

Moroccan Investment Development Agency

Investment projects bank

Project Teaser

Subscription in Renewable Energy Investment Fund



AMDI 2013

Document History

Document identification and management

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Sector

Renewable Energy

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Update operation

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Overview

In order to ensure an effective promotion of investments in Morocco initiated by both local and foreign institutions, Invest in Morocco (the Moroccan Investment Promotion Agency) has created a projects/opportunities bank to facilitate the contacts between projects sponsors and their future partners.

Projects teasers will be also made available via Invest In Morocco's website and will help the prospective partners to get a global overview of the investment opportunity while ensuring the confidentiality required by the sponsor at initial stages.

If the prospective partner decides to go further in the opportunity analysis, he can ask Invest In Morocco to arrange him a meeting with the project sponsor.

In order to maximize the added value of the projects bank, the matchmaking process is not limited to strategic and financial partnerships but covers virtually all possible opportunities like commercial agreements, mergers & acquisitions, joint ventures, representation agreements...

We hope that this projects bank will help investors to develop strong relationships and enhance the value creation in all economic sectors.

Project presentation

	Summarized data
Opportunity/Project	Financing projects dedicated to electricity production from renewable sources (solar, wind...)
Industry/sector	Renewable Energy
Project size (in Million MAD)	2 000 Million MAD (about 241 Million USD)
Project components	Project finance and equity investments in eligible projects
Opportunity localization (city/region)	All Moroccan regions
Project Target Return (IRR or ROI)	
Current project status (study/appraisal phase, initiation, operational)	Initiation phase

Key project facts (perspectives, sector outlook...) :

- As a net importer of energy, Morocco has adopted an ambitious energy strategy aiming at increasing renewable sources in the global energy mix (to 40% by 2020), Morocco is seeking to reduce its dependence on petroleum/gas/coal imports and reducing price volatility impacts ;
- Renewable sources represents the most important component of this strategy and will benefit from an incentive package including tax, regulatory and financial measures aimed at attracting local and foreign major investments with a public-private partnership framework ;
- Financing represents the cornerstone for the energy projects, the fund is offering an advantageous alternative to classic solutions while ensuring a satisfactory risk/return profile for the future investors.

Project initiator/sponsor

Summarized data

Main businesses/activities

Renewable Energy investment fund

Institution type (company, fund, holding...)

Investment fund

Size (average revenues in MAD)

Origin of capital (Moroccan, Foreign, Mixed)

Mixed (50% Moroccan investors and 50% European institutions)

Key project sponsor facts (performances, positioning, expertise...) :

- The sponsor is a fund created by Moroccan and foreign investors with a recognized expertise in renewable energy projects financing and management. The European partners have a strong track record of successful projects in several regions around the world. Their partnership with the Moroccan institutions will allow them to bring in their expertise while benefiting from the promising Moroccan market ;
- The fund's business model relies mainly on a private equity and project finance architecture with study/planning phases leading to fund raising closings. The sponsor's role consists in engineering opportunities, implementing deals and supervising operations management and exit processes ;
- This program is carried out within the global national energy strategy and seeks to reinforce renewable sources infrastructures by establishing new wind, solar and biomass power plants. Value chain integration is a key objective of the program in order to increase technology and employment benefits for Morocco. It will be achieved by offering assistance and incentives to industries linked to the renewable energy solutions during the project horizon ranging from 2012 to 2019.

Seeked partnership

	Summarized data
Possible or sought partnership(s)	Joint Venture
	Sleeping Partner (minor share ownership without active management role)
	X Joint SPV controlled by the external partner
	Shares acquisition
	Company acquisition or diversiture
Special conditions for the partnership	Others:
	<ul style="list-style-type: none">• Qualified institutional investors
	<ul style="list-style-type: none">• Financial partnership with active involvement in the governance process via the shareholder's agreement
Next steps	<ul style="list-style-type: none">• Projects requiring exits at medium/long term
	<ul style="list-style-type: none">• Discussion of participation conditions (exit rules, agreement, governance)
	<ul style="list-style-type: none">• Finalizing contracts

Expected partnership benefits:

- The projects will be completed in 2019 and will allow Morocco to get closer to its clean energy targets by constructing new electricity generation facilities. Electricity output will be mainly dedicated to the growing local market with exports to be carried out at medium term ;
- The future partner will benefit from a great investees performance visibility as all the produced electricity will be acquired in advance by a Government company. This will allow a steady dividends stream in addition to a satisfactory exit allowing the investors to secure their return goals.

**For next steps or more details about the current document,
please contact the Matchmaking Manager:**

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