PROJECT FACTSHEET

Title of project	**SCBF 2013-13: Bank Downscaling Morocco**
Country / region	**Morocco**
Financial Intermediary(ies)	**Crédit Immobilier & Hôtelier (CIH)**, Commercial Bank
Competence Centre mandated for execution	**GFA Consulting Group GmbH**, Eulenkrugstr. 82, 22089 Hamburg, Germany
Overall project budget	250'030.00 CHF (**40%** self-contribution by partner)
SCBF contribution	**148'800.00 CHF** (60% SCBF funding share)
Date of project approval	27.11.2013
Project period	12.2013 until 09.2015
Context	With a credit to GDP ratio of 1.15 in 2012, Morocco has a relatively deep financial system compared to an average of 0.41 in the MENA region. However, with only 22 bank branches and ATMs per 100,000 adults in 2011, the Moroccan banking system remains relatively exclusive and mainly focused on urban coastal areas leaving rural areas widely underserved. Statistics on bank accounts per household vary; most of them state that more than 55% of the Moroccan people do not have a bank account. Banks and financial companies in Morocco actively finance large enterprises. However, access to credit is very limited for MSEs which comprise the vast majority of businesses in the country - more than 95% of the Moroccan companies are categorized as MSMEs - but do not possess sufficient collateral to obtain credit. In 2012, outstanding credit volume to MSMEs amounted to less than 9.5% of the total amount disbursed to non-financial companies, i.e. 1.39% of banks' total credit to the economy. This drastically shows a finance gap for Moroccan MSEs. CIH wants to fill this gap and is highly motivated to develop new MSE lending products and tailored delivery mechanisms. With the support of SCBF funding and the expertise of the GFA team CIH will be enabled to sustainably and efficiently offer MSE lending products using channels which will be most appropriate for the Moroccan context. This will reduce the financing gap for MSEs but also contribute to CIH's long-term strategy of portfolio diversification and establish its position within the Moroccan MSE finance sector.
Current status of the MFI	CIH serves more than 500,000 clients with a variety of financial products offered online and in 225 bank branches throughout the country. It offers savings deposit accounts and specialised loan products to private, freelance and business clients as well as remittances products to Moroccans overseas. However, with 77% of the credits financing the real estate sector, CIH's operations remain highly concentrated on this sector, which explains its strong will to diversify activities to other sectors. But although CIH shows strong will and commitment to effectively reach out to the MSE segment, it does not yet have the necessities in place to do so. Hence, CIH articulated the need for capacity building and SCBF support in terms of MSE lending products and procedures, organizational structures, marketing concept, strategy and policies as well as intensive training in the classroom and on-the-job to anchor MSE finance within the bank.
Objective and main activities	The overall goal of the SCBF intervention is to contribute to a reduction of the MSE financing gap by enabling CIH to sustainably reach out to MSEs in Morocco. To do so, during a first assessment phase a thorough needs assessment is being conducted and an implementation concept developed. Based on the results of the assessment phase a task force, responsible for the development and implementation of the MSE lending products will be set up for each of the six pilot branches. The pilot testing will be followed by the development of a marketing concept, which will be implemented during the roll-out to the branches. The task force will be trained in the classroom and on the job and a training of trainers will be carried out. Upon project completion, CIH should be in a position to reach MSEs which cannot be served by Moroccan banks to date.