

Studies and Research on Microfinance Sector in Morocco: An Overview

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ABSTRACT— *The Microfinance sector in Morocco started during the 90s to meet the needs of a large population excluded from the banking system and which require financial support to improve its situation and its living conditions. This sector has grown considerably in a few years after the creation of the first Moroccan microfinance associations (AMC), that's why several studies and research has been done in order to evaluate this sector and its sustainability from one side and to identify and measure the contribution of the microfinance sector to the development of its customers from another side. This paper discusses the current situation of the microfinance in Morocco while evaluating its contribution to the development of the activities financed by this sector also it includes many of the studies and research which has been conducted to analyze this sector.*

Keywords— Microfinance, Moroccan micro-Credit Association, Micro-Finance Institution, Activity, low income.

1. INTRODUCTION

Microfinance is practiced by institutions with varied status to meet the different needs of poor people in order to handle with the problems of economic growth, of development, struggle against poverty and of job creation that represent the major challenges for our country.

In this specific context, access to financial services, including credit is considered as one of the important needs to satisfy. It is for this reason that the subsequent promotion of income generating activities and productive employment for all these decades has relied in a large part on broadening access to financial services for low-income populations. In this perspective, the microfinance sector in Morocco was launched around twenty years ago.

Today, it almost touches a million beneficiaries, with a growth in net progress, in spite of the crisis of maturity that it knew in 2008 due to uncontrolled growth resulting in loose credit policies, outdated information and management systems, deficiencies in internal control and weak governance. Factors known thanks to the various studies and research led to analyze this sector and which will be presented in this paper. This crisis was overcome a few years later thanks to the dynamism of the sector through the realization of restructuring projects and capacity building making Morocco the first microfinance market in the MENA region (Middle East & North Africa).

However, regardless of the great achievements of the National Microfinance sector in the last ten years, in terms of fighting against poverty and social exclusion, it is still facing some significant challenges to reduce poverty and precariousness in Morocco and especially in the remotest regions of the country.

This paper discusses the current situation of microfinance in Morocco. Organized as follows: Section two starts with the state of development of the microfinance sector, a focus on the case of Morocco is the subject of the third section, this part provides an overview of the history and development of the Microfinance sector in Morocco, also describes the current legal and regulatory environment and the trend of this sector. Besides, it outlines the principal IMFs in Morocco and the most activities financed by this microfinance sector. Part IV concludes this summary paper with the studies and research realized on the microfinance sector in Morocco.

2. STATE OF DEVELOPMENT OF THE MICROFINANCE SECTOR

2.1. The Microfinance Sector

Like everyone, the poor excluded from the banking system need a range of financial services that they are appropriate, flexible and affordable. Depending on the circumstances, MicroFinance offers a variety of products namely

microcredit allowing them to create or develop their micro-projects generating income also services of savings, insurance and money transfer services.

Microfinance allows therefore poor households to move from a logic of daily survival to future planning and invest for food, home, health and better education.

2.2. Brief history of MicroFinance

The existence of microfinance dates back several millennia in various forms including informal mechanisms of lending and borrowing that existed in Asia.

In 1849, FW Raiffeisen created in Switzerland the first cooperative savings and credit society. In France, the Pereire brothers were the first to create *Crédit Mutuel* Companies. Later in the 1960s and 1970s other public credit banks attempts are emerging in developing countries.

However, it is considered that 'modern' microfinance emerged in the mid-1970s in Asia and Latin America. The priority is given to the example of Bangladesh and the Grameen Bank founded in 1978 by Dr. Muhammad Yunus, Professor of Economics at the University of Chittagong, considered "the Banker of the poor", he received the Nobel Peace Prize in 2006.

Dr. Yunus argued in his book "Towards a world without poverty" that the eradication of poverty in the world is a matter of will than of financial resources, and the charity, for its part, does not solve anything. It only perpetuates poverty by removing any initiatives to the poor." This shows that Muhammad Yunus had already incorporated the concept of sustainable social development in 1976: the improvement of the condition of the poor and development cannot be that endogenous, provided that is given to the poor "an emergency door" with their availability.

3. THE STATE OF THE MICROFINANCE SECTOR IN MOROCCO

3.1. An overview of the history and development of the sector

Microcredit sector in Morocco is relatively young. The first micro-loan programs intended to finance economic activities of people with low incomes started in the years 1992-1994 following the conference organized by the National School for Agriculture of Meknes on desertification in Morocco. Convinced by the idea, some participants of the Catholic Relief Service (CRS), in partnership with the AMSED (The Moroccan association of solidarity and development) decided to make the experience in rural areas in the Middle Atlas near Khenifra in collaboration with the local association Oued Srou. A first loan was granted to a group of eight women. Some attempts have confirmed the effectiveness of the system, very suitable to the Moroccan solidarity tradition.

Microcredit Associations have been created later, inspired by the model of the Grameen Bank. We include the creation of the Zakoura Foundation in 1995, Al Karama and FONDEP in 1996, AL Amana in 1997 and in 1998 the creation of the Bank Populaire Foundation for Microcredit (FBPMC) and Ismailia.

To support and assist technically these MFIs, the Government of Morocco and UNDP (the United Nations Development Program) have decided to set up the Microstart program whose objective was to improve the access of micro-entrepreneurs with low-income to financial services, to urge them to improve their income and their social level and to contribute to the promotion of employment.

In 2000, the state realizes the impact of the activities of microfinance associations on the reduction of poverty, and decides, through the Hassan II Fund to subsidize the sector to the tune of 100 million dirhams (€ 10 million), enabling associations to increase the number of beneficiaries and the amount of loans.

In 2001, FNAME (National Federation of Microcredit Associations) was established to contribute to the reduction of poverty in Morocco and the culmination of human development goals. Its mission is the development and promotion of tools, strategies and initiatives to strengthen its role as a financial actor and to enhance its capacity and that of its members (AMC) in order to maintain and ensure the sustainability of the national microcredit sector.

