Early Warning System

EBRD-55997

FIF - Fawry MSME - Youth in Business

Quick Facts

Countries	Egypt
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-10-21
Borrower	Fawry MSME Finance
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.26 million
Project Cost (USD)	$ 5.26 million

Project Description

According to the Bank’s website, the project consists of the provision of a senior unsecured loan in local currency of up to EGP 250 million (EUR 4.5 million equivalent) in favour of Fawry MSME Finance. The loan is under the Egypt Youth in Business ("Egypt YiB") programme to on-lend to private youth-led and/or owned MSMEs in Egypt, particularly in remote regions. The loan will also be accompanied by a comprehensive package of technical cooperation, first-loss risk cover, and incentives, funded by the EU Neigbourhood Investment Facility, the EBRD's Shareholder Special Fund, and the EU - Egypt Micro and Small Inclusion Programme, aimed at strengthening the capabilities of Fawry MSME and the sub-borrowers while alleviating the impact of macroeconomic turbulences on end-beneficiaries.

The loan aims at opening up economic opportunities for young people and promoting their access to finance by supporting the development of youth-led and/or owned enterprises and the non-bank financial services industry in Egypt. The proceeds will be used to support lending to eligible privately-owned youth-led MSMEs under the Egypt Youth in Business Programme ("Egypt YiB", the "Programme"), with a focus on regional outreach and attraction of new youth MSME clients.

Early Warning System Project Analysis

Categorised FI (ESP 2024). Fawry MSME (the Company) is a new client of the EBRD. Eligible subprojects will support MSME finance for youths, which are likely to be associated with low environmental and social (E&S) risk. The main E&S risks relate to the client's capacity to implement an Environmental and Social Management System (ESMS) and potential impacts arising from the financed subloans, and related supply chain, labour, occupational health and safety, and cybersecurity issues.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

A senior unsecured loan in local currency of up to EGP 250 million (EUR 4.5 million equivalent).

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.

- Fawry MSME Finance (Financial Intermediary)

Private Actors Description

Fawry MSME Finance is a pioneering digital finance company established in 2018 by Fawry for Banking Technology and Electronic Payments S.A.E (or "Fawry"; the "parent"), Egypt's leading fully-integrated FinTech platform offering a wide range of services, including e-payments and digital solutions, founded in 2008 and listed on the EGX since 2019. The Company operates in Egypt and has achieved rapid growth, establishing itself as a well-recognized player among Egyptian MFIs, becoming the sixth largest player as of YE2024. Fawry MSME operates without physical branches, leveraging a network of over 380 Fawry Plus outlets and digital platforms to reach clients across 26 governorates.

Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: 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 or you can submit a complaint online using an online form at: 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

Bank Documents

- PSD Translation (Arabic)