

## Improving access to financing for SMEs in North Africa for a better post-COVID-19 recovery

Tuesday 19 April 2022, from 9 to 11 am Rabat time

Registration link: [https://zoom.us/webinar/register/WN\\_q2Y4HfwsRIKX1weTEYzOpA](https://zoom.us/webinar/register/WN_q2Y4HfwsRIKX1weTEYzOpA)

### Presentation Note

#### Objectives

The macroeconomic impact of the Covid-19 pandemic has been extensively studied. However, the extent of its impact on North African firms remains little known. This event aims to help fill this knowledge gap by: **(1)** highlighting post-Covid19 recovery solutions put in place to facilitate firms access to finance; **(2)** analyzing new solutions to improve SMEs financing; **(3)** presenting analysis based on primary data collection on North African firms. By focusing on improving access to finance for firms, this theme is directly linked to several SDGs. In particular, it touches on the issues of poverty eradication (SDG 1), decent work and economic growth (SDG 8) but also the reduction of inequalities (SDG 10) without forgetting the aspirations of Agenda 2063.

Specifically, the event will present analysis and policy recommendations of three recent reports carried out by ECA Subregional Office for North Africa and its partners.

The first report highlights the success of youth employment strategies put in place for a better post-Covid-19 recovery across the continent. It shows that the use of fiscal incentives to provide work experience to young job seekers has shown positive results in many African countries. Government responses have been critical in protecting livelihoods across the continent. The Egyptian government announced a stimulus and bailout package towards the employment-intensive tourism sector. In South Africa, authorities announced the launch of a support package in addition to tax measures aimed at assisting small businesses. Kenya also announced an eight-point economic stimulus package with a focus on supporting SMEs and jobs-intensive sectors such as manufacturing and tourism. In Nigeria, the government pushed through expansionary revisions to the fiscal budget with the aim of easing pressure off the economy, despite lower oil prices in 2020 which weighed heavily on public finances.

The second study shows the asymmetrical impact of Covid-19, which affected the service sector more than other sectors. The survey also reveals the heightened vulnerability of micro and small firms to the pandemic. Companies facing the greatest financial constraints show the largest declines in sales and employment. Policies should therefore pay particular attention to facilitating access to financing, which is critical for effective post-Covid-19 recovery. In addition, it would also be interesting to promote a better separation between the finances of the firms and those of the owners.

The third analysis pays special attention to family-owned firms, as they represent the most common form of ownership and management among SMEs in North Africa and are known for their resilience in times of crisis. For a better post-COVID19 recovery, improve access to credit for these family businesses is crucial. These family-owned firms tend to have less access to finance than non-family firms, mainly because they ask for less credit. Indeed, they often present



greater unavailability of firm specific information that is relevant in the decision making of lenders (firm opacity). In addition, the lack of a formal governance strategy is also a hindrance to their access to credit. One of the policies is therefore to promote the implementation of a much more formal mode of operation and management within family firms. Furthermore, promoting their financial transparency and improving their ability to use allocated funds effectively is essential.

### **Event format**

Online webinar.

Registration link: [https://zoom.us/webinar/register/WN\\_q2Y4HfwsRIKX1weTEYzOpA](https://zoom.us/webinar/register/WN_q2Y4HfwsRIKX1weTEYzOpA)

### **Date & Time**

April 19 from 9 to 11 (GMT)

### **Languages**

Interpreting will be provided in English and French

### **Contact**

Lubuya Bashala [lubuya.bashala@un.org](mailto:lubuya.bashala@un.org)

Grakolet Gourene [grakolet.gourene@un.org](mailto:grakolet.gourene@un.org)



## Improving access to financing for SMEs in North Africa for a better post-COVID-19 recovery

### AGENDA

Tuesday 19 April 2022, from 9 to 11 am Rabat time

#### Keynote Speakers

**Younes Sekkouri**

Minister of Economic Inclusion, Small Business, Employment and Skills

**Fiona Tregenna**

Professor, South African Research Chair (SARChI) in Industrial Development, University of Johannesburg

**Larabi Jaidi**

Senior Fellow, Policy Center for the New South

#### Moderator

**Zuzana Brixiova Schwidrowski**

Director, ECA Office for North Africa

#### Presenters

**Amal Elbeshbishi**

Senior Economist, ECA Office for North Africa

**Zoubir Benhamouche**

Senior Economist, ECA Office for North Africa

**Grakolet Gourene**

Fellow, ECA Office for North Africa

#### Question & Answers / Discussion

20 minutes