In the years 2008 - 2009, the Morocco microfinance sector has experienced a debt crisis consequence of uncontrolled accelerated growth. The PAR (Portfolio at risk) at 30 days increased from 0.42% in 2003 to 1.9% in 2007 and 10% in 2009. This crisis has bankrupted the second AMC of the time -Foundation Zakoura- which has absorbed by the Public Foundation Bank Populaire 'Attawfiq'. The sector stakeholders have worked together to overcome the crisis: recovery effort, improved credit processes, information exchange to limit the cross-indebtedness, strengthened supervision. Thanks to these efforts, market indicators are positive again since 2012, making Morocco the first microfinance market in the MENA region.

Currently, the microfinance sector includes 13 AMCs, supervised by the Central Bank, Bank Al-Maghrib and represented by the FNAME (The National Federation of association of microcredit). Three of the four AMCs with national vocation- Al Amana, Fondation Banque Populaire Attawfiq and Albaraka (FONDEP) – concentrate 90% of market

shares .the offer of product is focused on microcredit, with good coverage in rural areas and an expansion to housing and insurance products.

The AMC with regional vocation benefits from a project of strengthening and from standardization implemented within the FNAM and supported by the Center Mohammed VI to Support the Microfinance Solidarity (CM6). The CM6 is a center of training, information and support to the development of microfinance. It developed in 2010 a public policy support to microfinance, predicting that in the year 2020, the sector would reach 3.2 million beneficiaries, against the 893,977 currently served.

It is also recalled that the sector has also benefited from the support of the international community of funders (USAID, AFD, UNDP AFESD, Grameen Jamil ..). It is necessary to lift however that the commitment of the Moroccan financial sector (commercial banks and Funds JAIDA) alongside actors remains largest, covering 80% of the sector's funding needs. Noted that this level of commitment is specific to the Moroccan microcredit sector in the MENA region.

The chart below (Figure1) illustrate the phases of creation and development of the microfinance sector in Morocco (since 1993 until 2012):

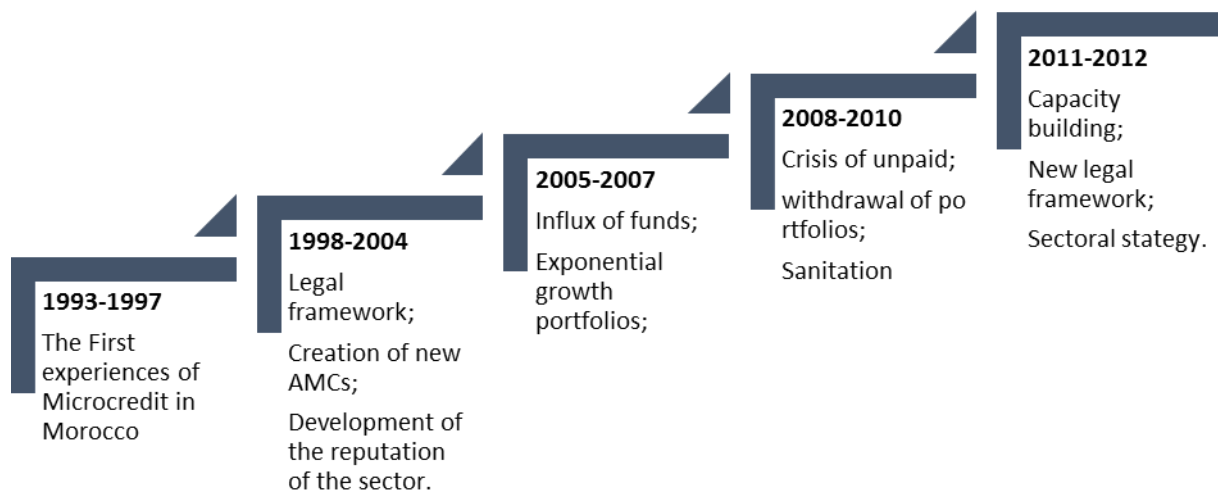


Figure 1: The history and the development of the sector

3.2. Regulation and Supervision

The regulation of the microfinance sector in Morocco consist of a founding text, Law No. 18-97 of 1999 relating to microcredit, amended in 2004 and 2012. This law defines the microcredit as being "any credit whose purpose is to enable low-income people to create or develop their own activity of production or service to ensure their economic integration."

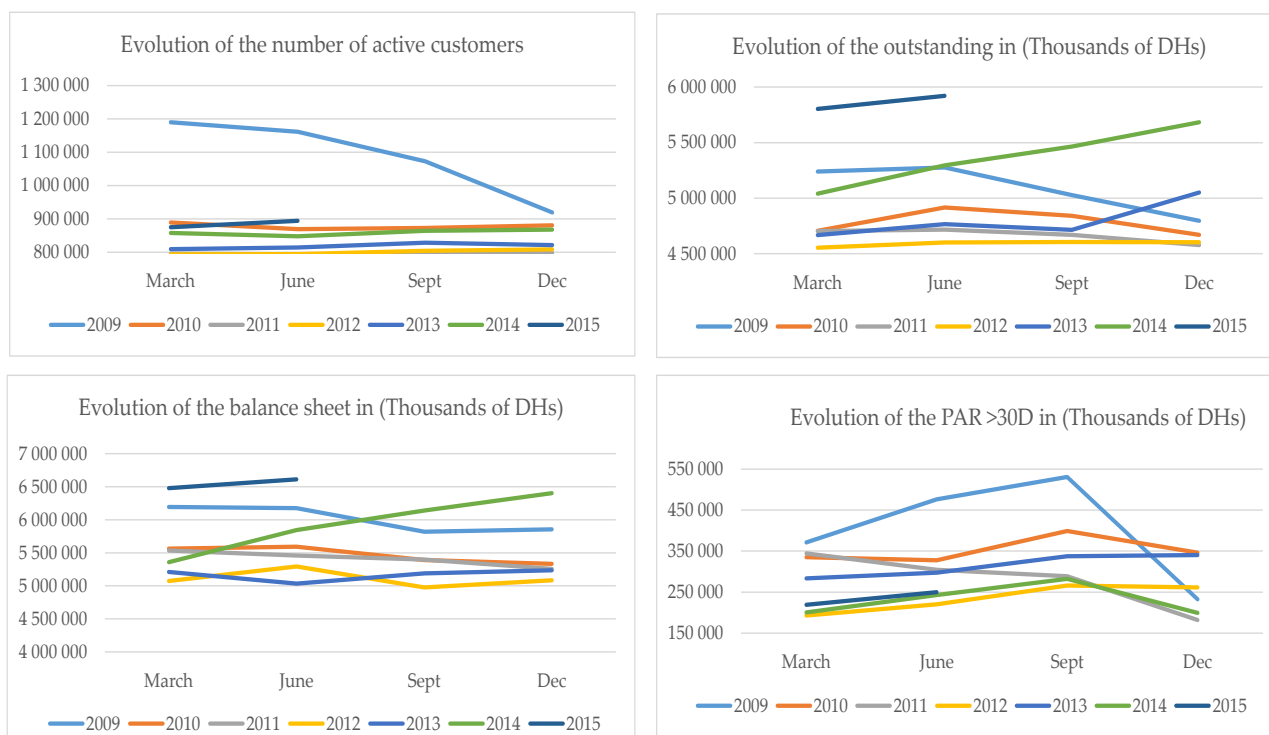
So far, microfinance must be exercised within the legal framework of the association. Nevertheless, the amendment of 2012 opens to the AMC the possibility of being transformed into limited companies and therefore into credit institutions, and to expand the range of services provided while excluding the possibility of capturing the savings of clients. However, the decrees for the implementation of this amendment have so far not been published.

