

ANNUAL
REPORT

2014



FONDATION
PHOSBOUCRAA



His Majesty King Mohammed VI May God Glorify Him

SUMMARY



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ABOUT THIS REPORT

The Phosboucraa Foundation is publishing its annual report for the first time. This first report covers the period from January 1 to December 31, 2014, and addresses our commitment to the Southern regions, our goals, and our achievements in the following five strategic priorities: agricultural development, social development, sports and culture, entrepreneurship, and urban development.

PHOSBOUCRAA FOUNDATION

Created in May 2014, the Phosboucraa Foundation carries out the social commitment of OCP Group and its subsidiary Phosboucraa in three Southern regions of the Kingdom: Guelmim-Oued Noun, Laayoune-Sakia El Hamra and Dakhla-Oued Ed-Dahab.

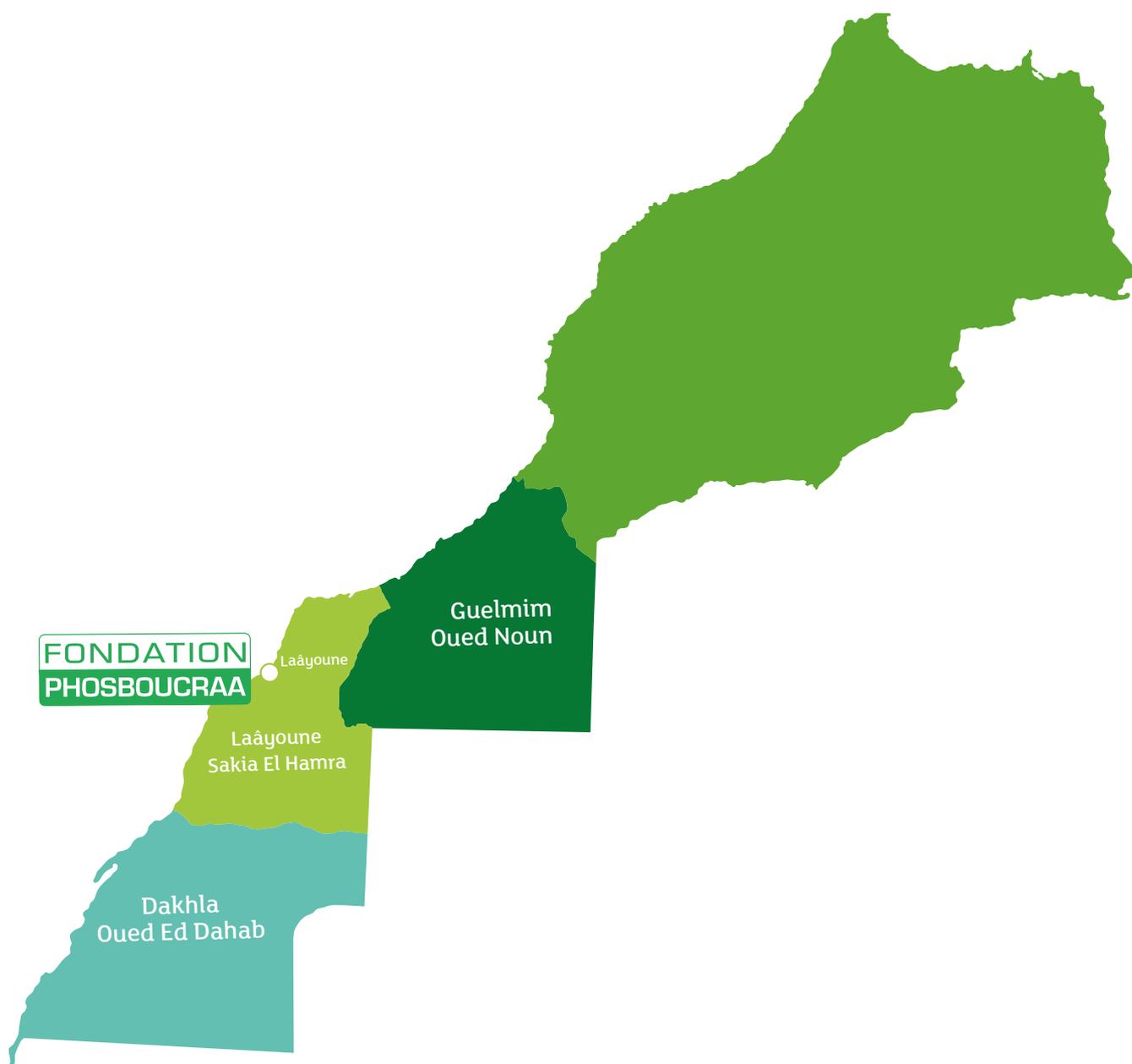
Founded in 1962 by Spain's National Institute of Industry, Phosboucraa became a full subsidiary of OCP Group in 2002.

