



Al Akhawayn University | Activity Report
2009

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Executive Summary

The 2009-2010 academic year at Al Akhawayn University has been a vintage year in many ways. A total of 1,569 students have enrolled, representing a 10.7 percent rise over last year and a record high in both absolute terms and as a percentage. The third of these students benefit from some sort of financial aid, with 227 on merit scholarships. Admission criteria remain relatively strong. Of 1,400 applicants, only 200 were admitted in the fall 2009. High-quality faculty, good student-to-faculty ratios, excellent learning conditions, and careful monitoring by the freshmen committee have all combined to achieve an excellent retention rate. 90 percent of students obtain their degrees from the university while success rate averages 93 percent. The rapid success of our graduates in the labor market and in professional life is evidence of the soundness of the university's educational model and its strategic choices.

The increase in student numbers was accompanied by the expansion of infrastructure. In addition to a new residence on campus, completed in 2006, the university has acquired a residential building in downtown Ifrane to strengthen its accommodation capacity. Meanwhile, the new Student Center opened its doors in early fall 2009 to allow more space for student activities, seen as a fundamental pillar in the training and shaping of graduates. The declared objective of reaching 2,000 students by 2015 calls for a sustained effort to provide new buildings to house students and staff, as well as classroom and laboratory space.

In the field of scientific and technical research, the university has strengthened its leadership in implementing IT solutions in local administrations and won contracts to extend them to the local administrations of other cities in Morocco. Similarly, the CITI project, financed by the Korea Development Agency (KOIKA), allowed for the development and testing of online course material in physics, chemistry, mathematics,

biology, and geology for Moroccan middle schools, based on new educational technology. On the other hand, the university has also managed to mobilize 49 million dirhams to fund research and development, including a project on solar and wind energy, funded by NATO, and two other projects on water and forest resources management, funded by the Canadian Research Center for International Development (IDRC).

It is also worth noting the substantial increase in the volume of continuing education the university delivered. The Executive Education Center has signed three major training contracts with the Ministry of the Interior to train over 1400 of its middle- and upper-level managers in 22 topics, which represents a 75 percent increase over 2009. AUI has also signed a training agreement to accompany the same Ministry's process of decentralization and regionalization, as well as an important training program with the Ministry of Education to train school leaders in technology use for education in a number of academies.

To strengthen its quest for excellence, the university has embarked on a process of international accreditation. Thus, the Language Center of Al Akhawayn University received accreditation from the Commission on Accreditation of English Language Programs, becoming the first Language Center in Africa to gain such recognition. The School of Business Administration and the School of Science and Engineering are also engaged in similar processes with international accrediting bodies. Similarly, the university as a whole is committed to an institutional accreditation process with the New England Association of Schools and Colleges. An eligibility report has been submitted and accepted.

The university also continues to work for economic and social development in the region, namely through the Azrou Center for Community Development (literacy, training, medical services, etc.) as well as student-run programs for community service (Hand in Hand, Rotaract).

Financially speaking, results over the past three years confirm the university's financial stability, and that the increase in student numbers is key to balanced accounts. As with previous years, the accounts of 2008-2009 have been audited and

certified by external auditors and approved by the Board of Trustees in its meeting on June 12, 2010. The income and expenses account for 2009-2010 will show net profits for the fourth year running, possibly of 16 million dirhams, almost twice as much as in 2008-2009, which clearly bodes well for the future of the university and the achievement of its objectives.

A. Academic Report

Given the rapid and profound changes brought to bear on its immediate environment, the university has conducted a positioning study and set up a strategic plan for its development over the coming years. Prepared by members of the Board of Trustees and experts from the University of Texas and George Washington University, the study emphasizes the importance of the original strategic choices of the university, namely, the relevance of his educational and administrative model, the use of English as a language of instruction, and the quest for quality and excellence. The competition looming on the horizon seeks to emulate the university's example, thus confirming the need for the university to capitalize on its achievements to maintain its position of leadership as the partner of choice for international universities.

The university has implemented a development plan to strengthen its American educational model through the increased internationalization of its faculty, administration, and students by recruiting more internationals and ensuring the quality of its programs and processes.

To further strengthen its leadership and diversify its academic offerings in contribution to the various national development plans, three new Master's programs in supply chain management, information systems security, and sustainable energy management will be implemented during the academic year 2010-2011.

Accreditation & Quality Assurance

Achieving accreditation at the institutional and academic programs level is one of the strategic goals of the university, as confirmed by the University Strategic Plan for the years 2010-2014. Following submission of a revised Eligibility Report to the New England Association of Schools and Colleges (NEASC), the university is now looking forward to the initial site visit in Fall 2010. In parallel to the institutional accreditation attempted by the university, three initiatives have been launched by schools and centers towards earning accreditation of their respective programs by specialized agencies, such as the Commission on English Language Program Accreditation, (C.E.A.) for the Language Center, the Accreditation Board of Engineering and Technology (ABET) for the School of Science and Engineering and European Program Accreditation System (EPAS), for the School of Business Administration.

Having gained renewed impetus through a two-year exercise working on Quality Management in Higher Education in collaboration with the UNESCO Chair of Quality Management, various schools and departments have engaged in the process of conducting an overhaul of some of their internal policies and procedures in a bid to align them with accreditation requirements.

Governance

Since the reinvigoration of the Academic Council in 2007, the Council has held no less than seven regular and extraordinary meetings to discuss and eventually validate a series of documents related to university governance.

A. Teaching and Research

Despite the stiff competition for qualified international faculty, the university has been able to attract quality faculty. The total number of international faculty has also

increased by 2 percent (41 percent against 39 percent last year). The number of full-time faculty has also risen by a further 5.5 percent over the previous year, being a net increase of nearly 19 percent over the last two years, while the number of part-time faculty has stabilized around the previous year's figure. The university's full-time faculty comprises 13 nationalities, about 60 percent of whom come from Morocco and the remaining 40 percent are international. About 26 percent of international faculty comes from North America. Close to 10 percent represent the Asian continent, while the rest of the world accounts for less than 4 percent.