As the loan ceiling, the decree fixes it at 50,000 DH to individuals. It may provide several levels of amount depending on the objectives of each association of microcredit and its financial resources.

Interest rates are not regulated for microfinance activity. They are however for banking activities, which means that when an AMC will become a credit institution, it shall submit to the regulation of rates and thus probably lower its rates.

The supervision by the Central Bank has been strengthened since the 2008 crisis, allowing a proper application of the regulation.

3.3. Trend of the microfinance sector in Morocco at the end of June 2015



-The year 2009 recorded the highest active number of customers historically (over a million customers); this figure declined in 2010 and remained stable thereafter around 800 thousand customers. At the end of June 2015, this number increased slightly by 2% vs. March 2015 reaching 893,977 clients.

-Outstanding loans showed a ‘hiccup’ pattern since late 2009, it recorded a sharp drop in December 2009, then rebounded from the last half of 2014 to reach 5.9 million in June 2015 Dhs (that is already + 2% Vs. March 2015).

-The rate of the Portfolio At Risk > 30D also evolved uneven, it reached a peak of 10.51% in September 2009 and then declined in June 2015 to reach a rate of 4.22%.

-The Total balance sheet has decreased since June 2009 to stabilize at around 5.5Millions Dhs. Moreover, it has experienced significant growth from the second half of 2014 reaching 6.6Millions of Dhs in late June 2015.

3.4. The principal imfs

The microfinance sector includes 13 AMCs that are presented in the Figure 2 below:



Figure 2: Moroccan Microfinance Associations

Three of these AMCs namely Al AMANA, ALBARAKA & ATTAWFIQ concentrate 90% of the market shares. The chart below (figure 3) details the shares of each AMCs.

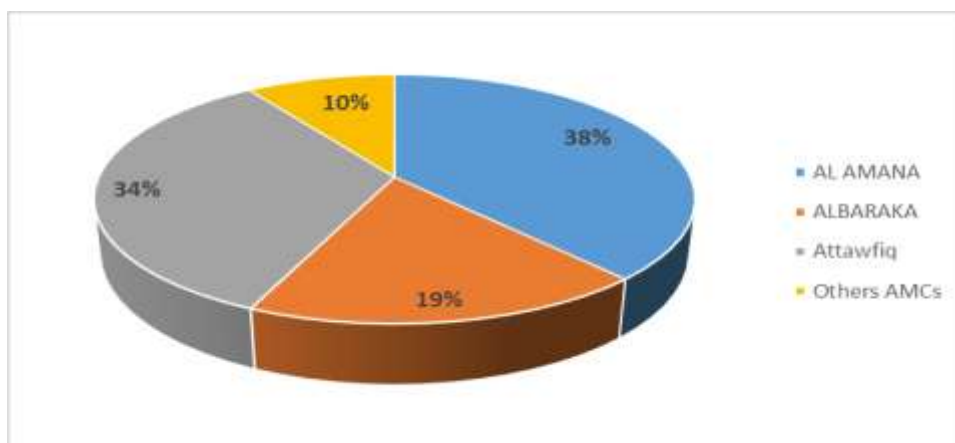


Figure 3: Distribution of the Overall credit outstanding by AMCs

IMFs in Morocco are located in all regions of the country in balanced way in order to meet the main mission of microfinance, which is the eradication of poverty. The figure 4 below present the distribution of IMFs by region according to statistics of March 2015.

