

 Early Warning System

EBRD-55190

FIF - FATEN SME Credit Line II



## Quick Facts

Countries	Palestine, West Bank, Gaza
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-06-25
Borrower	PALESTINIAN COMPANY FOR CREDIT AND DEVELOPMENT (FATEN)
Sectors	Finance
Investment Type(s)	Loan
Project Cost (USD)	\$ 5.00 million



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## Project Description

According to the Bank's website, the project consists of the provision of a senior MSME loan of up to USD 5.0 million (EUR 4.6 million) in favor of Palestine for Credit and Development (FATEN), a non-profit microfinance institution incorporated in the West Bank and Gaza in 1999. The MSME loan will be structured in two equal tranches (USD 2.5m committed tranche and USD 2.5m uncommitted tranche) and will be utilised by FATEN for on-lending to MSMEs based in the West Bank.

The loan will be accompanied by a 20% first-loss risk cover (FLRC) funded by the European Union through its Initiative for Financial Inclusion (Neighbourhood Investment Facility - SEMED Financial Inclusion Program). The FLRC will be provided for the benefit of FATEN's portfolio of MSMEs to encourage FATEN to continue lending to the most underbanked segments of the economy.

The operation will provide FATEN with uninterrupted supply of finance to be able to support MSMEs in the West Bank particularly following increased financing needs faced by MSMEs in the wake of the Israel-Hamas war, which had severe negative impacts on the economic activity in the West Bank in general, and MSMEs in particular.



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## Early Warning System Project Analysis

Categorised FI (ESP2019).



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## Investment Description

- European Bank for Reconstruction and Development (EBRD)

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## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Faten \(Palestine for Credit and Development\)](#) (Financial Intermediary)



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## Private Actors Description

Palestine for Credit and Development (FATEN) was established in its current form in 1999 as a private non-profit company. In 2014, FATEN was licensed by the Palestine Monetary Authority (PMA) and is currently operating under its supervision. FATEN is the largest microfinance institution in the WB&G with a market share of 51% in terms of loans as of end of 2023. FATEN operates through 34 branches in the WB&G, covering over 26,600 borrowers.



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## Contact Information

### COMPANY CONTACT INFORMATION

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### ACCESS TO INFORMATION

You can request information by emailing: [accessinfo@ebrd.com](mailto:accessinfo@ebrd.com) or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

### ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: [pcm@ebrd.com](mailto:pcm@ebrd.com) or you can submit a complaint online using an online form at:

[http://www.ebrd.com/eform/pcm/complaint\\_form?language=en](http://www.ebrd.com/eform/pcm/complaint_form?language=en)

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



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## Bank Documents

- [Translation: FIF - FATEN SME Credit Line II \(Arabic\)](#)