Diversification and Enhancement of Academic Offerings

Over the past year, the Center for Academic Development (CAD) has successfully achieved the transition to the new three-module format, initiated earlier as part of the University Common Core (UCC) review and destined to equip students with the study and thinking skills necessary for both academic and personal development. A complete evaluation was carried out among students and various university components through surveys and focus groups that showed the students' overall satisfaction with course material, teaching methodology, and assessment methods, and reaffirmed the strategic importance of CAD and the immense significance of the skills covered by the new CAD courses. In its efforts to enhance written communication skills, the university has launched "Writing Across the Curriculum," (WAC) a university-wide project aimed at integrating writing into the various disciplines taught at the university. Three new masters programs in Supply Chain Management, Information Systems Security, and Sustainable Energy Management will be offered next year.

Research

Al Akhawayn University continues to promote quality research in various scientific and technical fields. Following the 60 percent rise in faculty allowances for conference attendance and increased funding for research grants, the university has continued to encourage researchers by providing a 57 percent increase of the budget of the seed

money program from 700,000 dirhams to 1,625,000 dirhams. In addition to AUI funding, research faculty have been able to secure local and international grants from the National Endowment for Democracy, the CNPq (Brazil), the Ministry of Social Development, Family and Solidarity, the International Studies Association, the EU, the Ministry of the Interior, the Department of Forestry, IDRC , NATO, and USAID through Creative Associates.

To reflect the growing importance of research, a new position of Associate Vice President for IT and Research has been established with a view to overseeing the implementation of the university's research vision and promoting research capabilities and consulting.

The School of Science and Engineering has secured 49 million dirhams to fund ongoing R&D projects. It has been able to diversify its research foci by launching a project on solar and wind energy, funded by NATO, and two projects on water management and forest natural resources, funded by IDRC, totalling 13 million dirhams with the participation of faculty from the other two schools. A major project funded by Korean Development Agency (KOIKA) has produced online courses in physics, chemistry, mathematics, biology, and geology for Moroccan middle schools.

The School of Humanities and Social Sciences has launched the Leadership Development Institute and participated in the Harvard College Students in Africa Initiative, sending 10 SHSS students to Harvard in February and receiving 10 Harvard students on campus in March 2010. School faculty members have been very active in research, conference attendance and publication. They attended 20 academic conferences or workshops, 14 of which were abroad; published 14 articles in peer-reviewed academic journals; contributed two entries to specialized encyclopedias, and launched two full-fledged academic monographs. In addition, some have lectured at foreign universities (Emory, Boston, Middlebury, Leiden, Jeddah), while others have participated in various capacities in the activities of important international organizations: OSCE and various UN missions. Since summer of 2009 SHSS has been involved in funded research on legislation to combat street begging for Morocco's *Ministère du Développement Social, de la Famille et de la Solidarité*.

The Institute for Economic Analysis and Prospective Studies (IEAPS) has continued its research endeavors and has introduced new projects and publications, in addition to the development and updating of a number of databases related to Morocco. Current research focuses on “Local Development,” “The New Economy of the Brain Drain,” “North-South Development and Migration Flows,” and the “Interdependence between Health, Education and Poverty and its Role in Accelerating the Economic and Political Integration of the Southern Mediterranean countries.”

Partnerships & Development

The university has reinforced its relationships with prestigious institutions and with universities in the Middle East. The Islamic Development Bank (IDB) funded a workshop on knowledge sharing organized at AUI in November 2009, and has designated the university as a Center for Excellence for science and technology that will provide training in these disciplines for other Islamic countries.

During the Spring semester, the university hosted a series of visits by senior American college leaders (Presidents and Vice Presidents) from the Global Liberal Arts Alliance (GLA). Several working sessions were scheduled with various departments and services on a wide range of issues related to university management, accreditation and student life. These visits further strengthen the University’s position as a leading liberal arts institution in Morocco and the region and boost the University’s bid for accreditation.

Conferences and Events

Between Fall 2009 and Spring of 2010, the university hosted dozens of events, including conferences, workshops, seminars, lectures, retreats, and scientific congresses, and welcomed hundreds of guests from around the world for meetings with university officials and the President. The university also welcomed groups from dozens of countries, ambassadors from North America, Latin America, Europe, Africa, the Middle

East, and Asia, and individuals representing many companies and organizations around the world.

Some of the most significant events hosted this year include the following:

- **Knowledge Sharing Workshop: Achieving Excellence in Science and Technology Higher Education** (organized by the Islamic Development Bank and the School of Science and Engineering)
- **Economics of Intellectual Property Rights & Health** (organized by the United Nations Development Program, the World Health Organization, and Al Akhawayn's Institute of Economic Analysis and Prospective Studies)
- **Regional Cybersecurity Conference: Cybersecurity and Cyberconfidence: Strategy Awareness and Capacity Building** (organized by Al Akhawayn's Information Technologies Services and the Ministry of Trade, Industry and IT)
- **The IMF Youth Dialog Roundtable.** Organized by the International Monetary Fund and Al Akhawayn's School of Business Administration
- **2010 Job Fair** (organized by the Al Akhawayn Alumni Association)
- **Moroccan-Saudi Scientific and Cultural Days** (organized by The Kingdom of Saudi Arabia Embassy in Rabat and Al Akhawayn University)
- **Atlas Mountains: Space and Society** in honor of Professor Michael Peyron
- **Arid Lands: Societies & Environments at Risk**
- **MENA Rule of Law Conference** (June 2010), organized by The World Justice Project.

