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Using the Linear Programming Model to Improve Institutional Finance Decisions: An Applied Study on the Sherifian Office of Phosphates OCP (Morocco, 2023-2027)

Amanzoui Fatima Ezzahra[1], Saoudi Rokaya[2], Maaroufi Wissal[3], Dandane Fatima Ezzahra[4], Jorafi Souhaila[5], Faris Asmaa[6], El Hachloufi Mostafa[7]

[1,2,3,4,5]Master's student in Participatory Finance Engineering and Artificial intelligence, Faculty of Legal, Economic, and Social Sciences - Ain Sbaa, University Hassan II Casablanca, Morocco.

[6]Laboratory of Applied Modeling for Economics and Management, Faculty of Legal, Economic, and Social Sciences - Ain Sbaa, University Hassan II Casablanca, Morocco.

[7]Department of Statistics and Applied Mathematics for Economics and Management, University Hassan II Casablanca, Morocco.

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Corresponding Author:
Amanzoui Fatima Ezzahra

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ABSTRACT

Financing decision-making is one of the main challenges facing organizations in a complex and multi alternative economic environment. In this context, this research ought to improve funding decisions by employing the linear programming model, in particular the transport model, supported by the simulation of linear weighting, in the distribution of financing resources within OCP to four strategic projects. The research aims to provide a quantitative model that supports decision-making in the absence of accurate data on demand, with a focus on achieving a balance Between the strategic priorities and financial constraints associated with the various sources of financing, represented in international bonds, strategic partnerships and international loans. The methodology relied on building a mathematical model that represents the funding relationships between projects and sources, and used linear weight simulation to determine the relative importance of each project, then the data was processed and analyzed using Python programming tools. The results showed that the proposed model contributed to providing an effective and objective funding distribution that reflects the relative importance of projects without exceeding the imposed restrictions, and also allowed flexibility in testing multiple scenarios and possible data updates. The added value of this model is highlighted in its ability to support decisions Finance in environments of uncertainty and a multitude of alternatives, providing a quantitative tool applicable at the level of strategic institutions. Thus, the research concludes that the integration of linear programming with linear weighting simulation constitutes a practical framework for improving the efficiency of resource allocation and enhancing the quality of financial decision in contemporary institutions.

1- INTRODUCTION

In light of the increasing economic challenges and complexities of the modern financial environment, improving institutional financing decisions has become critical to ensure the sustainability of institutions and enhance their competitiveness. Mathematical models have emerged as effective tools to achieve this goal, offering an accurate quantitative framework for analyzing financing alternatives and optimizing the allocation of financial resources. This study aims to explore how mathematical programming models, especially linear programming and transport models, can be used to improve financing decisions for organizations, focusing on practical applications in diverse contexts.

OCP Group has launched the Green Investment Program for 2023-2027, which is part of its strategy to achieve carbon neutrality by 2040. This ambitious program aims to invest approximately 136578 million MAD in sustainable projects, including the development of renewable energies, water desalination, the production of green hydrogen and green ammonia, and the strengthening of industrial infrastructure associated with fertilizer production. This program is an advanced model for integrating environmental and economic objectives, where Adopting accurate quantitative analysis tools is required to effectively channel funding towards changing and complex strategic priorities.

This study seeks to provide an advanced mathematical model based on linear programming and transport models, supported by linear weighting simulation, to improve the distribution of funding among strategic projects based on relative importance, and in accordance with available funding constraints, ensuring the highest levels of efficiency and transparency in resource management.

The importance of this study lies in its theoretical and practical contribution. In theory, it offers a new framework for integrating mathematical models into financial decision-making, broadening the scope of the existing literature. In practice, the proposed model provides a viable tool for organizations to improve the allocation of financial resources, reduce costs, and increase efficiency.

The problem of this research is the challenges faced by institutions when making decisions related to the distribution of financing resources between multiple projects in light of funding constraints and disparities in strategic priorities, with the absence of accurate data on the size of the funding demand for each project. This challenge is increasing in large institutions that rely on different sources of funding, which imposes the need for a quantitative model that helps in scientific and flexible decision-making. Based on this, the problem is that: How can the transport model, supported by linear weighting simulations, be employed to improve the efficiency of funding distribution in a multi-project and resource-constrained environment?

This research seeks to achieve a set of theoretical and applied objectives, most notably building a mathematical model using linear programming "transport model" to distribute funding in a systematic manner between multiple projects with the employment of linear weighting simulation to estimate the relative weights of projects in the absence of accurate data on demand and provide a quantitative tool that supports financing decision-making within institutions, as well as applying the model to the case of the OCP process. To test its validity and interpret its results while proposing practical recommendations that contribute to improving the efficiency of the allocation of financial resources.

This study is divided into several main sections: it begins with a theoretical framework that identifies basic concepts such as institutional finance and mathematical models in finance, followed by a presentation of research gaps in the previous literature. The proposed mathematical model and its application methodology are then presented, followed by analysis and discussion of the results. Finally, the study concludes with recommendations for future research and a summary of the most prominent methodology:

The research is based on a quantitative analytical approach, based on modeling the decision to allocate funding using linear programming, in particular the transfer model, which allows the distribution of resources between multiple units under quantitative constraints. This model was supported by linear weighting simulation that enables the conversion of qualitative estimates (materiality) into mathematical processable numerical weights. The model was applied to real-world OCP data, and Python and Excel Solver tools were used.To perform calculations, simulations, and quantitative analysis of the results.

