



*Egypt's Social Fund  
for Development*



# **SFD & Microfinance Development** *- An Overview -*

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**Dubai, November 5-6, 2006**



# Introduction

- SFD is an Autonomous *Socio-Economic Development Organization* Mandated by GoE to Develop *Small & Micro Enterprises* in Egypt.
- SFD Micro Credit Program Aims to Provide *Self-Employment and Income-Generation* to the Economically Active Poor, Women-Headed Households & Vulnerable Groups;
- This Presentation Gives an Overview of the *SFD's Interventions In Microfinance*, and Highlights Elements of the *National MF Strategy* Launched in December 2005.



# Microfinance: SFD's Vision & Mission

## Vision

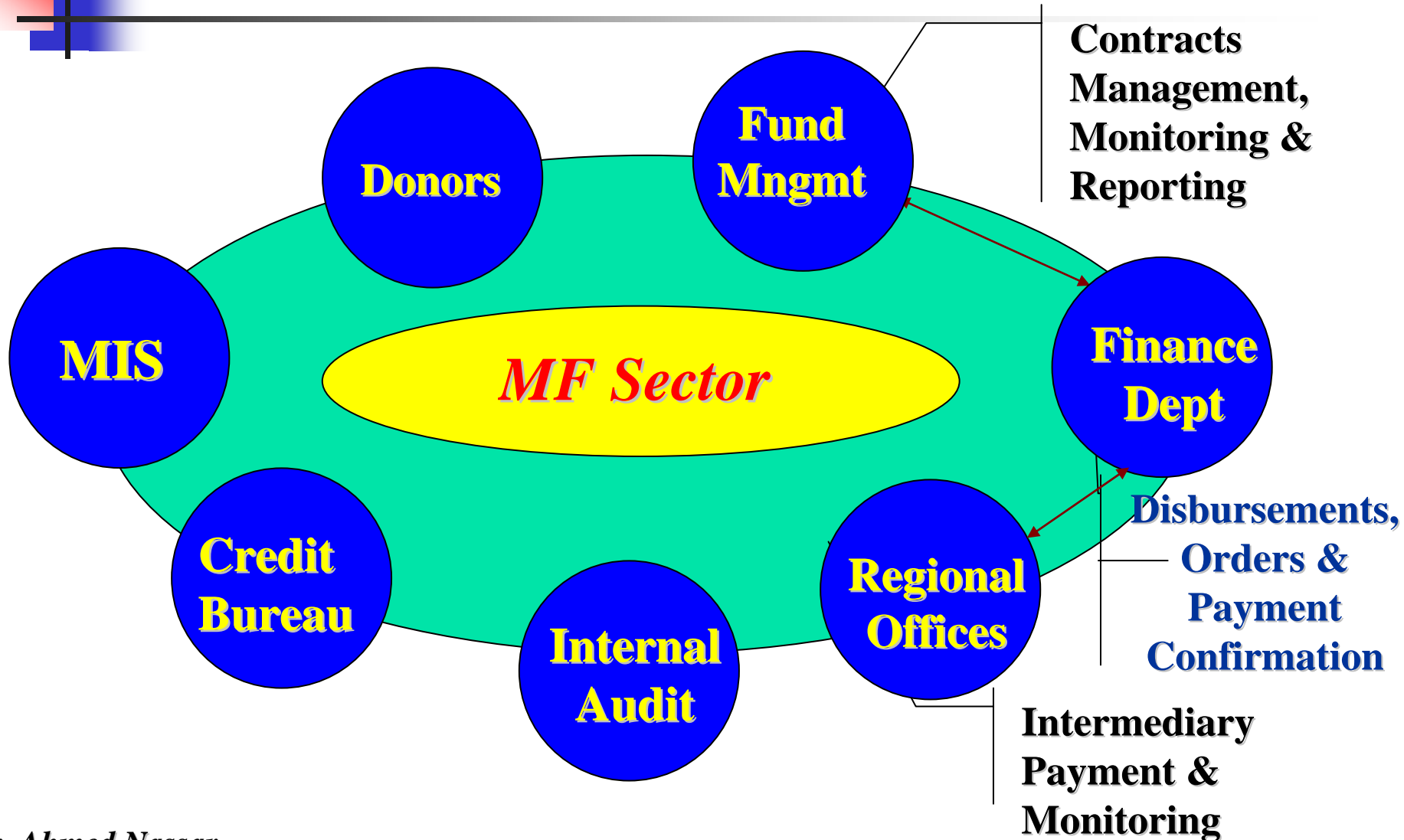
- *To Satisfy the Demand for Sustained Access of Financial Services to the **Economically Active Poor** Throughout Egypt.*

