



Steering Committee
MENA Transition Fund

Ladies and Gentlemen,

“Leveraging regional regulatory reforms to Advance Financial Inclusion in the Arab World” – Presented to the Transition Fund

Dear Sirs,

The International Finance Corporation (IFC) endorses the activities to be implemented under the “Leveraging Regional Regulatory Reforms to Advance Financial Inclusion in Egypt” project presented by the Government of Egypt to the Middle East and North Africa transition fund Steering Committee and to act as an Implementation Support Agency (ISA) for the implementation of the project.

IFC has a long track of projects effectively supporting MFIs and - to maximize the impact - the project will be managed by IFC in close collaboration with Sanabel, the microfinance network of Arab Countries, based in Egypt. Sanabel is a network of NGOs and civil society organizations comprised of 90 institutions committed to advance financial inclusion for the poor. Sanabel will be a key partner to identify civil society organizations beneficiary, promote networking and exchange of experience among Arab MFIs and implement knowledge management activities such as staff training. IFC will also closely coordinate with the World Bank, as it has done under the MENA MSME Technical Assistance Facility as well as the Consultative Group to Assist the Poor (CGAP).

The “Leveraging Regulatory Reforms to Advance Financial Inclusion in Egypt” goal is to work with civil society institutions to increase financial inclusion, by focusing on the segments that are marginalized by the financial system prevalent in Egypt. It includes three main components: (1) Assisting NGO MFIs with strategic planning and transformation as well as the development of a consumer protection framework in light of the new law, (2) Providing risk management support to ensure that MFIs are adequately prepared for the structural changes to be brought about by transformation, and (c) Facilitating exchange of knowledge and networking among MFIs in Egypt.

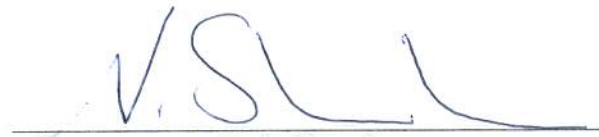
The project in Egypt aims at supporting three of the leading MFIs, located in different geographical areas, to adapt to the changes in the microfinance law that have recently been passed and would allow MFIs to transform into for-profit companies. Throughout this process, IFC will also assist the MFIs in reviewing their product range, and where relevant, will guide them on risk management.

The project has been prepared following normal policies and procedures. Project preparation has been finalized and cleared by management, as per attached Project documents and relevant Annexes.

We thank the Steering Committee for its consideration of this project, and look forward to the opportunity to support Egypt in implementing the project in the benefit of the people of Egypt.

Best regards,

Very truly yours,
INTERNATIONAL FINANCE CORPORATION

A handwritten signature in blue ink, appearing to read 'N. Shousha', written over a horizontal line.

Nada Shousha
Country Manager

Copy to:

Mohammed Hammam

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