2- STUDY OF THE LITERATURE

2-1- Previous research

A study entitled: "The use of linear programming and goal programming models in the effectiveness of choosing the optimal production mix is a comparative study on engineering industry companies in the public and private sectors in Syria", one of the studies that aims to apply the models of linear programming and goal programming in the companies under study in order to choose the optimal production mix, and then compare the results of the application of the two models and the actual reality in public and private companies in the field of engineering industries, and conduct a sensitivity analysis of the results of solving these two models to reach alternatives And multiple options for the decision maker help them choose the optimal production mix, and then benefit from the results and apply them to companies that are similar in nature of work with the companies under study, where (Al-Sheikh Hassan, 2024)t The researcher on the descriptive approach in the theoretical framework of the research, as for the practical study, the researcher conducted a survey study by designing a survey list and distributing it to workers in the senior and middle management in the engineering industry companies under study, and then analyzing the answers using appropriate statistical methods and programs, and also relied on the practical side on the application of linear programming models and programming objectives in the companies under study through building models, selecting, analyzing their results and conducting sensitivity analysis of the results of the models used in . The study found that the use of linear programming and goal programming models in the companies under study helps to choose the optimal production mix effectively. In the same vein، a study by (Aarab, 2020)entitled: "Improving the Performance of Economic Enterprises Using Numerical Linear Programming: A Case Study of the Metal Packing Corporation IMP Algeria", aimed to show the importance of applying the numerical linear programming model on the metal packet institution, as well as knowing the productive activity of the institution and the resources involved in the production process, and then building and analyzing the numerical linear programming model of the institution, the study relied on the descriptive approach when presenting the theoretical side by collecting scientific material from secondary sources, while the practical side was represented by applying the numerical linear programming model in the metal packages institution and then solving the model using a program LINDO The study found that the proposed production program enabled the institution to achieve profits that exceeded its actual earnings, highlighting the importance of linear programming in enhancing institutional performance and supporting effective decision-making, whether to maximize profits or reduce costs. In this context, a study titled *"The Use of Linear Programming Method in Planning the Optimal Production of AlMamoun Factory for the Year 2017 – Iraq"* by (Faeq & Hassan, 2024) aimed to develop a scientifically grounded production plan to minimize resource waste and improve productivity. This approach allowed for the utilization of surplus resources to increase production levels and meet the needs of citizens. The researchers adopted a descriptive method for the theoretical framework and used the IN CANE program to define the constraints of the linear programming model and analyze the data .The study concluded that linear programming resulted in an optimal production plan that involved fewer products than the actual plan but achieved a higher profit margin. Moreover, the study found a surplus in the number of workers at the Al-Mamoun factory. On another level, the study by (Tayebnasab, Mohebali, Farhad, & Hamid Reza Maleki, 2021) titled " Linear programming model to reduce patient payments and increase hospital income at the same time Iran", explored the application of a bi-level linear programming model in a specialized hospital setting. The goal was to maximize hospital income while simultaneously reducing financial burdens on patients. The researchers used a descriptive method for the theoretical part and applied a two-level linear programming model in the practical phase., and secondary data was collected from the Specialized Hospital in Iran in order to solve the model using statistical methods for operations research, The application of the linear programming model showed its effective role in the performance of the hospital, as the results indicated a decrease in the costs paid by the patient and an increase in hospital revenues.

2-2- Theoretical concepts

Building the conceptual framework is an essential step in any scientific research, because of its role in clarifying the basic concepts on which the analysis is based. In this context, the most important concepts related to the research topic will be presented and interpreted, with reference to the approved scientific references. In this context, Institutional finance is defined as a type of financing provided by large financial institutions (such as banks, investment funds, and insurance companies) to productive or service institutions. This type of financing aims to support economic growth by financing major projects and providing the necessary liquidity for the continuity of economic activity.

Institutional finance is a vital component of modern financial markets, contributing to more efficient resource allocation and supporting the stability of the financial system. (Mishkin & Eakins, 2018). It also constitutes the backbone of the global financial system, with institutional financial institutions providing essential services to corporations, governments, and other large organizations. They also play a pivotal role in facilitating economic growth, capital formation, and maintaining financial stability (Samer, 2023). On the other hand**,** Financial decision-making is the essence of the administrative process within the institution, as it is related to choosing the most appropriate financing or investment alternatives in order to achieve the strategic objectives of the organization. These decisions include: project financing, resource allocation, profit distribution, and cost and risk management. Financial decision-making is based on quantitative and qualitative bases that include financial analysis, predictive models, and risk assessment. (Brigham & Ehrhardt, 2020).In this regard, finance is about decisionmaking, which requires weighing costs and benefits. When the benefits are bigger than the costs, the decision is a good one; when smaller, a bad one (Michael, 2020). Moreover، Mathematical models in finance refer to formulas and equations that are used to represent and analyze financial phenomena with the aim of understanding the behavior of markets and making decisions based on quantitative data. There are many of these models, including statistical models, linear programming, Markov series, probabilistic models, and simulation models. These tools provide the possibility of evaluating alternatives and predicting the outcome of decisions, thereby improving the quality of financial decision-making. (wilmott, 2006).