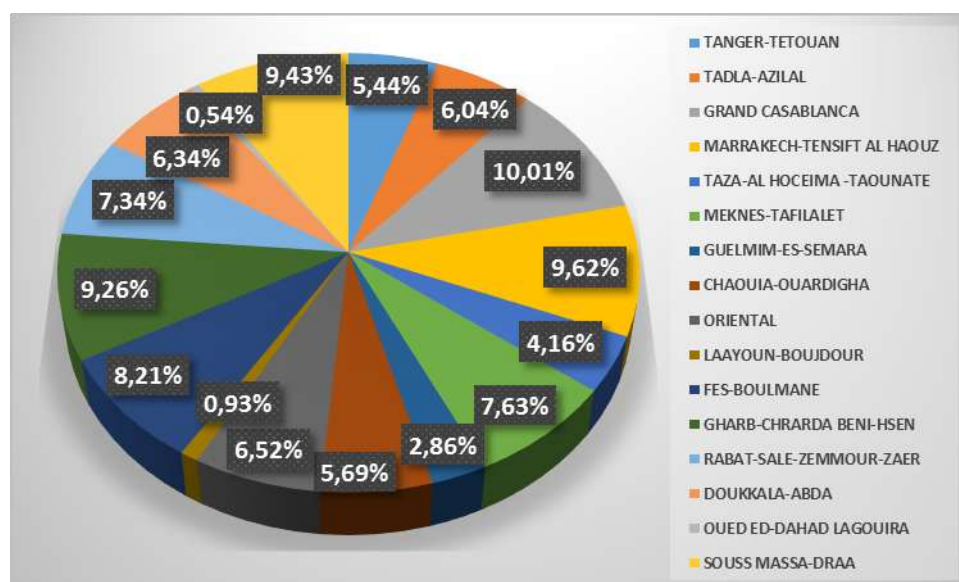


Figure 4: Distribution of IMFs by region

3.5. Activities funded by microfinance in Morocco

3.5.1. Overview

The microfinance sector in Morocco allows financing income-generating micro-projects in trade, agriculture, crafts, services and other activities.

The distribution of these activities has been the subject of an analysis realized by the CM6 in 2015. Below (Figure 5) a summary diagram of this ventilation.

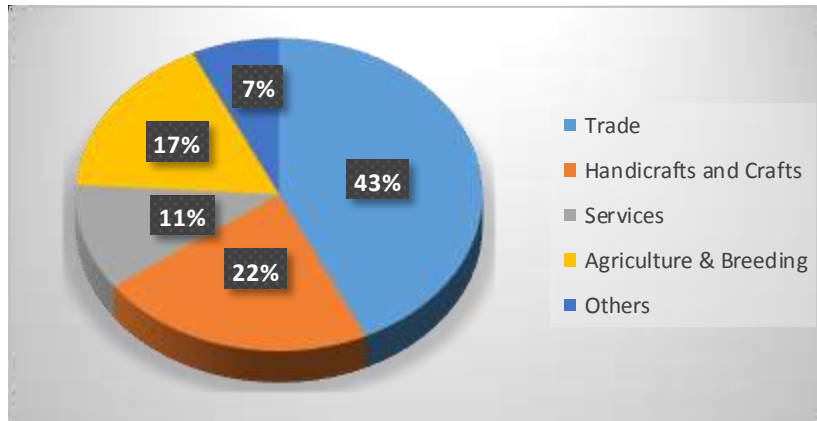


Figure 5: Distribution of activities financed by the Microfinance in Morocco

Trade represents 43% of the AMCs portfolio of active customers, followed by handicrafts and crafts with 22%; two activities that generate a cash flow on a daily basis. The agriculture and the breeding follow with 17%.

A distribution by activity and by gender is important to identify at best the most financed sectors. The graph below (figure 6) shows this ventilation.

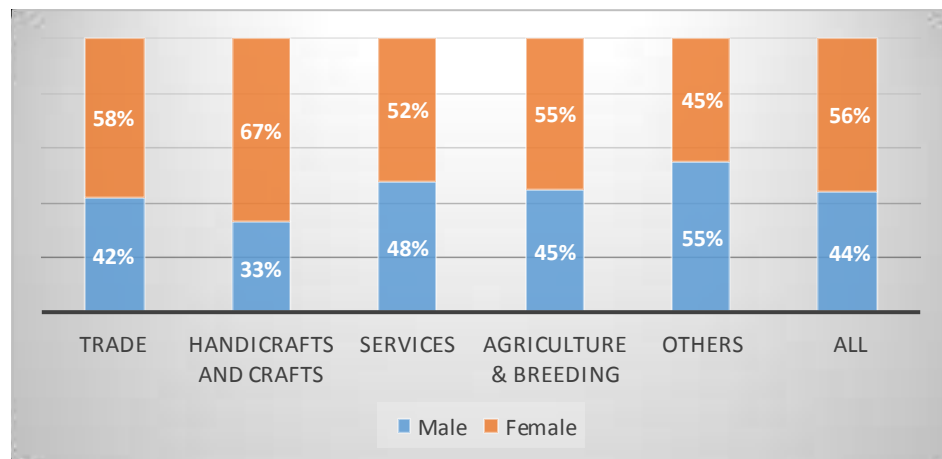


Figure 6: Distribution by gender of activities financed by microfinance in Morocco

Gender parity is approximate depending on the type of activity. Trade and crafts appropriate the highest rate of women, at 58% and 67%. It is necessary to retain that women represent 56% of the AMCs active customers.

Moreover, outstanding loans shows the predominance of Trade and Handicrafts which are the most-financed microcredit activities. As for agriculture and breeding, they pass to the fourth place in terms of stocks with 11%, against 3rd place in terms of active customers with 17% of the total. Below an illustrative diagram (figure 7):

