



IFC

Financial Institutions Group (FIG)

MSMEs

As of October 2025

Industry Context

Micro, Small and Medium-sized Enterprises (MSMEs) are vital to economic growth, job creation, provision of goods and services, and poverty alleviation in emerging markets. MSMEs make up over 90% of all firms and account, on average, for 70% of total employment and 50% of GDP worldwide. The MSME finance gap now stands at \$5.7 trillion – a number that swells to \$8 trillion when informal enterprises are included. In emerging markets, 70% of MSMEs lack adequate financing while 1.7 billion adults lack access to basic transaction accounts. Those without access are largely concentrated in Asia and Sub-Saharan Africa and are disproportionately poor and female.

IFC Strategy and Portfolio

MSME financing is a significant part of IFC's business.

IFC works across emerging markets to improve financial infrastructure and scale new tools to deliver impactful financial products and services for MSMEs. Working through financial intermediaries, IFC provides access to finance for millions of MSMEs that would be challenging to reach directly. IFC has launched innovative and complementary platforms targeting MSMEs, including enhancing bank risk appetite for SME on-lending, supporting micro-borrowers, increasing access to trade finance, and support to supply chain finance.

IFC enables digital and embedded financial service providers to better serve MSMEs by partnering with innovative banks, FinTechs, and digital platforms. IFC also works with financial intermediaries to provide training, mentoring, networking, and access to markets. These non-financial services have been shown to benefit the MSMEs as well as the financial institutions that serve them, and are particularly impactful for women entrepreneurs who face constraints related to knowledge and networking.

FIG MSME COMMITTED PORTFOLIO

\$18.2 billion 

FIG IMPACT & REACH

 **50 million**
loans to MSMEs

Strategic Initiatives



MSME Finance Platform

In May 2024, IFC launched the MSME Finance Platform, a new financial package of up to \$4 billion from IFC's own account to help financial service providers deliver funds to MSMEs in emerging markets. This new platform will utilize various forms of credit enhancement to mobilize private capital, including an innovative Catalytic First Loss Guarantee aiming to crowd in an additional \$4 billion in financing. The platform will be supported by the International Development Association's Private Sector Window (IDA PSW), the Global SME Finance Facility (GSMEF) and the Women Entrepreneurs Opportunity Facility (WEOF).



SMALL LOAN GUARANTEE PROGRAM (SLGP)

In April 2018, IFC launched SLGP, a program designed for unfunded risk sharing with the goal of building the risk management and financing capacity of financial institutions serving SMEs and very small enterprises in emerging markets, including less developed areas, fragile regions, and conflict-affected states. SLGP operates with a pooled first loss structure supported by the IDA PSW Blended Finance Facility and the European Commission via its European Fund for Sustainable Development and includes product modifications to deliver risk sharing facilities more efficiently, competitively, and at scale. To date, SLGP has facilitated 8,584 loans to SMEs, amounting to \$788 million across 23 countries, addressing financing gaps in challenging business environments.



THE GLOBAL SME FINANCE FACILITY

The Global SME Finance Facility (GSMEF) is a partnership focused on helping to close the financing gap faced by SMEs in emerging markets. By providing investment and advisory services to financial institutions, the Facility helps them expand lending to SMEs in challenging markets and segments. The Facility focuses on the most underserved SME segments that are not normally reached by financial institutions. These include SMEs in fragile countries, Very Small Enterprises, climate-smart SMEs, and women-owned SMEs. In addition, the Facility aids governments to improve their nations' financial infrastructure, thus enabling capital to flow more efficiently to SMEs. The program has committed \$140 million to 196 investment and advisory services projects in 43 countries, of which 28% are fragile and conflict-affected states.

Project Examples



ACCESS BANK (SIERRA LEONE)

IFC committed to a Risk Sharing Facility (RSF) with Access Bank Sierra Leone Limited to increase lending to Small and Medium-Sized Enterprises (SMEs) in Sierra Leone. Through this unfunded RSF, IFC and Access Bank have each agreed to share the risk on a up to \$20 million equivalent SME loan portfolio. IFC's exposure is limited to \$10 million equivalent, while Access Bank assumes risk for an additional \$10 million equivalent. This initiative is part of IFC's Small Loan Guarantee Program (SLGP).



IS FINANSAL KIRALAMA A.S. (TURKIYE)

IFC committed a \$100 million to Is Finansal Kiralama A.S. (IsLeasing), a subsidiary of Turkiye Is Bankasi A.S. (IsBank), which is the largest private bank in Turkiye. The proceeds of the investment will be used to expand the IsLeasing's lending that focus on co-benefits for the environment, with 15% designated specifically for businesses supporting women and another 15% for blue lease financing. The loan will consist of US\$50 million for IFC's own account and US \$50 million to be mobilized through the MCPP III Program.



HD SAISON FINANCE COMPANY (VIETNAM)

IFC committed a \$50 million loan to HDSaison, the 4th largest retail finance company in Viet Nam. This will support HDSaison in providing green and productive micro loans to low-income individuals across Viet Nam. At least 50% of the funds will be dedicated to purchasing electric two-wheel vehicles and energy-efficient appliances that meet IFC's criteria. The remaining of IFC's funding will be used to support two-wheel vehicles, which are essential for daily business transportation or employment.



BANCO INDUSTRIAL (BRAZIL)

IFC committed \$105 million to Banco Industrial do Brasil S.A. to expand access to finance for MSMEs throughout the country. A minimum 30% of the resources will be allocated to finance women-led SMEs, while 30% will be dedicated to expanding financial services in the Legal Amazon region, including for microentrepreneurs and informal businesses, while the remainder will support broader SME lending nationwide. This is IFC's first loan in Brazil under the MSME Finance Platform.