In the same vein، Risk analysis is the process of identifying and assessing risks that may affect the outcome of a financial decision. These risks include: market, credit, liquidity, and operational risk. Risk analysis improves the organization's resilience and ability to adapt to unexpected fluctuations, through the use of tools such as models "Value at Risk" and scenario simulation models. (Philippe, 2007) Finally**,** Optimization is a branch of applied mathematics used to find the best possible solutions under a set of constraints. In finance, optimization techniques are used to determine the optimal combination of funding sources, or to maximize return with the least risk. Linear and nonlinear programming are among the most widely used optimization techniques in this field. (Frederick S. Hillier & Gerald J.
Lieberman, 2005)

2-3- Identifying research gaps in previous studies

A review of previous studies that have been relied upon shows that they have made significant contributions to employing mathematical programming models to improve institutional performance, especially in the productive and operational aspects. However, a critical analysis of these studies reveals a set of scientific and methodological gaps that justify the need for a new study in this area. With regard to limiting itself to the productive field without financial, previous studies, such as the study of Fidaa Sheikh Hassan, Arab, Yassin Fayek and Marwa Hassan, have focused, on the application of linear programming and goal programming to improve production performance or choose the optimal production mix.

The study of Tayebnasab et al. looked at a two-tier model with the aim of improving hospital income and reducing costs for patients. Despite the importance of these efforts, these studies did not address strategic financial decisions as an area of application of these models, as we do not find an attempt to improve financing structures, financial resource planning, or trade-off between sources of financing and investment. Accordingly, a clear gap emerges in the absence of linkage between improvement models and financial decision-making within the organization, leaving a gap in the literature. scientific in this regard. In terms of the limited types of models used, although these studies have succeeded in using tools such as linear or numerical programming or even simple binary models, they have nevertheless not departed from the traditional framework of mathematical programming.

Thus, these studies could not exploit the broad potential of advanced models such as multi-objective programming, which reflects the reality of organizations where there are multiple goals (profit, risk, liquidity), dynamic programming, which addresses time-changing decisions, as well as probabilistic programming, which takes into account uncertainty in the financial environment. Hence, an additional gap emerges: poor methodological diversity and the adoption of classical approaches despite the complexity of financial reality. With regard to the absence of overlap with the concepts of quantitative finance, previous studies do not indicate any real use of quantitative financial concepts and instruments, despite their increasing importance in supporting financial decision-making, such as risk management using optimization, asset allocation models, variance analysis, options pricing and composite financial instruments.

Accordingly, previous studies have remained isolated from recent literature on quantitative finance, despite the direct relationship between these two fields. Thus, a third gap is the poor integration between mathematical programming and quantitative financial approaches, which reduces the effectiveness of the proposed models in real-world application.

2-4- Justification of the contribution of the present study

In light of the previous gaps, the current study makes a distinct scientific and academic contribution through a number of aspects. While the efforts of previous studies focused on solving operational problems, this study aims to employ improvement models in developing the financial decision of the institution, by building a model that helps to choose the best financing structure, distribute financial resources effectively, as well as compare investment alternatives based on quantitative indicators. Thus, optimization models are transformed from production-only tools to tools to support strategic financial planning. On the other hand, the study aims to employ advanced mathematical models, as it seeks to go beyond traditional models by integrating linear programming into the proposed model, in order to simulate the most complex financial reality, which requires taking into account several goals and variables changing over time. This methodological shift contributes to providing a more flexible and realistic model, enabling the decision-maker to evaluate accurate financial preferences, within a precise mathematical framework, which makes the study of high applied value and usable within institutions.

3- METHODOLOGY

3-1- Description of the methods used

Linear Programming

Linear Programming It is a mathematical tool used to solve improvement problems, and it has been widespread since the development of the simplex algorithm in 1947, which made it applied in various fields such as banking, education, transportation, forestry, and petroleum (wayne L. Winston & Jeffrey B. Goldberg, 2004). Linear programming is primarily concerned with improving a linear objective function, respecting linear constraints including equality or inequality imposed on decision variables, and is a basic basis for many harmonic improvement techniques, and is used in practice in areas such as production and transportation planning (Michel Goemans, 2015). In addition, linear programming is defined as a mathematical method of allocating scarce resources in order to achieve a specific goal, which can be expressed in linear constraints, and thus contributes to making optimal decisions related to the allocation of human and material resources to achieve the maximum return or lowest cost within a set of determinants (Students, 2016).

$$\min z = \sum_{i=1}^{m} \sum_{j=1}^{n} Cij, Xij$$

$$Xij \geq 0$$

In this research, the Transportation Model was applied as one of the applications of linear programming, to represent the relationship between available sources of financing (such as loans, bonds, and partnerships) and the needs of the four targeted projects. This model aims to distribute funding in a way that balances supply (from sources) and demand (from projects), taking into account the maximum limits of each funding source.

We chose linear programming because the nature of the problem (the problem of improving financing in OCP) is suitable for linear modeling because it provides a strict quantitative model for distributing funding from multiple sources to different projects in order to reduce the cost while respecting the financial constraints of each source, in addition to that this model is characterized by scalability and modernization so that new sources of funding can be added or variables or restrictions can be modified.