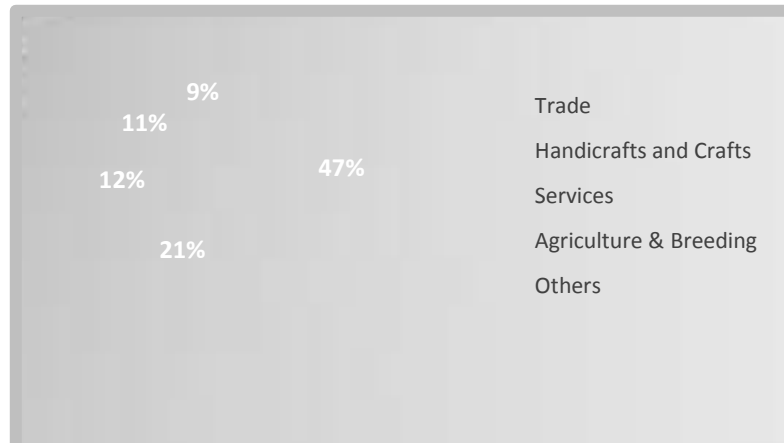


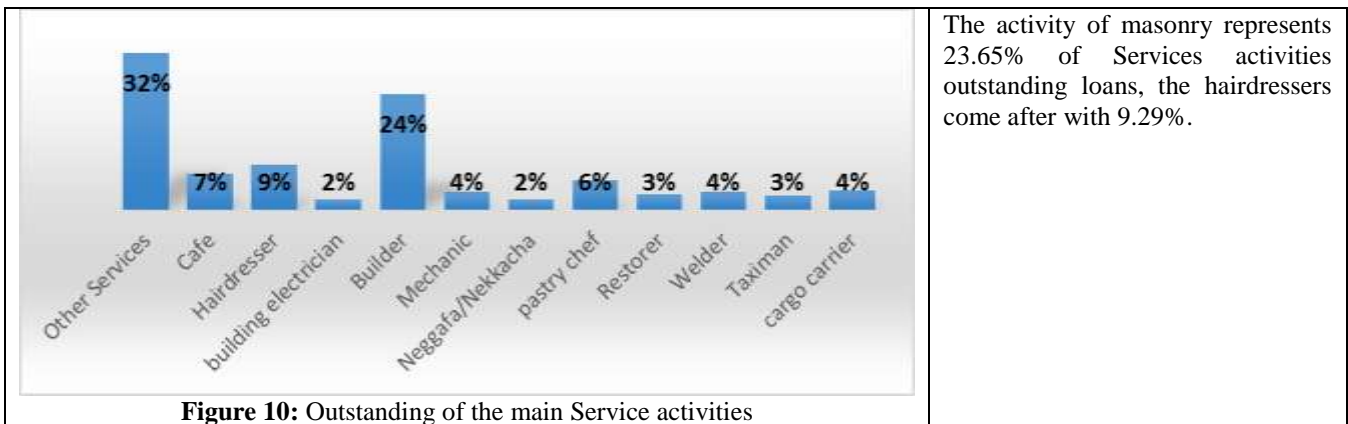
Figure 7: Distribution of the stock of activities financed by the microfinance in Morocco

3.5.2. Profitability of the sectors of activity:

To identify the most profitable activities, it seems appropriate to determine the main jobs in terms of outstanding relating to each activity; for this, CMS made in 2013 a diagnosis whose results are presented below (Table1).

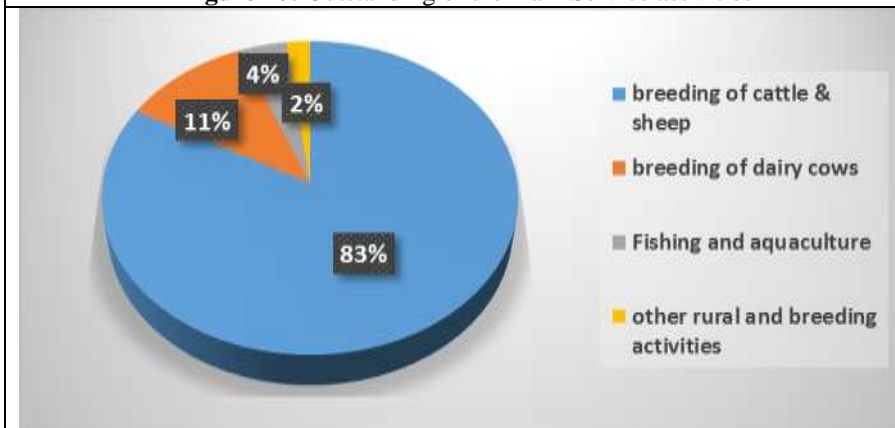
Table1: ventilation of the outstanding loans by sector of activity

	<p>The Trade of clothes and diverse articles come at the top of Trade jobs with 43% against 10% only for grocers and 13% for selling cattles, fruits and vegetables.</p>
	<p>Sewing and embroidery represent 56.98% of the Craft jobs and benefit from an important part of the microcredit Funds.</p>



The activity of masonry represents 23.65% of Services activities outstanding loans, the hairdressers come after with 9.29%.

Figure 10: Outstanding of the main Service activities



The breeding of cattle and sheep is carving the largest part of the outstanding loans with 83%, against 17% for the rest.

Figure 11: Outstanding of the main agriculture & breeding jobs

In order to measure the level of financial performance of costumers, their personal and professional development and the well being of their household, all IMFs has to realize a social impact study

In this sense, Albaraka association realized a study at the end of 2014 in order to analyze the social performance of its costumers. It emerges the following elements:

- Three key sectors in which the costumers have invested their last loan contracted in the AMC:
 1. **Trade, retail sales and trading: 57%**
 2. **Manufacturing: 15%**
 3. **Services: 12%**
 4. **Agriculture : 11%**
- The activities constituting the first source of income for those costumers are :
 1. **Trade : 52.8%**
 2. **Sewing and embroidery: 11.9%**
 3. **Agriculture & breeding : 11.6%**

After obtaining a micro-credit from the AMC, increased micro-enterprise profits is reflected in the increase of the micro-entrepreneur incomes. The number of very old costumers claiming to have experienced an increase in their income is higher than 42% compared with the number of new costumers.

The results of the study show that the profits of the very old costumers of micro-enterprises are higher by 104% compared with those of the new costumers. Indeed, sales of the old costumers are 17% higher on average than those of new costumers, while sales of very old costumers are higher on average of 42% to the sales of new costumers. Seniority allows to increase the monthly profit of 60% during the first two years and to double this profit after two years. It is therefore concluded that the AMC clearly contributes to the increase of the profits of its costumers.

Moreover, the perception of the changes due to the increase in household income by the costumers appears positive: in the eyes of the costumers, total household income increased considerably for 3.2% of very old costumers, and improved for 26% of old costumers. Similarly, 20% of the new costumers notice a positive change in their income.

This improvement of income thanks to microcredit contributes to the increase of the micro-entrepreneur heritage: more the customer is ancient and more he acquires goods. Regarding the conditions of housing, the improvement is more observed among older costumers, with 60% of costumers for more than 24 months making changes in their home. Nevertheless, more than 47% of all costumers has made improvements in their homes.

