



Press Release [For Immediate Release]

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**IFC, PROPARCO & SANAD Fund for MSME Sign a USD 65 million financing agreements
with Bank of Palestine in support of SME businesses in anticipation of economic recovery**

Ramallah, September 11th, 2024: Bank of Palestine signed today a USD 65 million financing agreement with a consortium comprised of the International Finance Corporation (IFC), PROPARCO, the Investment Arm of the French Development Agency, and SANAD Fund for MSME's, in support of the Bank's programs to support economic recovery in Palestine with a focus on small and medium enterprises (SMEs).

The agreement comes at a time the Palestinian economy is in recession due to the war on Gaza. Hardest hit by these economic challenges is the SME sector requiring additional liquidity and financing from the Bank. SMEs represent 90% of economic activity in Palestine and as such constitute the backbone of the Palestinian economy. As such three leading Global Development Finance Institutions came together; with the IFC contributing USD 35 million (USD 25 million from IFC's own account - plus blended finance which includes a USD 6.5 million loan from IFC's Global Small and Medium Enterprises Finance Facility and a USD 3.5 million loan from IFC's MENA Private Sector Development Program), PROPARCO USD 20 million and SANAD USD 10 million to provide additional liquidity for financing SMEs during the recovery phase of the Palestinian economy.

Françoise Lombard, CEO of Proparco, said: "As a long-time partner of Bank of Palestine, Proparco is proud to stand once more by the Bank in these challenging times. We are confident that this credit line will achieve its ambitious yet crucial objective of helping Palestinian SMEs to withstand the current downturn and play a significant part in the coming economic recovery."

SANAD's involvement continues to tangibly demonstrate its long-term dedication to empowering SMEs and promoting inclusive financial landscapes in the MENA region. "Supporting SMEs is vital for economic stability and growth, especially in challenging times," said SANAD Board Chairperson Dr. Daniela Beckmann. "The SANAD Fund's contribution underscores our commitment to fostering inclusive financial ecosystems and empowering small businesses in Palestine. We believe this partnership will help to drive significant, positive change and aid in the region's economic recovery."

Hashim Shawa, Chairman of Bank of Palestine said: "Bank of Palestine has championed the financing of the SME sector and remains committed to the well-being of this sector and its clients. The financing credit line by the international consortium of IFC, PROPARCO and SANAD is an important financing tool equipping the bank with liquidity and the long-term ability to provide needed financing for a vital economic sector. The health of this sector would enable the real economy to revive, recover and grow."

We are thankful for this partnership with the DFIs that came together and in record time mobilized this financing tool at a very critical period facing the Palestinian economy.”

About the World Bank Group in the West Bank and Gaza

The World Bank Group has long provided support to help build better lives and opportunities for the people of the West Bank and Gaza. Against the backdrop of the current humanitarian emergency in Gaza, the World Bank Group is working in close collaboration with development partners to provide lifesaving interventions such as food, water and medical supplies. World Bank Group programs are also supporting the continuity of basic public services such as education, healthcare and municipal delivery for people in the West Bank. IFC, the Group’s private sector arm, is further supporting small businesses to maintain jobs and financial services to bolster the economy. The World Bank Group’s programs are designed to respond to the immediate needs of people in the West Bank and Gaza and help build a path towards recovery for the Palestinian territories.

About SANAD

The SANAD Fund for MSME, a fund advised by Finance in Motion, finances micro, small, and medium enterprises and low-income households in the Middle East and North Africa and selected countries of sub-Saharan Africa via qualified local lenders. SANAD thereby fosters economic development and job creation – including youth employment – agriculture, affordable housing, and innovations in finance and financial technologies. SANAD strives to meet these goals by providing debt and equity financing to its local partners.

The SANAD Technical Assistance Facility (SANAD TAF), managed by Finance in Motion, multiplies the fund’s impact and outreach through capacity-building with partner institutions, developing financial infrastructures according to the principles of responsible finance and conducting much required research and development. The SANAD Entrepreneurship Academy, an initiative of the SANAD TAF, encompasses a range of programs to support business owners throughout SANAD’s target region. By working together with local organizations that drive incubation and acceleration projects, the Entrepreneurship Academy provides entrepreneurs with guidance, resources, mentoring, networking opportunities, the chance to receive financial backing, and other means necessary to turn good ideas into successful enterprises.

SANAD’s investors include the KfW Development Bank, which initiated the fund; the German Federal Ministry for Economic Cooperation and Development (BMZ); the European Union; Switzerland’s State Secretariat for Economic Affairs (SECO); OeEB, the Development Bank of Austria; Germany’s GLS Bank and GLS Treuhand; the Dutch development bank FMO; and Calvert Impact Capital.

For more information on the SANAD Fund for MSME, please visit: www.sanad.lu

About Finance in Motion

Finance in Motion is a global impact asset manager focused exclusively on sustainable development in emerging markets and developing economies. The company structures, manages, and advises impact investment funds that bring together public and private investors to address climate change, strengthen biodiversity conservation, foster the sustainable use of natural resources, improve livelihoods, and promote economic opportunities.

About Proparco

Proparco, a subsidiary of Agence Française de Développement Group, has been working with the private sector for over 45 years for a more just and sustainable world. With an international network of 23 local offices, Proparco works closely with its partners to build sustainable solutions in response to environmental and social challenges in Africa, the Middle East, Asia and Latin America. Proparco benefits from sector-based expertise as well as a wide range of financial solutions tailored to the different stages of business development, notably thanks to its Digital Africa subsidiary, and its Propulse technical assistance offering designed to scale up the impacts and performance of its partners.

Proparco's new "Acting together for greater impact" Strategy 2023–2027 enables, strengthens and amplifies the different ways in which it works with its partners. To learn more: <http://www.proparco.fr/en/strategy>. For more information, go to: <http://www.proparco.fr/en> and [@Proparco LinkedIn](#)

About Bank of Palestine

Established in 1960 and headquartered in Ramallah, BANK OF PALESTINE (BOP) is a commercial private bank listed on the Palestine Stock Exchange (PEX) and regulated by the Palestine Monetary Authority. With total assets of USD 7.126 billion, BOP holds the largest market share in the sector accounting for over a third of customer deposits and credit facilities. It is the largest of the 13 financial institutions operating in Palestine. BOP operates the country's leading banking network with 101 branches nationwide, serving over 1 million customers across retail, corporates, SME and public sectors. Offering a wide range of services – including retail, corporate, digital, and mobile banking – the bank is a leader in SME lending and plays a significant role in promoting financial inclusion, sustainability and entrepreneurship in Palestine.

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