
EBRD backs programme to develop high-quality hospitals in Egypt and Morocco

Funding delivered via “Commodity Murabaha” Islamic finance package

www.ebrd.com/news

Date: 17/02/2020

Tags: #EBRD, #Egypt, #Morocco

Contact: Nibal Zgheib

Translation: [Arabic](#)

Tel: +44 207 338 7753

Email: nibal.zgheib@ebrd.com

Twitter: [@nibalzgheib](https://twitter.com/nibalzgheib)

- **First EBRD financing under a “Commodity Murabaha” compliant with Islamic law**
- **EBRD supporting hospital projects in Egypt and Morocco**
- **EBRD contributes US\$ 20 million to US\$ 125 million facility arranged by IFC**

The EBRD is supporting the development of high-quality hospitals in Egypt and Morocco, teaming up with other international financial institutions to deliver funding under an Islamic finance structure, also known as a “Commodity Murabaha”, that the Bank is using for the first time.

A financing facility worth a total US\$ 125 million will be used for investments by the Al Batterjia Medical SAE group to develop one greenfield general hospital in Alexandria, in Egypt, and another in Zenata, Casablanca, in Morocco.

The International Finance Corporation (IFC) led the structuring of the “Commodity Murabaha” financing, which comprises US\$ 20 million from the EBRD, US\$ 61.25 million from the OPEC Fund for International Development, US\$ 18.75 million from the Finnish Fund for Industrial Cooperation and US\$ 35 million from the IFC itself.

The project aims to improve the quality of hospital services in both Egypt and Morocco beyond the current standards. The facilities will benefit from internationally recognised certification, which is a rarity in these two countries.

Egypt and Morocco, like other economies in the southern and eastern Mediterranean region, suffer from a low penetration of high-quality healthcare, against a backdrop of fast-growing populations.

In addition to raising the quality of available healthcare, the developers are also committed to delivering high standards of efficiency in the use of energy, water and construction materials.

This is the first time the EBRD has used a Commodity Murabaha, which is just one of many financial products that are compliant with Islamic law.

A Murabaha transaction is a multilateral sale arrangement whereby the financier – equivalent to the lender – purchases existing commodities from a supplier and immediately resells them to its client – equivalent to the borrower – on terms that provide for deferred payment.

The deferred payment is calculated as the original purchase price of the commodity plus a premium to include the financier's profit margin.

The EBRD started operating in the southern and eastern Mediterranean region in 2012 and to date has invested more than €11 billion in 255 projects in Egypt, Jordan, Lebanon, Morocco and Tunisia.