July 27, 2012

International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Loan No. 8182-MA
(Micro, Small and Medium Enterprise Project)
Performance Monitoring Indicators

Dear Sirs and Mesdames:

Referring to the provisions of Section II.A of Schedule 2 to the Loan Agreement between the Kingdom of Morocco (Borrower) and the International Bank for Reconstruction and Development (Bank) for the above-captioned Project, the Borrower hereby confirms to the Bank that the indicators set out in the attachment to this letter shall serve as a basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objectives thereof.

Very truly yours,

KINGDOM OF MOROCCO

By: 
Authorized Representative

Attachment
## Development Objective (PDO): To improve access to finance for micro, small and medium enterprises in the MENA region.

### Level Results Indicators*

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Other Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Increase in total no. of MSME loans of PFIs</td>
<td>%</td>
<td>0*</td>
<td></td>
<td>Annual</td>
<td>BAM</td>
<td>CCG</td>
</tr>
<tr>
<td>2: Increase in the volume of outstanding MSME portfolio of PFIs (MAD million)</td>
<td>%</td>
<td>0*</td>
<td></td>
<td>Semi-Annual</td>
<td>CCG</td>
<td>CCG</td>
</tr>
</tbody>
</table>

### Intermediate Results

#### Enhanced Outreach to SMEs: For Financing through Risk Sharing Facilities for MSMEs

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>'Increase in nr of MSME loans covered by guarantees'</td>
<td>%</td>
<td>0*</td>
<td></td>
<td>Semi-Annual</td>
<td>CCG</td>
</tr>
<tr>
<td>'Increase in volume of MSME portfolio covered by guarantees (MAD million)'</td>
<td>%</td>
<td>0*</td>
<td></td>
<td>Semi-Annual</td>
<td>CCG</td>
</tr>
<tr>
<td>'Increase in nr of loans for start-ups covered by guarantees'</td>
<td>%</td>
<td>0*</td>
<td></td>
<td>Semi-Annual</td>
<td>CCG</td>
</tr>
<tr>
<td>'Increase in volume of loans for SME start-ups covered by guarantees (MAD million)'</td>
<td>%</td>
<td>0*</td>
<td></td>
<td>Semi-Annual</td>
<td>CCG</td>
</tr>
<tr>
<td>'Increase in nr of investment loans for existing SMEs covered guarantees'</td>
<td>%</td>
<td>0*</td>
<td></td>
<td>Semi-Annual</td>
<td>CCG</td>
</tr>
<tr>
<td>'Increase in volume of investment loans for existing SMEs (MAD million)'</td>
<td>%</td>
<td>0*</td>
<td></td>
<td>Semi-Annual</td>
<td>CCG</td>
</tr>
<tr>
<td>Intermediate Result indicator</td>
<td>%</td>
<td>0*</td>
<td>0%</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>--------------------------------</td>
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<td>----</td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td>Increase in nr of loans for very small enterprises covered by guarantees</td>
<td>%</td>
<td>0*</td>
<td>0%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Increase in volume of loans very small enterprises covered by guarantees (MAD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The baseline figures for all indicators will be as of 31 December 2011.