Linear weighting simulations for weight distribution

Simulation is a set of processes that simulate real-world processes or systems that exist during a given period, whether those systems are nomadic or computational. Simulation entails studying the system and observing the impact related to the characteristics of the operation of the system in the real world (Faez Hassan, 2020), and to achieve it must make hypotheses about the way these systems work; these hypotheses usually lead to mathematical and logical equations. These equations and hypotheses form the system model. (Al-Qutli, 2018) When faced with difficulties in solving using analytical or numerical methods, simulation is one of the important means of solving problems, and it is the only and last way to solve any problem if it is difficult to solve it by other methods. Simulation relies on re-sampling methods and generating random numbers and variables with certain characteristics (Bari, 2002).

Weight function

The weight function is a mathematical tool used when performing an addition, integration, or average operation To give some items more weight or effect on the result than other items in the same group. This application of the weight function results in a weighted sum or weighted average. Weighing functions are widely used in statistics and analysis, and are closely related to the concept of measurement. Weighing functions can be used in both separate and continuous environments. It can be used to build calculus systems called "weighted calculus" (Jane, Michael, & Robert, 1980).

We have adopted the Linear Weighting Method within a deterministic simulation framework, in order to distribute financial resources among several projects in a quantitative and systematic manner. This method relies on assigning relative weights to each project, reflecting its priority or strategic importance within the framework of the approved investment plan.

Funding distribution algorithm using linear weighting simulation for weight distribution

1: Import required libraries: numpy, pandas, matplotlib, seaborn, Arabic_reshaper, bidi.algorithm.
2: Define Arabic reshaping function:
    reshape_ar(text) = get_display (Arabic_reshaper.reshape(text))
3: Define list of projects and reshape project names using reshape_ar.
4: Define dictionary of funding sources with corresponding total amounts.
5: Reshape funding source names using reshape_ar.
6: Define weight vector weights such that sum(weights) = 1.
7: Define function distribute exact (total, weights) to:
    a. Compute raw allocation: raw = weights × total
    b. Apply floor: base = floor(raw)
    c. Compute remainder = total − sum(base)
    d. Identify indices with largest fractional parts
    e. Increment top remainder indices in base
    f. Return final integer allocation
8: For each funding source s in sources:
    a. Compute allocation using distribute_exact (amount_s, weights)
    b. Store result as a pandas. Series indexed by project names 9: end for
10: Combine all allocations into a pandas. DataFrame
11: Reshape DataFrame column names and index labels using reshape_ar
12: Print allocation table and display sum totals for each funding source
13: Plot stacked bar chart of the allocations using matplotlib
14: Apply reshaped Arabic labels to title, axis labels, and legend
15: Display the final plot

Figure 1: Linear Weighed Allocation Algorithm (Output Generated by the Author)

We have chosen the linear weighting method in this study due to its simplicity, clarity and effectiveness in dealing with decisions that require rational distribution of resources among multiple alternatives. This method is one of the applications of the SAW (simple aggregate weighting), where the decision-maker assigns weight to importance for each criterion that are printed later, and these weights are used as coefficients multiplied in the numerical evaluations of each criterion, and then the outputs are collected to obtain the total score for each alternative, enabling the construction of a clear and effective quantitative model for decision support (Hamdan O. Alanazi, Abdul Hanan Abdullah, & Moussa Larbani, 2013)As for digital simulations, they were adopted because they provide high flexibility in testing the distribution of funding under different scenarios without the need for accurate data on demand, which is commensurate with the problematic nature that depends on estimates and strategic directions rather than final quantitative data.

Simulation is also an implementation of the model over time, bringing the model to life and showing how a particular object or phenomenon will behave, and is useful for testing, analysis and training, by representing realistic systems or concepts by means of a model (University, 2001).Moreover, the model used is able to generate accurate and logical results while maintaining the sum of the original funding without decimals, thanks to the adopted algorithm that relies on approximation of values, which enhances the applicability of the results in practice. Overall, this choice combines quantitative accuracy with applied flexibility, and provides an appropriate tool to support financing decision-making in strategic contexts.

Solver

It is an advanced analytical tool used to make data-driven decisions, by building mathematical models based on techniques such as mathematical optimization, decision-making rules, Monte Carlo simulation, risk analysis, data mining and forecasting. This tool is often integrated into an environment Excel Through a range of products *Analytic Solver*, enabling analysts and managers to build complex decision models without the need for prior programming expertise. These models are used to analyze uncertainty and allocate limited resources such as money, equipment and human resources, often resulting in improved performance and significant financial savings. It has become Solver The leading academic choice in business schools around the world, where it is taught in hundreds of universities and used in dozens of specialized scientific books (Systems, 2009).

We have chosen Excel Solver because it is easy to use and includes a visual interface within Excel without the need for programming, as it helps in solving complex problems that can include hundreds of variables and constraints, in addition to being quick to analyze so that it can change its analysis by changing the results and it is suitable for various research and scientific reports.

Algorithm for distributing funding sources to Green Investment Program projects for the period 2023-2027

1- Define Arabic project names and funding data for each source.
2-Reshape Arabic text for correct display using Arabic_reshaper and python-bidi.
3-Create a Data Frame df with projects as index and sources as columns.
4-for each text in columns and index do
5-Apply Arabic reshaping and bidi algorithm.
6-end for
7-Generate a stacked bar chart from the Data Frame using matplotlib.
8-Add title, axis labels, legend, and grid to the chart.
9-Show the chart with plt.show().

