support projects that actively contribute to sustainable development and competitiveness through innovative programmes and funding.

We strive to offer a mix of loans, technical assistance and grants (from the European Union or individual Member States) to finance projects with a high impact for the population and under optimal financial conditions. Our range of operations is wide and diverse, and is well distributed between the public and private sectors.

In the future, we will continue to support the national programmes prioritised by Morocco and backed by the European Union, particularly regarding the energy transition, water management, social sector support and the competitiveness of Moroccan companies.



Adrien de Bassompierre

Head of the European Investment
Bank's Representation
in Morocco



SICOPA Maroc, Fes.

THE MOROCCAN ECONOMY IN BRIEF

Morocco is a lower middle-income country with a per capita gross domestic product (GDP) in 2023 of nearly \$10 460 (at purchasing power parity) and a total population of about 37 million.

As the most stable country in the region, Morocco has world-class infrastructure and the most attractive business environment in North Africa. However, some of its key economic sectors remain vulnerable to external shocks, especially those affecting its main trading partners in Europe, namely Spain and France. A major exporter of fruit and vegetables, Morocco's agriculture sector generates nearly 12% of GDP and employs around 30% of the workforce, but is regularly faced with episodes of water stress.

The Moroccan economy continues to diversify and move up the value chains in many industrial sectors, including automotive, aeronautics and pharmaceuticals, as well as in the financial sector. Tourism remains a dynamic and job-creating sector, contributing 12.3% to GDP and directly and indirectly employing 2 million people. Micro, small and medium-sized enterprises (MSMEs) are the backbone of the economy, employing 75% of the workforce and contributing 35% to GDP. However, they continue to face challenges in accessing affordable finance, hampering their potential to create jobs and improve productivity.

MOROCCO AND THE EUROPEAN INVESTMENT BANK

As part of its lending activities outside the European Union for 2014-2024, EIB financing in Morocco averaged €410 million per year. Over the past ten years, the EIB has devoted around 40% of its financing to small and medium-sized enterprises and industry, 19% to renewable energy, 17% to sustainable transport, 12% to water management, urban and local development, and 11% to healthcare and education.

Support for small and medium-sized enterprises is provided through intermediated loans with local commercial banks, enabling the EIB to support a wider range of businesses.

Some EIB lending operations include advisory services for identifying, preparing, implementing and maintaining projects, and providing technical assistance.

As the EU climate bank, the EIB is strongly committed to the environment and climate action, supporting innovative investments to address the challenge of sustainable development. For instance, the Bank backs Morocco's energy transition strategy by financing major solar and wind power programmes. In addition, the EIB spent over €1.1 billion on climate action in Morocco between 2017 and 2024, representing 40% of all its projects over that period.

The social sectors are another key aspect of the Bank's action in the region, in line with the European Union's focus areas and Morocco's development priorities. The healthcare and education sectors have received continuous funding as a result. In 2021, the EIB provided a €102.5 million loan to finance the construction and fitting out of 150 community schools falling within a number of regional academies of education and training. This operation also benefited from a funding envelope of €23.3 million financed by the European Union, which includes an investment grant of €14 million and technical assistance of €9.3 million to support the implementation of the Rural Schooling in Morocco programme at local level.