## Mission

- *To Promote (Capacity Building) and Support (Financial Resources) the Development and Long Term Sustainability of MF Service Providers to **Alleviate Poverty** & **Facilitate Employment Generation**.*



# SFD's MF Organizational Structure



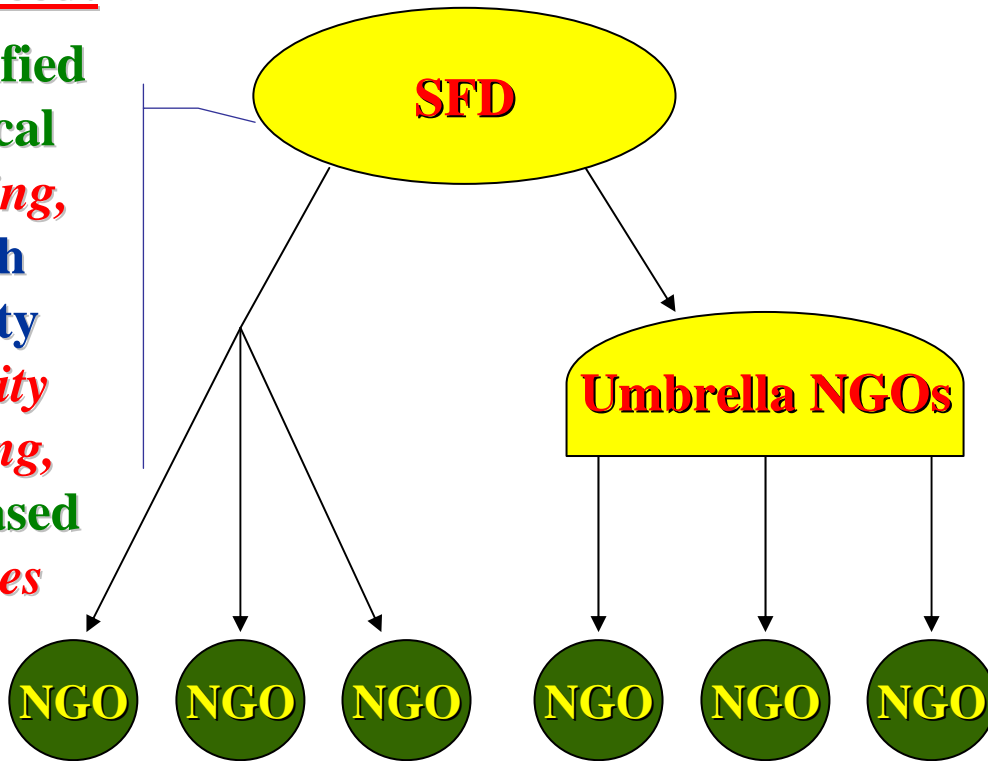


# Microfinance NGOs –

## *SFD's Approaches To Working With Intermediaries*

### NGOs Need:

- **Simplified Practical Reporting,**
- **High Quality Capacity Building,**
- **Increased Services**



### Umbrella NGOs Offer:

- **Ability to Achieve Multiplier Effect, and**
- **Provision of Capacity Building Programs and Oversight**

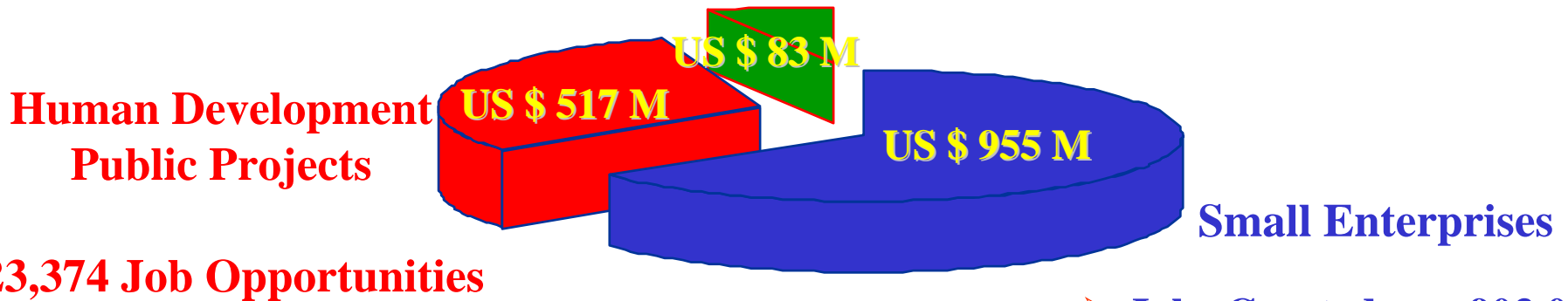


# SFD's Achievements (January 1992 – July 2006)

**Disbursement of LE 8.903 Billion \* (US \$ 1.555 Billion) in Sectors that Effectively Contributed to the National Economy**

