



Financial Inclusion MENA Newsletter

News on financial inclusion in the MENA region

GIZ programme "Promotion of the Microfinance Sector in the MENA Region (MFMR)"

Issue No. 1

Q3 2015

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Dear readers,

Financial inclusion is of major concern to policymakers in the Arab World as it stimulates economic growth and job creation and increases financial sector stability. This has been reaffirmed recently by the G7 Deauville Partnership's launch of the Financial Inclusion Action Plan for the MENA Region.

Our regional GIZ programme assists policymakers in developing national financial inclusion strategies. We work closely with our partners in Egypt, Jordan and the Palestinian Territories to strengthen the legal, regulatory and institutional framework conditions of the microfinance sector. The programme is being implemented on behalf of the German Federal Ministry for Economic Cooperation (BMZ), with funding by the European Union.

We further aim to foster the regional exchange on financial inclusion. Our newsletter offers updates on the work with our partners, attempts to give insights into topics related to financial inclusion in the region, and endeavors to highlight international developments and good practices. The section on the right hand side will keep you updated on key events and publications.

A key event on Financial Inclusion and Employment will be hosted by the Central Bank of Jordan, the Arab Monetary Fund and our GIZ programme in November this year. It will focus on the financial access of small and medium-sized enterprises, major contributors to employment generation, and highlight successful policy approaches from the region and beyond.

We hope you will enjoy reading this newsletter and welcome your [subscriptions](#), feedback, and contributions.

Yours faithfully,
Hayder Al-Bagdadi

Microfinance in the MENA Region (MFMR) programme news

On the Shoulders of Giants
EFSA Looking for Inclusive Insurance Sectors

HIGHLIGHTS

SUBSCRIBE to this Newsletter at www.giz.de/newsletter (Thematic Newsletter)

SAVE THE DATE

10-11 November
**High-level policy dialogue
Financial Inclusion and
Employment**
Hosted by the Central Bank of Jordan, Arab Monetary Fund and GIZ
Dead Sea | Jordan
For more information contact: fi-conference@giz.de

GIZ/Sanabel 2015 Award
[launched](#)

Upcoming conferences and trainings

Starting September 1, 2015
**Certified Development Finance
e-learning courses**
LinkedIn - Frankfurt School of Finance and Management
[More...](#)

2 to 4 September
2015 Global Policy Forum
Alliance for Financial Inclusion
Maputo | Mozambique
[More...](#)

20 to 21 October
Sanabel 2015 Conference
Sharm El Sheik | Egypt
[More](#)

3 to 5 November
**11th International
Microinsurance Conference**
Driving Growth and Sustainability:
A business case for
microinsurance
Casablanca | Morocco
[More...](#)

In Egypt, the insurance market attracts new entrants, while firms find new delivery schemes and develop new microinsurance products to reach out to segments of the population and areas that may previously have been off limits. The Egyptian Financial Supervisory Authority (EFSA) undertook a knowledge exchange visit to Germany to learn from the European regulator's experience in supervising one of the largest insurance markets in the world.

[Read more](#)

No need for a crisis

Central Bank of Jordan studies Moroccan Microfinance Case



The Central Bank of Jordan (CBJ) is taking over a regulatory and supervisory role over MFIs this year. Its Moroccan counterparts, the Ministry of Economy and Finance and the Bank Al-Maghrib offer many lessons to learn from. Thus, the CBJ, the microfinance network Tanmeyah, and the MFMR Programme undertook a knowledge exchange visit to Morocco from May 11–15 to study the country's approach to microfinance regulation and supervision.

[Read more](#)

The EU and Germany support Jordan's Microfinance Sector Towards Inclusive Finance in Jordan



The microfinance sector in Jordan has been growing strongly. The absence of regulation, however, had so far prevented reaching more people in need and has left many borrowers without an adequate protection framework. The government therefore enforces the implementation of its national microfinance strategy to improve governance and outreach

of microfinance in Jordan. This far-reaching effort is now supported jointly by the European Union and the German Cooperation.