Figure 2: Funding Allocation Algorithm for Projects (Output Generated by the Author)

Python

Python is a programming language that is currently used very widely. It was created by Guido van Rossum in the late 1980s. Python is a powerful language whose code can be easily and simply read, which makes it easier for programmers to quickly develop applications. In addition, Python can be executed on some of the most popular operating systems such as Windows and Mac OS (Taher). Python is also considered a highly readable and versatile language, and its name is inspired by a British comedy group called Monty Python. Its syntax is straightforward and provides immediate error reports, making it an excellent choice for beginners and newcomers to programming (Tagliaferri, 2020). Going back to its origin, Python is a high-level programming language created by Guido van Rossum in 1986 while working at the Centrum Wiskunde Informatica research center. Since then, the language has continued to develop with the addition of many features, becoming one of the most popular programming languages ever (Faraj, 2009). Moreover, Python has been advancing at an exceptional rate compared to all other programming languages, and it has been the most widely used language since 2017 until now. It is also ranked as the second easiest language in the world after Ruby, while surpassing it in terms of performance, popularity, number of libraries, and technical support (Al-Hosiny, 2024). Finally, Python is a portable, dynamic, free, and extensible programming language. It allows (but does not require) the use of modular and object-oriented programming (OOP) approaches. Python was developed in 1989 by Guido van Rossum along with a large number of volunteers and contributors. It is a portable language, not only across various Unix systems but also on operating systems such as Mac, BeOS, NextStep, MSDOS, and different versions of Windows (Swinnen, 2013).

Python was selected for this research due to its flexible, precise, and open-source programming environment, which allows the implementation of complex mathematical algorithms and the graphical representation of results, even in Arabic. This supports financial decision-making in the absence of accurate data. It is also scalable and easily updatable, which aligns with the requirements of the applied research on OCP.

3-2-Data used

In this study, three sources of financing were relied upon, represented in financing with bonds, loans, as well as companies as shown in the following tables:

The first table aims to provide a comprehensive overview of the loans granted to OCP projects, specifying the financing banks, loan amounts, and the targeted projects. The table highlights the diversity of banking funding sources and their contributions to various environmental and industrial sectors.

Table 1: Loans provided for a company project OCP

Banks	Loan Value (Million Dirhams)	Target Project
IFC	1088.26	Renewable energies and climate technology
KFW	2162.4	Green hydrogen, ammonia and desalination
EBRD	2103.44	Desalination
AFDB	1511.4	Desalination
CACF	181.368	Desalination
CIF	201.52	Renewable energies and climate technology
Total:	7249 M MAD	

Source: Produced by the author using data from the institution

From the table, it is clear that the largest loans were directed towards water desalination and green hydrogen projects, while renewable energy and climate technology projects received relatively lower funding. This reflects the company's preference for projects with direct strategic impact and higher banking financing costs.

The second table shows the different bond issuances aimed at financing OCP projects, with details on maturity dates, amounts, and interest rates. This demonstrates the importance of bonds as a financing tool to secure long-term resources.

Table 2: Bonds issued for a company project OCP

	History Due	
Publications	2 May 2034	2 May 2054
May 2024 release	12312.5M MAD at 7.5% interest.	7387.5M MAD at 6.75% interest rate.
Additional release in February 2025	2537.25M MAD	746.25M MAD

Source: Produced by the author using data from the institution

The table indicates that the company relied on multiple maturity issuances to distribute financial risks and achieve a balance between interest obligations and the total financing amount. The additional releases in February 2025 also reflect the company's flexibility in meeting changing financial needs.

As for partnerships, two partnerships have been signed, the first with ENGER and the second with IFC Bank, but so far, the value of the partnerships has not been declared either for OCP or other companies.

4- RESULTS AND DISCUSSION

4-1- Presentation of results

Within the framework of this study and after applying the transport issues model for the distribution of OCP project financing, which has a total value of 136578 million MAD. It also branches into four main projects such as industrial infrastructure and fertilizers, water desalination, green hydrogen and ammonia, as well as renewable energies and climate technology. This is based on three sources of financing: loans, bonds, as well as partnerships. Findings have been reached showing the pattern of distribution of financial resources for each project and this discussion aims to analyze how these are distributed. Resources and the efficiency of distribution to meet demand and direct funding according to project priorities.

