



SME SUPPORT PROGRAMME

Project No. (SSP) MED/2005/17542



Programme funded by the European Union and implemented through the SEBC



SEBC

Syrian Enterprise & Business Centre

Support to the Syrian Private Sector

SEBC

Syrian Enterprise & Business Centre Syrian National Institution

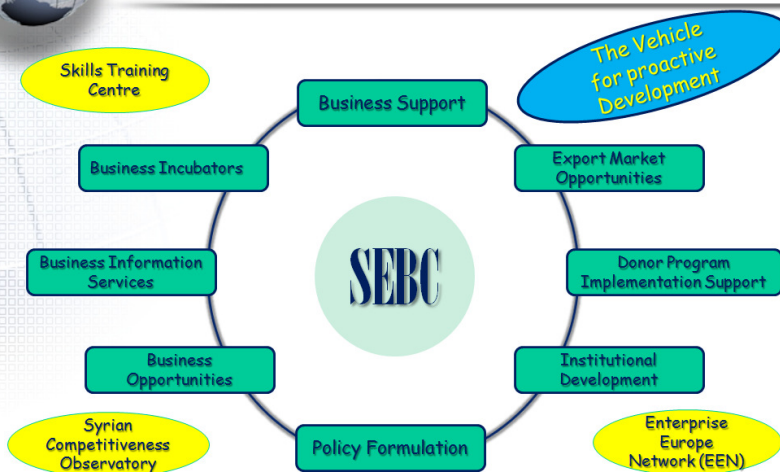
An implementation agency for donor funded Private Sector Developing Programmes

A catalyst for the Development of
Productive Business Sectors

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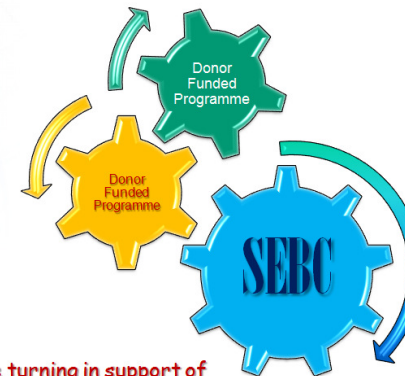
The SEBC service wheel



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SEBC development actions



SEBC
*The hub for facilitating
development actions*

All wheels are turning in support of
developing Syrian productive enterprises

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Support to Syrian Enterprises

SSP

SME Support Programme Introduction



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Support to Syrian Enterprises

SSP Project identification

Programme budget: 15 mill Euro
Implementation period: 42 month + 4 months extension



Support to Syrian Enterprises

SSP Project identification

Programme budget: 15 mill Euro
Implementation period: 42 month + 4 months extension
Starting date: 1st September 2006
Completion date: 30th June 2010

Beneficiary: Ministry of Economy & Trade
National Co-ordinator: The State Planning Commission
Contractor: Consortium headed by **GOPA**
Programme Director: Noha Chuck, SEBC-CEO

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Support to Syrian Enterprises

SSP Programme

Overall project objective: To contribute to economic growth in Syria, by improving the competitiveness of the Syrian SME sector.

Project purpose: To support the development of the SMEs; to make them more efficient and competitive hence being able to operate successful in a open market economy and better able to take full advantage of opportunities resulting from free trade.



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Support to Syrian Enterprises

SSP Areas of Activity

1. Improve the **efficiency and competitiveness** of SMEs
2. Enhanced the business development services provided by the **local consultancies**
3. Facilitate access to and choice of medium and long-term **finance for SMEs**
4. Facilitated access to information on **export market opportunities**
5. Strengthen **SME support institutions**
6. Enhance **formulation of Policies** to strengthen and support the private sector

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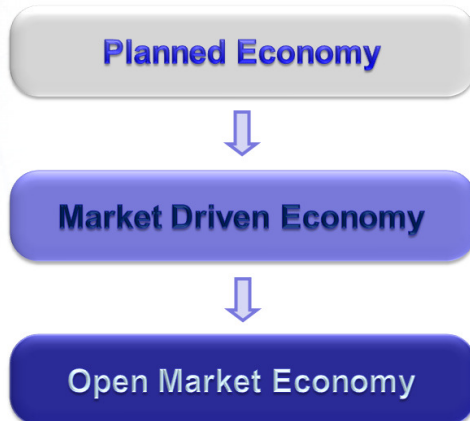