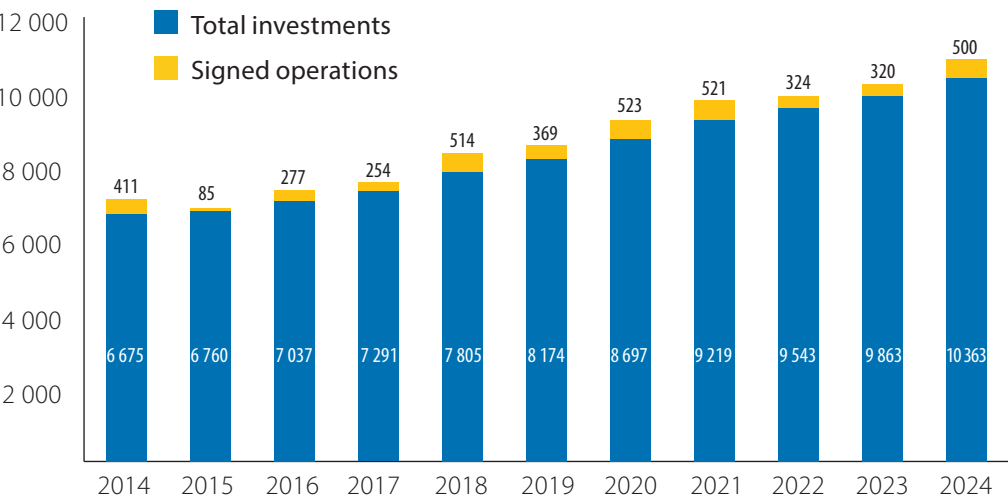


**€4.1
billion**

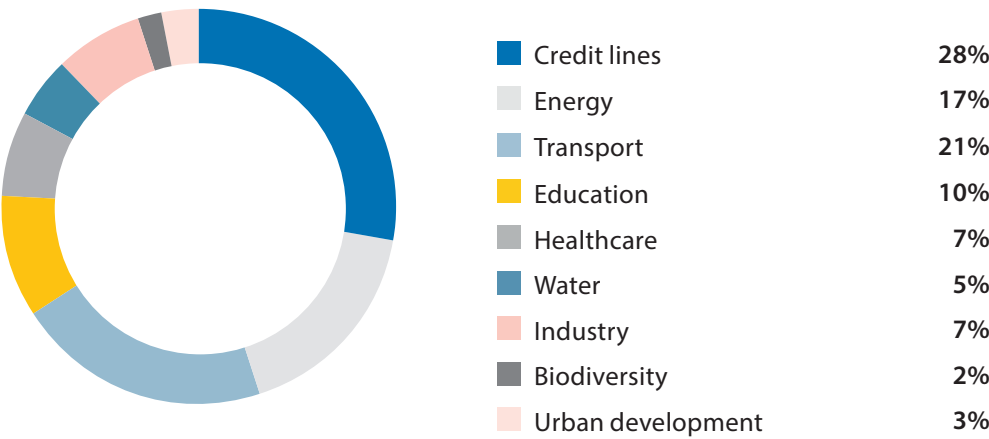
in loans since 2014

On 8 September 2023, Morocco was struck by the strongest earthquake ever recorded in its history, affecting nearly 3 million people. The EIB pledged €1 billion to assist the reconstruction programme, as well as providing a €250 000 grant for psychosocial support for those affected.

TOTAL EIB SIGNATURES AND INVESTMENTS OVER 2014-2024
(€ million)



EIB SIGNATURES BY SECTOR, 2014-2024 (%)



Post-earthquake reconstruction, a commitment to the future

The earthquake of 8 September 2023 left its mark on the nation and shattered thousands of lives in Morocco. In response to this tragedy, the EIB worked with the European Union to back the reconstruction of the disaster-hit regions.

From the very beginning, the EIB, through its Institute, provided a €250 000 grant to Handicap International and Médecins du Monde Belgium. This urgent support helped meet the psychosocial and post-traumatic needs of the most vulnerable people, including those with injuries or disabilities, while providing essential psychological care to hundreds of beneficiaries.

Subsequently, a €500 million loan – the first tranche of a €1 billion loan – was signed with the Moroccan government in October 2024. This funding, guaranteed by the European Union, aims to rebuild critical infrastructure (schools, hospitals and roads) in the worst hit areas, while integrating enhanced seismic standards and sustainable energy solutions.

The new buildings and equipment will meet enhanced seismic standards to protect communities from future hazards. In addition, sustainable energy solutions will be integrated to reduce the carbon footprint and adapt to climate change, fully in line with the priorities of the EU-Morocco Green Partnership.

This programme is part of a broader vision to regenerate regions, where reconstruction goes hand in hand with sustainable development and innovation. In partnership with the European Union, the EIB also provides technical assistance to ensure the quality of infrastructure and maximise its impact, through better governance and innovative educational approaches.



Al Haouz province.

Euromed University of Fes (UEMF).



