



## PRESS RELEASE

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### THE EGYPTIAN-AMERICAN ENTERPRISE FUND PUBLISHES ITS 2020 IMPACT REPORT

**NEW YORK, NY, June 7, 2020**—The [Egyptian-American Enterprise Fund](#) (EAEF) announced today the release of its 2020 impact report highlighting the fund’s COVID-19 response and efforts to support Egypt’s private sector. EAEF developed the report in collaboration with [Pacific Community Ventures](#) (PCV), a leading impact investing research and advisory firm.

As part of its COVID-19 response, EAEF committed \$10 million to [Fawry Microfinance](#) to extend loans to micro and small businesses impacted by the economic fallout from the pandemic. As Egypt’s leading electronic payments platform with over 225,000 service points, many of which are small businesses, Fawry is well-placed to extend lending to this vital sector of the economy. To date, EAEF’s partnership with Fawry has provided loans to over 2,000 Egyptian small businesses.

In 2020, EAEF extended support to its existing partners and made new investments in underserved communities. For example, as part of its efforts to expand healthcare access, EAEF invested in the Al-Tayseer Healthcare Group—the largest healthcare provider in the Nile Delta — a densely populated region, north of Cairo.

EAEF also committed \$50 million to the first, independent private equity fund of Lorax Capital Partners, its long-time investment advisor and one of Egypt’s leading investment firms. This anchor investment helped secure over \$80 million from other development finance institutions in one of only a few private equity closings in the MENA region in 2020. EAEF also invested in the second fund of [Flat6Labs](#)’ Cairo—Egypt’s leading startup accelerator program.

In 2011, the U.S. Congress established EAEF to help grow Egypt’s private sector. Since then, EAEF has invested over \$220 million in more than 75 companies. The market value of its portfolio, as of March 2021, is nearly \$600 million. This financial success exceeds any of the returns of the 10 enterprise funds launched by the U.S. in the past 30 years. Moreover, EAEF’s impact on job creation, promoting gender equality, and attracting new sources of capital to Egypt continues to grow every year.

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EAEF’s Chairman, James Harmon noted, “In 2020, EAEF doubled down on Egypt’s private sector. We committed over \$67 million in capital to new and existing partners—helping the private sector stay resilient during the COVID-19 pandemic. From 2019-2020, EAEF helped create over 9,000 new jobs, 30% of which are held by women, and attracted \$250 million in foreign capital to its partners in Egypt.”

Amid efforts to leverage the private sector to tackle critical global challenges, enterprise funds can play an important role in building competitive and inclusive, private sector-led economies to help citizens prosper across developing nations.

EAEF’s Chairman added, “Our model should now be replicated by the U.S. in countries in the Middle East, Central America and Africa that need economic support. Enterprise funds represent an innovative, low-cost model of economic development that can help create new markets for U.S. products and promote job creation—reducing the likelihood of social and political instability.”

### **Background on EAEF and Enterprise Funds**

Following Egypt’s 2011 revolution, the U.S. Congress created the Egyptian-American Enterprise Fund to help rebuild the country’s private sector. In order to stimulate Egypt’s private sector after a sharp decline in tourism and foreign direct investment, the U.S. Congress reintroduced a concept pioneered by the first Bush administration in the early 1990s: private sector-led investment funds that used public funding to build market-based economies in the former Soviet Union. These enterprise funds provide flexible equity and debt financing to private enterprises in undersupplied capital markets, to help attract additional foreign investment.

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### **Further Information about the Egyptian-American Enterprise Fund**

The Egyptian-American Enterprise Fund is a United States government-funded private entity. Since the inception of the Enterprise Fund Program, over US \$1.1 billion has been invested directly alongside US \$6.9 billion invested by private parallel funds.

With capital of \$300 million, EAEF is committed to promoting financial inclusion, job creation, and increasing foreign and domestic investment in Egypt for long-term sustainable economic development. EAEF’s primary mission is to stimulate the Egyptian private sector by providing access to finance, human capital, modern technologies as well as best business practices, while also achieving financial profitability.



The fund is led by an independent board of directors, which must be composed of three Egyptian citizens and 6 American citizens, as prescribed by the U.S. Congress.

The U.S. Agency for International Development (USAID) administers the U.S. foreign assistance program, providing economic and humanitarian assistance in more than 80 countries worldwide. This press release about EAEF's inaugural impact report is made possible by the generous support of the American people through the USAID.

The contents are the responsibility of the Egyptian-American Enterprise Fund and do not necessarily reflect the views of USAID or the United States Government. Further details on EAEF can be found at <http://www.eaefund.org>.