## Micro Enterprises

**313,903 Job Opportunities (58% Female: 42% Male)**



- Jobs Created = 903,000
- No. of Projects = 243,000

**Total # Job Opportunities Created = 1.741 Million**

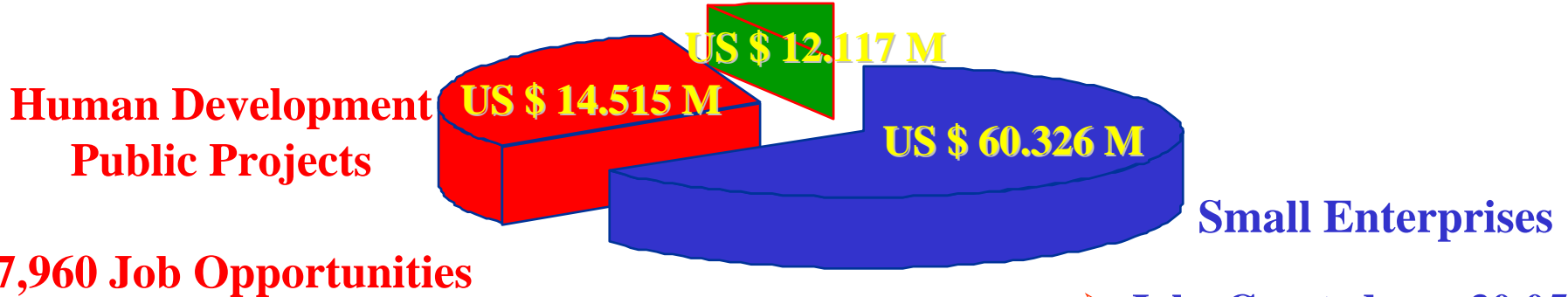
**\* 1 US \$ = LE 5.73**



# SFD's Achievements (January – June 2006)

**Disbursement of LE 498.27 Million \* (US \$ 86.958 Million)**

**Micro Enterprises**  
**52,696 Job Opportunities**



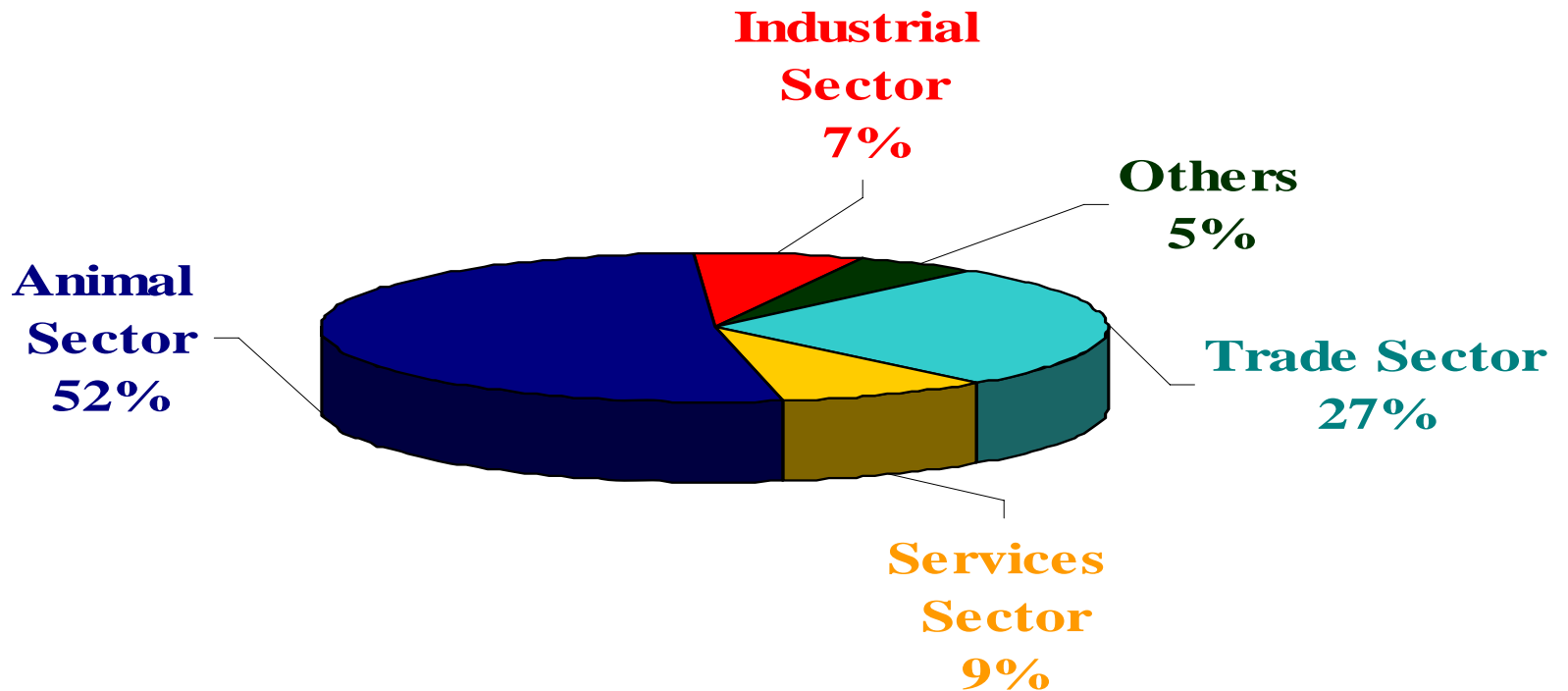
- Jobs Created = 30,058
- No. of Projects = 10,283