[Read more](#)

Palestinian Territories

The two-fold impact of the Palestinian Monetary Authority supervising microfinance



The Palestine Monetary Authority (PMA), in cooperation with the MFMR programme, took over a supervisory role over the microfinance sector starting off in 2012 by requiring MFIs to apply for a license to engage in microcredit. With the beginning of 2015, microfinance providers are fully put under PMA's supervision. What does that mean for the country's economy?

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New Microfinance Regulations in Jordan

Fostering outreach of MFIs and improving consumer protection

A microfinance bylaw has been passed in Jordan that aims at strengthening the regulatory and supervisory framework of the sector, while enabling expansion of the access to formal financial services for the unbanked population. It mandates the Central Bank of Jordan to regulate and supervise the microfinance sector,

Publications

Deauville Partnership Action Plan for Financial Inclusion

Members of the Deauville Partnership

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Doing Digital Finance Right: The Case for Stronger Mitigation of Customer Risks

Focus Note
CGAP

[Read more](#)

By the Numbers: Benchmarking Progress towards Financial Inclusion

Center for Financial Inclusion

[Read more](#)

The Global Findex Database 2014: Measuring Financial Inclusion around the World

The World Bank

[Read more](#)

Financing Global Development: The Role of Central Banks

German Development Institute

[Read more](#)

Responsible Mobile Insurance

Discussion Paper
GIZ

[Read more](#)

2014 State of the Industry: Mobile Financial Services for the Unbanked

GSMA

[Read more](#)

Can Islamic Banking increase Financial Inclusion?

IMF Working Paper

[Read more](#)

Range of practice in the regulation and supervision of institutions relevant to financial inclusion

Alliance for Financial Inclusion

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Measuring Financial Inclusion: Core Set of Financial Inclusion Indicators

Alliance for Financial Inclusion

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Financial Inclusion measurement for regulators: Survey design and implementation

Alliance for Financial Inclusion

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setting the ground for detailed instructions for MFIs.

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Regional News

Financial Inclusion

G7 Deauville Partnership launches Action Plan on Financial Inclusion

High-level policy makers and practitioners from the MENA region attended a conference of the German Federal Ministry of Finance (BMF) this April to discuss challenges and opportunities of Financial Inclusion. Comprehensive reforms are envisaged to incorporate more citizens into the formal financial system in Egypt, Jordan, Lybia, Morocco, Tunisia, and Yemen.

[Read more](#)

For a summary of the **Responsible Financial Inclusion for Social Inclusion and Stability** conference refer to [AFI](#).

Promotion of financial literacy and education a pre-requisite

Integrating financial literacy within the national education systems is inevitable for greater financial inclusion in the MENA region. Practitioners will need to share and pool resources to expand financial education programs and evaluate their impact, scale and cost.

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Palestinian Monetary Authority pushes forward Financial Inclusion

Raising the level of financial literacy and awareness as well as improving financial products are few of the measures which will be taken by the Palestinian Monetary Authority's efforts to enhance financial inclusion. The country stands out in the region and was chosen by the Arab Monetary Fund to develop guidelines for the MENA region on developing national financial inclusion strategies.

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Digital Financial Services

Can new e-money services alleviate some of the difficulties facing Yemenis during wartime?

Yemen is one of the most 'under-banked' countries in the world. There are only two commercial bank branches for every 100,000 grown-ups, compared to a global average of twelve branches, according to the World Bank. The ongoing war has resulted in the closure of another 30 to 40 per cent of bank branches, hindering people even more from sending or receiving money, saving or taking out loans. With the issuance of a new regulations on e-money and mobile banking a partial solution to the problem of bank closures and for the country's 16 million mobile phone users is now on the horizon.

[Read more](#)

For further information on Yemen's new mobile banking regulation refer to [AFI's blogpost](#).

Microfinance

What response to political risk and crisis for microfinance institutions?

Recent upheavals in the MENA region have also impacted the microfinance industry. Careful monitoring of political risk is required as well as developing mechanisms for quick response in case of a crisis.

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Egyptian Union for Microfinance elected

Podcasts

Microinsurance

The benefits of microinsurance may not be understood by clients which leads to a low claims ratio. [Listen](#) to this podcast to learn about Al Amana's - one of Morocco's biggest Microfinance NGO's - experience on countering the complexity of insurance with marketing and consumer education.

