



## Executive Summary

The Alliance session on "Strengthening SME Ecosystems for Inclusive Growth and Value Chain Integration" con-vened leaders from finance, development, and business to address the most pressing challenges facing MSMEs today. Drawing a global audience of over 150 participants, the session facilitated robust dialogue on how DFIs, investors, funds, and donors could enhance support for SMEs, with a focus on access to finance, market linkages, and technical assistance. Many Alliance members actively participated, joining senior leaders from financial institutions, government, fintechs, consulting, and development organizations. Together, they created a powerful platform for dialogue and partnership in advancing the SME agenda.

The session opened with an overview of the Alliance for Entrepreneurship in Africa (AforE), outlining key mile-stones, achievements, ongoing challenges, and next steps for the collaborative platform. It also provided an important opportunity to reflect on the milestones and challenges faced by the Alliance since its inception, while highlighting new projects recently added to the portfolio. Insights from the SME Finance Forum's global gap analysis further framed the scale of SME financing needs. Concrete initiatives and investment models were then presented, including case studies from AfricInvest and Equity Bank, showcasing practical solutions for supporting SMEs.

Participants engaged in a roundtable discussion on strategies to strengthen SME ecosystems for inclusive growth and value chain integration. The conversation highlighted the importance of integrating SMEs into larger value chains, fostering financial innovation, and enhancing ecosystem resilience. The session also exam-ined how Afore and its members can adapt programs and partnerships, leveraging innovation to achieve greater collective impact and drive sustainable growth.

## Agenda

Topics	Speaker(s)/Facilitator(s)
<b>Welcome</b> Introduction to the session and participants	Moderator: Allon Raiz, Founder & CEO, Raizcorp
<b>Keynote-</b> Alliance for Entrepreneurship in Africa Update Milestones, challenges, opportunities, and strategic direction moving forward	Ethiopsis Tafara, IFC Regional Vice President, Alliance Secretariat
<b>Setting the Context-</b> SME Finance Gap in Africa Highlights from SMEFF's updated global analysis and implications for Africa	Qamar Saleem, Head, SME Finance Forum
<b>Innovative Financing Models Case Study:</b> Transform and Adaptation Blended Finance Debt Fund, bridging the liquidity gap through innovative blended instruments	Hakim Khelifa, Partner, Africinvest Group
<b>Transforming Value Chains and MSME Support Case Study:</b> Africa Recovery and Resilience Plan (ARRP): Promoting Growth throughout the MSME Ecosystem through Expertise Development and Inclusive Value Chains	Collins Wanyonyi, Director of SME Banking, Equity Bank Limited
<b>Roundtable Discussion:</b> Scaling SME Ecosystem Support Interactive dialogue on how DFIs, investors, funds, and donors can increase support to SMEs through access to finance, market linkages, and technical assistance. Drawing from SMEFF gap analysis and project cases (Africinvest, Equity Bank).	Moderator Allon Raiz (Raizcorp)  Roundtable Discussants: Claire Jolly, Deputy Head of the Regional Economic Service, French Treasury, Southern Africa Khady Ndiaye, Director of Private Sector, UEMOA Gloria Mamba, Chief Executive, Asset Management, Trade and Development Bank (TDB) Markus Schulte, Deputy Head of Regional Office, European Investment Bank (EIB) Gokhan Kont, Manager Financial Institutions Group (FIG), IFC



## Moderator Session Introduction | Allon Raiz, Moderator

Allon Raiz set the tone by urging the group not to reduce Africa's MSME challenges to a single issue of financing. Sharing his personal experience, he emphasized the difficulty of reaching MSMEs on the ground and meeting their need for adaptive, small-ticket funding. Allon also highlighted the importance of changing perceptions about risk and building a shared understanding—stressing that making MSMEs more "financeable" will require everyone to speak the same language and work toward common goals.

## Opening Remarks | Ethiopis Tafara, IFC

**Ethiopis Tafara welcomed participants and acknowledged the vital support from key partners, including the French Trésor, and the session presentors Africinvest, and Equity Bank and members of the panel.** He reaffirmed IFC's commitment to the Alliance for Entrepreneurship in Africa noting that IFC functions both as a member and as the initiative's Secretariat

**He emphasized that the French Trésor's steadfast support has been instrumental** since the Alliance's inception, not only in sponsoring its creation but also through ongoing operational and political backing. Ethiopis also highlighted the arrival of new leadership at Trésor and welcomed their continued commitment to advancing AforE's mission.

**Importantly, he underscored that the Alliance provides a project-driven collaborative platform where members pool resources, expertise, and networks to co-design initiatives that are both demand-driven and impactful.** Through this approach, Afore has been able to scale more than 20 active projects valued at over \$6 billion, spanning MSME financing, supply chain integration, fintech, and sustainable innovation—evidence of its growing influence in Africa's entrepreneurial landscape.