Phosboucraa is active in the extraction, processing, transportation, and marketing of phosphate ore from the Boucraa site, with reserves estimated at 1.6% of national reserves, and a total production capacity of 2.6 million metric tons per year.

For its part, OCP Group reserves a significant portion of its investments for the development of Phosboucraa's activities in order to ensure the long-term viability of the Boucraa reserves, diversify its product portfolio, and contribute actively to the socio-economic development of the Southern regions.

This strategy defines the vision and purpose of the Phosboucraa Foundation, which works relentlessly in order to build a better future for the people of the Southern regions. Through its integrated civic approach, the Phosboucraa Foundation initiates and implements hands-on socio-economic development projects to benefit the most vulnerable populations.

Based in Laayoune, it prioritizes the creation of sustainable jobs to combat marginalization, social inequality, and food insecurity.



2014 IN BRIEF





SAHARAN AGRICULTURE PROGRAM



3

Studies to assess the obstacles and opportunities to explore



5

Project sheets finalized and approved



2

Strategic partnership agreements finalized and signed

SPORTS AND CULTURE PROGRAM

5 initiatives launched to strengthen the capacities of local contributors.

Entrepreneurship Program:



100

ENACTUS students mobilized



150

income-generating projects created



200

trainers trained.



3,000

young entrepreneurs mobilized

SOCIAL DEVELOPMENT PROGRAM

Education



60

Associations trained for certification



43

Scholarships for Excellence awarded to young people for the year 2014/2015



118

STUDENTS TRAINED IN THE SKILLS ACQUISITION PROGRAM



19

Associative projects initiated by associations that were trained in the Skills Center to benefit various communities.

Health



56

Surgical interventions



690

Beneficiaries of specialized medical consultations



22

Doctors and nurses mobilized

BUILDING A BETTER FUTURE







**THE PHOSBOUCRAA
FOUNDATION
AIMS TO INITIATE, SUPPORT,
AND FUND DEVELOPMENT
PROJECTS
AND LONG-TERM
SOLIDARITY ACTIONS
FOR THE BENEFIT OF
VULNERABLE POPULATIONS.**

To be closer to its target populations and ensure the success of each of its actions over the long term, the Phosboucraa Foundation has many regional branches and contributes to the economic and social development of the Southern regions through a comprehensive and participatory process combined with an integrated civic approach. In this way it mobilizes all the stakeholders and expertise required through long-term partnerships.

Its actions converge around five major development priorities that are interrelated:



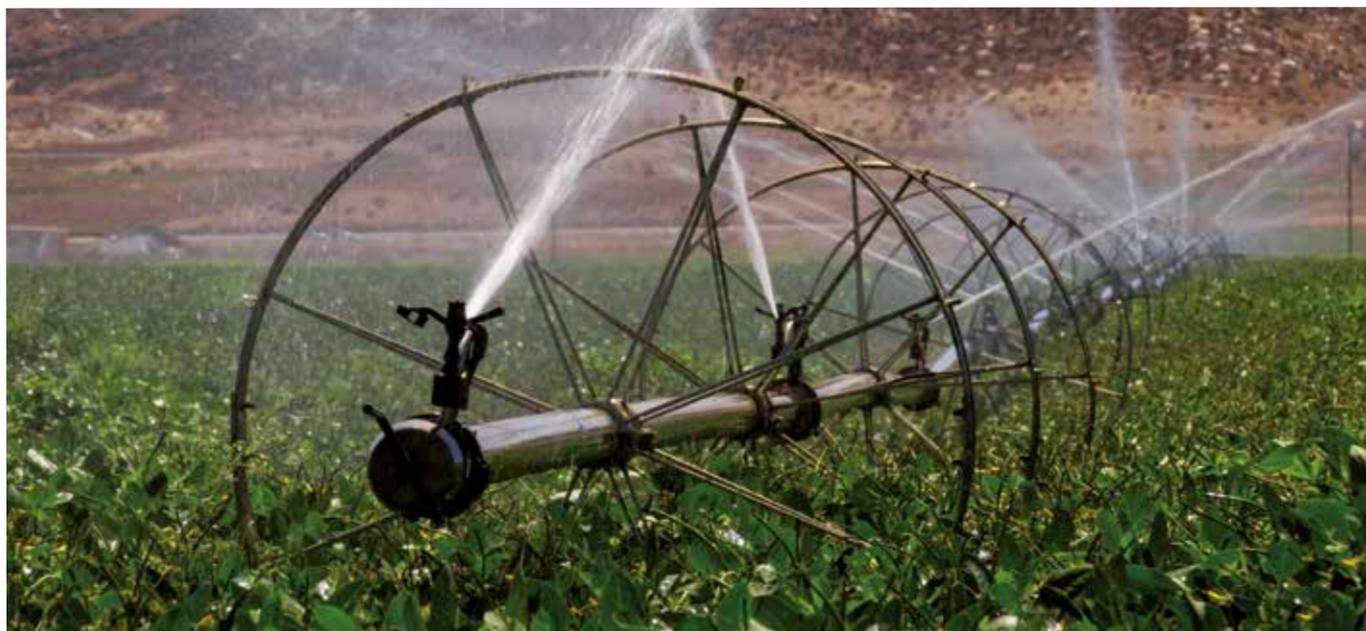
SAHARAN AGRICULTURE PROGRAM





PROMOTING SUSTAINABLE AGRICULTURE IN THE SOUTHERN REGIONS

Through integrated development projects, the Saharan Agriculture Program is designed to improve the income and living conditions of small-scale farmers and to strengthen food security in the Southern regions and around the world.



Goals

Pilot and establish economic and social development activities in the agricultural sector through:

- the creation of specific vulgarization and support activities
- the promotion of best practices in farming and livestock breeding that respect the environment
- the development of the value chain around several sectors
- efficient management of natural resources (rainwater, farmland, pastureland, and biodiversity)
- the development of strategic partnerships in Morocco and around the world with respect to sustainable, sound Saharan agriculture

Targets

- Small-scale farmers and livestock breeders
- Rural communities

2014 ACTIONS

During the second half of 2014, the Foundation focused on on-the-ground visits and consultations with potential local partners and beneficiaries.

Four projects will be conducted starting in 2015:

1 - Improvement of the income and living conditions of small-scale farmers in the irrigated perimeter of Foum El Oued - Laayoune

The first project consists of improving the income and living conditions of small-scale farmers in Foug El Oued by removing natural and technical barriers that affect yields.

2 - Production of silage from fresh produce by-products

Through this project, the Phosboucraa Foundation provides small-scale farmers and professional organizations with the expertise and technology required to create quality silage for animal feed, using by-products from fresh produce that

would otherwise be destroyed.

3 - Camel health campaign

In response to constraints that affect camel health, the Phosboucraa Foundation launched a major health campaign to combat camel diseases that have a negative economic impact on the region and to improve productivity and profitability.

4- Phosboucraa Agricultural Caravan

Launched in 2014 and designed to educate small-scale livestock breeders and farmers, the Phosboucraa Agricultural Caravan will travel across the Southern regions in 2015 to educate the target population on dromedary breeding.

700M+ SOUTHERN AGRICULTURE CARAVAN

The Agriculture Caravan was set up to raise awareness among small-scale livestock breeders and farmers. It will travel across the Southern provinces to raise awareness and train the target population.

The theme will be dromedary breeding and will address nutrition, health, hygiene, and genetics. In total, it will reach more than 600 small-scale livestock breeders and farmers.





STRATEGIC PARTNER-SHIPS

- Agreement with INRA on a cooperative program
- Agreement with the IAV Hassan II on a cooperative program
- Meeting with the Bio-Industry Wallent Center and principle agreement for collaboration in the production and promotion of gum arabic and in the processing and promotion of camel milk
- Ongoing contact with the International Center for Biosaline Agriculture (ICBA) for its involvement in the agricultural development project in Foug el Oued, Laayoune

SOCIAL DEVELOPMENT PROGRAM





PROMOTE THE WELL-BEING OF OUR COMMUNITIES

The social development program helps improve the standard of living of the most vulnerable people, especially by giving young people the means to achieve personal autonomy. This involves improving their skills, developing their talents and promoting innovation and civic involvement.



