

STIMULATING ENTREPRENEURSHIP AND MSME GROWTH IN PALESTINE
“What is needed from the financial sector to play a greater role in accompanying
entrepreneurs and SME growth in Palestine?”

Ramallah, February 8th 2017 (Caesars Hotel, Ramallah)

Roundtable discussion – Final Programme

1. Introduction

Palestine has established overall policies as well as a number of financial institutions and instruments to enhance and more fully support the growth of its MSMEs. Furthermore, an SMEs technical committee has been established following the recommendations of the Palestine International Banking conference in 2013 to formulate recommendations to enhance the situation of SMEs in Palestine including on facilitating for them access to finance. The final objective of this policy is that Palestinian SMEs operate within a business environment enhancing their development from which jobs will be created.

This notwithstanding, formal and informal entrepreneurs continue to experience difficulties when seeking financing for their businesses. This occurs at all points of an enterprise’s life cycle, but most specifically during the start-up and first growth stages. As such, financing instruments need to be enhanced at these enterprise life points. Furthermore, current studies clearly indicate that access to finance remains insufficient compared to overall MSMEs needs as in most MED countries, less than 20% of credit financing goes to MSME.

2. Context

The “Enhancement of the Business Environment in the Southern Mediterranean” project (henceforth called the EBESM project) is a partnership between the European Union (EU) and the South European Neighbourhood (ENP-South) region composed of ten countries namely, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria¹ and Tunisia (MED countries). It contributes to addressing Micro, Small and Medium Enterprises (MSMEs) development at the macro level and aims to foster the development of a favourable business environment in line with EU best practices (i.e. the Small Business Act for Europe (SBA)).

During its second year of operation, in 2016, the EBESM project launched the Access to Finance for MSME Activity. The overall objectives of this Activity is to raise awareness and to share information and good practices among policy makers, practitioners, representatives of the private sector in the MED countries about existing public policies, mechanisms and instruments supporting MSME financial needs for development (e.g. bank loans, guarantees, risk capital, microfinance, etc.) in their country.

Its goal is to contribute to unlock Access to Finance for MSME in the MED region as current studies clearly indicate that access to finance remains insufficient compared to overall MSME needs as indicated above.

¹ The EU cooperation with government and public institutions from Syria is temporarily suspended.

Implementing such policies will expand the private sector through the development of more robust, inclusive and sustainable growth, by raising MSME capacity, creating employment and improving competitiveness.

The Project, in collaboration with its MED partners, carried out a mapping study to identify existing public programmes, operational financing mechanisms and instruments supporting the development of MSME at country level, as well as assessed public policies, identified best practices at country level and provided policy recommendations of these existing financial mechanisms and instruments.

The primary results and conclusions of the report will be presented and discussed during a National one-day roundtable, capitalising MSMEs access to finance in a durable and inclusive manner.

3. National Seminar Objectives

This roundtable will bring together around 50 participants, representing a mix of high-level public authorities, financial institutions specialists, entrepreneurs and business development support services.

The workshop aims to:

- Inform national stakeholders of available financing schemes, programmes and instruments in Palestine;
- Put into perspective the Palestinian financial landscape to what exists in other countries in the MED region;
- Facilitate the exchange of good practices (regional, European and international) on public policies, mechanisms and instruments on key topics relevant or of particular interest for Palestine, (e.g. guarantee schemes, risk sharing mechanisms, venture capital, etc.) and highlight the role of the SMEs Technical Committee representing the public and private sectors and the civil society established by the Palestine Monetary Authority (PMA);
- Identify and discuss quick-fixes in the form of concrete and feasible actions that could increase the role of the financial sector as a growth driver for entrepreneurs and MSMEs; Key success factors to undertaking and implementing such actions will also be discussed by the participants, paving the way to action plans that could be developed as a result of the workshop.

Building on an analytical examination of identified financial public policies, mechanisms and instruments for MSMEs in Palestine, the seminar aims at drawing conclusions and recommendations about the reforms needed in this area. Specifically, it is expected that the resulting discourse will deepen the understanding of the main challenges faced by MSME to access finance, what are the policies and the measures needed to overcome these challenges and help them grow, be more competitive and create jobs.