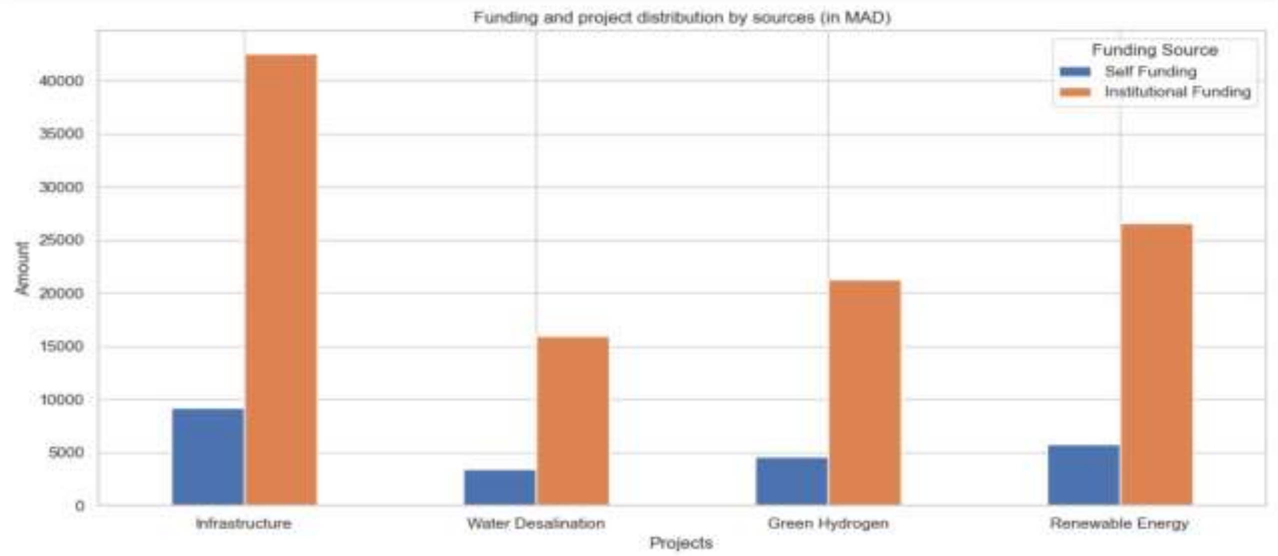

Figure 3: Chart of Funding Allocation Using Linear Weighting Simulation for weight Distribution (Python Output Produced by the Author)

The third table presents the overall distribution of financing across OCP projects using linear weighting simulation, showing the contribution of each funding source to each project.

Table 3: Distributed Spreadsheet

	Industrial Infrastructure & Fertilizers	Desalination	Green hydrogen and ammonia	Renewable energies and climate technology	Total (Width)
Financing & Loans	0	5418	541	1290	7249
International Bonds	9197	3449	4599	5748	22993
International Partnerships	42534	15951	21267	26584	106336
Total (Ask)	51731	24818	26407	33622	136578

Source: Produced by the author using data from the institution

From the table, it is evident that international partnerships were allocated evenly across all projects, while loans and bonds were directed to specific projects. This reflects different financing strategies for each source, with partnerships representing a long-term strategic approach, whereas loans and bonds tend to cover specific needs.

The fourth table shows the final distribution results after using Excel Solver to optimize funding allocation, achieving the minimum total cost while meeting all project requirements.

Table 4: Distribution results after using a program excel solver

	Industrial Infrastructure & Fertilizers	Desalination	Green hydrogen and ammonia	Renewable energies and climate technology	Total (Width)
Financing & Loans	7249	0	0	0	7249
International Bonds	22993	0	0	0	22993
International Partnerships	21489	24818	26407	33622	106336
Total (Ask)	51731	24818	26407	33622	136578

Source: Produced by the author using data from the institution

The table indicates that bank loans were directed entirely to the industrial infrastructure and fertilizers project, while bonds focused on other main projects. International partnerships covered all four projects evenly, reflecting efficient allocation of financial resources according to project priorities and the goals of the Green Investment Program 2023-2027.

$$MIN\ Z = 26584 \times 33622 + 15951 \times 24818 + 21267 \times 26407 + 0 \times 7249 + 9197 \times 22993 + 42534 \times 21489 = 2976756582$$

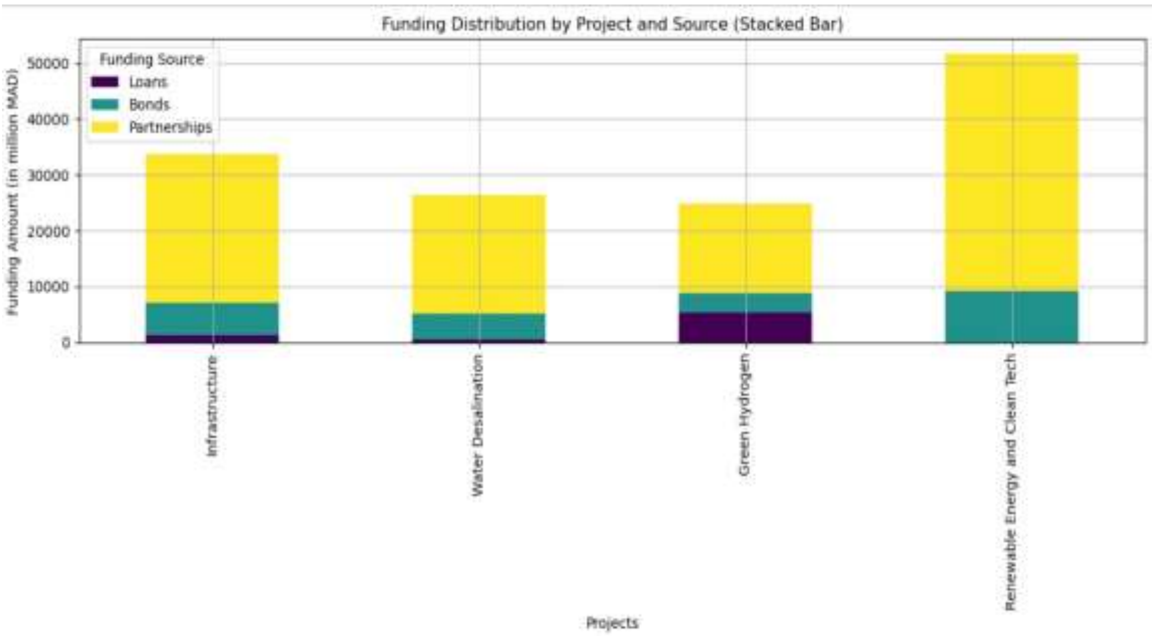

Figure 4: Chart of Funding Sources Allocation to the Green Investment Program Projects 20232027(Python Output Produced by the Author)