Goals

- Help strengthen teaching capacity
- Encourage an entrepreneurial spirit
- Equip schools with dedicated cultural and athletic spaces adapted to local realities
- Help improve access to care
- Help train and develop medical and paramedical workers
- Strengthen basic medical facilities

Targets

- Children and young students
- Vulnerable people

2014 ACTIONS

EDUCATION

Scholarships for Excellence

Because helping young people in their development is vital, the Phosboucraa Foundation has granted scholarships for the 2014-2015 school year in order to encourage merit and excellence among youth in the Southern regions so they can access nationally and internationally recognized institutions.

This program selects scholarship students through an internal commission, covers their tuition, and provides a monthly allowance for living, purchasing a computer, and school transport fees.



700M+ ACTIVITIES OF THE LAAYOUNE LEARNING CENTER

Guided by its values of responsibility and solidarity, the Phosboucraa Foundation created the Learning Center of Laayoune in order to develop the skills and encourage the creativity and entrepreneurship of people in the South.

This project includes three components:

Support for Associations Path

More than 75 beneficiary associations received training in setting up projects and financial management. Following this training, 19 associative projects in the form of 73 planned activities to benefit the different target communities were retained by the Center's selection committee.

Support for Cooperatives Path

Following a selection process, a local partner was chosen to support cooperatives. Following a report on the state of support for cooperatives established by the partner and a call for applications launched in August 2014, 149 cooperatives responded. Only 25 met the pre-established criteria.

These cooperatives break down as follows:

9 **1** **15**

Agricultural cooperatives

Multisectoral cooperatives

Artisanal cooperatives

Intensive Skills Acquisition Program

Launched on July 4, 2014, to improve the integration of recent graduates, the program was designed to encourage young people in the Laayoune region, especially winners of the OFPPT and those who have passed the baccalaureate exam, to join the Laayoune Learning Center and take classes in the Classic SKILLS ACQUISITION Program.

Of the 135 students who joined, 118 completed the training (14 weeks).

Furthermore, a listening and orientation session was held for all beneficiaries to inform them of the center's various services and the goals of the SA Program.

The modules

The program is divided into 7 modules:

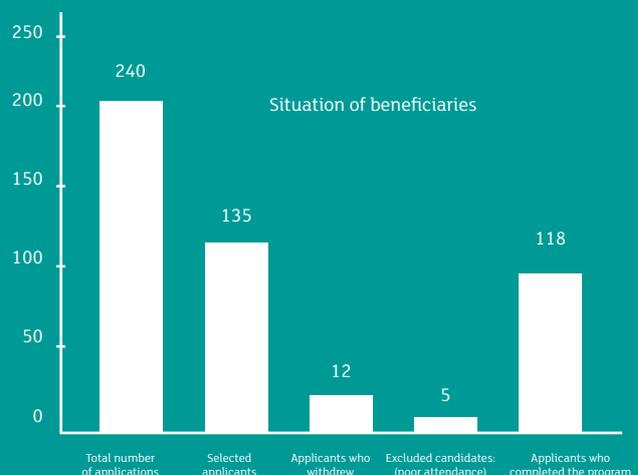
- Job search techniques (24 hours)
- Personal development (18 hours)
- English and French (48 hours: 24 hours for each module)
- Communication techniques (12 hours)
- Computer science (24 hours)
- Music (12 hours)
- Introduction to entrepreneurship

Participants are evaluated at the end of each module and generally show motivation and improvement in their skills.

On the basis of their performance on their end-of-module tests in French and English and their attendance, 76 students received a free pass on the two TOEIC and TFI tests.

TOEIC: 34 students

TFI: 42 students



HEALTH

Medical caravan in Guelmim

The Phosboucraa Foundation helps improve access to care and develop complementary health services to strengthen the healthcare system of the Southern regions. With this in mind the Foundation created the Medical Caravan from November 25 to 29, 2014, a period marked by the flooding that affected the province of Guelmim.