Since the year 859, the city of Fes has been home to Al Quaraouiyine University, one of the oldest universities in the world still operating, according to Unesco. The new eco-campus of the Euromed University of Fes (UEMF), an initiative of King Mohammed VI, renews this legacy. With its state-of-the-art premises, research and office space, all equipped with energy-saving solar panels, the university has become a centre of academic excellence and a major force in the region. Thanks to intercultural dialogue, closer relations between both sides of the Mediterranean and a natural extension to sub-Saharan Africa, the university has 48 teaching departments split into three exceptional faculties: engineering and architecture, humanities and social sciences, and health.

A total of nearly 3 400 students are already benefiting from its excellent teaching. The 40 hectare eco-campus is expected to extend to 100 hectares and welcome up to 6 000 students.

The project was supported by a €70 million EIB loan issued under the Economic Resilience Initiative, combined with a €13.5 million grant from the European Union under the Neighbourhood Investment Facility. Additional EU grants helped reduce tuition fees and finance student scholarships.

This project helps train high-level managers, teaching them the values of tolerance, openness and excellence that they can later use to drive innovation forward. They also become equipped with the outstanding skills they need to enter local and international labour markets.



Salé bowstring bridge.

LOANS TO THE PUBLIC SECTOR

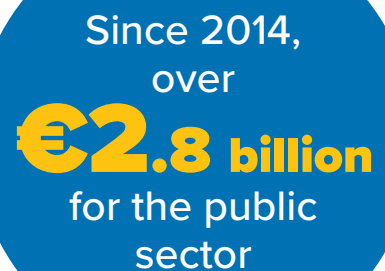
Traditionally, a significant part of the European Investment Bank's activity in Morocco has focused on financing public infrastructure. Since 2014, 57% of EIB financing in Morocco has gone to the public sector. The investments target many areas, mainly the environment, climate action and support for social sectors (healthcare and education).

Between 2014 and 2024, the Bank provided over €2 billion in loans to improve the country's infrastructure, laying the foundations for and strengthening the resilience of its economic development.

The EIB's support for the education sector has for several years focused on the development of the Euromed University of Fes, as well as on a new innovative model of community schools in remote localities. The Bank is thus supporting Morocco's efforts by participating in the financing of a programme to build and fit out 150 rural community schools falling within a number of the country's regional academies of education and training.

Together with the European Union, the EIB is also implementing technical assistance over five years with experts, architects and engineers, to work on the quality of infrastructure, but also on governance training and the quality of teaching in order to put schools fully at the service of local communities.

To promote sustainable low-carbon mobility, in 2022 the EIB signed a €200 million finance contract with Morocco's national railway operator, Office National des Chemins de Fer, to upgrade facilities using state-of-the-art technologies across the 2 300 km Moroccan rail network, thus promoting a better geographical balance in rail service access.



Since 2014,
over
€2.8 billion
for the public
sector



Rabat-Salé tramway.

Safe and clean public transport

Morocco's first tramway links the cities of Rabat and Salé. It has quickly become a success thanks to its comfort, speed and affordable prices. With a satisfaction rate of 90%, it is popular among passengers, especially students and people with reduced mobility.

The planned extension concerns the construction of new exclusive lane public transport lines. With a loan of €40 million, the EIB is financing the 7 km extension of line 2 on the network, serving 12 stations, four in Rabat and eight in Salé. The project also involves co-financing the acquisition of the 11 two-section tram units required for the operation of the network.

This extension is expected to increase passenger traffic on the line by 35% in the long term and help reduce road traffic by around 10 000 cars per day, saving 4 500 tonnes of CO₂ per year. By making public transport more efficient, this project boosts people's quality of life, makes both cities more easily accessible and triggers a sustainable reduction in greenhouse gases, fully in line with the EIB's commitments as the EU climate bank.

Residents in Rabat and Salé will enjoy safer transport and a better quality of life. This urban area will also emit fewer greenhouse gases, in line with Morocco's commitments under the Paris Agreement.

A commitment to inclusive and sustainable development of forests in Morocco

Since 2023, the EIB has been supporting the sustainable management of Morocco's natural resources with a loan of €100 million (around MAD 1.08 billion). Supporting the 2020-2030 Forests of Morocco strategy, this initiative will be implemented over five years by the National Agency for Water and Forests (ANEF).

This project aims to restore more than 600 000 hectares of forest ecosystems, combat soil erosion and regulate water flow. It also aims to create more than 27 500 additional direct jobs and increase the market value generated by the productive and ecotourism sectors to €0.5 billion per year (around MAD 5.25 billion).

