



Enhancement of the Business Environment in the Southern Mediterranean (EBSEM)



A project funded by the European Union



“Improving Access to Finance for MSMEs in Egypt” Cairo, 26 September 2016

Session 4: How to contribute to unlock A2F for MSMEs in Egypt?



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Recommendations



- Recommendations formulated through a collaborative and participatory process at country level
- **41 generic recommendations** classified under ‘Supply (8)’ ‘Demand’ (17) ‘Regulatory (12)’ ‘Financial services (4)’
- These recommendations have been consolidated and ranked by occurrence in the region (highest occurrences in blue)
- The perception of the needs is contrasted by country (no all-country recommendation, 7 recommendations common to 4 countries or more)



Focus groups suggestions



Regulatory:

- Providing incentives to formalize MSMEs
- Simplifying the legislation of establishing the VC, PE, mezzanine funds
- Fostering reforms aiming to improve the business and investment climate

Supply Side:

- Promoting mezzanine financing for the MSMEs (combination debt / equity)
- Creating a market intelligence company to gather data

Demand Side

- Financial capacity building and awareness programs for the MSMEs companies
- Increasing the number of non-banking financial instruments
- Creating an efficient one stop shop agency for MSMEs to facilitate the process



How to harness these initiatives?



- The devil is in the details
- Implementation is critical
- Diversification of the financial sector (non-banking) can leverage banking initiatives
- Non-financial business development support is needed
- Sector knowledge should be capitalized and info asymmetry reduced

THANK YOU FOR YOUR ATTENTION