



MENASME Guarantee facility

for private financial sector institutions







Brochure MENA-BAT.indd 1 28/03/2019 18:14

The European Commission launched in 2008 the Neighborhood Investment
Facility (NIF), an innovative financial instrument pooling grant resources from the EU budget and the EU Member States and using them to leverage funds from European Financial Institutions to support private sector development (in particular small and medium sized enterprises – SMEs) in the neighbourhood region.

Access to finance is one of the key objectives supported by the NIF and the Mena SME Guarantee Facility is one component of the "EU Initiative for Financial Inclusion" to facilitate access to finance to SMEs in the Southern Mediterranean. Within this context, the MENA SME Guarantee Facility was established in partnership between Agence Française de Développement (AFD), the International Finance Corporation (IFC), and the European Commission (EC).

Brochure MENA-BAT.indd 2 28/03/2019 18:14

MENA Facility briefly

The MENA Facility offers risk-sharing mechanisms and credit lines in local currency, in order to ease the constraints faced by private financial institutions when reaching out to SMEs in the MENA region (Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia).

Technical assistance funds will also be available to reinforce the financial institutions' capacities to support underserved segments among small enterprises, in particular women entrepreneurs, start-ups or SMEs in the renewable energy or agricultural sectors.

Objectives



Enhance and strengthen the capacity of local private sector financial institutions to serve their SME clientele through guarantees, credit lines and technical assistance



Promote a more inclusive growth by increasing SMEs' access to funding, especially in under-served, high impact segments



Reward local private Financial Institutions targeting under-served segments through impact-based incentives

Brochure MENA-BAT.indd 3 28/03/2019 18:14

Eligibility requirements

The MENA facility is for you if:

You are a private sector financial institution: bank, guarantee fund, leasing company, microfinance institution

Your activities are located in the following MENA countries: Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia

You are interested in developing your SME offering, especially towards underserved segments and in high-impact, key economic and social sectors.

2

Our tools

Guarantees

Maturity of eligible loans: 1 to 7 years, with a ramp-up period of 2 years to build the portfolio

Silent participation

Quota guaranteed: 50% of the outstanding

50% of the outstanding capital at the time of default (final loss, after recovery of the collateral pledged)

All sectors but with a strong focus on under-served segments

Portfolio guarantee only (no loan-by-loan guarantee)

+ Technical assistance

for Financial Institutions to reinforce their capacity to support under-served segments and impact/performance incentives

Brochure MENA-BAT.indd 4 28/03/2019 18:14

Our added-value

Impact incentives: Financial Institutions reaching pre-defined impact results serving under-served segments may access performance-based incentives

Financing and guarantees in euros, dollars and local currency

Advisory services for financial institutions

Credit lines

In local or foreign currency to respond to SME market demand

With a maturity of up to 7 years

Performance incentives might be paid to Financial Institutionss upon reaching pre-agreed performance targets such as lending to priority segments, SMEs, women entrepreneurs, start-ups etc.

The selection of partners will be based on their financial strength, capacity to reach targeted beneficiaries, and desire to contribute to the project. Funded operations will be co-financed by IFC and Proparco, the two institutions will collaborate to perform all the necessary due diligence jointly or in coordination

Brochure MENA-BAT.indd 5 28/03/2019 18:14



OUR OFFICES AND THE REGIONS THEY COVER

CASABLANCA

PROPARCO REGIONAL OFFICE IN CASABLANCA (MOROCCO)

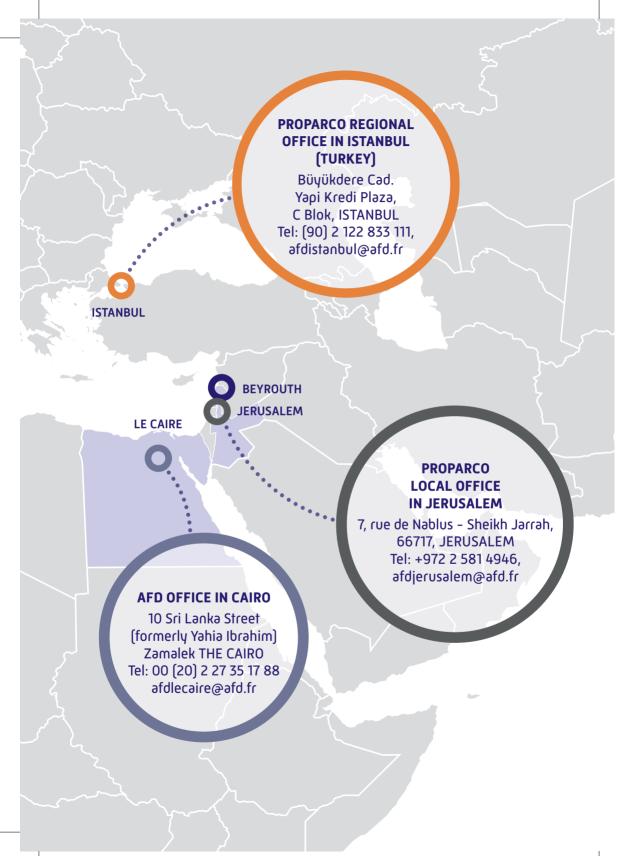
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PROPARCO LOCAL BRANCH IN TUNIS

TUNIS

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Brochure MENA-BAT.indd 6 28/03/2019 18:14



Brochure MENA-BAT.indd 7 28/03/2019 18:14

About AFD

The Agence Française de Développement (AFD) funds, supports and accelerates the transitions to a fairer and more sustainable world. Focusing on climate, biodiversity, peace, education, urban development, health and governance, our teams carry out more than 3,500 projects in France's overseas departments and territories and other 110 countries. In this way, we contribute to the commitment of France and French people to support the sustainable development goals.

To find out more:

www.afd.fr

About Proparco

Proparco is a subsidiary of **Agence Française de Développement** (AFD) focused on private sector development. It has been promoting sustainable economic, social and environmental development practices for over 40 years. **Proparco** provides funding and support to both businesses and financial institutions across Africa, Asia, Latin America and the Middle-East. It aims to boost the contribution of the private sector to achieving the sustainable development goals adopted by the international community in 2015. As a means to this end, **Proparco** finances businesses that are instrumental in creating decent jobs that pay decent wages, in supplying essential goods and services and in battling climate change.

To find out more: www.proparco.fr

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Brochure MENA-BAT.indd 8 28/03/2019 18:14