Thanks to this initiative, 56 surgeries and consultations

were performed for the population in partnership with:

- The OCP Foundation,
- the Medical Caravan Association (22 surgeons and nurses),
- the Mountada Al Madina Association (local association)
- the Regional Health Directorate and the Provincial Health Delegation.

Surgical procedures (Guelmim Regional Hospital):



56
surgical
interventions

21

Child surgeries

(ectopic testes, hydrocele, inguinal hernia, umbilical hernia, etc.)

09

Gynecology and obstetrics

(Caesareans, ovary cysts, etc.)

21

Abdominal surgeries

(gallstones, hernias with insertion of plates, etc.)

10

Ultrasounds

(abdominal, pelvic, cervical, etc.)

05

ENT surgeries

(tonsillectomy, adenoidectomy, thyroglossal cyst, cleft lip, etc.)

Specialized medical consultations



214
Patients consulted

43

Abdominal surgeries

62

Pre-anesthesia consultations

36

ENT

46

Child surgeries

27

Gynecology

Education regarding oral hygiene for 54 cases (inmates at the local Guelmim prison)

Medical consultations with medication distributed for



475

patients (Diagnostic Center of the Guelmim RHC)

CULTURE AND SPORTS PROGRAM





PROMOTING SPORTS AND CULTURE

Through this program, the Phosboucraa Foundation aims to promote cultural and sports projects intended for the Southern regions and promote national heritage.

