



AFRICAN DEVELOPMENT BANK GROUP



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## Press release

For immediate release

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### **African Development Bank, Mohammed VI Investment Fund join forces to strengthen investment financing in Morocco**

**Marrakech, 08 November 2023** - The Mohammed VI Investment Fund (FM6I) and the African Development Bank are joining forces to increase funding sources for productive investment and to strengthen the role of the private sector in the Moroccan economy.

The institutions signed a Letter of Intent during the Africa Investment Forum 2023 Market Days, which opened on Wednesday 8 November in Marrakech, Morocco. African Development Bank President Akinwumi Adesina and the Director General of the Mohammed VI Fund for Investment, Mohamed Benchaâboun, signed on behalf of their respective institutions.

Dr. Adesina said: "Initiated under the auspices of His Majesty King Mohammed VI, the Mohammed VI Investment Fund is a pivotal mechanism that represents Morocco's steadfast resolve to strengthen its socio-economic foundations. I am very happy to co-sign this Letter of Intent that demonstrates the African Development Bank's intention to foster an alliance with FM6I and synergize efforts, expertise, and resources to greatly amplify its investment impact and to deliver transformative development results together."

"The Mohammed VI Investment Fund welcomes this new partnership with such a strong and credible institution in Africa. The African Development Bank is not only a long-standing partner of the Kingdom of Morocco, but also a real player in the emancipation of our continent. This partnership will help to boost private investment in Africa", said Benchaaboun. He added: "Sealing this partnership on the fringes of the Africa Investment Forum was a strong sign of the Fund's commitment to Africa".

Under the High Orientations of His Majesty, the Mohammed VI Investment Fund has launched three major initiatives to catalyse productive investment in Morocco:

#### **About the African Development Bank Group**

The African Development Bank Group is Africa's premier development finance institution. It comprises three distinct entities: the African Development Bank (AfDB), the African Development Fund (ADF) and the Nigeria Trust Fund (NTF). On the ground in 41 African countries with an external office in Japan, the Bank contributes to the economic development and the social progress of its 54 regional member states. For more information: [www.afdb.org](http://www.afdb.org)

- It is currently finalizing the selection process for management companies responsible for managing thematic and sectoral funds, aimed at offering Moroccan companies funding solutions to enhance their capacity for investment, to create long-term jobs and to develop their activities in new geographical markets.
- A subordinated debt product, which will supplement its equity financing offer, will also enable Moroccan businesses to fund their investment projects while increasing their equity at the same time.
- The Fund is developing innovative tools for infrastructure project preparation and to take a stake in these projects to speed up the pace of sustainable infrastructure project implementation in Morocco.

Through these various initiatives, the Mohammed VI Fund intends to raise 30 billion dirhams in addition to its initial capital of 15 billion dirhams.

Against this background, the African Development Bank has confirmed its support for the initiatives backed by the Mohammed VI Investment Fund and reiterated its commitment to working alongside the Fund to mobilize various funding models and a range of technical assistance options. Working in partnership will also allow both institutions to identify initiatives that could be suitable for joint funding, as well as to explore other funding mechanisms, such as risk-sharing through guarantee products.

The partnership, which will make the Fund a major lever for strengthening the African Development Bank's involvement in Morocco, is the tangible expression of an ambition shared by both institutions, namely strengthening the role of the private sector in financing the Moroccan economy.

### **About the Mohammed VI Investment Fund**

Created following His Majesty's High Instructions as one of the pillars of the Kingdom of Morocco's economic recovery plan, the Mohammed VI Investment Fund was instigated by Act no. 76-20 of 31 December 2020 in the form of a State-owned limited company.

The Fund's primary aim is to catalyse investment based on equity and by mobilizing national and international investors in both the public and private sectors. Among other things, its activities include contributing to funding structural investment projects, strengthening businesses' equity and implementing structured funding mechanisms aimed at providing financing solutions, as well as supporting production activities. The aim is to mobilize an additional MAD 30 billion to supplement the initial share capital of MAD 15 billion, to generate between MAD 120 and 150 billion of investments. For more information, see [www.fm6i.ma](http://www.fm6i.ma)

### **Contacts:**

### **African Development Bank:**

Romaric Hien, Communication and External Relations Department, email: [media@afdb.org](mailto:media@afdb.org)

**Mohammed VI Investment Fund:**

Fatima Ezzahrae El Kbir, Head of Communication and Public Relations, email:

[f.ezzahrae.elkbiri@FM6I.MA](mailto:f.ezzahrae.elkbiri@FM6I.MA)

**Caption:**

*Dr. Akinwumi Adesina, President of the African Development Bank and Mohamed Benchaâboun, CEO of the Mohammed VI Investment Fund signed the letter of intent.*