It was noted that the average length of “hungry” period among new customers is 6.7 months against 3.9 months among customers for over than 24 months. Thus, being a customer of the AMC for more than 24 months has reduced the average of the length of “hungry” period for about three months.

4. STUDIES AND RESEARCH ON MICROFINANCE IN MOROCCO

Since the launch of microfinance in Morocco, several AMCs as well as various agencies have launched studies on the sector (Table2) to know its principles, its trends and the necessary steps to ensure its sustainability. Furthermore, several research were directed to the microfinance sector in Morocco (Table3).

Table2: Studies On microfinance in Morocco

Title of the Study	Realized by	Year of realization	Contents	Conclusion
Studies of the impact of Zakoura Micro-Credit (ZMC) Program	Fouzi Mourji through the MicroStart program (the United Nations Development Program)	2000	Analyze the impact of customers participation in the program compared to their households and their activities.	Significant increase in the income of questioned customers; -The customers of the program seem to be significantly more involved in the management of the family budget, potentially due to their growing and significant financial contribution; -The Customers appear better protected against the shortage of raw materials, compared with the not-customers. It is the same with regard to "external events in their business activity." They are, however, like any entrepreneur, subject to economic fluctuations affecting demand supporting their trade. -The participation in ZMC program also promotes diversification of activities. -The proportion of customers who increased their educational spending remains 10 points higher on average than non-customers.
Evaluation of the contribution of Al Amana to the development of its customers	Al Amana association- Department of Research & Development	2004	This study is based on four surveys: -Survey of Impact and use of loans and profits of micro-entrepreneurs; -Survey On outbound customers; -Survey On the autonomy of women; -Survey On customer satisfaction.	The impact of the loan is manifested through: - Changes on the micro-enterprises: extension of the micro-enterprises and better supply management; -The increase of the individual income; -At The household level, the increase in expenditures for educating children for men; -At The level of the community, no negative effects in terms of involuntary unemployment so that on the work and the schooling for children of 10 years and less. However, the impact is negative for children from 11 to 18 years old.
Evaluation of the impact of microfinance in Morocco	IKM (Impact, knowledge, Market)- PlaNet Finance Morocco sponsored by FNAM and fully financed by the directors of PlaNet Finance Morocco (Either BMCE Bank, CDG and the French deposit and consignment fund)	2005	This study had for main objective to give indicators on the customers of all associations and regions, to assess the impact of microcredit to the levels of the enterprise, the household and at the individual level. This study allowed also evaluating the AMC market.	-The Sector mainly targets women; -Microcredit has a significant positive impact on the level of profits, investment and market access; Also on consumer spending appropriate to the customers and overall spending of the household; -The Actual customers acquired very slightly more assets than the recent customers; -The Duration of participation has a positive impact on savings constitution; -The Microcredit has a positive effect on the contribution to the household budget, according to customers. -Besides, financial conditions applied by the AMC are not adapted to the needs of the customers (mainly in terms of amount,

				maturity and type of guarantee) so leading to their departure or to the phenomenon of cross-indebtedness.
Evolution of the microcredit sector in Morocco	The Direction of Treasury and Outside Finances, Ministry of Economy & Finance	2008	This study describes the trend of microcredit in Morocco in 2008 and presents perspectives of evolution of the sector	The microcredit sector in Morocco is an emerging sector, which knows a very fast development with an important potential market. Now Micro-credit is one of the instruments of development of social economy through a participative and integrated approach, which takes into account the needs of the population and the optimization of the available financial resources.
Development, crisis and recovery of the microfinance sector in Morocco	CGAP (Consultative Group to Assist the Poor, it is a consortium of 28 public and private agencies of development working together to spread the access of the poor people to financial services)	2009	This study puts the point on the main reasons behind the crisis of the microfinance sector in Morocco while dealing with the important role of government to overcome this crisis.	The microfinance crisis finds its origins: -In the MFIs themselves, their institutional capacities exceeded by an exponential growth, resulting in lax credit policies, obsolete information and management systems, deficiencies in internal control and weak governance; -Also The cross indebtedness which constitutes an aggravating factor. To improve this situation, the AMC have implemented large-scale recovery plans through change teams, strengthening lending methodologies by the establishment of a panel exchange of data on the default risk of customers allowing to reduce the cross-indebtedness. The government in turn has contributed to the improvement of the sector through the implementation of the central of risks, encouraging links MFI Banks to secure liquidity and also by improving the regulatory framework.
Sectorial study: micro-finance one year after the announcement of the turbulences	JAIDA:AMCs financing fund	2009	This sectorial study focus on the recent evolutions of the Microfinance sector in the international and the situation of the microcredit sector in Morocco in 2009. This study is divided into three main components namely: The international recent evolutions; the situation of Morocco one year after the announcement of the turbulences and The perception of the beneficiaries of microcredit and AMCs.	-Several Measures were adopted after the crisis to stabilize the sector (recovery, caution in granting new loans, coordination between institutions, implementation of the central risk (credit bureau)..); -Microcredit has several utilities listed in order of priority according to the study as follows: resolution of the occasional cash flow problems, the acquisition of consumer goods, the creation or the development of income generating activities. -However, Bad practices are observed in AMC: the Corruption of the credit officers, the blank check taken as guarantee, the disbursement period are very short, the allocated time in the analysis of the file is insufficient. And also with the beneficiaries through the creation of fictitious groups with for example two real beneficiaries in a group of 4 people, deviation of consumer loans, Cavalry between the crossed prices.
Survey on the evaluation of needs in financial and non- financial products towards the AMC beneficiaries	The Mohammed VI foundation for solidarity-based microfinance.	2011	This study aims to assess the needs of beneficiaries of microcredit in terms of financial and non-financial needs; Matching supply and demand for microcredit products; Identify the main activities financed by the Moroccan microfinance sector; Determine the financial needs promoting or hindering the development opportunities of the	-The Trade and services dominate the activities financed by microcredit. An emergence is observed for agriculture and breeding. -The most dominant activity among women is the textile and clothing trade. -Like women, trade is the main activity for men. - New activities are little financed by the sector. -The activities development mainly depends