SYRIAN BUSINESS ENVIRONMENT

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SYRIAN BUSINESS ENVIRONMENT IN TRANSITION



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SYRIAN BUSINESS ENVIRONMENT IN TRANSITION

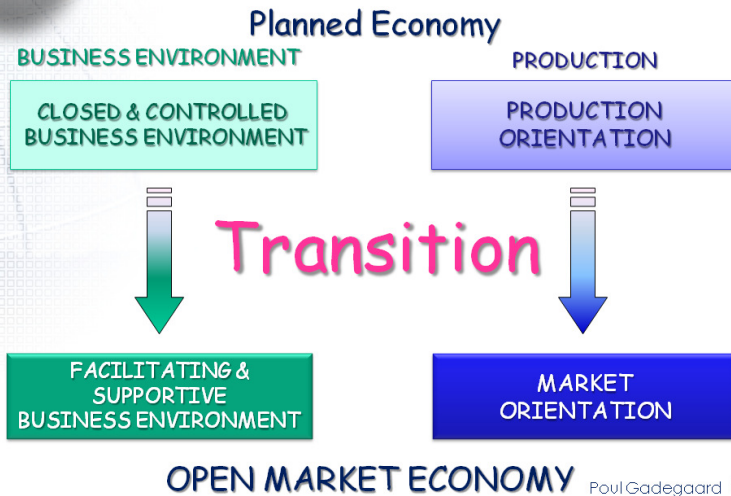
Planned Economy

Transition

OPEN MARKET ECONOMY

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SYRIAN BUSINESS ENVIRONMENT IN TRANSITION

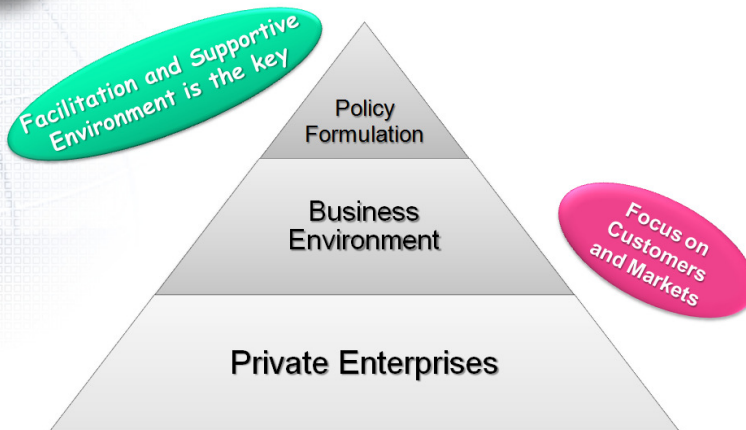


Support to Syrian Enterprises

How We Work

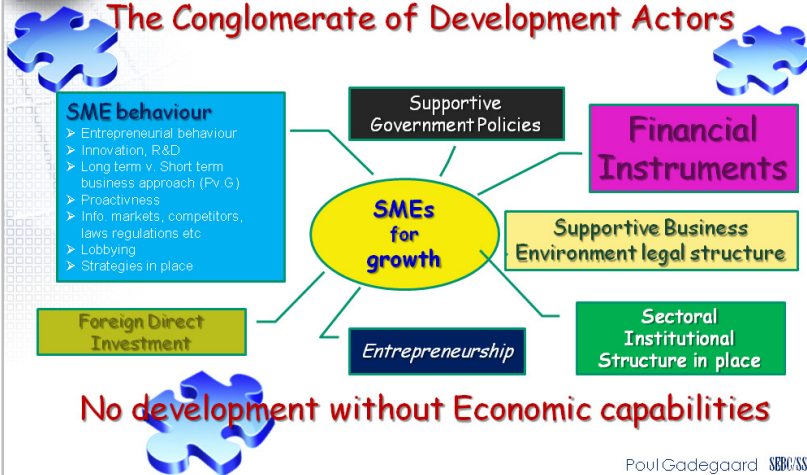
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Support to Syrian Enterprises



Actors for SME development & Growth

The Conglomerate of Development Actors





It is important to understand
that theories are tools

and that the application of appropriate
theories makes it all happen

but if inappropriate applied, it will not yield
the expected result



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Support to Syrian Enterprises

Policy Formulation	→	Facilitate market oriented private sector policy
Institutional Development	→	Enhance a market oriented and supportive Business environment and institutions
Consultancy Services	→	Capacity building and accreditation
Business Incubators	→	Support and capacity build new innovative businesses
Business Information Services	→	Provide intelligence on markets and customers
Access to Finance	→	Venture capital facilitation to Enterprises
Business Training	→	Increase business skills and knowledge
Business Competitiveness	}	Raises company performance and competitiveness based on market forces and enhance access to new market opportunities
Export Market Opportunities		

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Summary of achievements



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Support to Syrian Enterprises

SEBC today is **Implementing**:

- **SME Support Programme (SSP)**
a 15 mill € EU funded programme
- **Trade Enhancement Programme (TEP)**
a 15 mill € EU funded programme
- **Business Environment Simplification Programme (BESP)**
a 5 mill € EU funded programme

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Support to Syrian Enterprises

SEBC today is *Hosting*:

- **Quality Infrastructure Programme (QIP)**
a 12 mill € EU funded programme
- **National Competitiveness Observatory (NCO)**
partner institution to the World Economic Forum
- **Enterprise Europe Network (EEN)**
an EU funded business network operating in 40 countries
- **SKILLS**
a business skills educational training programme for young people developed by SEBC; being implemented in collaboration with the European Training Foundation (ETF)

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Support to Syrian Enterprises

SEBC today is *Processing*:

- **The Company House**
a Syrian National business registration unit
- **The Loan Guarantee Institution of Syria (LGIS)**
an independent financial institution for loan guarantees

