



# G20 SME Finance Action Plan Implementation Framework: Credit Infrastructure Country Self-Assessment

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June, 2017  
Madrid

# Background

- Small and medium-sized enterprises (SMEs) account for about 90% of businesses and more than 50% of employment worldwide
- Having a solid financial infrastructure will help countries reduce the information asymmetries and legal uncertainties that increase risk to lenders and constrain the supply of finance to SMEs.
- The G20 Action Plan on SME Financing endorsed in Antalya in 2015 highlights importance of credit infrastructure (CI) to increase access to finance to SMEs.

## G20 Action Plan on SME Financing



G20 Communiqué, Antalya, November 2015 – para.  
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“We have placed a special focus on promoting long-term financing for SMEs, and we welcome the **Joint Action Plan on SME Financing...**”

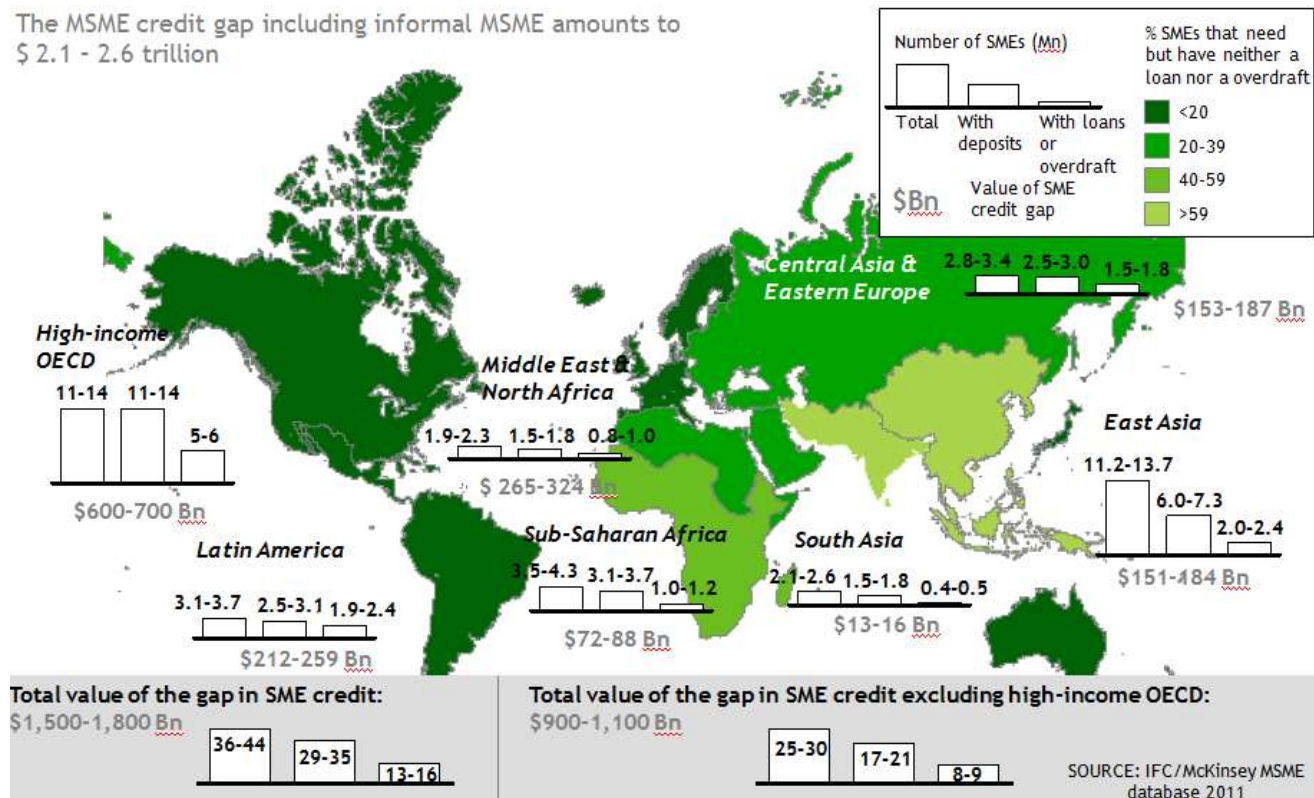
**Joint Action Plan on SME Financing – page 2**

“The priority reform measures are:

1. Improvements of the **credit reporting** framework for SMEs
2. Reforms that allow banks and non-banks to lend to SMEs against movable **collateral**
3. **Insolvency** reforms”

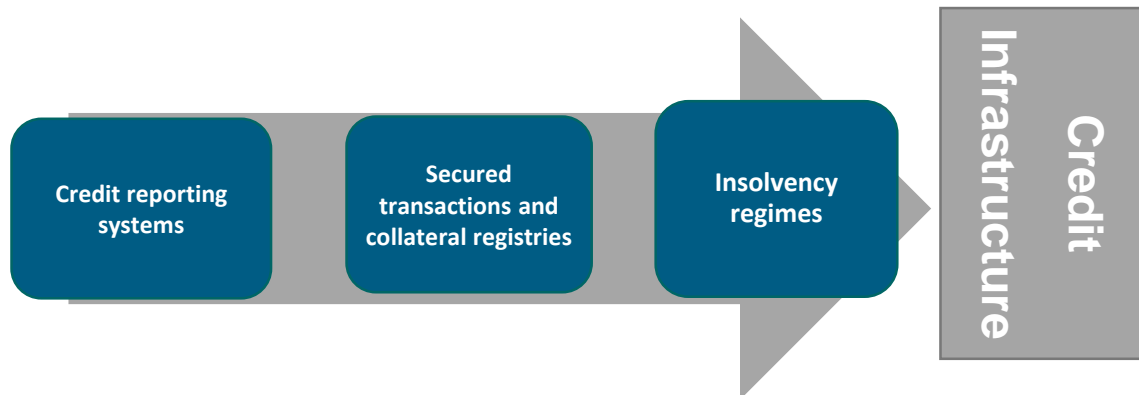
## Formal SME credit gap remains as large as ever at ~ \$ 1 Trillion

The MSME credit gap including informal MSME amounts to \$ 2.1 - 2.6 trillion



# Call for Implementation

- Prioritized areas of reform based on international agreed upon practices and standards: ICCR and UNICITRAL
- 2016 Under China's Presidency the G20 SME Finance Action Plan converted into an Implementation Framework covering three areas of focus:



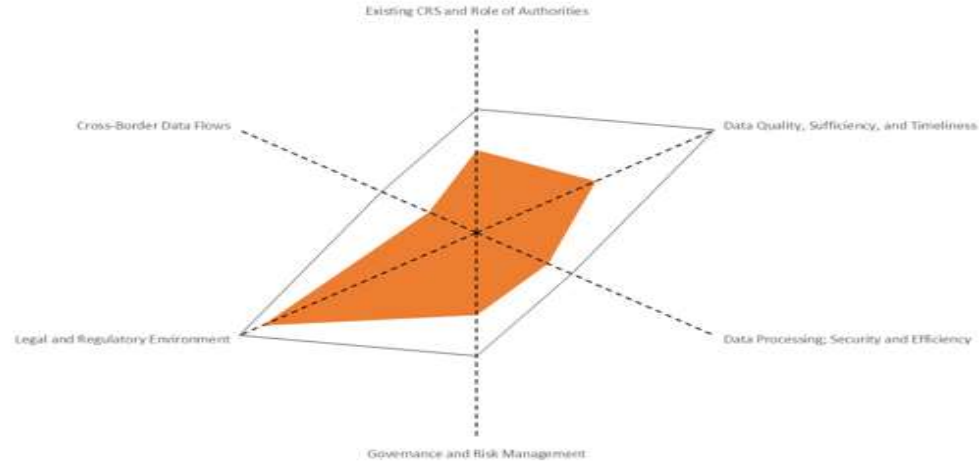
# Country Self-Assessment Output

## Country X Credit Reporting

*For illustrative purposes*

Radar Chart:

■ Dimension Score □ Maximum



# Key Considerations

- Country self-assessment : not be evaluated for correctness or accuracy.
- Simplified country assessment framework: should not be a substitute to in-depth country full assessments of CI.
- Each country to use own national SME definition.
- Implementing Partners with specialised operational expertise in reform areas available to support.

## Process and Next Steps

- Consultative process
- Endorsed at Leaders' summit Hangzhou, China July 2016.
- Country roll out 2017 and establishment of baseline, G20 Germany Presidency.
- Roll-out to interested non- G20 countries





# Thank You

For questions contact:

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