- **BIOMATEC From Genome Sequence to Personalized Medicine:** Bioinformatics, Biotechnology & Pharmaceutical Sciences will focus on Bioinformatics and Pharmaceutical Sciences, July 19-22, 2010
- **Council of the Moroccan Community Abroad conference** (July 2010)

B. Students and Student Life

New Students Recruitment & Profile

During the 2009-2010 academic year, the Office of Admissions carried out several information activities to inform high school graduates of admission procedures and the advantages of enrolling at AUI. Among these activities were participation in regional, national, and international student fairs, visits to high schools by student ambassadors, organizing an Open House day on campus, and sending mass e-mails to around 8,500 potential students. The university booths in six national student fairs (Rabat, Casablanca, Agadir, Tangier, Marrakech) and one international fair (Saudi Arabia) were visited by over 23,500 people as determined by the number of information brochures and logo-bearing items distributed. Moreover, university representatives, of whom 78 were student ambassadors, visited 150 high schools in 23 cities, covering 12 of the 16 regions of Morocco.

Applied and Enrolled Students

	Applied		Enrolled	
	Bachelor	Master	Bachelor	Master
Fall 2007	860	97	188	35
Fall 2008	1133	101	190	50
Fall 2009	1505	86	199	35

As shown in the table above, applications for the Bachelor degree increased significantly during the past three years. Thus the number of applications has increased 31.7 percent between 2007 and 2008 and 32.8 percent between 2008 and 2009. The percentage of admitted and enrolled students to those who applied has dropped to 13 percent in 2009, down from 22 percent in 2007. The university's challenge today is no longer to attract students willing to enroll, but rather to convince the best candidates with the best potential to join the university. Increasing financial aid and scholarship budgets will help attract more excellent students.

Overall Student Characteristics

The year 2009-2010 witnessed a continuous increase in the number of degree-seeking students, which reached 1509 for Fall 2009 and 1567 for Spring 2010, thus continuing a steady upward trend. Moreover, a number of international non-degree students spend one or two semesters at AUI brought the total number of students taking classes to 1,567 for Spring 2010. The gender distribution continues to favor women (54.72 percent) while enrollment by school shows a marked preference for the School of Business Administration (almost half the degree-seeking students). The School of Science and Engineering has 34 percent of the student population and the School of Humanities and Social Science has 16 percent.

The geographical distribution shows once more the importance of Rabat (25 percent) and Casablanca (21 percent) as the main feeders for AUI. The two closest regions (Meknès and Fez) account for 12.4 percent and 9.7 percent respectively.

Scholarships & Financial Aid

Of about 1,500 students, 227 students have full or partial merit scholarships provided mainly to engineering students, while 220 students are on need-based financial aid and have either a fee reduction or a student bank loan. A total of 60 students are offered on-campus employment with one of the university departments.

Exchange and International Student Experience

Thirty-five international students are currently enrolled in degree programs. They come from nineteen countries, namely: Algeria, the United States, Cameroon, Comoros Islands, United Arab Emirates, France, Germany, Guinea, The Ivory Coast, Lebanon, Mauritania, Nigeria, Oman, Palestine, Saudi Arabia, Senegal, Sudan, Tanzania, and St Vincent and Grenadines. During this summer session the number of international students stands at about 10 percent of the total enrollment, but the university plans to increase this number by 20 percent by the end of Strategic Plan 2010-2014. These figures remain below the ambitions of the university and efforts are being made to attract more international degree-seeking students through participation in international student recruitment fairs and by joining specialized networks.

The international experience of national students is an important goal. A special student mobility fund was set up to help students in need attend international conferences and participate in exchange programs. The percentage in this year's graduating class of students who have spent a semester abroad on exchange is 38 percent. In addition, several students have been on summer exchange or attended short courses abroad. This summer, 55 students will take courses at universities in nine countries (the United Kingdom, Denmark, France, Sweden, Turkey, Mexico, Korea, the United States, and Germany).

Academic Indicators

Class size is 18.7 on average overall with a lower figure for graduate courses. Only 14 sections out of 430 have more than 30 students and these are mostly introductory classes. The Center for Academic Development and the Language Center operate in small classes to allow for the necessary interaction, supervised lab work, and instructor follow up.

To help young undergraduate students make a successful transition from high school to university, a number of initiatives are taken. Among them, those put in place by

the Freshman Committee include a system of detection and assistance to Undergraduate Freshmen and follow up with freshmen identified as students at risk of failure. These students are put on watch and have to attend special support workshops, tutoring sessions, and regular meetings with the probation officer, the advisor and the course instructor.

The system is effective since only 5 percent of the students are placed on probation because of low performance. At the other end of the scale, 28.7 percent of all grades are "A" and 6% of the students earn straight "A's" in all their courses and are thus placed on the President's List. Around 16 percent earn at least 3.5/4 in their follow up and are thus placed on the Dean's List.

Retention Rate

Student retention rates remain very high, testifying to the confidence that the university enjoys among its students. About 90 percent of an entering class actually earns a Bachelor's degree from AUI.

For the undergraduate cohort entering in Fall 2008 (193 students), 187 (96.8 percent) continued for a second semester, and 184 (95.3 percent) returned to enroll for the following Fall semester.

Student Life and the Extracurricular Experience

a) Housing

During 2009 and 2010, university housing has been available to students, faculty, staff, and university guests in the three main university residences (main campus, off-campus residences and the Downtown Residence). Around 1370 students or over 90 percent of the total student population have been accommodated in university housing, thus bringing the overall occupancy rate for student accommodation up to 98 percent, allowing only a small number of free rooms to solve roommate conflicts and to accommodate visiting students (sports teams, for example). Because the Board passed a

resolution to separate admission from housing, the university has encouraged students to seek housing outside campus, but only a small number has so far elected to live outside.

The current academic year saw the opening of the Downtown Residence, outside the main campus, formerly a Banque Populaire property. Thanks to the opening of this residence, the university was able to meet to the increasing number of student and staff housing requests. Necessary upgrades have been conducted in order to provide residents with needed services (Internet services, telephone and television service, computer lab, exercise room, study room, cafeteria and a lounge), while a general overhaul is underway during June and July 2010.