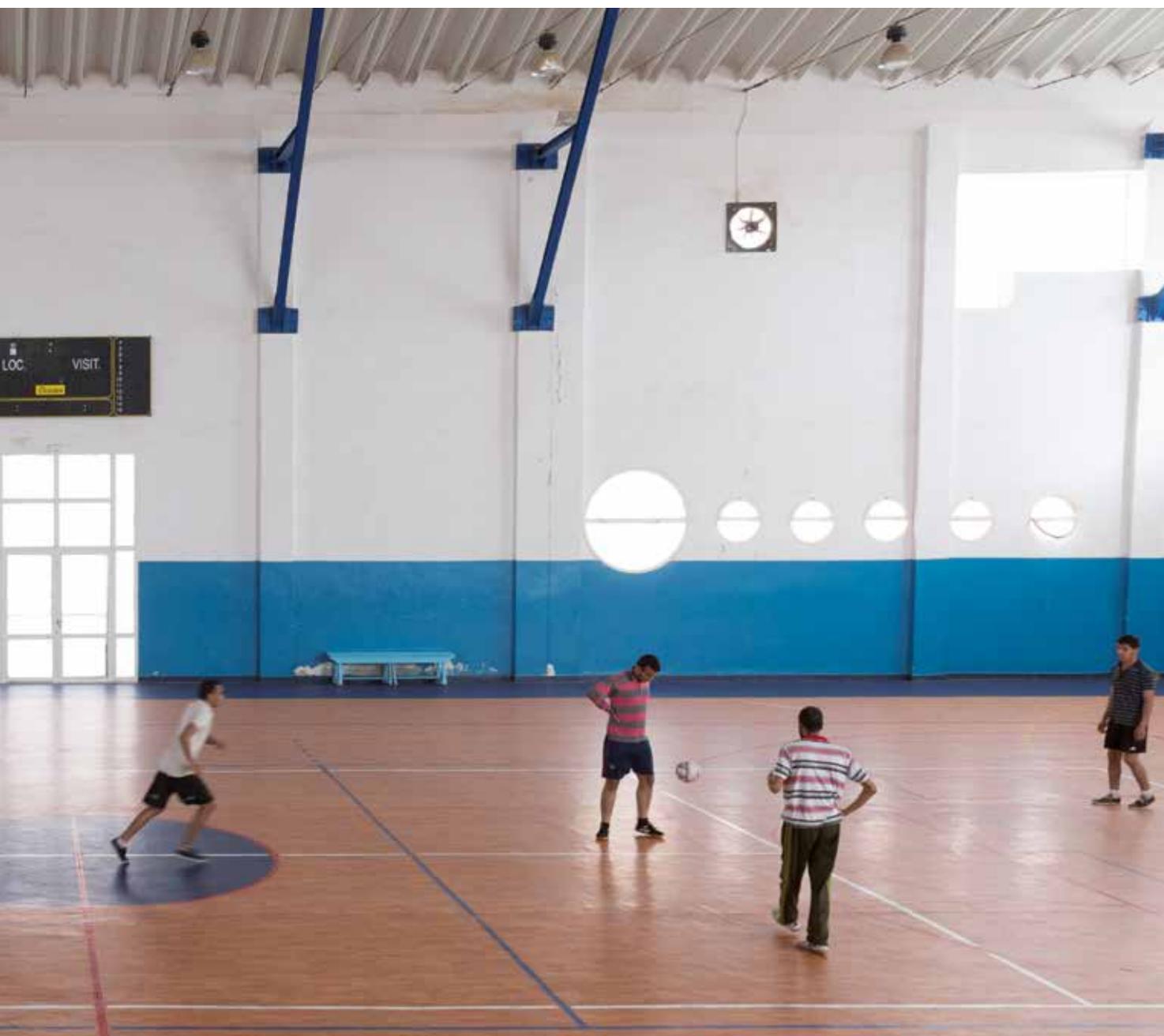


Goals

- Contribute to the rehabilitation of historical sites
- Support for contemporary artistic creation
- Promote literary creation and production
- Provide training for audiovisual careers
- Promote community sports
- Help upgrade sports infrastructure
- Promote talent in the areas of art and learning

Targets

- Children, youth, and adults
- Disadvantaged neighborhoods
- Institutions and cultural organizations



URBAN DEVELOPMENT PROGRAM





REVITALIZE THE AREA

The Phosboucraa Foundation works to revitalize the Southern regions through income-generating projects with a strong economic and social impact.



Fom El Oued Technology Cluster site plan

Goals

- Economic development of the Southern provinces
- Creation of high value-added jobs

Targets

- Students
- Young entrepreneurs
- Institutions and organizations

FOUM EL OUED TECHNOLOGY CLUSTER PROJECT

With the ambition of becoming the first living laboratory for sub-Saharan experimentation and creation, the Foum El Oued technology cluster is designed to support the economic development of the Southern regions by establishing a technological and cultural hub with regional, national, and international reach.

Located in Foum El Oued, 18 km from the city of Laayoune, the Technology Cluster is spread out on the area's Atlantic coast, over nearly 126 ha. between ocean and desert. The technology cluster meets the following goals:

- Supporting the region's economic development

2014 ACTIONS

- Identification of the technology cluster's program elements;
- Implementation of the summary Master Plan on the 126 ha. area with land use designation;
- Validation of the program for the expansion project;
- Development of the zoning plan for phase 2;
- Launch of topographical, geotechnical, and climactic studies;
- Launch of the consultation for the urban development study of phase 1 of the project;

(business incubator, business center, etc.)

- Democratization and professionalization of culture (museum, school, commercial, and artisanal)
- Improving the infrastructure of the region (health, hotels, leisure, etc.)

THE TECHNOLOGY CLUSTER IS MADE UP OF:

- A center of teaching and research excellence (higher education, preparatory classes, School of Excellence, etc.)
- An international technology center that focuses on the issues related to the desert and the ocean (renewable energy, arid agriculture, water, etc.)

- Launch of the consultation for the vocation study;
- Launch of the consultation for the programming study;
- Launch of the consultation for the environmental impact study and the silting and flooding study;
- Selection of the provider for the urban planning study.



700M⁺ COOPERATION AND SUPPORT OF ALL STAKEHOLDERS IN THE PROJECT

As part of the Laayoune Technology Cluster project, the Foundation led many work sessions with the different project stakeholders in order to take into consideration their opinions and recommendations. The actions undertaken received the full support of:

- the Wilaya of Laayoune-Boujdour-Sakia El Hamra
- the Urban Agency of Laayoune
- the town of Fom El Oued
- regional technical services: Equipment, meteorology



**January
2015**

Launch
of technical
studies

**April
2015**

Launch
of urban
studies

**June
2015**

Finalization
of technical
studies

**July
2015**

Filing of the
subdivision
permit
Calls for bids
for construction
launched

Provisional schedule

2014 FINANCIAL REPORT





INCOME STATEMENT

The 2014 financial year presents balanced finances. No surplus or deficit has been found.
The Foundation's resources are allocated by Phosboucraa S.A. in the form of a grant for the amount of