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Support to Syrian Enterprises

SEBC today is *Networking*:

with a number of international development partners

- The European Union (EU)
- The World Bank (WB)
- The World Economic Forum (WEF)
- The Japanese International Cooperation Agency (JICA)
- United Nations Industrial Development Organisation (UNIDO)
- Gesellschaft für Technische Zusammenarbeit (GTZ)
- OECD-MENA

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SSP summary of achievements

- EU Monitoring rating 4As and 1B
- 131 Business Upgrading interventions completed
- 15 + 8 Syrian consultants accredited
- Access to finance; 307 companies assisted
- Trade Fair participation; At 10 Trade Fairs, 110 companies at Syrian National Stands; Study visits with 98 companies to 8 Trade Fairs
- Over 1,500 business information requests
Over 480 business opportunities disseminated
40 monthly 'Business Opportunities' disseminated

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SSP summary of achievements

- 17 **Business-to-Business** events organised
- Operated 2 **EICC centres** and 5 Relays
Converted the EICC centres to EEN
- Established the '**Loan Guarantee Institution of Syria**'
- Established **Business Training** centre under SEBC with 331 training courses; 725 training days; 2998 participants
- **SKILLS**, Developed new educational concept and now implemented in collaboration with the ETF – (Graduates: 2008: 24, 2009: 64, 2010: 176)

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SSP summary of achievements

- Established '**Business Incubators**' in Damascus and Aleppo
- 23 **Business Institutional interventions** completed
- 46 **Sector studies, strategy proposals and policy studies** completed
- **Participation in over 30 committees**
- **Resources consumed:**
10,710 STEs working days
20 LTE WDs => ISTE WDs

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Support to Syrian Enterprises

“It’s not the strongest of the species that will survive, nor the most intelligent, but the ones who are most responsive to change.”

Charles Darwin

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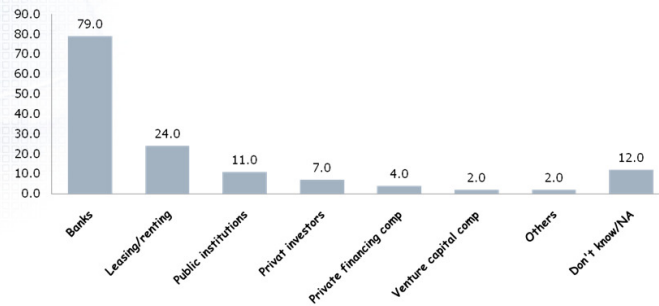
Financial Instruments

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Financial Instruments

Sources of Financing for SMEs with EU base
(% of no of loans)



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Financial Instruments

Behavior of financial institutions is absolutely crucial for any 'well functioning' developed economy

Financial Institutions must market their products (services) in an "Educational Way"

take on their Corporate Social Responsibility this will be a win-win approach – all to benefit

- Banks will get more and better *knowledgeable customers*
- The general society will learn and become aware of the variety of financial products

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Financial Instruments

In response to the demand and the great importance of having Financial Instrument in place supporting the productive private sector

SEBC/SSP have operated 'Access to Finance' services since 2006

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Financial Instruments

With the financially supported initiative by the Europe Union the SSP have established the

Loan Guarantee Institution of Syria

With thanks to the development efforts by the Syrian Government and in particular with big support by:

- **The Primary Office**
- **The Central Bank of Syria**
- **The Minister of Finance and**
- **The Minister of Economy and Trade**

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مؤسسة ضمان مخاطر القروض في سورية
Loan Guarantee Institution of Syria



مؤسسة ضمان مخاطر القروض في سورية
Loan Guarantee Institution of Syria

LGIS - Key Operating Criteria

Loan Value - Minimum	1 mill SYP
Loan Value - Maximum	26 mill SYP
Guarantee - % of loan	≤ 50%
Entrepreneur- equity contribution to project	30% - 50%
Fee rate	0.75%
Highest budgeted acceptable default rate	2%
Capacity Multiplier	1.0 to 10

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مؤسسة ضمان مخاطر القروض في سورية
Loan Guarantee Institution of Syria

Example

	€ 000
A Project Cost	600
Entrepreneur's equity contribution (30%)	180
Additional Funding Needed	420
Total loan request	
Bank Loan - Bank's Risk (50%)	210
Bank Loan - LGIS' Risk (50%)	210

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Loan Guarantee Institution

Benefits of a LGI in Syria

- **Availability of loan** finance will be increased for **low collateral** but **viable projects** SMEs
- **Banks** will become more **pro-active** as **competition** increases
- **Credit assessment** skills to improve

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Loan Guarantee Institution

Socio - Economic Benefits

- SMEs to become more **globally competitive**
- **Employment level to increase**
(guarantee approvals to be linked to additional employees)
- **More economic players** for the Syrian economic development
- Greater economic activity = Higher **tax revenues**

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SEBC services

Conclusion

SEBC is demand driven

SEBC deliver services on request
and shaped to meet individual
needs

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It is all about
"Extending boundaries
to secure growth"

Thank You for your attention

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