Through the results obtained from the above table, we note that the total offer value is equal to the total value of the demand which is 136578 million dirhams, which will contribute to solving the table directly without adding an imaginary column or row. Which is added with the aim of balancing the total values of demand and supply as for the distribution of funding sources, we note that international companies were directed to the four projects with similar values for a total of 106335.97 Million dirhams. This shows that it is the lowest cost of the three sources.

International bonds were also directed to the same project only at a value of 22,993 million dirhams, which means that they were likely resorted to after exhausting the maximum allocated amount of strategic partnerships. While the international loans were fully directed to the industrial infrastructure and fertilizer project, they only used partial financing of the latter in the amount of 7249 million MAD, which indicates that it is relatively more expensive and therefore will only be used when needed. To cover the remaining demand and from here it appears to us that it has Greater emphasis was placed on the infrastructure project, which received funding from the three sources worth 51,731 million MAD. This reflects its great importance in the Green Investment Program for the period between 2023 and 2027 as for projects. that received a value of 0 in some funding sources This means that they have not received any funding from the available funding sources due to the fact that if they take funding from sources with a value of zero, it will become a cost Funding is high.

Hence, we note that loan financing reflects the desire of the institution to use high-cost and interest financing in projects that achieve a quick return, of course, after directing it mainly to the industrial infrastructure project. As for bond financing, it represents a suitable medium term financing tool, which makes it suitable for projects that require stable financing without the need for rapid recovery as is the case with loans. Finally, partnership financing reflects the strategic dimension of these projects within the framework of sustainable development and energy transition, which also confirms the interest of international partners in supporting projects with environmental dimensions and positive effects on environmental resources. As for the achieved result $MIN\ Z = 2976756582$, it represents the lowest possible cost to achieve the financing targets within the framework of improving the financing decisions of the Green Investment Program for the period 2023-2027.

4-2- Comparison of results with previous studies

In light of the results of the current study, which relied on a linear programming model supported by linear weighting simulation, an optimal distribution of financing resources was reached among four OCP strategic projects, based on two main sources of financing: international bonds and partnerships. The Solver tool was used in Excel to solve the model, allowing great flexibility in adjusting criteria and funding constraints and simulating multiple scenarios. The relative importance of each project, especially in the absence of accurate demand data. The results showed the efficiency of this approach in improving resource allocation and balancing financing constraints with strategic objectives, while reusable and adaptable to market changes.

Compared to previous studies, the methods and methodologies used are diverse, but the common denominator is the pursuit of improved resource allocation and support for managerial and productive decisions. For example, a study relied on linear programming models and goal programming to choose the optimal production mix in engineering industry companies in Syria, and focused on sensitivity analysis to offer alternatives to decision makers. The study employed numerical linear programming using the program (Al-Sheikh Hassan, 2024) (Aarab, 2020)LINDO To present a model that achieves profits that exceed the actual reality in an Algerian institution, stressing the importance of mathematical models in improving economic performance. On the other hand, a study aimed to plan the ideal production in an Iraqi factory using the (Faeq & Hassan, 2024)IN CANE, where the model showed the ability to channel resources efficiently and reduce waste, resulting in increased profitability.

At the service level, the study presented an advanced model of two-level linear programming to reduce patient payments and maximize hospital income at the same time, in a complex health environment that requires a delicate balance between social and financial aspects. (Tayebnasab, Mohebali, Farhad, & Hamid Reza Maleki, 2021) as for In terms of the methods used, it can be said Our study was characterized by the adoption of linear weighting simulation as a decision support mechanism, and it did not use objective programming or binary models as in some studies, but focused on unified linear programming using Solver To generate the optimal solution based on the estimated weights. This model is simpler and more flexible in environments that lack accurate data or need an easy-to-use decision support tool.

Therefore, the present study is both complementary and distinctive, as it provides a simplified and effective model that combines available analytical tools (Excel/Solver) and linear weighting approach, making it practically applicable within financial environments characterized by uncertainty and data scarcity. Its results also emphasize the applied value of linear models in improving the distribution of funding, as well as previous studies that have demonstrated the feasibility of these models in different production and service contexts.

4-3- Discussion of practical implications and limitations

The transport model is an analytical tool that enables the distribution of funds to be organized in a deliberate manner, especially when there are multiple projects and diversity of funding sources. By applying this model to OCP's situation, a range of practical advantages can be derived, as well as a number of challenges that may affect the accuracy and feasibility of the results. In practice, this model provides an effective support tool that helps decision makers in the company to support decision-making, as the model provides a quantitative tool based on linear programming and transfer issues, which helps determine the optimal distribution of funding between different projects, based on the available funding sources and project needs.