The university promotes a rich residential life inside the student residences that is conducive to positive learning and community building. Fifteen students were selected and trained to serve as Resident Assistants (RAs). Their presence has a very positive impact as they help build community life inside residence halls, and act as role models and mentors as they contribute to foster pleasant living conditions for the residents.

b) On-campus student activities

One of the major undertakings of the Student Activities Office is to provide students with a memorable educational campus experience through the various activities it organizes. Students are more and more involved in co-curricular activities and are increasingly aware of its importance for their personal and professional development. The academic year (Fall 2009- Spring 2010) was once again full of a great variety of events and was marked by the increasing participation of student organizations.

There are currently 36 active clubs (defined as those which organized at least one event per semester). Their fields of action range from art and recreation to finance and computer programming.

In athletics, AUI continues to compete with much larger institutions both nationally and internationally. University athletes were able to win gold medals at the sports tournaments organized by the American University of Beirut, Boğacizi University

in Turkey, etc. The university soccer team also won the national inter-collegiate championship.

A student satisfaction survey, administered in November 2009 to a very significant sample of 603 students (40 percent of the entire student body), rated the various aspects of university life. As a follow up, focus groups were organized on specific topics related to academics, academic support services, student services, and student life. Over 1,300 student comments from both the anonymous survey and the focus groups were organized in areas and sent to the relevant departments with the instruction to study them and provide proposals for improvement.

C. Academic Support Services

Mohammed VI Library

The Mohammed VI Library serves an increasing number of patrons, and plays an important role in the delivery of information literacy skills to its users. The Library currently has over 82,000 print volumes, 355 print periodicals, 26 electronic databases, 40,000 online journals and 1,850 audio-visual items. The electronic resources as well the online catalog are accessible and searchable via the Internet.

As an academic support service, the Library provides training facilities for Center for Academic Development classes and for the Writing Center. For the first eleven months of this academic year, AUI students and faculty paid over 193,000 visits to the library, consulted the library's online catalog over 60 million times, conducted over 137,000 online searches and borrowed 23,135 books and AV materials. In addition, a total of 74 workshops were given and a total of 306 specialized instruction sessions were held by faculty for their students often with the help of library staff. The library housed 48 film screenings and 10 authors' presentations.

The library's active membership in AMICAL, a consortium made up of 22 American international academic libraries, benefits the university in terms of library staff development, the sharing of resources and expertise, and networking with sister

institutions. Three staff development visits were made to Cairo and Budapest, all financed by AMICAL grants. The Library has also benefited through AMICAL membership from subscription to WorldCat Collection Analysis and OCLC Respond, a service designed to help in future acquisitions.

Center for Learning Technologies

The Center for Learning Technologies (CLT) was established to provide practical support to students, faculty and staff on the use of technology in education. The Center has been equipped with state of the art technology and has qualified personnel to carry out its mission. Over the past year, the CLT conducted training sessions for 450 beneficiaries (faculty, staff and students). Training sessions covered a large array of topics ranging from learning management systems (LMS) and the use of interactive boards to the latest Office tools to graphic design packages. In addition, the Center has boosted faculty web presence by the creation of 22 new personal web pages for faculty.

Information Technology Services

In the course of the past year, a number of projects have been conducted to strengthen systems security, enhance network and telecommunications infrastructure, implement a unified communication and collaboration platform, and enhance service delivery, planning, governance, and policy.

a) Infrastructure

In addition to migrating to Office 2007, an Internet upgrade has been carried out from 34Mbps to a 155Mbps in addition to library wireless coverage redesign, to cope with frequent connection problems during exam periods, and implementation of SSL-VPN for secure web-based remote access to securely connect EEC/Casablanca to AUI campus. Both the downtown residence and the Annex residences have been linked to AUI main

campus networks through a 108Mbps radio and optical fiber links, respectively. The wired and wireless networks at the level of EEC/Casablanca have been upgraded.

New mobile and fixed telephone contracts have been negotiated allowing for more communication services at lower costs. Two ISDN lines have been acquired and installed for emergency calls from the Downtown Residence.

b) Communication and collaboration

The university has upgraded its email server and clients to Lotus version 8.2.5. The move has opened the way for a better internal communication through RSS feeds, instant messaging, collaboration, and shared spaces. The implementation of the student Record Management system (Ex) has continued, bringing in self-service features to students. Course selection, registration and grade reporting are now web based.

c) Learning Management System

A learning management system (LMS) has been deployed. Course material is now posted by faculty for students to access anytime, anywhere.

D. Continuing Education and Business Support

The Executive Education Center

Now in its seventh year, the Executive MBA (EMBA) program is able to meet the educational needs of managers and executives with significant managerial experience. The EMBA program provides participants with theoretical tools, practical insights, and essential hands-on experience to better compete in this global economy. This program focuses more on developing leadership, managerial, and organizational skills of the participants. Currently, 27 executives are enrolled in the program.

The part-time MBA (PTMBA) program is a high-quality, managerial program focusing on real-world situations where solutions could be implemented in real life with

an important international component. The target market for the PTMBA consists of active junior professionals with a minimum of 2 years of work experience. A total 70 students are currently enrolled in the program. There is a pressing need for new space for growth, especially with the rapid growth of continuing education.

Executive Education

For the year 2010, the EEC signed two contracts with the Interior Ministry to train 900 of its middle and upper middle managers. Seventeen topics will be covered during 180 training days. A third contract is being finalized to provide training to 500 additional employees during the same period covering five new topics through 100 training days. This 75 percent increase compared to the year 2009 confirms this trend of sustained growth 2004. The number of training days increased by 600 percent between 2004 and 2010, while the amount of sales increased by 650 percent during the same period.

AUI has just signed a new partnership agreement with the department of Local Communities of the same Ministry in order to accompany the process of decentralization and regionalization in Morocco in terms of training and consulting. In the framework of the project “Improving Training for Quality Advancement in National Education” (ITQANE), EEC/AUI, in partnership with Creative Associates International Inc. will provide training sessions on ICT and change management to the educational leaders of the Ministry. Starting May 2010, this project will last for 46 months.