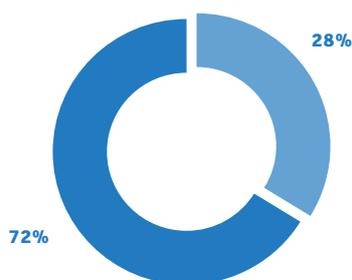
Resources that were not used this financial year
14,332,773.81 MAD

20 billion MAD

Total expenses 2014
5,667,226.19 MAD

Nature	Operations specific to 2014 financial year
OPERATING INCOME	-
• Contributions	-
• Gifts, bequests, and donations	20,000,000.00
• Other operating income	-
• Operating write-backs; expense transfers	-
• Carryover of unused resources from previous years	-
TOTAL I	20,000,000.00
OPERATING EXPENSES	-
• Cost of goods sold	-
• Cost of supplies and consumable materials	-
• Other external expenses	5,667,226.19
• Taxes	-
• Personnel expenses	-
• Other operating expenses	-
• Operating appropriations	-
• Commitments on designated resources	14,332,773.81
TOTAL I	20,000,000.00
OPERATING SURPLUS (I-II)	-
FINANCIAL SURPLUS (IV - V)	-
CURRENT SURPLUS (III + VI)	-
NON-CURRENT SURPLUS	-
SURPLUS / DEFICIT	-

DETAILS OF EXPENSES



Expenses used in the 2014 financial year

Expenses used in the 2014 financial year		5,667,226.19
Rent and rental expenses		211,250.00
Staff seconded from OCP SA		2,411,267.38
External consultant fees		918,432.00
Travel, missions, and receptions		6,002.80
Telephone costs and bank charges		3,194.01
2014/2015 Scholarship for Excellence program		2,117,080.00
Expenses carried forward to later years		14,332,773.81
2014 GRANTS TOTAL		20,000,000.00

ASSETS

The Foundation does not yet have any tangible or intangible fixed assets.

The Foundation has financial receivables on the order of

65,000 MAD

The value of cash assets is

19,174,857 MAD

The Foundation incurred a number of expenses for the year 2014 for operational needs and to set up the Scholarship for Excellence program.

ASSETS	2014 FINANCIAL YEAR
START-UP AND DEFERRED EXPENSES (a)	-
INTANGIBLE ASSETS (b)	-
TANGIBLE ASSETS (c)	-
FINANCIAL ASSETS (d)	65,000.00
Asset loans	-
Other financial receivables	65,000.00
EXCHANGE DIFFERENTIAL - ASSETS	-
TOTAL I (a + b + c + d + e)	65,000.00
STOCKS (f)	-
RECEIVABLES RELATED TO CURRENT ASSETS (g)	-
SECURITIES AND INVESTMENT VALUE (h)	-
EXCHANGE DIFFERENTIAL - ASSETS (I)	-
TOTAL II (f + g + h + i)	-
CASH ASSETS	-
Checks and value awaiting cashing	-
Banks, T.G & CP	19,174,857.00
Cash, imprest accounts and letters of credit	-
TOTAL III	19,174,857.00
GRAND TOTAL I + II + III	19,239,857.00

LIABILITIES

An agreement has been established to determine the use of the grant allocated to the Foundation per project. The Foundation incurred a number of expenses for the year 2014 for operational needs and to set up the Scholarship for Excellence program.

LIABILITIES	2014 FINANCIAL YEAR
ACCUMULATED SURPLUS	-
OTHER ACCUMULATED SURPLUS	-
DEBT FROM FINANCING	-
LONG-TERM PROVISIONS FOR RISKS AND EXPENSES	-
DEDICATED FUNDS	14,332,773.81
BURDENED ASSETS	-
TOTAL I	14,459,416.96
CURRENT LIABILITIES	4,907,083.19
SUPPLIERS AND RELATED ACCOUNTS	2,790,003.19
STAFF & SOCIAL ORGANIZATIONS	-
STATE	-
ACCOUNTS OF ASSOCIATES	-
USERS	-
OTHER RECEIVABLES	2,117,080.00
ADJUSTMENT ACCOUNTS - LIABILITIES	-
OTHER PROVISIONS FOR RISKS AND EXPENSES	-
TOTAL II	4,907,083.19
CASH LIABILITIES	-
TOTAL III	-
TOTAL I + II + III	19,239,857.00

PHOTO CREDITS

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