



EUROPEAN  
MICROFINANCE WEEK 2013

THE FUTURE OF MICROFINANCE:  
INVESTING IN INCLUSIVE GROWTH

# **AFD strategy for financial inclusion in the MENA region**

## **Examples of Morocco and Tunisia**

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## Presentation of the AFD Group (1/2) Financial instruments

### AFD :

- Microfinance Facility (10M€ / year – 80% SSA) for :
  - Soft, local currency loans
  - TA grants
- Soft loans (EUR or USD) : for mature financial institutions with innovative projects ;
- ARIZ Risk-sharing mechanism : for MFI refinancing and SME finance ;

### Proparco :

- Market condition loans (EUR or USD) : for MFI refinancing ;
- Equity: for greenfield, transforming, developing MFIs.

## Presentation of the AFD Group (2/2) Financial inclusion strategy

### Focus on :

- Countries and region with lowest financial inclusion ;
- Populations with lowest financial inclusion (rural, women...);
- Adapting products and services to the needs of excluded populations (agriculture, housing, energy, insurance...);
- Strengthening the ecosystem (meso and macro level);
- Enhancing social performance in the sector.

## AFD in Morocco (1/2) Historical perspective

### Up to 2007

- AFD senior and subordinated loans to MFIs (Al Amana, AMSSF, Zakoura), supporting product development (rural, housing) ;

### Since 2007

- AFD is a shareholder of JAIDA, local fund supporting mature and small MFIs ;
- Proparco guarantees and subordinated loans to Al Amana and FBPMC ;
- AFD supports with JAIDA the development of a financial institution targeting small holders in the agricultural sector (TEF) ;
- AFD joint project with Women's World Banking network on micro-insurance (including Al Amana)

## AFD in Morocco (2/2) Future perspectives

- Up-coming transformations of MFIs ;
- Opportunities in SME finance depending on microcredit cap ;
- Still needs for strengthening MFIs, especially small ones ;
- Room for more rural and women outreach :

Account at a Formal Financial Institution	Morocco	MENA
All adults (% , age 15+)	39,1%	17,7%
Male adults (% , age 15+)	52,0%	23,1%
Female adults (% , age 15+)	26,7%	12,5%
Adults living in a rural area (% , age 15+)	n.a.	10,5%
Adults living in an urban area (% , age 15+)	n.a.	17,9%

*Reference: The Global Findex Database, World Bank, 2012*

## AFD in Tunisia (1/2) Historical perspective

### Before 2011

- AFD support to Enda for developing agricultural loan (TA) and refinancing rural portfolio (local currency loan) ;

### Since 2011

- Supporting the Ministry of Finance in building a new framework for the industry (Sectorial conference in April 2011, National Strategy in 2011, new regulations in 2012) ;
- Support to the creation of an MFI targeting small holders in the agricultural sector and creation of revenue generating activities (Taysir microfinance);

## AFD in Tunisia (2/2) Future perspectives

- Institutional framework still under construction (regulation, credit bureau...);
- Future of small BTS/AMC in question;
- Need for deeper market understanding (Finscope...) and improved geographical coverage and women outreach;

Account at a Formal Financial Institution	Tunisia	MENA
All adults (% , age 15+)	32,2%	17,7%
Male adults (% , age 15+)	39,2%	23,1%
Female adults (% , age 15+)	25,2%	12,5%
Adults living in a rural area (% , age 15+)	26,4%	10,5%
Adults living in an urban area (% , age 15+)	35,5%	17,9%

*Reference: The Global Findex Database, World Bank, 2012*

## Contact

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More details available on AFD's website :

[http://www.afd.fr/home/projets\\_afd/appui-secteur-prive/accessibilite-financierez/Microfinance](http://www.afd.fr/home/projets_afd/appui-secteur-prive/accessibilite-financierez/Microfinance)

Thank you!