

THE EBRD IN EGYPT

A more competitive private sector and resilient financial sector

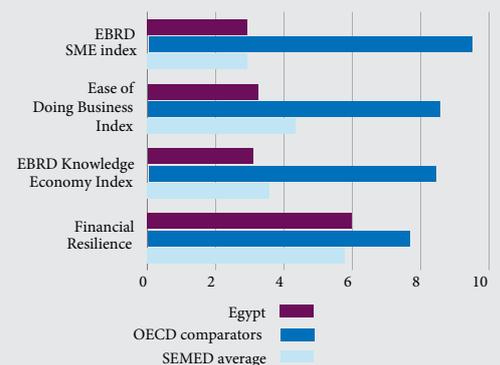
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Related SDGs



Egypt's fast-growing population and high unemployment pose significant challenges. The private sector already plays an integral role in the economy, with SMEs providing the lion's share of employment. Nonetheless, SMEs often lack dynamism, with only a small share of private firms exporting to global markets. Limited access to finance continues to be a major obstacle to further development, with women and young people particularly affected. A weak contractual environment and safety standards are among the key constraints on global value-chain integration. Burdensome regulation, limited on-the-job training and persistent skill mismatches also continue to hold back private enterprises, while the financial sector lacks depth.

EBRD score (1-worst, 10-best)



How we work

We aim to achieve a dynamic market economy and to strengthen the competitiveness of the private sector. We provide support for SMEs, especially those led by women and young people, through targeted credit lines and flagship advisory and skills development programmes, such as Advice for Small Businesses (ASB), Women in Business and the EBRD Blue Ribbon programme, which provide impactful support to a select group of high-potential SMEs. Our financing and consultancy services, as well as the business advice provided by our ASB programme, have played a key role in strengthening the economic resilience of Egyptian SMEs. We also work to strengthen businesses' value chains, supporting their integration into global networks and facilitating trade, including through the successful EBRD Trade Facilitation Programme (TFP).

In numbers

951

SME advisory projects delivered

€2.1 billion

Combined investment of EBRD Trade Facilitation Programme credit lines

€37 million

Cumulative Women in Business programme investment

Quick links

- > [Advice for Small Businesses \(ASB\) programme](#)
- > [Youth in Business \(YiB\) pilot](#)
- > [Value Chain Competitiveness Programme](#)
- > [Blue Ribbon programme](#)
- > [Trade Facilitation Programme](#)
- > [EBRD Star Venture programme](#)

The EBRD Women in Business programme provides finance, business advice, training and mentoring to female-led SMEs



Achievements and results:

A more competitive private sector and resilient financial sector

We promote SME growth and internationalisation by:

- ▶ improving access to finance and business skills by combining credit lines via partner banks with advice and training
- ▶ bolstering trade and competitiveness, for example through the Value Chain Competitiveness Programme (for example, El Roda, United Sugar) and through more than €140 million in trade finance
- ▶ supporting growth through the flagship Blue Ribbon programme (for example helping retailer TICO to expand its online presence).

We promote inclusive economic opportunities by:

- ▶ helping financial intermediaries to build capacity for and tailor their services to women-led SMEs and increase lending to female entrepreneurs
- ▶ improving access to finance and skills through our Women/Youth in Business programmes, implemented with partner banks such as QNB Alahli and microfinance institutions such as Tanmeyah Microenterprise Services.
- ▶ with our clients, promoting inclusion of youth, women and people in remote areas, for example, through vocational training and equal human resources policies.

We help strengthen the resilience of the financial sector by:

- ▶ providing advisory services to the Central Bank of Egypt (for example, on the new sovereign yield-curve model of the Egyptian pound) and to the Financial Regulatory Authority (for instance, on the crowdfunding regulatory framework)
- ▶ strengthening the capacity of the MSMEDA,** with a particular focus on promoting female entrepreneurship
- ▶ supporting the central bank on government debt reform (for example, by advising on legal amendments with a view to establishing a central securities depository)
- ▶ supporting local-currency financing, for example, by providing the equivalent of €230 million in Egyptian pounds
- ▶ providing training to financial-sector participants, for example on asset management, risk management or derivatives.

SME growth

Of the almost 1,000 SMEs the EBRD has advised, 59 per cent hired more people and 66 per cent became more productive. In total, 11,136 new jobs were created.

More exports

Twenty-one per cent of the SMEs the EBRD advised grew their exports. In total, the Bank's advisory services contributed to €99.4 million of new exports.*

Higher turnover

Seventy-nine per cent of SMEs advised by the EBRD increased their turnover. In total, the Bank's advisory services contributed to €609 million of additional turnover.*

Female entrepreneurs

The EBRD has disbursed 101 loans to women-led SMEs through the Women in Business programme.

Improved skills

The EBRD-supported Elsewedy Technical Academy trains hundreds of students each year to improve their skills in the electrical sector. As of December 2020, more than 760 students had been trained, of which 165 are currently enrolled in industrial engineering (of which 42 per cent are women).

Capital market development

The Egyptian parliament approved the legal framework for the issuance of short-term debt, on which the EBRD had advised, and the Bank invested in the inaugural issue.

Stronger financial sector

The EBRD supported the Central Bank of Egypt in developing CONIA, the Egyptian pound interbank risk-free rate. This facilitated the creation of new products for financial-sector participants, boosting financial resilience and the economy overall. The EBRD invested in the first loan indexed to CONIA.



See how this EBRD client reacted to the Covid-19 crisis. Tagaddod, an SME member of the EBRD's Star Venture programme, adapted its production to help make hand sanitisers widely available on the market.



Read how the EBRD helps to enhance technical skills in the Elsewedy Technical Academy, a technical cooperation through a package financed with donor support.



Read how the EBRD supports innovation that fosters capital- and money-market reforms.



*Within a year of the end of the EBRD advisory project.

** Egyptian Micro, Small and Medium Enterprises Development Agency.