Covering 9 million hectares, Morocco's forest ecosystems provide environmental, social and economic benefits. Faced with degradation and overexploitation, they require sustainable management. The strategy proposes an inclusive and value-creating model, involving local people.

The project has three main components: sustainable management of water resources, rehabilitating forest areas and developing ecotourism, and providing technical assistance to ANEF.

This funding also comes under the European Union's Terre Verte/Al Ard Al Khadraa programme, which aims to strengthen the research and development chain and support the green transition, which creates jobs.



Forest in the Middle Atlas.



Stall in a medina.


SUPPORT FOR THE PRIVATE SECTOR

The private sector plays a crucial role in the success of Morocco's growth model. Small and medium-sized enterprises (SMEs) and mid-caps, which account for most of the economy, face difficulties in accessing finance. Investing in projects and improving the liquidity of SMEs and mid-caps to develop the private sector and create jobs are among the EIB's key objectives in Morocco.

The EIB offers credit lines and portfolio guarantees to local banks to facilitate the long-term financing of Moroccan companies on favourable terms. In 2021, the EIB and Crédit immobilier et hôtelier (CIH Bank) signed their first financing partnership for a total amount of €60 million to promote green financing and optimise the provision of financial services to SMEs. At the end of 2022, the EIB provided Banque centrale populaire (BCP) with a first guarantee agreement under the European Union's Trade and Competitiveness Programme, followed in 2023 by a €50 million loan. The Bank also allocated €55 million to CaixaBank under the Tajawouz initiative to promote the financial inclusion of companies with strong links to Europe.

The EIB provides direct investment loans not only to large Moroccan companies, but also to European and international groups that are developing projects in the country.



A man with dark hair, wearing a white button-down shirt, is looking down at a purple bowl he is holding with both hands. The bowl is filled with small, light blue granules. He is standing in an industrial environment, with various pipes, valves, and machinery visible in the background. A large blue circle is overlaid on the left side of the image, containing text.

The EIB committed
€1.3 billion
for private sector
projects over
2014-2024

SUMILON plant (Tangier).



SUMILON plant (Tangier).

Stepping up plastic recycling

Sumilon is a company that recycles plastic to meet growing demand worldwide while protecting the environment. The EIB's €15 million intermediated loan, financed via Bank of Africa and backed by a guarantee from the European Commission, is financing the construction of Sumilon's recycling plant in Tangier with new technologies, energy efficiency measures and good quality facilities for staff.

This project thus helps to recover plastic waste so that it can be recycled and transformed into tiny balls, which are then used to make cushions, carpets, mattresses and pillows as well as being used for other high-tech applications, including in the robotics sector.

THE STRATEGIC FRAMEWORK

Priorities of the Morocco-European Union partnership

A STRATEGIC PARTNERSHIP

Relations between Morocco and the European Union are governed by the European Neighbourhood Policy, which aims to support inclusive economic and social development and create employment opportunities for young people as key measures for economic stabilisation. It is also designed to step up cooperation in the areas of mobility, migration, energy security and climate action.

Since 2017,

€530 million

for renewable energy and energy efficiency

€118 million

for energy efficiency contributing to climate change mitigation

€100 million

invested in forest management



CLIMATE ACTION AND THE ENVIRONMENT

As the EU climate bank, the EIB is firmly committed to the environment and climate action, in line with the external policy dimension of the European Green Deal.

In Morocco, the Bank aids the country's green transition by supporting the production of renewable energy and the development of sustainable urban transport.

€1.1 billion

disbursed since 2017,
contributing to climate
change mitigation and
adaptation


**THE EIB GROUP CONSISTS OF THE EUROPEAN INVESTMENT BANK (EIB) AND
THE EUROPEAN INVESTMENT FUND (EIF).**

The EIB is one of the world's largest multilateral borrowers and lenders. Headquartered in Luxembourg, it has local and regional offices across Europe and around the world. The EIF supports small businesses in Europe and in a number of countries outside Europe by improving their access to finance. It designs and deploys venture and growth capital, guarantee and microfinance instruments to promote innovation and employment. EIB Global is the EIB's international development arm. It finances climate action, innovation and sustainability around the world.



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