**Ethiopis closed by reaffirming that AforE's agenda is directly aligned with IFC 2030, where job creation remains a central pillar,** and by encouraging participants to use this roundtable as an opportunity to reflect on progress and shape the next wave of collaborative, high-impact projects.

## The SME Finance Gap in Africa | Qamar Saleem, SME Finance Forum

**Qamar Saleem contextualized the discussion with global and regional data.** He noted that, currently, only about 20% of Africa's formal MSMEs have access to loans or lines of credit—a stark indicator of the finance gap. But Qamar stressed that financial products alone are not enough. Drawing from the SME Finance Forum's experience, he outlined several critical enablers for MSME growth: digital financial services, embedded and sustainable finance, alternate data, supply chain finance, and robust non-financial services.

**He emphasized that SME clients consistently identify unmet needs beyond finance**—particularly access to markets, access to skills, and a supportive enabling environment, alongside unsecured working capital finance. These needs highlight the importance of creating ecosystems that integrate financial and non-financial solutions.

**Finally, Qamar pointed to evidence from other regions where enablers like digital financial services and alternate data have driven inclusion and profitability.** Africa must harness similar innovations—such as digital banks, fintech partnerships, supply chain finance, and inclusive models for women entrepreneurs—to narrow its persistent finance gap and build resilient SME ecosystems.





### Key Takeaways:

- Only ~20% of Africa's formal MSMEs have access to loans or lines of credit
- MSMEs' most common unmet needs go beyond finance: access to markets, skills, and enabling environments.
- Digital innovations, alternate data, and supply chain finance are proven enablers to close the gap.

### Innovative Financing Models | Hakim Khelifa, AfricInvest

Hakim Khelifa introduced the Transform & Adaptation Fund (TAF), an ambitious blended finance vehicle focused on climate-resilient solutions for Africa's agriculture, mobility, and built environment sectors. With a \$200 million fundraising goal, Africinvest aims to mobilize both international and local private capital while supporting MSMEs to grow and create quality jobs. Hakim explained the fund's three-layer structure-Catalytic, Mezzanine, and Senior-and promoted a solution-oriented approach: risk assessment, business plan support, and agile equity investment to give African entrepreneurs the best chance to succeed.

### Key Takeaways:

- The \$200m Transform & Adaptation Fund (TAF) targets climate-resilient sectors across Africa.
- The three-layer structure balances catalytic, mezzanine, and senior capital for risk sharing.
- Beyond finance, the fund provides risk assessment and business plan support to MSMEs.

### Value Chain Transformation and MSME Support | Collins Wanyonyi, Equity Bank

Collins Wanyonyi shared Equity Bank's Africa Recovery and Resilience Plan (ARRP), which aims to transform Africa's economies through value chain development. The plan takes a holistic approach: strengthening raw material producers, supporting local manufacturing capacities, and connecting these sectors to global supply chains. Collins emphasized that supporting MSMEs across the entire ecosystem-not just one segment-is key to stimulating job creation and economic resilience. Equity Bank's approach also includes providing MSMEs with both financial and non-financial tools, reflecting the priorities of the Alliance.

### Key Takeaways:

- ARRP focuses on end-to-end value chain transformation to boost resilience and jobs.
- Local producers, manufacturers, and exporters are supported as a connected ecosystem.
- Financial and non-financial tools are combined to empower MSMEs.



## Roundtable Discussion

The interactive roundtable explored a range of practical challenges and solutions for MSME support across Africa. Claire Jolly pointed out that access to markets, local currency, and liquidity are as important as financing—and that organizations like the French Development Agency and Proparco are piloting innovative blended finance products. Qamar Saleem responded by underscoring the importance of solid data in understanding market needs, sharing examples of cross-country benchmarking and supply chain finance initiatives.

Equity Bank highlighted the need to hear directly from MSMEs and involve regulators to address last-mile delivery and ensure enabling environments. WAEMU described their efforts to make MSMEs central to regional economic strategy, with targeted projects such as Tremplin Start-ups UEMOA and calls for greater collaboration with Alliance partners.

TDB brought a development finance perspective, stressing that tailored solutions and inclusivity—especially for women—are essential. Catalytic trade finance was proposed as a means to empower women entrepreneurs, while others noted the importance of technical assistance and training to build demand. Africinvest advocated for early intervention and ecosystem building, sharing their experience supporting a Tunisian incubator to nurture MSME champions. Commercial banks, according to Equity Bank, must continuously evolve their risk appetite and support MSMEs with strong relationship management and upskilling opportunities.

As the discussion turned to inclusion, Allon Raiz noted that 45% of supported projects in his South African incubator involve women entrepreneurs, yet acknowledged the need for even greater progress. TDB called for a dedicated working group for women's entrepreneurship within the Alliance. EIB also emphasized the need for robust partnerships, citing its support for women-focused initiatives and the importance of knowledge-sharing, technical assistance, and blended finance solutions in reaching under-served markets.

