

EBRD, EU and Fawry support young entrepreneurs in Egypt

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- Investment to finance youth-led or youth-owned MSMEs in Egypt
- EU-funded cash incentives for eligible sub-borrowers and technical cooperation package for Fawry MSME Finance

The European Bank for Reconstruction and Development (EBRD) is supporting youth-led micro, small and medium-sized enterprises (MSMEs) in Egypt by providing a loan of up to EGP 250 million (€4.4 million) to Fawry MSME Finance, one of the country's largest microfinance institutions.

The EBRD Youth in Business credit line will be channelled to local private MSMEs that are led or majority owned by entrepreneurs under the age of 35, and will focus on rural areas. First-loss risk cover of up to 10 per cent will complement the credit line, while the young sub-borrowers will benefit from investment grants in the form of cash incentives, funded by the European Union (EU), of up to 10 per cent of the loan amount.

A technical cooperation package funded by the EBRD will assist Fawry MSME Finance with programme implementation, capacity-building, and training in gender-responsive lending, as well as tailored advisory support to advance the company's digital transformation.

In addition, the EBRD Advice for Small Businesses programme, which is funded by the EBRD and the Small Business Impact Fund, will provide non-financial support to the youth-led MSMEs.

Commenting on the project, Mark Davis, EBRD Managing Director for the Southern and Eastern Mediterranean region, said: "This is our first partnership with Fawry, a digital leader in Egypt, and marks the start of a new cooperation to support local micro, small and medium-sized enterprises led or owned by young entrepreneurs, an essential step in helping the Egyptian economy to absorb the growing number of financially underserved young people entering the labour market and to expand their economic opportunities."

Fawry's CEO and founder Ashraf Sabry said: "We are proud to launch this collaboration with the EBRD through this financing agreement, which will allow us to broaden our range of financial services for young Egyptian micro-borrowers. We extend our gratitude to the EBRD and the European Union for their support and meaningful contribution."

The EBRD's Youth in Business programme, supported by the EU, enables young entrepreneurs to access vital financing and technical assistance to grow their small businesses through dedicated credit lines on-lent by banks and microfinance institutions. The credit lines are complemented by technical assistance, helping partner banks to strengthen their lending capacity. The blended financial support from the EU enables the intended borrowers to access finance at more affordable rates.

Fawry MSME Finance is a pioneering digital-finance microlender established in 2018 by Fawry, Egypt's leading fully integrated fintech platform founded in 2008 and listed on the Egyptian Exchange (EGX) since 2019.

Egypt is a founding member of the EBRD, which has invested more than €14.6 billion in the country across 225 projects since it began operating there in 2012.

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 40 economies across three continents. The Bank is owned by 77 countries, as well as the EU and the EIB. EBRD investments are aimed at making the

economies in its regions competitive, well governed, green, inclusive, resilient and integrated.
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