Statistics on the Executive Education Center

Customer	Duration in days	Number of trainees		Number of training days		
		2009-2010	2008-2009	2009-2010	2008-2009	2009-2010
Interior Ministry	105	210	525	1 050	2 625	5 250
Water & Forestry	12	14	108	108	216	252

TOTAL	125	224	676	1 158	3 006	5502
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The Incubator

The AUI Incubator was established in 2006 as a support structure to assist in the creation and development of start-up companies by fresh graduates. The incubator offers quality office space and provides entrepreneurial training and services in the areas of management, business counseling, business plans writing, financial analysis, professional referral networks, as well as financial aid during the first phase of incubation. A total of 8 start-up companies have been incubated in fields of activity ranging from solar energy to ICT and biotechnology.

Unfortunately and despite persistent efforts, a combination of adverse circumstances has hampered the progress of the incubator, which has seen a sharp drop in the number of active incubates. Still, the incubator has successfully managed to conduct a number of activities during the past year, namely, the organization of the AUI Business Plan Competition with the participation of the Meknès Regional Investment Center, ANAPEC and the *Fondation Banque Populaire pour la Création d'Entreprises* (FBPCE), and the signing of an agreement with ANAPEC for the promotion of the *Moukawalati* Program in the regions of Ifrane and Azrou. It is currently working with the European Business Network (EBN) accreditation, with the objective of gaining membership of the Business Innovation Center, BIC.

E. Institutional Communication

The department of Development and Communication oversees fundraising, alumni affairs, career services, publications, the website, media and public relations, marketing, communications, and events. These activities are mutually reinforcing and serve to support the university's mission by building awareness of and support for Al Akhawayn with external constituencies. In June 2010, the department is in a position to project a

consistent image externally, online, through publications, the media, and through various events.

The University continues to attract media interest, especially related to on-campus events and conferences, VIP visits, and major activities such as Commencement and the Job Fair. Between August 2009 and May 2010, the university was featured in over 350 articles or reports, with 68 percent of the coverage online, 17 percent in print, and 15 in broadcast (radio and TV). Over the course of the year, Al Akhawayn has been featured in stories appearing major newspapers, TV, and radio and the regional antennas of SNRT in Fez and Meknes. An increasing number of press releases and articles about the university have been published in print media and then replicated online.

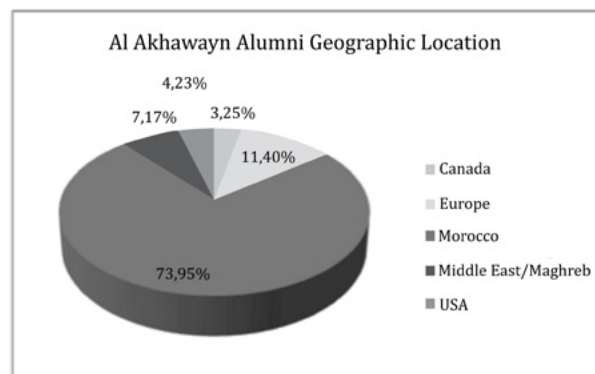
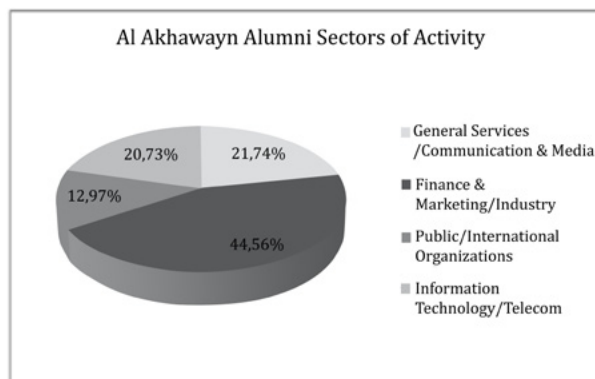
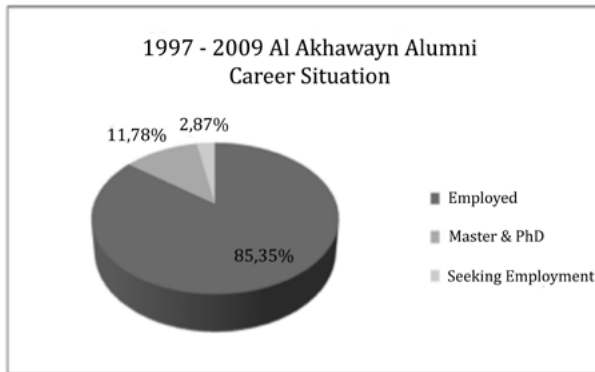
During the second half of the year, the department has devoted significant energy to preparing for a re-invigoration of the university's "brand" image and upgrading the quality of all university marketing and communication tools. These include publications of all kinds, including books, internal newsletters, outreach materials, and all logo-bearing items. The use of the university logo on gifts and other products has been reviewed and a range of new items will be available starting late spring 2010.

Efforts to enhance the message, celebrate the university's name and brand, and communicate the university's mission more effectively are already underway, for example through new university-branded items introduced during the 2010 Commencement. To upgrade events management, the department has begun to establish a new computerized university-wide system for scheduling events and reserving rooms. This will enhance transparency and facilitate communication about on-campus events. This new system should be operational by the Fall of 2010.

F. Alumni and Alumni Affairs

Through the Summer of 2010, Al Akhawayn University has conferred degrees on 2,468 students from all three schools, including 1,839 undergraduates and 583 master-level

graduates and 46 combined Bachelor and Master degrees graduates. The charts below illustrate the career situation, sectors of professional activity, and geographic location for the university's graduates through June 2009.