### → Key Takeaways:

- Market access, local currency, and liquidity are as critical as finance for MSMEs.
- Regulators and last-mile delivery systems are central to enabling environments.
- Women entrepreneurs remain underserved; catalytic trade finance and dedicated working groups can address this.
- Ecosystem approaches—incubators, technical assistance, and bank risk appetite shifts—are needed to nurture MSMEs.
- Partnerships and knowledge-sharing are vital to scaling inclusive solutions.



## Conclusion

The session underscored that finance, alone, will not unlock Africa's MSME potential. Lasting progress depends on holistic support: robust market data, ecosystem development, partnerships, technical assistance, and a renewed focus on inclusion—especially for women entrepreneurs.

The Alliance for Entrepreneurship in Africa emerged as a central platform for driving this agenda. By serving both as a convener and implementer, the Alliance ensures that innovations are scaled, duplication is avoided, and synergies across public and private actors are maximized. Its Secretariat role within IFC provides a unique vantage point to integrate investment and advisory efforts, while its growing project portfolio demonstrates tangible traction in supporting MSMEs. Through shared tools, benchmarking, and peer-to-peer learning, the Alliance is positioned to set standards for MSME finance and ecosystem support across the continent.

## Overall Key Takeaways

→ **MSME challenges extend beyond finance:** Addressing MSME growth requires ecosystem development, capacity building, and shifting perceptions about risk alongside improving access to finance. Small-ticket, adaptive funding is crucial to meet MSMEs' needs effectively.

→ **SME finance gap and enablers:** Only about 20% of Africa's formal MSMEs access credit, with unmet needs including market access, skills, and enabling environments. Digital financial services, alternate data, and supply chain finance are vital enablers to close this gap.

→ **Innovative blended finance models:** The Transform & Adaptation Fund targets climate-resilient sectors with a \$200 million blended finance structure combining catalytic, mezzanine, and senior capital, offering risk assessment and business plan support to MSMEs.

→ **Value chain transformation approach:** Equity Bank's Africa Recovery and Resilience Plan promotes holistic value chain development, supporting producers, manufacturers, and exporters with integrated financial and non-financial tools to foster economic resilience and job creation.

→ **Roundtable insights on MSME support:** Key issues include the importance of market access, local currency liquidity, regulatory environments, and inclusion of women entrepreneurs. Participants stressed ecosystem approaches, early intervention, technical assistance, and evolving bank risk appetites.

→ **Inclusion priority:** Women entrepreneurs remain underserved, prompting calls for partnerships, knowledge-sharing, and blended finance solutions.



## SESSION RECOMMENDATIONS FOR THE ALLIANCE

**Overarching recommendation** is for the Alliance to focus on ecosystem coordination, gender inclusion, project co-creation, innovation scaling, value chain integration, knowledge-sharing, and impact measurement to achieve sustained, coordinated action and lasting MSME ecosystem impact, specifically

**Ecosystem Coordination and Inclusion:** Strengthen alignment across the SME ecosystem—bringing together donors, DFIs, banks, fintechs, and regulators—to address gaps and advance shared priorities, as highlighted in the SMEFF presentation, which underscored both the need and opportunities to further strengthen a holistic approach. Session participants also agreed that establishing a dedicated working group on gender would be particularly beneficial, alongside other initiatives focusing on women, youth, and underserved segments.

**Project Co-Creation:** Beyond cross-support of platform projects, Alliance members should shift toward co-creation—developing impactful initiatives from the design phase through early and inclusive engagement among members and stakeholders.

**Innovation and Value Chain Integration:** Accelerate innovation and scale up support for MSMEs by leveraging proven digital finance solutions, alternative data, and supply chain finance models, while anchoring SME support in value chain integration to drive job creation and economic resilience, as highlighted in the Equity ARRPP presentation.

**Knowledge-Sharing and Impact Measurement:** Expand knowledge-sharing and guide demand-driven technical assistance and investments across the Alliance. The Alliance should also advance the development and implementation of the analytical tool to measure impact, disseminate best practices, and inform evidence-based decision-making.

## Participants

### Speakers:

- Ethiopis Tafara, IFC Regional Vice President, Alliance Secretariat
- Qamar Saleem, Head, SME Finance Forum
- Hakim Khelifa, Partner, Africinvest Group
- Collins Wanyonyi, Director of SME Banking, Equity Bank Limited

### Roundtable Discussants (alongside presenters):

- Claire Jolly, Deputy Head of the Regional Economic Service, French Treasury
- Khady Ndiaye, Director of Private Sector, UEMOA Commission
- Gloria Mamba, Chief Executive, Asset Management, TDB
- Markus Schulte, Deputy Head of Regional Office, EIB
- Gokhan Kont, Manager Financial Institutions Group (FIG), IFC

### Moderator:

- Allon Raiz, Founder & CEO, Raizcorp

