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

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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.
“We have placed a special focus on promoting long-term financing for SMEs, and we welcome the Joint Action Plan on SME Financing...”

“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

[Map showing credit gap by region]

Total value of the gap in SME credit:
$1,500-1,800 Bn

Total value of the gap in SME credit excluding high-income OECD:
$900-1,100 Bn

SOURCE: IFC/McKinsey MSME database 2011
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:
  - Credit reporting systems
  - Secured transactions and collateral registries
  - Insolvency regimes
Country Self-Assessment Output

Country X
Credit Reporting

For illustrative purposes

Radar Chart:
- Dimension Score
- Maximum

- Existing CRS and Role of Authorities
- Cross-Border Data Flows
- Data Quality, Sufficiency, and Timeliness
- Legal and Regulatory Environment
- Data Processing; Security and Efficiency
- Governance and Risk Management
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 Hanghzou, China July 2016.

- Country roll out 2017 and establishment of baseline, G20 Germany Presidency.

- Roll-out to interested non-G20 countries
Thank You

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