



**MED MSMEs**

Policies for inclusive growth

THIS PROGRAMME IS FUNDED BY THE EUROPEAN UNION



# Support to an Enabling Business Environment for MSMEs Development & Financial Inclusion



Financial Inclusion Policies and Innovative MSME Financing in the South Med

The Case of Egypt

Brussels, December 1 - 2, 2022





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# MSMEs' Strategic Objectives



GDP Growth



Job Creation



Increase Exports



Imports Substitution



Digitalization & Automation





# The Main Pillars of Supporting MSMEs to Promote Financial Inclusion



# Access to Finance

**Unified  
Definition**

**Specialized  
MSMEs  
Departments**

**Mandatory % (MSME  
25% - Small 10%)**

**Low Interest  
Rates**

**Credit Guarantee  
Mechanisms**

**Credit Scoring  
Models**

**Non-Financial  
Services**

**Microfinance  
Support**



# Increase in MSMEs Portfolio

Dec.2015- June 2022



# Sustainable Finance Progress

Sustainability and Sustainable Finance in the banking sector has become a priority for the Central Bank of Egypt. All CBE's initiatives taking into consideration the element of sustainable finance and SDGs (social, environmental, Governance)

**Introducing Guiding Principles on Sustainable Finance & Conducting a gap analysis in banks**

**Issuing Sustainable Finance Regulations**

**Building the Capacity of the Egyptian Banking Sector in Sustainable Finance (83% of Banks participated )**

**Introducing education papers on sustainable finance to Egyptian banks**

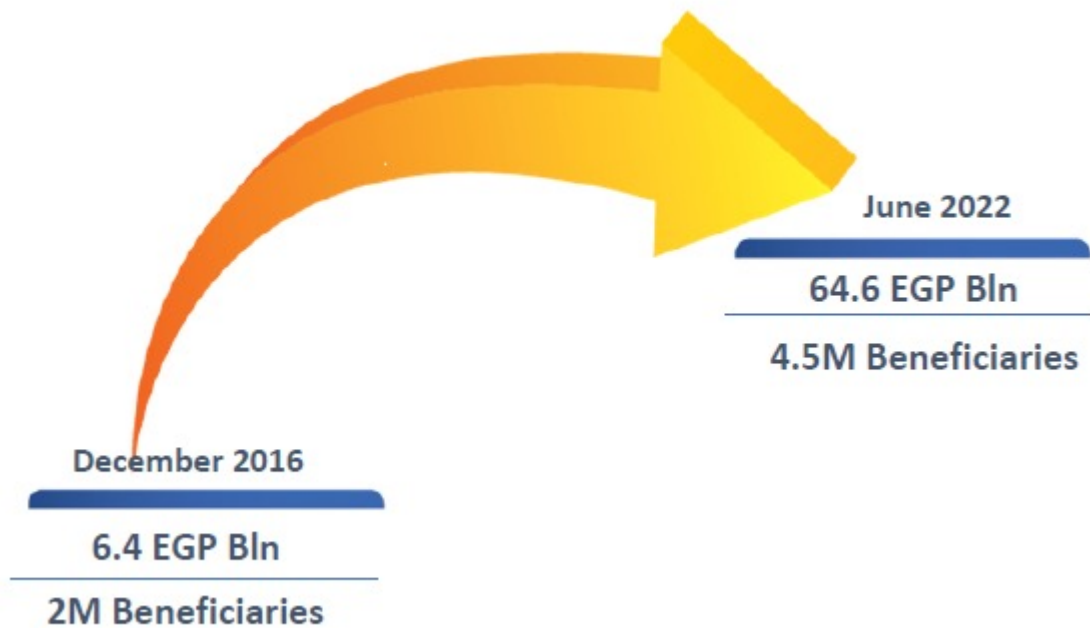
**Finance Initiatives (MSMEs / Renewable Energy – Agriculture – Natural Gas)**

**Directing Egyptian banks to measure their Carbon footprint for their head offices (100% of banks completed the measurement process)**



# CBE Support to Microfinance

Including the Microfinance lending to the mandatory 25%



# CBE Support to Microfinance



**Institutional Upgrading Program**

**41 NGOs (Cat C)**

**Digital Transformation**

**Policies and Procedures**

**Governance**

**Staff Capacity Building**

**Facilitate Access to Finance**

**In Cooperation with IFC**







## Reforms Needed for the Development of the Microfinance Sector in Egypt

- Strengthening operational and management capabilities of CAT A , B and C NGOs;
- Improving MFI access to finance
- Innovative Microfinance lending tools
- Developing Behavioral scoring models
- Digitization of MFIs
- Financial education and digital literacy





THANK YOU  
MERCI

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