



Global Communities is an experienced provider of financial services. Our work in financial inclusion began by pioneering housing microfinance in the 1980s and today provides support in the areas of micro, SME and housing finance. Since 2008, Global Communities has been a leading provider of loan guarantees, in partnership with the Overseas Private Investment Corporation, the US Agency for International Development and US Department of Agriculture. Through our loan guarantee facilities, we help businesses in emerging economies that are too large for traditional microfinance and too small for commercial banks to access credit, by partially guaranteeing the loans of commercial bank partners. This helps to diversify and strengthen developing economies, and provides incentives to commercial banks to begin lending to markets they previously would not have considered.

## **JORDAN: Guaranteeing the Future of Jordan's SMEs**

Small and medium enterprises (SMEs) are a key to innovation and an engine of economic growth and job creation in the Middle East and North Africa region. Despite the crucial role SMEs play in the region's economies, they have great difficulty accessing finance needed for start-up and growth. The financing gap for SMEs in the MENA region is estimated to be between \$110 billion and \$140 billion. Women entrepreneurs especially struggle to access the credit they need to grow their businesses. The \$250 million Jordan Loan Guarantee Facility (LGF), established in 2011 by OPIC in partnership with USAID and Global Communities, facilitates SME lending in partnership with commercial banks by providing partial loan guarantees for SMEs that are creditworthy, but cannot provide the collateral or information required by the banks.

Businesses benefiting from loans guaranteed by the Jordan LGF represent many industries including green energy companies, auto services, construction, consumer finance, fashion retailing, food processing, hospitality, information technology, and many more in Jordan.

- Seven banks have signed Guaranty Facility Agreements and are current active partners with the JLGF.
- Since May 2012, JLGF has approved 127 loan guarantees with an aggregate principal amount of over \$30 million.
- Fourteen guarantees have been issued to women-owned businesses and JLGF has provided financial management training to more than 120 women through special workshops for female entrepreneurs.



## EGYPT: Promoting Access to Credit and Private Sector Growth

With funding from Overseas Private Investment Corporation (OPIC), in 2011 Global Communities established a \$250 million loan guaranty facility to support lending to the enterprise sector in Egypt with a strong focus on the small- and medium-enterprise sector. The facility guarantees loans by local banks to enterprises with at least two of the following three characteristics: (i) not more than 300 employees, (ii) total assets not exceeding the Egyptian Pound Equivalent of \$15,000,000, and (iii) annual revenues not exceeding the Egyptian Pound Equivalent of \$15,000,000. Priority is given to loans with the highest job generation or retention potential. The facility can also be extended to guarantee bank loans to microfinance institutions. The program provides technical assistance and training programs on a demand-driven basis to officers and managers from partner banks.

## KENYA, MALAWI and TANZANIA: Loan Guarantees for Agribusinesses

AIMS (Agribusiness Investment for Market Stimulation) is a new five-year, multi-country project that will increase agricultural trade through improving access to markets and financing in Kenya, Tanzania and Malawi. The core of the AIMS program is a \$50 million Loan Guarantee Facility (LGF) backed by OPIC and supported by the US Department of Agriculture. Global Communities will complement the LGF with technical support to targeted banks and agribusiness MSMEs – including cooperative enterprises, agricultural farmer associations and Savings and Credit Cooperative Societies – to enhance their bankability and facilitate market linkages and access to market information.

AIMS will work with the Eastern Africa Grain Council (EAGC) to simultaneously build the capacity of lenders and borrowers – a proven approach that helps businesses grow by increasing their access to capital. At the same time, AIMS will develop market linkages and financing opportunities to beneficiaries of USAID Feed the Future and other programs that emphasize increasing productivity and food security.

AIMS will fill the gap between existing programs that address trade policy at the national and regional levels and those that focus on increasing farmer productivity at the local level. It will complement ongoing efforts by the targeted country governments, USAID and other donors to promote domestic, regional and international trade – including the Common Market for Eastern and Southern Africa and Alliance for Commodity Trade in East and Southern Africa, as well as multiple national programs targeting productivity and food security.

*Global Communities is an international non-profit organization that works closely with communities worldwide to bring about sustainable changes that improve the lives and livelihoods of the vulnerable. Please visit our website at [www.globalcommunities.org](http://www.globalcommunities.org) for more information.*