Source: Department of Development and Communication, 2010 Alumni Survey

During 2009-2010, the Al Akhawayn Alumni Association has made significant progress, including, namely through the organization of the 2010 Job Fair with the participation of 28 companies represented and over 700 students. Alumni networks and communication

strategies are being developed so as to support fundraising, and the building of the synergies between these activities. An annual giving program is expected to take shape in the Fall of 2010, as a prelude to major gifts campaigns.

G. Social Involvement

Azrou Center for Community Development

The Azrou Center for Community Development is a dedicated center set up by the university with the support of HRH Prince Abdelaziz Ibn Fahd to serve the local community. It provides its services free of charge to the local population in two main areas: health services (mainly mother and child health) and education (schooling, training, and literacy). For the past year the health unit has provided 721 free medical consultations and organized awareness campaigns for 135 women and children. Moreover, 1,183 people benefited from medical campaigns with the participation of volunteer doctors in such fields as oral hygiene, eye-care, and nutrition.

The Center also provides training for young people in areas likely to strengthen their employability. 96 young people received free training in computer skills, computer graphics and multimedia, basic business skills, and hair styling. A special short-term program in computer literacy was organized with assistance from ST Microelectronics for 776 people. Special sessions in sign language have also been organized within the framework of a Lion's International-Imouzzer Foundation partnership for the benefit of 24 deaf mute children, residents of the Imouzzer Foundation.

A total of 464 local women and young girls received functional literacy classes. Others attended training sessions in income generating activities in weaving, glass painting, pottery, pastry making, etc. A new project on informal education for young school drop-outs between the age of 8 and 16 years of age has been implemented in collaboration with the Pistorio Foundation; 32 young children are currently enrolled in the program.

Social Responsibility

To promote social awareness among students, the University requires all undergraduate degree seeking students to spend at least sixty hours in the field serving the community. Students graduating this year completed their projects and made oral presentations during an experience sharing session. Projects included working with street children, cancer patients, orphans, setting up women's cooperatives, and providing tutoring classes to rural children.

II. Financial Report

A. Financial Results for 2008-2009

The 2008-2009 fiscal year closed with a net income of eight million dirhams. The external auditors confirmed that our accounts faithfully display the expenses and revenues of the university. Yet, the balance sheet should include other fixed assets that were not considered before. For the third consecutive year, the university recorded a positive result in the income and expense account. Indeed, the 2008-2009 budget year ended with a surplus of products on the expenses of more than eight million dirhams. This result has contributed to consolidating the benefits in terms of financial stability and the future of the institution.

The operating profit of the 2008-2009 period recorded, nevertheless, a 37 percent decline compared to the 2007-2008 period. This decline is mainly explained by the unprecedented increase in the financial aid given to bright and students with limited resources. The amount allocated to financial aid and grants moved up from 14 million dirhams in 2007-2008 to around 21 million dirhams in 2008-2009. The university is thus playing one of the essential roles it was assigned: using the positive financial results in the funding of education for bright students and the improvement of institutional quality.

It will be noticed that the gross turnover increased by 5.6 percent in 2008-2009 compared to the previous year. The operating income, exclusive of financial aid and “fixed assets sales revenue” recorded an increase of more than 9 percent i.e., a 19.5 million dirhams value. Still, the increase in the amount of financial aid, which is deducted from the turnover, resulted in the increase of operating income by only 4.15 percent.

With reference to the net result of this budget year, it is worth noting that the university is consolidating its financial situation and maintains the balance in its resources and expenses. Yet, a precarious situation remains where the current result is still negative. It has even declined by two million dirhams between 2007-2008 and

2008-2009. As it has always been the case, the university is able to balance its accounts only thanks to the donations and state subsidies.

It is worth noting also that because of the judicial status of the university and the missions it is assigned, the diagnosis of its financial health needs to be based on its auto-financing capacities and its ability to employ the means necessary to fund its investments and its growth process. The auto-financing ability remains significant (over 40 million dirhams per year) despite the 2 million dirham decrease between 2007-2008 and 2008-2009.

B. Provisional results for 2009-2010

Provisional Income and Expense Account for 2009-2010

The current budget year will be distinguished by the unprecedented increase in turnover which may move from 138 million dirhams in 2008-2009 to 160 million dirhams in the current year, i.e. almost a 16 percent increase. This increase is the result of the significant and combined growth of the student population and the continuing education programs. However, the result of short-term financial investment has decreased significantly due to the combination of several factors.

The financial result decreased from 20.6 million dirhams in 2008-2009 to only 14.8 million dirhams in 2009-2010. Nevertheless, despite the decline in the financial revenues, and thanks to the control of the operating costs, which are not likely to increase by more than 2.3%, the university will be able to double the positive result of its income and expense account. This latter will end with a benefit of 16 million dirhams, i.e., twice the result of 2008-2009 and an all-time record high.

Cash Flow Statement 2009-2010

The cash flow statement demonstrates, as expected, a relatively healthy financial situation. On the one hand, the increase in the production at a rhythm that is largely

superior than the consumption rate has been translated into an important increase in the added value (27 percent). On the other hand, thanks to the increase of the net result, the ability for auto-financing will move up from 41.6 million dirhams to 49.5 million dirhams, i.e. a variation rate of +19 percent.

Overall, it is safe to assert that the growth of the number of students is a determining factor in the long-term viability of the university. This growth is primarily what explains the improvement of financial indicators for the 2009-2010 period through the achievement of the economies of scale. The university can still achieve important economies of scale as long as it steadily grows its student population as stated in the Strategic Plan. These results also allowed the university to postpone the increase of tuition fees which was expected for the year 2010-2011.

C. 2010-2011 Budget Forecast

The 2010-2011 budget is elaborated on the basis of the forecast of the number of students (1,570), in other words, it relies on the hypothesis that the number of students will be stable compared to the previous year. Therefore, the revenues budget will only increase by 1.3 percent, while the total expenditures budget will increase by 4.5 percent. This increase in the operating costs and capital expenditures can be explained mainly by the planned implementation of the projects stated in the strategic plan.