Ten representatives from Egyptian governorates, NGOs, a company and a bank form the Egyptian Union for Microfinance. It will cooperate with the Egyptian Financial Supervisory Authority to promote the new law and protect the rights of the beneficiaries.

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Lebanon's Al Majmoua is helping Syrian refugees

Often MFIs are best placed to provide essential services during crises. Context-sensitivity is much needed and the ability to provide services beyond institutions' normal line of work.

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Morocco adopts Microfinance bill

The Moroccan government is looking to adopt a basic framework for Islamic insurance. Takaful is based on the principle of solidarity through a cooperative scheme and becomes increasingly popular in Africa.

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Microfinance Institutions in high-risk countries need reliable long-term partners

When crisis occurs, MFIs operating in risk-prone countries often find their activities disrupted. Reliable partners are critical to continue the service provision to MFI customers.

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Creating opportunities for scale: Gaza Microfinance Institution FATEN

Despite severe losses the MFI continues to provide decisive services to its customers. Read more about the success story of an institution which supports the rebuilding and sustaining of the Gaza Strip through the provision of microfinance.

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Microinsurance

Insurance Federation of Egypt forms Microinsurance Committee

The new technical committee will help promote microinsurance in Egypt. This is in line with the government's strategy to push microinsurance in the country.

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Microinsurance as next driving force in the Egyptian insurance market

Only 0.25% of Egypt's 90 million people are covered by microinsurance although it could benefit 80% of the population. Educating people on the value of microinsurance and the right business environment are vital for the sector to prosper. EFSA is thus drafting a new insurance law, which will encompass easy and inexpensive mechanisms for distributing microinsurance products.

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International News

Consumer Protection

Model law based on good practices

Consumer Protection frameworks which are properly designed, implemented and supervised can be important enablers for achieving financial inclusion targets. The "Client Protection Principles: Model Law and Commentary for Financial Consumer Protection", which is prepared on the basis of the Smart Campaign's Client Protection Principles, could be a potential source for many

emerging economies that are seeking to design and implement international best practices in financial consumer protection.

[Read more](#)

Getting digital finance right: five things to bear in mind

Tackling customer services issues and gaining customers' trust will be key to driving the mobile money sector.

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Financial Inclusion

2014 Global Findex findings in brief

What can we learn from the current state of financial inclusion globally? 10 takeaways from the report that you should know about.

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Gamechanger: Why do digital financial services matter?

The use of digital financial services has revolutionized the financial inclusion landscape. New players in the field and the technology involved are able to solve the high demand for greater access to finance.

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Is age an impediment to financial inclusion?

The rapid aging of the population in almost all countries can no longer be ignored. Financial services can play a major role in facilitating the basic income strategies of older people. The research highlights the barriers older people face when accessing and using financial services that could facilitate their basic income strategies.

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Eight trends that will impact financial inclusion in 2015

Commitments made under the Maya Declaration, the rise of new financial players and more diverse financial products and services as well as greater involvement of global financial players will shape the financial inclusion landscape this year and beyond.

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Financing for development

Achieving post-2015 development goals

Development of pro-poor financial markets is essential to achieve equitable growth strategies and broader development goals. Domestic resource mobilization and financing of SMEs can foster economic growth and job creation and subsequently reduce poverty.

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Innovation

An alternative model to diversify MFI funding

Third-party pledges to assume the debt obligation of a MFI in case of default are used to comfort hesitant lenders. Read how an impact investing firm innovates on this approach.

[Read more](#)

Islamic Finance

Islamic Microfinance major driving force for poverty alleviation

Growth rates for Islamic microfinance are predicted at 19.8% annually over the period 2014-2018. Especially in rural areas microfinance services, that are compliant with Islamic principles, have great potential to enhance financial inclusion: more people gain access to finance who thus far had been reluctant to use conventional financial products.

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The programme is carried out with funding by the European Union and by the German Federal Ministry for Economic Cooperation and Development (BMZ).

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