Final Agenda

09h00-09h30	Registration - Coffee, tea
09h30-09h50	<p>Introduction and welcome remarks Introductory remarks to outline seminar goals, welcome participants, and provide leadership vision from the organising institution.</p> <ul style="list-style-type: none"> - Ms Manal Farhan Ibrahim Shkoukani, Deputy Director, Ministry of National Economy - Mr Ali Faroun, Director of Market Conduct Dept. at PMA, Chair of SMEs Technical Committee - Ms Marie-Jo Char, Project Leader, EBESM/GIZ
09h50-10h15	<p>Panel 1: Setting the stage - Key findings of the assessment of Palestine and MED countries' policies to facilitate access to finance for MSMEs</p> <p>This session will present the key findings, results and recommendations of the mapping study carried out at country and regional level.</p> <ul style="list-style-type: none"> - Mr Raed Rajab and Mr Christophe Malherbe, Experts EBESM
10h15-11h00	<p>Panel 2: Real life testimonials: what are the challenges and key issues faced by entrepreneurs and SMEs?</p> <p>Through three/four real cases, this session will allow better grasping obstacles faced by entrepreneurs in raising finance and their expectations to improve Access to Finance.</p> <ul style="list-style-type: none"> - Ms. Nagham Halawani, Mama's Delights, Ramallah - Mr. Hussam Al Jebrini, Al Jebrini Group for Food Industries Co., Hebron - Mr. Nasri Barghouti, Pitman Training Center, Ramallah - Mr. Mohammed Oabied, Unique Business Solution, Ramallah <p>Moderator: Mr Bernd Balkenhol, Expert EBESM Discussion</p>
11h00-11h15	Coffee break
11h15-12h00	<p>Panel 3: The response of the financial ecosystem</p> <p>This session will be organised in the form of a debate with representatives of financial institutions addressing the points raised during session 2 and spotting the strength and weaknesses of the financial ecosystem with respect to MSME growth financing. Experiences from neighbouring countries will be shared during this session.</p> <ul style="list-style-type: none"> - Ms. Ambar Amleh/ Mr. Habib Hazar, Ibtikar Venture Capital Fund - Mr. Marwan Badawi, Arab Islamic Bank, SME Credit Department - Mr. Anwar Jayousi, Faten Microfinance Institution, SME Credit Department - Ms. Tumader Al Khaldi, Arab Bank, SME Credit Department <p>Moderator: Mr. Alain Santi, Expert EBESM Discussion</p>
12h00-12h40	Panel 4: Non-financial support services to early stage and SMEs

	<p>This session will focus on the support provided by incubators/BSOs to start-ups and accelerator for SMEs in accessing finance and their concrete experience of interacting with the financial sector.</p> <ul style="list-style-type: none"> - Ms. Jumana Salaous, Business Women Forum, Ramallah - Dr. Ayman Sultan, PPU Incubator, Hebron - Mr. Shadi Atshan, Leaders Accelerators, Ramallah - Mr. Ayman Mimi, Business Development Services, Ramallah & Al Bireh Chamber of Commerce <p>Moderator: Mr Christophe Malherbe Discussion</p>
12h40-13h30	<p>Panel 5: What is needed from the financial sector and other actors to play a greater role in accompanying entrepreneurs and SME growth in Palestine?</p> <p>This session will open the debate on what measures are needed to support entrepreneurs throughout the value chains and how the SMEs technical committee could help.</p> <p>Moderators : Mr. Alain Santi and Mr. Raed Rajab Discussion</p>
13h30-13h45	<p>Wrap-up Session: Conclusions and the way forward</p> <p>The workshop will close with a discussion on the way forward on how to enhance access to finance to MSMEs in Palestine and type of support needed from EBESM/GIZ</p> <ul style="list-style-type: none"> - Ms Manal Farhan, Ms Marie-Jo Char, and representative of the SMEs Technical Committee
13h45-14h30	<p>Lunch</p>