The main projects (strategic structuring projects) which helped in the development of this budget fall under the implementation of the university strategic plan. The key projects are:

- Hiring new staff and faculty able to follow the implementation of the accreditation process at different levels and to crystallize the objectives of the overall quality and excellence the university has planned for next year. Investing in human resources is a vital aspect of the institution and a necessary condition for achieving visibility at the national and international levels.

- Launching new academic programs as mandated by the need to adapt to new job market demands, and by the obligation to diversify the offerings of the university.
- Upgrading educational installations and equipment in order to remain the leader in new technologies of education; and the strengthening of networks, software, and computer material in order to answer to an internal and increasingly demanding audience in this regard.
- Expanding academic and sports infrastructures, and the development of an ambitious maintenance program given that fifteen years after the inauguration of the university, the buildings require ever-more large maintenance and renovation, especially at the level of waterproofing, the tiles, and the maintenance of roof structures, windows, and wooden doors.

Revenues Budget

The revenues budget for the year 2010-2011 does not display any important changes compared to the current year given the expected stability in the number of students, general activities and public grants. We expect a slight increase of 1.3 percent. The total revenues will, thus, move up to 221 million dirhams. 74 percent of this total revenue comes from students' payments. However, it is important to underline that tuition fees represent only 41 percent of the total revenues.

Operating Budget

This refers to the operating budget required and agreed upon after negotiations with several departments on the achievement of the year's objectives. The structure of expenses remains roughly the same, with an ascendancy of wage costs and the significant weight of financial aid. The increase in the wage costs can be first explained by the regulatory and statutory raises, the raises to faculty after evaluation, and the

voluntary reinforcement of training by international experts. The expected operating budget for 2010-2011 will increase by 4.5 percent.

Investment Budget

As with the operating budget, no major changes are envisioned for the investment budget. It is maintained at around 33 million dirhams, with a slight increase compared to the previous year. Nonetheless, the distribution of the budget along different lines is undergoing some changes since now it reflects the strategic priorities, particularly in IT. As far as construction is concerned, we are only planning the extension of a small part of the sports complex, an archive space, a campus store in the residential area, and the expansion of the Azrou Center for Community Development.

The major construction projects of two new buildings to accommodate students and faculty members, the construction of a new academic building as well as the reorganization of the hospital, will be studied for implementation after the approval of the Board of Trustees. The funding for these projects will be partially provided by the yearly budget resources expected to increase, possibly through bank loans at interesting rates, or through university savings.

D. Development Prospects, 2010-2014

Hypothesis and Future Prospects

The 2010-2014 strategic plan developed in collaboration with our partners from the Polytechnic University of Barcelona has allowed the university to redefine its positioning in the higher education market in Morocco, to define its strategic objectives, and to translate them into actions that would harmonize the university activities. An evaluation of the costs achieved in this plan was carried out by different university departments. It allowed us to estimate the additional funding necessary for the implementation of this plan. The necessary budget will roughly reach 10 million dirhams per year for operating

costs, while the investment expenses that will occur during the next five years will reach 100 million dirhams. The main axes proposed for this new plan are as follows:

1. Reinforcement of the American model of higher education
2. Quality assurance and international accreditation system
3. Growth and development
4. Internationalizing campus at the student, faculty, and staff levels
5. Long-term financial stability
6. Educational leadership and innovation
7. Human capital development

These axes are broken down into a number of objectives and actions classified by department. They have also been evaluated on the basis of additional financial needs. The strategic plan also serves as a guide for the elaboration of the annual budget. Thus, all departments' projects must fall under this plan.

The Strategic Plan provides for an increase in student numbers to 1850 by the Fall 2013 and 2000 by Fall 2015. A new building is thus required to house students. The constraints on housing capacity have traditionally curbed university growth and the full use of the available infrastructure. Thus, there remains a potential for growth that still remains untapped, by offering a new student housing unit of 280 beds and the conversion of the hospital into a housing unit. Beyond this figure, new investments will have to be put into the construction of academic and residential buildings.

With this perspective in mind, the points below provide a forecast for the provisional operating account for the period covered by the University Strategic Plan, for which priority areas have been discussed above.

The main hypotheses are:

1) Increasing the number of students to reach 1850 in September 2013 and 2000 by 2015

2) Maintaining the level of merit-based grants and financial aid around 25 million dirhams as a first step until 2011, with a redefinition of the "grant" as being the amount that covers the tuition, i.e. 27,000 dirhams per semester. The overhead costs, housing

expenses, books, health insurance, and catering may be taken care of by the university in the form of financial aid and on the basis of a careful evaluation of parents' resources.

3) As of 2012, 20 percent of the additional tuition money generated by the increased number of students will be dedicated to the scholarships and financial aid budget. Until now, 30 percent of students benefit from some form of financial aid, while this figure reaches 90 percent in many peer institutions.

4) The conversion of the hospital into a housing facility for students. A preliminary feasibility study has been carried out with a contribution from Attijariwafa Bank and Banque Centrale Populaire that demonstrated the possibility of gaining 200 beds for a conversion cost of about 17 million dirhams.

5) Construction and furnishing of a new building that would accommodate 280 additional students (estimated cost: 70 million dirhams).

6) The return on the endowment fund will also remain the same, i.e., 4 percent per year. However, if cash is used to finance investments and to ensure the auto-financing of large construction projects, then financial revenues might decrease starting in 2012.

Outline of a Five-Year Business Plan

This business plan allows us to detect the link between the growth of student population and the improvement of the financial results. The stability in the number of students for 2010-2011 will result on a decrease in the result of the income and expense account by five million dirhams. In fact, since the university has decided to freeze the tuition and housing fees at their current levels, the increase in the turnover can only be achieved through the increase in the number of students, given that the government subventions remain at the same level and that the returns on the financial investments do not hint at an upturn.

In addition, the fact that the university still operates at a level of underemployment (the average number of students per classroom is still low) allows us to project the achievement of economies of scale to the turning point of between 1,900 and 2,000 students.

