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**INFORMAL WORKING GROUP ON MSMEs  
THIRD OPEN-ENDED THEMATIC SESSION  
IMPROVING ACCESS TO TRADE FINANCE FOR MSMEs: TAKEAWAYS AND NEXT STEPS\***

The following communication, dated 26 June 2018, is being circulated at the request of the delegation of Côte d'Ivoire, co-coordinator of the Informal Working Group on MSMEs and organizer of this session, and the delegation of Uruguay, general coordinator of the Informal Working Group on MSMEs.

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Reflecting on the Informal Group of MSMEs thematic session held at the WTO on 8 June 2018, we, the co-coordinator and general coordinator of the Informal Working Group on MSMEs, took note of the following key messages from speakers and participants:

**1 REMARKS BY SPEAKERS**

1.1. H.E. Mr Mohammad Qurban Haqjo, Ambassador of Afghanistan and Chair of the Working Group on Trade, Debt and Finance (WGTDF), summarized the morning's WGTDF meeting. He briefed the Group on the outcome of discussions by the Expert Group on Trade Finance in March and the report by the Director-General to the WGTDF. Amb. Qurban Haqjo also described the general discussion of the WGTDF, which included the subject of persistent trade finance gaps for MSMEs, especially in developing countries. Access to finance is the third greatest obstacle that these enterprises face to trade and it was stressed that governments around the world should give priority to financing MSMEs through their public policies.

1.2. Mr Yaya Ouattara from the ITC presented work the ITC has undertaken to support both demand and supply-side MSME trade finance, including helping MSMEs form savings and credit cooperatives so they can lend at low rates to their members, connecting them with financial institutions, and automating credit scorings.

1.3. Ms Hang Tran of the EIF spoke to how the EIF looks at LDC access to trade finance. Specifically, Ms Tran detailed how the EIF's Diagnostic Trade Integration Study helps LDCs identify supply side constraints and provides recommended country actions. The EIF also helps with institutional capacity building.

1.4. Mr Gerard Hartsink, Chairman of the Global Legal Entity Identifier Foundation (GLEIF), explained how a Legal Entity Identifier (LEI) – a 20-digit alpha-numeric code that profiles "who is who" and "who owns what" – is used for identifying businesses involved in international financial transactions and its importance for MSMEs. The data is made available free of charge and can be downloaded daily. GLEIF is an independent, non-policy-oriented organization that developed from the G-20 but is accessible to all nations. The foundation includes 71 regulators across 50 countries. Regulators are also now using LEI in legislation. For example, in Pakistan the LEI is legislated as a requirement for loans. Mr Hartsink noted that the GLEIF was open to cooperation with International Organizations.

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\* This document was originally circulated as JOB/GC/192 dated 3 July 2018.

## **2 DISCUSSION**

2.1. Several members shared their national experiences and presented the various policies and programmes they have in place at the national level.

2.2. The need for more tools to assess the creditworthiness of MSMEs was stressed, along with the need for enhanced access to information and training.

2.3. Members expressed interest in the GLEIF's initiative and asked for various points of clarification.

## **3 NEXT STEPS**

3.1. Members were invited to submit inputs presenting their national policies and programmes on Trade Finance for MSMEs by the end of June. The Secretariat would then synthesize Members' submissions. A follow-up discussion will be organized at a later stage on that basis.

3.2. The importance of continuing the discussion on the question of identification of companies was stressed.

3.3. Members were invited to put forward concrete proposals with regards to access to trade finance for MSMEs so that a clear work programme can be developed.

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