



CASE STUDY SERIES: Innovative Financing for Gender Equality via Bonds



# Morocco: SOCIAL BOND ISSUED BY A COMMERCIAL BANK

Banque Centrale Populaire (BCP)

*Moroccan Dirham (DH)*



<b>Issuer</b>	<p>The Banque Centrale Populaire (BCP) Group is a pan-African and global financial group. With an inclusive approach, it offers banking and insurance products and services to individuals, professionals and businesses of all sizes. BCP is made up of eight Banque Populaires Régionales (BPR) with a cooperative orientation. BCP is the central institution of the group, a public limited company listed on the stock exchange, with three foundations and several subsidiaries in Morocco and abroad. BCP is present in 32 countries, mostly in Africa (in 18 sub-Saharan African countries) and in Europe. BCP is one of Africa's top 10 banks in terms of equity.</p>
<b>Issuance tranche</b>	
<b>Amount issued</b>	MAD 200 million (approx. US\$20.4 million)
<b>Date of issuance</b>	31 December 2021
<b>Date of maturity</b>	31 December 2025
<b>Number of issuances</b>	Single issuance
<b>Coupon rate</b>	Not available
<b>Listing (domestic or international)</b>	Private placement
<b>Stock exchanges where listed</b>	Not applicable
<b>Future issuances</b>	Not available



## Use of proceeds (Socioeconomic advancement and empowerment)

In Morocco, where low-income women face difficulties in accessing the labour market and financing that would allow them to develop income-generating activities, the objective defined by BCP in the Social Bond Framework is to “participate in the progression of the economic empowerment of women and encourage professional integration as well as the financial inclusion of economically, socially and humanly disadvantaged women in society”,<sup>1</sup> through its foundation which specializes in microfinance, Attawfiq Micro-Finance.

**Attawfiq Micro-Finance aims to contribute to the fight against poverty and unemployment, thus participating in the national effort to fight poverty and unemployment and to promote employment and entrepreneurship. Its activities revolve around:**

- The distribution of micro-credits allowing people in an economically precarious situation to create or develop an income-generating activity.
- Support for clients for their loan projects with training, consulting and technical assistance.

More than 55 per cent of the clients which benefit from the Foundation’s services are women.<sup>2</sup>

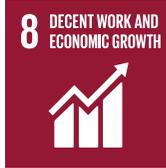
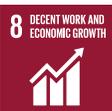
The nature of the expenditures are micro-credit loans granted by Attawfiq Micro-Finance, a subsidiary of BCP and the location of eligible projects and assets is Morocco.

## Gender considerations in the use of proceeds

Micro-credit loans to urban and rural women, who are economically disadvantaged, excluded from the financial system and wish to create or develop income-generating activities. The micro-credit loans granted to the target population aim to contribute to the following objectives:<sup>3</sup>

- Increase in job creation
- Promotion of women’s entrepreneurship and income-generating activities
- Reduction of inequalities
- Providing banking to women excluded from the traditional financial systems



<h2>Alignment with the Sustainable Development Goals (SDGs)</h2>	<p>The social project category “micro-credit loans” is aligned with the following Sustainable Development Goals:</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>1</b> NO POVERTY</p> </div> <div style="text-align: center;">  <p><b>5</b> GENDER EQUALITY</p> </div> <div style="text-align: center;">  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;">  <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;">  <p><b>10</b> REDUCED INEQUALITIES</p> </div> </div>
<h2>SDG targets that the bond addresses</h2>	<p>As reported in the Second Party Opinion:</p> <div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: flex-start;"> <div style="text-align: center; width: 40px;">  <p><b>1</b> NO POVERTY</p> </div> <div style="margin-left: 10px;"> <p><b>Target 1.4</b></p> <p>By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <div style="text-align: center; width: 40px;">  <p><b>5</b> GENDER EQUALITY</p> </div> <div style="margin-left: 10px;"> <p><b>Target 5.5</b></p> <p>Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <div style="text-align: center; width: 40px;">  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="margin-left: 10px;"> <p><b>Target 8.3</b></p> <p>Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <div style="text-align: center; width: 40px;">  <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="margin-left: 10px;"> <p><b>Target 9.3</b></p> <p>Increase the access of small-scale industrial and other enterprises, particularly in developing countries, to financial services including affordable credit and their integration into value chains and markets.</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <div style="text-align: center; width: 40px;">  <p><b>10</b> REDUCED INEQUALITIES</p> </div> <div style="margin-left: 10px;"> <p><b>Target 10.2</b></p> <p>By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> </div> </div> </div>
<h2>Target population</h2>	<p>Urban and rural women excluded from the traditional financial systems of Morocco.</p>



## Indicators related to gender equality

The following impact indicators were selected and included in the Social Bond framework. The values were provided by Attawfiq Micro-Finance as of 19 April 2023 for inclusion in the case study.

Social project categories	Impact indicators		
Micro-credit loans	Number of loans granted to women eligible for micro-credit	<b>17,080</b>	
	Number of loans granted to women by degree of formality	<b>Segment</b>	<b>Number of loans</b>
		Income-generating activities	6,889
		Micro-enterprise	9,537
	Small business	654	
	Number of loans granted to women by urban and rural area	<b>Area</b>	<b>Number of loans</b>
		Urban	14,945
	Rural	2,135	
	Number of loans granted to women by activity	<b>Activity</b>	<b>Number of loans</b>
		Manual job	5,746
Commercial activity		8,974	
Services		1,678	
Other	682		



