

# TAMWIL EL FELLAH IN MOROCCO

## INNOVATIONS FOR INCLUSIVE AGRICULTURAL FINANCE

In 2019, [Tamwil El Fellah](#) received a prestigious international award for its financing model for date palm projects in the oases of Morocco.

[Tamwil El Fellah](#), a subsidiary of the [Crédit Agricole Group](#)

[GCAM](#), one of the main banks operating in Morocco, since 2010 represents an extraordinary innovative response to improve access to financial services for small farmers with no collateral.

In 2009, the Government of Morocco launched the Green Morocco Plan (Plan Maroc Vert), that underlines agriculture's important role and sets strategies to promote the sector's development by attracting domestic and international investments and organizing private actors in competitive and profitable value chains. In this policy framework, a major challenge emerged was the availability of appropriate financial services for the farmers who cannot access credit in a traditional bank and whose needs are not covered by micro-credit.

To face this challenge, the agricultural development finance corporation Tamwil El Fellah (TEF) was established in 2010 by the Groupe Crédit Agricole (GCAM) as a subsidiary body specialized in agricultural lending for smallholder families with no collateral. TEF is a 100-percent subsidiary of GCAM and was founded as a public limited company through an agreement signed with the government and the approval of the Central Bank

Ten years after its foundation, *Tamwil El Fellah* is a complex system working to meet the specific financing needs of small agricultural producers by reducing the risks of investors through the collaboration of all the public and private partners involved.

The study [Innovations for inclusive agricultural finance and risk mitigation mechanisms](#) published in 2016 by FAO and ADA recognizes *Tamwil El Fellah* as a particularly innovative model for providing financial services and mechanisms adapted to farmers with small and medium-scale agribusinesses and rural households dependent on agriculture. The study illustrates the innovative mechanisms that have been adopted by the TEF in the specific context of Morocco, underlining their more general relevance worldwide.

One of these innovations is that the Central Bank agreed to modify its risk categorization rules for TEF's credit portfolio, adapting them to the longer business cycles in agriculture compared with those in services or manufacturing. This agreement was made after a process led by GCAM to explain to regulators the features of smallholder agriculture. As a result, the periods for which a loan can be considered pre-doubtful, doubtful and compromised (the Central





Bank's categories for determining portfolio risk levels and consequently reserve requirements) were extended beyond the prevailing banking standards only for TEF, to 12, 24 and 36 months, respectively.

The *Tamwil El Fellah* operational structure offers an integrated system of services insured by the public and private actors involved. TEF provides agricultural loans (for inputs, working capital and investments) to smallholder families and small-scale agribusinesses. To complement its services, TEF relies on the infrastructure of GCAM to offer savings accounts, short-term consumption loans, payment services, life insurance and agricultural insurance. TEF also provides smallholder families with technical assistance, production training, commercial and financial management, in collaboration with government agencies that support rural and agricultural development and with associations and NGOs operating in geographic areas where there are no government programs.

The TEF system includes a credit guarantee fund (Prudential Stabilization Fund PSF) with government funds securing 60% of TEF's portfolio. The guarantee fund is exclusively used for small and medium farms with difficult access to traditional bank financing (land constraints, small land areas with irrigation potential, fragile populations). The PSF is directly managed by GCAM, which is a critical enabling factor in assuring the compliance of the guarantee coverage. The remaining 40 percent constitutes the risk of TEF and the client. In case of default, TEF leads to carry out all the actions to recover the loan, and PEF compensates TEF for arrears.

Another significant innovation of TEF concerns the aspects of land tenure and land titles. In Morocco the financial sector recognizes only land registered in the modern formal system as a usual form of collateral, but only 15% of agricultural land is registered in this system, excluding most smallholder families. To overcome the lack of guarantees among smallholder families, GCAM and TEF have developed alternative options for attesting land tenure or usufruct rights. TEF provides solutions adapted to different situations and the type of guarantee requested depends on the type of public project in which the client is participating, the activity being financed and the legal status of the land.

Using these innovative mechanisms and other described in the study, TEF financed a wide range of activities contributing to important value chains and generating revenue for farmers:

- crop conversion projects to grow crops with higher added value, supporting fragile holdings that specialize in cereal production to help them become more profitable. Crops supported include olives, almonds and figs;
- projects for diversifying agricultural activities to create additional income through the promotion and processing of local products such as honey and saffron;
- projects to improve production processes in the plant and animal sectors and to train operators in the best techniques for increasing their productivity and the value of their production. Products supported include cattle meat and milk, olives and dates.
- environmentally friendly initiatives, as irrigation projects changing from diesel to solar water pumping systems (1.800 in 2015).

The results achieved by the *Tamwil El Fellah* system have been recognized in Morocco and in countless international contexts.





In the framework of the new initiatives promoted by the United Nations and the international community to strengthen family farming and to promote the transition to agroecology principles and methods, the experience of *Tamwil El Fellah* represents an important example for adapting the interventions of the financial institutions to meet the needs of small farmers and the most disadvantaged agricultural communities so that they can participate as protagonists in these new challenges.

### To know more

[News in Maroc-diplomatic.net](http://News in Maroc-diplomatic.net)

[Tamwil El Fellah website](http://Tamwil El Fellah website)

[Tamwil El Fellah-Centre Ouest in Facebook](http://Tamwil El Fellah-Centre Ouest in Facebook)

[Brochure in foundation-farm.org](http://Brochure in foundation-farm.org)

[Innovations for inclusive agricultural finance and risk mitigation mechanisms- 2016 FAO](http://Innovations for inclusive agricultural finance and risk mitigation mechanisms- 2016 FAO)

[Article in ideas4development.org](http://Article in ideas4development.org)

[Brochure in aaainitiative.org](http://Brochure in aaainitiative.org)

[Article in leseco.ma website](http://Article in leseco.ma website)

[Article in leseco.ma website 2019](http://Article in leseco.ma website 2019)

[Article in findevgateway.org](http://Article in findevgateway.org)

[Article in maroc-hebdo.press.ma](http://Article in maroc-hebdo.press.ma)

[Article in portailsudmaroc.com](http://Article in portailsudmaroc.com)

[Article in efma.com](http://Article in efma.com)

[Fellah-trade.com GCAM website](http://Fellah-trade.com GCAM website)



**Tamwil El Fellah**  
Société de Financement pour le Développement Agricole

**La banque du pilier solidaire du Plan Maroc Vert**

Conscient de l'importance économique et sociale des petits agriculteurs, Fidèle à sa mission de service public et à son rôle d'accompagnement du Plan Maroc Vert, Soutiens de soutenir les agriculteurs qui ne sont éligibles ni au micro crédit, ni à la banque traditionnelle; Le Groupe Crédit Agricole du Maroc, crée Tamwil El Fellah, Société de Financement agréée par Bank Al Maghrib, Tamwil El Fellah est destinée à accompagner les programmes spécifiques du Pilier du développement solidaire du Plan Maroc Vert.

