



MED MSMEs

Policies for inclusive growth

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Support to an Enabling Business Environment for MSMEs Development & Financial Inclusion



Financial Inclusion Policies and Innovative MSME Financing in the South Med

The Case of Lebanon

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Objectives of National Financial Inclusion Strategy

- Promote individuals and businesses' financial well-being
- Cultivate pride in using the National currency
- Support sustainable economic growth and financial stability

- *Improve access to finance and investment, and facilitate financial transactions, through new regulations, a modernized financial infrastructure, and new technological channels*
- *Enhance understanding and use of financial products and services, as well as, financing and investment products, through promoting financial capabilities of individuals and businesses*
- *Safeguard consumers in the ECOFIN system through an efficient financial consumer protection framework*



The Outcomes

1. Greater monetary patriotism and better understanding of the National monetary policy and the ECOFIN system and its related risks and challenges
2. Healthier understanding and use of formal financial products and services by individuals, better segment-tailored supply from banks, innovative financial products and channels, coupled with improved financial consumer practices
3. Improved budgeting habits, long-term saving, retirement planning and money management skills for both individuals and MSMEs
4. Enhanced capacity of banks and other regulated financial institutions to develop products and channels to finance MSMEs, and improved business and technical skills of MSMEs in all market sectors
5. Fostered responsible investment attitude and promoted impact investing, coupled with developed financial markets and empowered financial capabilities of both investors and MSMEs
6. Greater economic citizenship through cultivated confidence in public finance management and the National fiscal policy





Reforms Executed and still needed as part of the NFI Strategy



Alternative models:

- **Mobile payment:** IC539-C69 / 2020
- **Microfinance:** IC505 & IC506 / 2018
- **Commercial Register** Facilitation, Tax exemption to encourage the non-formals and women, Incentives for Green projects
- **Credit Insurance:** Law with Inclusive framework



Tools to facilitate financing:

- **Crowdfunding:** CMA D.No:3 / 2013, Need for Regulated Fintech Solution
- **Cedar Oxygen Fund** Made to finance the local industry (export) / 2020
- **Credit bureau:** Law to privatize the function
- **Movable collateral:** Law is needed
- **Cybersecurity infrastructure** Law on the national level
- **Financial Digital ID (LEI) & eKYC** Law and central repository linked to MoI
- **Twining and FDI MSMEs Equity Market** Law and Foreign support



Support needed at National Level

- Design a collaborative national program with gap analysis
- Technical Assistance (study team per industry) aiming to bridge the legislative and technical gaps.
- Prioritized capacity building program to promote new industries, opportunities, and to diversify the production.
- Building a full database describing the details of each MSME to encourage foreign and local investors to participate (either on listed guaranteed national fund) or directly in MSMEs through equity financing or financial gearing.
- Enforcing the interoperability of local Fintech solutions and enabling the payment ones to have access to existing international ePaying solutions.



Support needed at Regional level through Exchange of Practice

- Encourage a marketplace for twinning programs and mutual financing / co-production – joining forces.
- Relying on the common MSMEs Database to encourage foreign companies or intermediaries to enhance their competitive edge with production outsourcing according to specific sets of standards or put some conditions aiming to improving a specific product making it exportable.
- Promoting a sustainable model to Institutionalizing the program
- Establishing a guarantee fund for the participating MSMEs.
- Enabling existing MED national apps to become Regional Fintech driver to all participating countries (shared technical resources).
- Platform enabling products and commodities exchange programs.
- Establishing a team of production experts aiming to build the capacity of the participant MSMEs as well as to engage in quality control missions.
- Join forces with other international organizations such as the AMF to enable a regional sandbox.



The background of the slide is an abstract composition of various geometric shapes, including triangles and squares, in shades of blue, teal, and light green. These shapes are arranged in a way that creates a sense of depth and movement, with some appearing to be layered on top of others. The overall effect is a vibrant, modern, and geometric aesthetic.

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