In addition to improving the use of resources, as it helps reduce waste and make the most of available financing resources, especially when there is a disparity in financing capabilities from different sources (such as loans). costly, versus free or semi-free partnerships), moreover, the model is flexible and updatable, as the data allocated to each project can be adjusted as new data changes or emerges. The model also provides an analytical view of the distribution of financing according to its source (bonds, loans, partnerships), which contributes to understanding the extent of dependence on each financing instrument, and assessing its risks or suitability, and the same model can be reused in the future for other projects only by changing the basic data, making it a long-term tool in financing planning. However, while the model offers practical advantages, there are a number of limitations that need to be considered. First, the model does not include a time element so that the model does not provide the distribution of funding in time phases (short, medium, long-term), while some projects may require funding over years.

Second, ignore the detailed economic feasibility: The model does not assess the financial return or economic feasibility of each project, but only relies on estimated weights, which is what It may impair its accuracy in cases of complex financing. Third, ignore the interaction between sources of funding: because each funding source was analyzed independently, without examining the possibilities of compensation or the overlap between them, such as covering a specific cost through a mix of financing. Fourth, the absence of sensitivity and risk analysis: how the distribution of funding will change if weights or total available budget change has not been tested, which is important in real-world situations where data change rapidly.

5- CONCLUSION

This study found significant results that enhance the effectiveness of using linear programming model and linear weighting simulation techniques in improving financing decisions within OCP. The financial transfer model showed the ability to distribute resources optimally among four strategic projects, taking into account different sources of financing, especially international bonds and international partnerships, which contributed to achieving the lowest possible cost of financing within realistic financing constraints.

In the same vein, the use of simulation techniques, such as the Linear Weighted Scoring Model, has enabled the integration of multiple criteria including the cost of funding and the degree of risk, resulting in more balanced and objective financing decisions. The results showed that diversifying funding sources provides greater financial and strategic flexibility compared to relying on only one source of funding.

Moreover, the study showed that the model is flexible and adaptable to changing financial data, making it a reusable tool in long-term investment planning. Overall, the results confirm that quantitative models such as linear programming and simulation represent practical and effective tools that support decision makers in the face of financing complexities, and help identify optimal alternatives according to the company's priorities and objectives.

However, it is necessary to note some limitations that may affect the accuracy or comprehensiveness of the results. The model does not take into account the time dimension of funding distribution, ignores detailed economic analysis of each project, and addresses funding sources independently without considering potential overlap or complementarity between them. In addition, no sensitivity analysis or testing of the impact of changing data such as budget or weights was conducted, which is necessary to ensure that the model is adapted to the changing reality.

Based on the above, this study provides a set of research recommendations to improve the field of improving financing decisions and enhancing their effectiveness in applied business environments. First, we have to study the impact of global market fluctuations on optimal financing models: Research is recommended that explores how interest rates and international bond markets influence the financing decisions of large industrial companies such as OCP. Second: Comparison between linear programming results and artificial intelligence models: Analyze the effectiveness of techniques such as neural networks or genetic algorithms compared to linear programming in improving funding decisions. Third, expand the model to include risk analysis: Integrate the element of uncertainty (Stochastic Programming) or Monte Carlo simulation to evaluate funding decisions in unstable environments. Fourth: Development of Multi-Criteria Models (MCDM): Suggest using models such as AHP or Linear Weighted Scoring Model alongside linear programming to take environmental and social considerations into account. Fifth: A comparative study between different Moroccan companies: Conducting a comparative study between the institution under analysis and other institutions that rely on various sources of funding, and analyzing the efficiency of using each source. Sixth: Long-term dynamic analysis of funding decisions: Propose building a dynamic programming model that examines the impact of financing on a company's financial performance over several years. Finally, Integrating Islamic Finance into Classical Models: Examining the possibility of integrating Islamic financing instruments (such as Musharaka and Mudaraba) into traditional mathematical models and assessing their impact on profitability and Shariah compliance.

In practical applications, the Linear Weighted Scoring Model and its simulation technology are effective quantitative tools that play a pivotal role in supporting financial decision-making, especially in contexts that require a distinction between multiple criteria. This methodology is widely used in a number of practical applications, most notably the planning of investment budgets, as it contributes to the distribution of financial resources to projects according to well-studied strategic priorities. It also offers the possibility of portfolio management Investment by allocating assets based on a set of criteria such as expected return, risk, and liquidity, ensuring balanced portfolios that are aligned with investors' objectives.

In the field of bank and corporate finance, this model is important in analyzing financing alternatives and choosing the most appropriate source, whether loans, bonds or partnerships, based on criteria including the cost of financing, repayment period, and risk level. It is also used to assess the relative feasibility of investment projects, analyze costs and benefits, and direct resources towards high-valueadded activities. Moreover, it contributes to prioritizing investment spending under financial constraints, and analyzing financial performance using multiple indicators.

Finally, linear weighting simulation is an aid to experiment with multiple scenarios and test the flexibility of financing decisions under changing market conditions, enhancing the adaptability of organizations and long-term financial planning. Thanks to these characteristics, this model represents a flexible and comprehensive framework for making financial decisions based on quantitative and objective analysis.

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