



In the framework of Financial Inclusion for the Arab region Initiative (FIARI)

Arab Monetary Fund (AMF)

Organizes the second Workshop on

**Making Guarantee Schemes Work for Sustainable SME Finance
in the Arab Region**

**Monday, 4 July 2022
15:00 to 17:30 Abu Dhabi time (GMT+4)**

ONLINE WORKSHOP

Making Guarantee Schemes Work for Sustainable SME Finance in the Arab Region

Monday, 4 July 2022

From 15:00 to 17:30 Abu Dhabi time (GMT+4)

15:00 - 15:10	Introduction and opening remarks
15:10 - 16:10	Session I: Facilitating MSME Access to Finance: Role of Credit Guarantee Scheme (CGS) in the Arab Region and role of policy makers

The session will address:

- An assessment of the economic policy priorities of Arab countries and how Guarantee Schemes could help to strengthen economic resilience of small and medium businesses.
- MSME financing ecosystem and which strategies had the greatest positive impact on SMEs, entrepreneurship and, more generally, the wider business environment?
- How mitigating MSME credit risk can be more effective through credit guarantee schemes?
- What is the status of national credit guarantee schemes across the Arab region and how can they increase their role in reshaping SME finance in the region? Do they need to change their structure to incorporate private ownership?
- What would be Credit Guarantee programs duties after COVID (Rescheduling and SME financial support)?
- Which guidelines and business models for the region to sustain an effective credit guarantee schemes?
- What kind of cooperation between international, regional and national authorities, international financial institutions and CGSs are needed to boost future CGS development's plans?

16:10 - 17:10	Session II: Enhancing risk-sharing instruments in the Arab region, including for early-stage financing
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The session will address the following issues:

- What is the role of guarantee institutions in supply chain finance and how to guarantee additionality?
- Risk transfer and risk diversification mechanism. How it lowers the risk to the lender by guaranteeing repayment of part (or all) of the loan in the event of default?
- Choice of participating financial institutions and which type of need for technical assistance or other complementary support / effect on competitive environment?
- Which mechanism can help for capital reallocation (some sectors win, some lose, at least in relative terms)?
- In case of losses, does government have to bear them? What challenges of fiscal capacity?
- What type of equity financing would lead to faster growth of SME's in pre-seeding stage?
- Building the lesson learned from COVID-19, what is the maximum and acceptable leveraging ratio loan guarantee program can credit guarantee programs go with.
- How can equity crowdfunding work for SMEs and how can guarantee institutions play a role in equity financing in the context of crisis?
- How digitalization can support enhancing risk-sharing and what could be the impact on Guarantee Institutions

17:10 - 17:30	Summary and closing remarks
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