

World Bank Group, Partners launch new initiative to expand A2F for MSMEs, drive growth, jobs in MENA

Cairo, Egypt, January 28, 2020 —The World Bank Group, in partnership with the Netherlands, the United Kingdom, Sweden, and Switzerland, is launching a new, expanded phase of an advisory program to help improve access to finance for micro, small and medium enterprises (MSMEs), promote sustainable job creation, and boost private sector-led economic growth across the Middle East and North Africa.

MSMEs are the backbone of MENA economies, comprising nearly 90 percent of private firms and playing a pivotal role in the creation of dynamic, competitive and inclusive economies and jobs. But their ability to grow has been severely limited, largely by restricted access to finance. As a result, MSMEs in MENA have among the lowest levels of usage of bank loans in the world.

The five-year advisory program, implemented by the World Bank and IFC through targeted regional advisory projects as well as country-focused initiatives is aimed at energizing the MSME sector in Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Tunisia, and the West Bank and Gaza.

The program takes a 360-degree approach in improving MSME's access to finance. This involves enhancing the enabling environment, developing financial market infrastructure, and building the technical and funding capacity of financial intermediaries. The program particularly focuses on supporting women entrepreneurs and leveraging digital technology to enhance financial inclusion.

"A robust MSME sector can generate jobs, economic opportunities for women, innovation, and channel youth energies productively. We are committed to helping economies in the Middle East and North Africa in their efforts to promote access to digital financial services by entrepreneurs," said Ceyla Pazarbasioglu, World Bank Group Vice President for Equitable Growth, Finance and Institutions (EFI).

Sérgio Pimenta, IFC Vice President for the Middle East and Africa, said: "A vibrant private sector, underpinned by strong MSMEs and forward-looking entrepreneurs, is vital for sustainable, long-term growth in MENA. We will work together with our development partners across the region to stimulate private sector development and help enhance financial sector sustainability and stability."

In this second phase of the initiative, activities will build on the experience of previous advisory work implemented from 2012 to 2018 under the MENA MSME Technical Assistance Facility.

During the first phase, the program covered Morocco, Tunisia, Egypt, Jordan, West Bank and Gaza, Libya, and Lebanon. Eighty projects were implemented in and the following results achieved :

- 5,247,647 microloans disbursed (58 percent to women)
- 69,075 SME loans disbursed (total value of \$7.9 billion)
- 336,867 jobs created through Bank Group credit lines
- 18 laws/ regulations enacted
- Advisory services were provided to 100 entities and supported 2,356 MSMEs.

About the World Bank Group

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. It comprises five closely associated institutions: The International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world. For more information, please visit www.worldbank.org, www.miga.org, and www.ifc.org.

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