

## UNECE REGIONAL FORUM ON SUSTAINABLE DEVELOPMENT GENEVA, 22<sup>ND</sup> MARCH, 2019 “FINANCIAL INCLUSION: MATCHING SMES AND INVESTORS”



### **Financial inclusion**

Small and Medium-sized Enterprises (SMEs) are one of the strongest drivers of economic development, innovation and employment. Access to financial products and services is frequently identified as a critical barrier to growth for MSMEs. According to the International Finance Corporation (IFC), approximately 65 million - or 40% of formal SMEs - in developing countries face a financial gap of around \$5.2 to \$8.1 trillion annually, equivalent to 19% of the GDP of the countries in this analysis. Once the financing needs of informal enterprises are included in the analysis, an additional potential demand of \$2.9 trillion is required annually. Furthermore, women-owned businesses account for 32% of the MSME finance gap. In tandem with these trends, an increasing number of investors and online matchmaking platforms are seeking to serve the MSME segment. However, the persistence of the financing gap testifies to the difficulty of the problem, and is ultimately due to a lack of coordination between willing investors and credit constrained SMEs.

Market intelligence can help: most investors are in need of ‘information about the availability of local suppliers’, identified as a critical element in their investment decisions according to the 2018 Global Investment Competitiveness Report. To help investors identify efficient suppliers and to address constraints faced by others, relevant data must be collected and analysed. ITC has been working in this direction to complement the wealth of market intelligence on the readiness of a country for investment with firm-level information in key sectors.

## Objectives

This event will highlight the importance of financial inclusion of SMEs for the achievement of the SDGs. The panel proposed in this session will include stakeholders from the investment community, discussing how to improve coordination between investors, institutions and SMEs, with the final objective of channelling more investment towards SMEs. Examples of successful case studies will enrich the discussion and provide ideas on how to fill the so much discussed “investment gap”.

## Expected results

- Understand the role of different actors in the field of financing SMEs
- Understand the challenges related to matchmaking processes between investors and SMEs
- Show how market intelligence can facilitate the matchmaking
- Provide examples from successful case studies
- Highlight possible areas to improve coordination between investors, institutions and SMEs
- Learn lessons from the key findings of the SME Competitiveness Outlook 2019

## Final Programme

<b>Friday, March 22<sup>nd</sup> 2019, 13.00 –14.30 ROOM 4</b>	
<b>12.45-13.15</b>	Sandwiches and light drinks served
<b>13.15 – 14.30 PM</b>	<p><b>Moderator:</b> Ms. Marion Jansen, Director, Division of Market Development and Chief Economist, International Trade Centre (ITC), Geneva</p> <p><b>Speakers:</b> Ms. Nadia Petkova, Director, SME Finance &amp; Development, European Bank of Reconstruction and Development (EBRD) Ms. Fiorina Mugione, Chief, Entrepreneurship Section, United Nations Conference on Trade and Development (UNCTAD) Mr. Ruslan Spivak, Head of Corporate Business, Raiffeisen Bank Aval, Ukraine Mr. Matthew Sparkes, Senior Vice President - BlueOrchard Finance Ltd.</p>
<b>Panel discussion:</b> How can the financial inclusion of SMEs be achieved? How can the matchmaking process be improved between SMEs and potential investors?	