The success of this business plan will allow the university to consider a further significant increase in the scholarship and financial aid budget for students of modest social backgrounds.



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*The Board of Directors
Al Akhawayn University
Ifrane*

INDEPENDENT AUDITOR'S REPORT FINANCIAL STATEMENTS FOR THE YEAR ENDED JULY 31ST, 2009

Sirs,

We have proceeded to the audit of the financial statements of Al Akhawayn University for the year ended July 31st, 2009 and we issued our audit report thereon. The financial statements include the balance sheet, the income statement and additional information statements. The aforementioned financial statements show an equity capital of MAD 643 million with a net profit of MAD 8.14 million for the year ended July 31st, 2009. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have audited these financial statements in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatement. An audit of the financial statement includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In the beginning of its activities, the accounting bookkeeping of the University was not held in accordance with generally admitted Moroccan norms "Code Général de Normalisation Comptable". In 1999, the University decided to reshape its accounting system by reconstituting the accounting books for the previous years with the assistance of an independent consultant. The work performed by this firm solely concerned the period up to June 30, 1998 and is presented in a report. On the basis of this reconstitution work, Al Akhawayn University established, for the first time, financial statements closed on June 30, 2000 and which include a balance sheet and an income statement.

1. For the initial constitution of its estate, the University received from the Moroccan State, in full property, chattel and buildings for the accomplishment of the missions that were assigned to it by its creation law (Dahir). These fixed assets, corresponding to the initial endowment fund of the university, amount to a gross value are MAD 669.5 million.

The fixed assets presented here above were recorded by the University on the basis of a situation closed on June 30, 1995 and were not reconciled with the files provided to the University in 1998. These files include contracts and supporting documents related to the construction of the campus and its outbuilding.

According to the university officials, the above-mentioned files were not complete and, consequently, no reconciliation was possible between these files and the accounting data.

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2. The certificates received from "Conservation Foncière d'Ifrane" (land registry Office) further to our request reveal an estate belonging to the University and represented by 61 ownership titles.

It is important to also point out that the constructions built on the property known as "Annexe de l'University Al Akhawayn" located in Ifrane, for a total surface of 50 hectares, 73 Ares and 12 centiares and subject to a donation by the State to the University, were sold according to a letter of "Conservation Foncière d'Ifrane" received on January 16, 2001. These transactions were performed on the basis of a certified true copy of the minutes of the Al Akhawayn Board of Directors held on August 30, 1994 and which granted to an Administrator the power to sell or to secure by a mortgage the constructions built on this property.

However, neither the acquisition of these assets nor their transfer were reported on the accounting figures of the University. The sale contract of these assets as well as the minutes of the Al Akhawayn board of directors of August 30, 1994 authorizing these sales are not available to our knowledge at the University.

In our opinion, and except for the above-mentioned remarks described in points 1 and 2 in the previous paragraphs, the attached financial statements of Al Akhawayn University presents fairly, in all material respects the assets as well as the financial position for the year ended July 31st 2009 in accordance with Moroccan generally accepted accounting norms and reflects.

Without calling this opinion into question, we must point out the following elements:

- The university has operated a change in accounting policy that consists in depreciating, from the financial year closed July 31st 2009, the buildings on a 40 years basis instead of 20 years (previous useful life). This change in accounting policy impacted positively the net income as by 13 million MAD and the equity by 27 million MAD as of July 31st 2009 (comparison with the previous method).
- As part of the 10.000 engineers program, the Moroccan government signed a convention with the AUI University. The university will benefit from a contribution of 100 million MAD that will be made available in the next 5 years (20 million per annum). The university received two payments amounting to 40 million MAD as of July 31st 2009 and booked as "investment grant received". In order to respect the 10 years staggering rule, an accounting reversal of 6 million MAD was booked as income. The final treatment of this grant will depend on the actual program progress that will be detailed in the bi-annual report of the monitoring committee as stated in article 9 of the "10.000 engineer program" convention that was signed by the university and the Moroccan government.

Rabat on May 27th 2010

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Partner


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Al Akhawayn University
BALANCE SHEET AS OF JULY 2009
IN COMPARISON WITH THE FIGURES OF JULY 2008

Assets (in 000' of MAD)	Balance as of July 31st	
	2009	2008
Net intangible fixed assets	2 870	3 223
Net tangible fixed assets	256 047	269 193
Net financial assets	59 969	153 417
Inventories	7 037	5 808
Receivables	18 707	14 094
Financial investments	371 193	243 654
Exchange variation asset	2 078	2 671
Cash and cash equivalents	7 479	5 713
Total Assets	725 380	697 773

Liabilities (in MAD)	Balance as of July 31st	
	2009	2008
Shareholders' equity	351 190	343 050
Similar equity	291 714	275 584
Long-term liabilities	2 529	2 230
Current liabilities	76 619	74 176
Provisions for risks and charges	1 951	2 697
Exchange variation liability	104	36
Cash liability	1 273	0
Total liabilities and shareholders' equity	725 380	697 773



Université Al Akhawayn
Al Akhawayn University
Income statement for the year ended July 31st 2009

(in 000' of MAD)	Balance as of July 31 st	
	2009	2008
Operating income	173 098	166 198
Operating expenses	197 484	183 986
I. Income from operations	(24 386)	(17 788)
Financial income	25 534	18 802
Financial expenses	4 906	2 825
II. Financial gain	20 628	15 977
III. Current income or loss (I + II)	(3 759)	(1 811)
Extraordinary income	105 378	121 851
Extraordinary expenses	93 479	107 081
IV. Extraordinary gain	11 899	14 770
V. Net income before tax (III + IV)	8 140	(12 959)
Income tax (exempt)	-	-
VI. Net profit (E) + (F)	8 140	(12 959)

جامعة الأخوين
AL AKHAWAYN
UNIVERSITY

Al Akhawayn University

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