**Indicators related to gender equality**  
(...continued)

Micro-credit loans

Number of loans granted to women by age group	<b>Age group</b>	<b>Number of loans</b>
	18–35	5,264
	36–45	4,379
	46–55	4,064
Number of loans granted to women by marital status	56 and older	3,373
	<b>Marital status</b>	<b>Number of loans</b>
	Single	2,466
	Divorced	1,091
Number of women beneficiaries of bank accounts	Married	12,596
	Widowed	927
	<b>Type of account</b>	<b>Number of women beneficiaries of bank accounts</b>
	BCP	2,010
	None	1
	Savings account	149
Number of women beneficiaries of micro-insurance	Low-income banking	13,557
	Other bank	110
		<b>17,022</b>



<b>International standards alignment</b>	ICMA Social Bond Principles
<b>Link to framework</b>	Not publicly available
<b>Link to Second Party Opinion</b>	Vigeo Eiris. 2021. Second Party Opinion on the sustainability of Banque Centrale Populaire's Social Bond Framework. July. <a href="https://www.moodys.com/web/en/us/hosted-assets/spo-20210702-ve-spo-bcp-attawfiq-gender-bond-english.pdf">https://www.moodys.com/web/en/us/hosted-assets/spo-20210702-ve-spo-bcp-attawfiq-gender-bond-english.pdf</a>
<b>Second Party Opinion provider</b>	Vigeo Eiris
<b>Credit enhancement</b> <i>(yes or no)</i>	No
<b>Was the bond oversubscribed and were there any special considerations?</b>	Not available



<b>Partners</b>	Not available
<b>Other features</b>	<p><b>Incentive from the regulator and rationale behind the issuance of the gender bond:</b></p> <p>In March 2021, the Moroccan Capital Market Authority (AMMC), with the support of Financial Sector Deepening Africa (FSD Africa), a financial sector development agency supported by aid from the Government of the United Kingdom published guidelines<sup>4</sup> on gender bonds.</p> <p>AMMC has developed the gender bond guidelines based on available and relevant international standards, building on their previously published guidance on green, social and sustainability bonds. The introduction of the gender bond label on the Moroccan market has further expanded the opportunities for sustainable finance transactions to advance gender equality.</p> <p>This culminated in the inaugural gender bond issuance in Africa by Banque Centrale Populaire (BCP), through a private placement.</p>
<b>Lessons learned</b>	<p><b>Relevant Use of Proceeds (UoP) to advance gender equality in the domestic market</b></p> <p>Financing income-generating activities for women in Morocco by micro-credit loans appears to fulfil an important need in Morocco. According to the SDG Index, major challenges remain in Morocco with regards to SDG 5, gender equality, as well as SDG 8 which relates to decent work and economic growth.</p> <p>The population which has been targeted, “urban and rural women excluded from the traditional financial system in Morocco”, is characterized by a particularly low employment level and challenges in access to financing.</p> <p>Through the gender bond’s eligibility criteria, the projects will reach the people most in need with regards to gender equality and empowerment. Micro-credit loans will contribute to Moroccan women’s empowerment and their effective contribution to the economy, through developing their autonomy, and through training and support programmes that complement the micro-credits.<sup>5</sup></p>



## Lessons learned

(... continued)

### Lack of transparency

The framework and other important elements of the bond are only available to investors and are not publicly disclosed.<sup>6</sup> According to Vigeo Eiris:

- The process for the evaluation and selection of eligible loans has been clearly defined and detailed by the issuer and will be disclosed only to investors.
- The process for the management and allocation of proceeds is clearly defined and is disclosed only to investors. The reporting methodology and assumptions used to report on the social benefits of the eligible loans will be disclosed only to investors.

## Endnotes

1. Vigeo Eiris. 2021. Second Party Opinion on the sustainability of Banque Centrale Populaire's Social Bond Framework. July, p. 6. <https://www.moodys.com/web/en/us/hosted-assets/spo-20210702-ve-spo-bcp-attawfiq-gender-bond-english.pdf>
2. BCP. 2018. Sustainable Development Report 2018. [https://www.banktrack.org/download/csr\\_report\\_2018\\_78/csrreport2018.pdf](https://www.banktrack.org/download/csr_report_2018_78/csrreport2018.pdf)
3. Vigeo Eiris. 2021. Second Party Opinion on the sustainability of Banque Centrale Populaire's Social Bond Framework. July, p. 8. <https://www.moodys.com/web/en/us/hosted-assets/spo-20210702-ve-spo-bcp-attawfiq-gender-bond-english.pdf>
4. AMMC. 2021. "AMMC publishes guidelines on Gender Bonds with the support of FSD Africa". Press release. 5 March. [https://www.ammc.ma/sites/default/files/Press%20release-%20the%20%20AMMC%20publishes%20guidelines%20on%20Gender%20bonds%2005032021\\_0.pdf](https://www.ammc.ma/sites/default/files/Press%20release-%20the%20%20AMMC%20publishes%20guidelines%20on%20Gender%20bonds%2005032021_0.pdf)
5. BCP. 2022. "La BCP lève son gender bond 200 millions de dh pour soutenir les objectifs de développement durable". Communiqué de Presse. 13 January. [https://www.groupebcp.com/fr/GBP\\_Communique/CP-La-BCP-leve-son-Gender-Bond.pdf](https://www.groupebcp.com/fr/GBP_Communique/CP-La-BCP-leve-son-Gender-Bond.pdf)
6. Vigeo Eiris. 2021. Second Party Opinion on the sustainability of Banque Centrale Populaire's Social Bond Framework. July, p. 2. <https://www.moodys.com/web/en/us/hosted-assets/spo-20210702-ve-spo-bcp-attawfiq-gender-bond-english.pdf>

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ACCELERATE PROGRESS ON MEETING  
THEIR NEEDS WORLDWIDE.**

UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: Women lead, participate in and benefit equally from governance systems; Women have income security, decent work and economic autonomy; All women and girls live a life free from all forms of violence; Women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the UN system's work in advancing gender equality.



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