			<p>micro-entrepreneurs; raise the expectations and needs of Beneficiaries regarding support (technical assistance, training, orientation, and others ..).</p>	<p>on funding. -The Three-quarters of loans are group loans. -40% of customers surveyed admit to have taken loans from several AMCs. 3/5 are women. -For Several customers, the loan amount, duration, repayment frequency and the pricing represents the main reasons of inadequacy of the loan to their expectations. -The Analysis of the most needed financial products by the customers questioned highlights: Micro insurance with 61%, 54% for micro-savings, money transfer 33% and 26% for payment card. -The Analysis showed that beneficiaries need besides funding, to be trained, advised and accompanied in the realization of their projects.</p>
<p>Trends of the microfinance Sector in Morocco during 2007-2011</p>	<p>The Mohammed VI foundation for solidarity-based microfinance</p>	<p>2011</p>	<p>The analysis of the trends of microfinance sector in Morocco makes a zoom on the evolution realized during the period of the crisis in order to clarify the situation of this sector. In addition to an intra-sector benchmark between three groups of pairs, a second sectors benchmark is also made with similar cases on other continents and in different contexts, to confirm that the reasons for this crisis are very endogenous to IMFs.</p>	<p>-The Analysis of trends 2007-2011 confirms the successful recovery policies followed by AMCs, as well as the strength of the Moroccan microfinance sector. -The Crisis allowed the sector to continue to realize its social mission with the strong guarantee of implementation of best practices. Thus, the AMC are now better equipped to protect customers, improve social performance, human resource development and meeting the financial needs for products and non-financial services for micro-entrepreneurs. -The Current trends show that the year 2012 will be the link between the period of the crisis and a new era characterized by the resumption of growth, the supply of new products and the exploitation of new technologies. -Nevertheless, Future challenges of the sector are coaching and supporting small AMCs in the post-crisis period; Refinancing the growth of large and medium AMCs; the implementation of the strategic intelligence and the observation of the sector internationally to guard against possible future crises; The adaptation of products to customer needs and Participation in the formalization of informal activities.</p>
<p>Investigate into profiling of products and services of the AMC</p>	<p>The Mohammed VI foundation for solidarity-based microfinance</p>	<p>2012</p>	<p>This study aims to: -Identify the characteristics received from products and services; -Measure the customer satisfaction towards services offered -Diagnose (In strengths and weaknesses) segments of products and provide a strategic observation. -Identify and cross the offer to the expressed needs. -Categorize customers and give priority actions by segment based on the dimension of satisfaction and perception of the products. -Propose areas for improving the sector.</p>	<p>-The Group loan has an important place in microcredit. The individual loan comes second. -The Loan is mainly intended for the financing of the professional projects (mainly trade, manufacturing, services and agriculture), followed by financing housing projects (improving housing conditions). -The Customers benefits from the support and monitoring of projects after the granting of loans. -The Majority of customers are satisfied to have used microcredit. The reasons are mainly: the availability of working capital and investment and the development of the activity; the improvement of the standard of living; helpfulness, proximity and good interpersonal skills of the field officers. -The Changes desired by customers in</p>

			-Update the National Microfinance Mapping by other indicators.	microcredit programs mainly concern the duration, the amounts and the ceilings of the loan considered insufficient, the repayments by direct debit, as well as the reduction of implemented interest rate. -The Improvement of the Professional and personal situation thanks to the microcredit.
Evaluation of the impact of microcredit in rural area in Morocco: the case of Al Amana institution	French Agency of Development in partnership with Al Amana institution and the Paris School of Economics	2012	The objective of the study is the evaluation of the impact of Al Amana microcredit offer on the agricultural and non-agricultural activities, on the household incomes and assets, the level of poverty and food safety as well as the place of the women in the household.	-The Borrowing rate is relatively low and highly variable from one village to another; -The offer of Microcredit has an impact on the development of existing activities, mainly concentrated in agriculture and breeding. This development is translated by a generation of agricultural income, a diversification of owned livestock and an increase of savings in kind in breeding; -The offer of Microcredit has no impact on the creation of new activities.
Out of the crisis in the microfinance sector in Morocco: timely and effective interventions	International Finance Corporation (IFC) World Bank Group In collaboration with : -The Danish Development Cooperation (DANIDA) -The Department of Foreign Affairs, Trade and Development of Canada (DFATD) -The Ministry of Finance of Japan, the Swiss Cooperation (SECO) and UKAid	2014	This study reviewed the nature of the crisis of the Moroccan microfinance, this crisis mainly due to the strong competition between the AMC (Conquering a large number of customers and neglecting the staff and the portfolio quality) what leads to a crossed debt and therefore to a debt repayment default.	Thanks to the credit bureau (Central risk)set up after the 2009 crisis and following the intervention of government and other providers of market infrastructure, the AMCs were able to improve their behavior with their customers and towards their staff and were able also to ensure a repayment rates in net improvement Vs the years of the crisis. Efforts are still needed to ensure the sustainability of this sector.
Study of the economic and social impact of microcredit	Institution Albaraka (FONDEP)	2014	Estimate the impact of Albaraka services on the customers at several levels (financial performances, personal and professional development, well being of the household, etc.)	-The Loan allows an increase in the micro entrepreneur income. -the seniority of the customer allows to increase the monthly profit of 60% during the first two years and to double this benefit after two years. -Increase the total household income for old and new customers. -Improvement of the housing conditions after obtaining the loan at Albaraka. -Reduction on average length of 'Hungry' period of about three months.
Benchmark of the microfinance sector: Morocco / Peru / Bangladesh	The Mohammed VI foundation for solidarity-based microfinance	2015	The objective of this comparison is to allow Morocco to benefit from the experience of countries having a well-structured and effective microfinance sector, notably the case of Peru, ranked first, six consecutive years, in the ranking of the microfinance by Economist Intelligence Unit. Without forgetting, naturally, Bangladesh, country where microcredit has emerged.	-Morocco, in comparison with other markets, reacted quickly to the crisis, through different actions, namely the establishment of a credit bureau (Central Risk), the creation of microfinance support structures and the adoption of an ambitious national strategy. -Besides, to reach the level of those foreign markets, it is necessary to put in place regulations more adapted to the new environment, which will definitely contribute to the development of the actors.

