



## IN PARTNERSHIP WITH



**IFC Advisory Services in the Middle East and North Africa (MENA) focuses on promoting private sector development in the region, which includes a varied spectrum of countries with different economic features and constraints.** The MENA region covered by IFC comprises 20 countries, with a total population of over 530 million people. The region includes three International Development Association (IDA) countries—Afghanistan, Pakistan, and Yemen—as well as several conflict-affected countries and territories, including Afghanistan, Iraq, West Bank and Gaza, and Yemen.

## IMPACTS ON THE GROUND

- IFC helped facilitate approximately \$642 million in financing through the disbursement of about 495,000 loans to micro, small, and medium enterprises (MSMEs) by working with financial institutions and other intermediaries.
- Through enhanced corporate governance practices, IFC assisted businesses in becoming more sustainable and attracting \$110 million of investment capital.
- IFC ramped up support to IDA and conflict-affected countries in MENA. The project expenditures in IDA and conflict-affected countries represented 56 percent of the total project costs in the region during FY10.
- With the level of private investment as a share of gross domestic product (GDP) being lower in MENA than in any other region, IFC is working to support improvements in infrastructure. We helped attract an estimated \$160 million in infrastructure investment by private investors in Egypt by advising the Egyptian government on the first public-private partnership in water in the country.
- IFC helped improve the business environment in several countries through the reform of five laws, regulations, and codes as well as five procedures and policies, such as a decree by the Egyptian Ministry of Investment to abolish the minimum capital requirement for limited liability companies, and a decree in Yemen that further simplifies business registration by eliminating the need for the minister's signature on each new business registration form.
- Some 5,100 people in Yemen, 41 percent of whom were women, improved their business skills using Business Edge, IFC's management training product. The MENA region has the youngest population globally, with more than 50 percent of the population under the age of 24, making it even more important for young job seekers to have the skills necessary to find employment.

## CORE SERVICES

### Access to Finance

Many people in MENA do not have access to financing options. Financial institutions are inclined to focus on extending credit to large commercial clients and top retail customers, and tend to neglect MSMEs, as well as low and moderate wage earning individuals. IFC Advisory Services in MENA seeks to improve access to finance by supporting the development of sustainable financial institutions.

IFC helps strengthen financial institutions by providing specialized consultations on corporate governance, risk management products, and MSME development; building capacity and institutional skills; conducting on-site diagnostic missions, studies and publications; and promoting a more conducive legal and regulatory framework to lending.

### Investment Climate

In most countries in MENA, firms tend to be small—and often informal—with low productivity that limits their regional and international competitiveness. One of the main reasons for this is the region's generally overly complex and unfriendly business environment, which is characterized by cumbersome laws, regulations, and administrative procedures that lack transparency. IFC Investment Climate business line carries out targeted policy reforms designed to remove obstacles to private sector growth and generate more investment opportunities.



## Public-Private Partnerships

Improvements in infrastructure and public services are an intrinsic part of creating sustainable economies. This is particularly true in MENA, where people have primarily relied on the state to provide essential services that require major capital expenditures, such as utilities and infrastructure. IFC helps governments in the region structure a number of flagship public-private partnership projects, such as establishing a wastewater plant in New Cairo in Egypt, and working in collaboration with the World Bank to spread the use of solar power in Morocco.

## Sustainability Business Advisory

IFC works in MENA at the firm and sector levels to foster the development of inclusive, environmentally sustainable, efficient markets. We are active in a number of IDA and conflict-affected countries in the region. In these countries, we strengthen the capacity of SMEs and help them plug into the global supply chains of large corporations. We help businesses increase the use of renewable energy sources, improving energy efficiency, building resilience, and managing risk. We also promote good business practices and standards through sustainable market solutions.

### Helping Young Adults With The Right Skills

Rasha Al-Eryani had an education—but no means of supporting herself. Long after she graduated, she remained jobless, turning to her family for help with the bills.

Her story is far too common in Yemen, where nearly 11 million people live on less than \$2 a day. With the unemployment rate as high as 40 percent, even the most desirable Yemeni job-seekers, like Al-Eryani, have little opportunity.

That's why IFC joined forces with the Yemen Education for Employment Foundation (YEFE) to create the country's first professional training program for first-time job-seekers. It worked for Al-Eryani. She landed a job in the human resources department of a company in Yemen a month after taking IFC's Business Edge courses.

"When I started working, I was well-prepared and did not feel any difference between what I studied in the courses and reality," the 27-year-old Al-Eryani said.

Thousands like her will benefit from Business Edge, learning the essentials of marketing, accounting, and other bankable skills.

Over the next three years, IFC and YEFE expect to train 3,000 people under the sponsorship of companies that have pledged to hire 85 percent of the initiative's participants. The program will help Yemen diversify its oil-based economy and solidify its nascent private sector. It will also expand access to training in more rural areas and increase the participation of women and youth in the workforce in Yemen, one of the poorest countries in the Middle East.

The unemployment rate among youth in this region is one of the highest in the world—and many of the unemployed are well-educated first-time job seekers. IFC's Business Edge training programs, available in Egypt, Yemen, Afghanistan, and Pakistan are tailored to local markets and offered through licensed training providers. We provide workshops and training materials to improve skills in marketing, human resources, production and operations, finance and accounting, and productivity.