**Total # Job Opportunities Created = 100,714**

**\* 1 US \$ = LE 5.73**



# SFD Funded Sectors (January 1992 – July 2006)





# Egypt's National MF Strategy (Dec' 2005)

## SFD – National Coordinator

### *Vision & Objective of MF Strategy*

#### 1. Vision

*Effective and Sustainable Access of Economically Active Poor, Men & Women, and Microenterprises to a Broad Variety of Financial Service Products and Service Providers, through a Vibrant & Viable MF Market with Engaged Stakeholders.*

#### 2. Objective

*To Develop within the Next 5 years an MF Industry in which Sustainable Financial Services for the Lower Segments in the Market Are Integrated in the Overall Development of a Broad, Inclusive, and Diverse Financial Sector.*



# Three Levels of Interventions: *Objectives*

## 1. Macro Level:

*Develop Policy & Regulatory Environment Conducive to Inclusive Financial System that Encourages MF Growth & Development.*

## 2. Meso Level:

*Develop Supportive Infrastructure that Provides MFIs with Required Human, Financial, Capital & Information Resources to Provide Efficient & Effective Services.*

## 3. Micro Level:

*Promote Development of Sustainable & Competitive MFIs that Cater to Market Demand, and Offer Various Valuable Financial Services to Microenterprises and the Poor.*



# National MF Strategy

## *SFD's Coordination & Implementation Tasks*

**Macro:** 1. National Coordination Role;

**Macro:** 2. Review Legal & Regulatory Framework;

**Meso:** 1. Disseminate **Market Information**;

**Meso:** 2. Establish **MFI Network**;

**Meso:** 3. Promote Use of **Int'l Rating Agencies**;

**Meso:** 4. **Capacity Building of APEX MFIs**  
(*Financing Criteria, Guarantee Schemes, BDS,...*)

**Micro:** 1. Encourage Adherence to **Reporting Standards & Performance Benchmarks**;  
(*Institutionalize SRO to Promote Timeliness & Quality of MFIs Reports*);

**Micro:** 2. **Support MF Product Development & Diversification**



# AMAL Microfinance Company

## *Business Plan Prepared By PlaNet Finance*

- MF Sector in Egypt Has *Tremendous Growth Potential*;
- Huge *Unmet MF Demand*, Despite Numerous Programs;
- *Current MF Interventions* Probably Serve About 11% of *Egypt's Potential Market*;
- Business Plan Considered Establishment of AMAL's MF Co, *a Private Sector Company*, to Offer *Integrated Microcredit, Microsavings & Microinsurance Services* to *Unserved and Poorest Communities (Goal of 500,000 Customers)* in First 5 Years in All 27 Governorates.



# Egypt's MF Market Opportunity:

## *AMAL Market Potential \**

**Total Estimated Market: 4.5 M Microentrepreneurs \***

**Effective Demand: 1.8 M**

**Served: 0.5 M \***

**Un-served: 1.3 M**

**AMAL: 0.5 M \***

### Served Market \*:

<b>3 Banks (MF Op)</b>	<b>120,000</b>
<b>NGO-MFIs</b>	<b><u>380,000</u></b>
<b>Total</b>	<b><u>500,000</u></b>

*\* PlaNet Finance Estimates that AMAL Could Reach 500,000 Clients in 5 Years:  
=>> 38% of Currently Un-served Market, and 28% of Effective Demand.*



***Thank You Very Much***