Table3: Research on Microfinance in Morocco

Title of research	Realized by	Year of realization	Contents	Conclusion
The Study of microcredit sector in Morocco	Ann Duval	2001	This research project presents the state of microcredit sector in Morocco (its history, The support for this sector as well as these characteristics), this research puts	-All the associations of microcredit benefit of the law which settle the sector, but some associations have received much more financial and technical assistance than others.

			the point also on the needs for the sector in term of institutional strengthening, financing and regulations. Moreover, it presents some recommendations necessary for its evolution.	-Lack of consistency in accounting and financial analysis standards thereto, transparency, information exchange and supervision of the sector.
Risk, uncertainty and microenterprises financing in Morocco-Comparative study with formal business of the Moroccan manufacturing sector-.	Fatiha Bouharra Memory for obtaining the DESA UFR "Applied Econometrics to the Macro and Microeconomic Modeling"-Hassan II University-	2004	This report presents general theoretical foundations of corporate finance from the various theories information and credit rationing. This report handles from econometric applications the characteristics of companies having access to bank credit, and that, whether in formal or in informal plan. It also shows the nature of the difficulties faced by ME to access to bank credit compared with the formal firms studied in the assumption that the constraints imposed on ME are even more severe than those experienced by formal enterprises.	This report highlights the following elements: -MEs represent the greatest risk for banks. -Banks have no structure of solid selection for ME (Absence of accurate information). -To resort to the AMCs is the solution adopted for banks to manage better their risk.
Diagnostic Report on the Legal and Regulatory Environment for Microfinance in Morocco	By Xavier Reille and Timothy R. Lyman 'Director of the MENA Initiative & a policy advisor at CGAP'	2005	This Report provides an overview of the financial system and a general description of the current state of development of the microfinance sector in Morocco. It describes also the current legal and regulatory environment and provides a summary of some current policy-related obstacles to the development of microfinance. This report concludes with CGAP's recommendations as to microfinance policy-related interventions worthy of consideration, whether to be undertaken by CGAP or other actors.	→Summary of policy-related obstacles: - Sunset of fiscal privileges for microcredit associations; - Possible exercise by Ministry of Finance of its power to set loan pricing caps for microcredit associations; - Lack of legal capacity to mobilize equity from shareholders; - Legal barriers to 'transformations' of successful microcredit associations; - Lack of credit information services industry; - Constraint on foreign investment due to foreign exchange policy; - Inability of banks and finance companies to participate directly in microlending due to interest rate caps. →General recommendations for policy-related activities in Morocco: - Transparency-driven regulation of microcredit associations; - Extension of tax privileges of microcredit associations; - Conditional technical assistance to FNAM; - Credit reference services; - Introduction of amendments to permit 'transformations' of microcredit associations; - Technical assistance to shepherd 'transforming' microcredit associations.
Current situation of the microfinance sector in Morocco	Antoine PALLUD	2005	This article leans on work done by the team of Francophone Portal Microfinance, for the creation of the Country Profiles section.	This article describes the importance and coverage of the microfinance sector, the regulatory and legal framework governing in Morocco as well as the structuring of the profession. It also lists the main active MFIs in the country.
Microfinance: what perspectives of development for IMF? case of Morocco	Clara ATALLAH & Omar EL HYANI (Great Cycle School (ESCP Europe))	2009	This report studies in depth the situation of microcredit in Morocco: its situation compared to the countries of the region, its specificities, its strengths and weaknesses, also the impact of	-Microcredit remains a good development tool in the fight against poverty, but not a survival tool. -Compared to the informal economy, microcredit penalizes less the poor because its rates remain lower, and remains an

			institutional evolution issues and finally it presents some ways of improving this sector.	essential tool to be used in a clear social policy. -The functioning of IMFs are not optimal: the study demonstrates clearly that an institutional evolution is necessary to make of microcredit a tool even more adapted to demand.
The implementation of a product of Microleasing within an institution of microfinance	Anwar MOUFATIH	2010	This paper focuses on the situation of non-payment and insolvency of customers. The advanced solution concerns the development of a product "micro leasing" following the example of leasing practiced by commercial banks. It intended to allow the IMF to grant loans to its customers to equip and buy machinery and other tools through a leasing, all in ensuring that the funds granted will be invested and are therefore assigned to the object of the loan.	Sustainable development which the IMF is called to promote, is not limited to a simple fight against poverty and economic and social integration of underprivileged layer, it must certainly take into account the respect and protection of the natural environment. IMFs can ensure and guarantee a clean ecological space that respects the international standards and laws. Thus through the microleasing product. The funding projects and the acquisition of clean technologies that respect the environmental condition can be possible. The microleasing can be an effective tool to help poor people to feed water and electricity from solar energy.

5. CONCLUSION

The microfinance sector has for main mission to ensure financial inclusion and to contribute to the enhancement of customers' living conditions. It is in this context that operates this sector in Morocco with a large target population mainly in rural and isolated regions, where the poverty rate is quite high.

The mission of microfinance was not always respected by IMFs which adopted an approach concentrated on their financial sustainability rather than on the customer. This has been deducted through several studies and research that have been conducted as presented in this paper, to assess the impact of microfinance on the customer life improvement.

All the more, the thirst for gain and uncontrolled growth damaged the sector through the 2009 crisis, which was overcome in 2012, thanks to the intervention of several operators in the Moroccan financial market aware of the necessity to streamline their offers and adapt them to the needs of customers while adopting a strong collaborative approach between all stakeholders in the sector.

Furthermore, analysis of the state of the microfinance sector in Morocco can be inferred from the necessity to review the main pillars governing this sector of which mainly the Moroccan regulations to accompany the development of this sector on one side and the increasing needs for its customers on the other hand.

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