



## PRESS RELEASE

### **MEDSt@rts encourages the development of non-traditional funding programs to support a buoyant entrepreneurship scene in the Mediterranean**

**The challenges and results of the project were presented in the 3<sup>rd</sup> Microfinance Crossborder forum on March 30<sup>th</sup> in Sidon**

SIDON, LEBANON - In the frame of [MEDSt@rts project](#), funded by the [ENI CBC MED Programme](#), with 2.5 million euros (90% of the total budget), on **March 30<sup>th</sup>** the [Chamber of Commerce, Industry and Agriculture in Sidon and South Lebanon](#) organized the 3<sup>rd</sup> Microfinance Crossborder Forum at Chamber's Premises (Sidon).

The **hybrid event** - also broadcast on Zoom - was attended by representatives of microfinance institutions in Lebanon and international partners from Italy, Greece, Tunisia and Palestine; the president of the Chamber of Commerce, Industry and Agriculture in Sidon and South Lebanon, Mr. Mohamad Saleh; the General Director of Fondazione di Sardegna, Mr. Carlo Mannoni; the General Director of Sfax Chamber of Commerce - Tunisia, Ms. Ikram Makni; Al Majmoua Executive Director, Dr. Youssef Fawaz; the Program Manager at the Lebanese Microfinance Association in Lebanon, Ms. Ola Hariri; former General Manager of the Ministry of Economy & Trade (Lebanon), Ms. Alia Abbas; the Microcredit Program Administrative Manager at Makhzoumi Foundation, Mr. Vartkes Keutelian; the Internal Control Officer at The Economic and Social fund for Development (ESFD), Mr. Helmi Hage; the consultant at the Association D'entraide Professionnelle, Mr. Bassam Shami, as well as socio-economic stakeholders and entrepreneurs and members of the administrative board of Sidon Chamber.

The Forum was launched with a **welcome speech** from the President of Sidon Chamber, Mr. Mohamad Saleh, who highlighted the importance of a project that creates opportunities to support entrepreneurship and contributes to generating job opportunities, reducing unemployment and promoting growth in Lebanon and partner countries. He also emphasized the importance of MEDSt@rts in offering an opportunity for exchanging experiences and discussing challenges that face the finance sector in Lebanon, Italy, Tunisia, Greece and Palestine, with the intention to develop a safer Mediterranean microfinance program for youth and female entrepreneurs. Then, Ms. Ikram Makni, General Director of Sfax Chamber of Commerce, presented the outcomes of the 2<sup>nd</sup> Crossborder Microfinance Forum. She highlighted the potential impact of the project, both in terms of establishing a network of crossborder cooperation in co-financing, and its importance in enhancing entrepreneurs skills and capabilities for managing their businesses. She also highlighted the role of Commerce Chambers in spreading awareness on the need to support the microfinance sector as well as the technical training courses and services they provide for entrepreneurs.

After her, Mr. Carlo Mannoni, the General Director of Fondazione di Sardegna (lead beneficiary), expressed the Foundation's interest in MEDSt@rts due to its objectives, in terms of supporting the creative and innovative projects, as well as in terms of designing unconventional joint solutions for microfinance in the five partner countries. He also stressed the importance of combining efforts to raise funds from the public and private sectors, in addition to the EU's contribution, to overcome challenges, establish a compatible general framework for the microfinance system in Sardinia and the Mediterranean region.

Interventions of **representatives of microfinance institutions** in Lebanon highlighted the status and challenges of Lebanese microfinance institution. Ms. Hariri, Program Manager at the Lebanese Microfinance Association, presented the objectives of the Association and the role of its members in providing loans and supporting small and medium enterprises. She also pointed to the most prominent challenges facing the microfinance sector at the organizational



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level in terms of ensuring business continuity and preserving human capital; legislative in terms of the absence of strategies and the lack of a national digital system; and financing in terms of the difficulties of dealing with the banking system and finding new funding sources. Dr. Fawaz, Executive Manager of Al Majmoua, tackled the results of the economic and financial crisis on the monetary value of the microfinance institutions' portfolios in national currency, in addition to the consequence of Covid-19 pandemic and the reduced ability of borrowers, to settle their loans. He also referred to the solutions adopted by Al Majmoua and other microfinance institutions, who agreed with non performing borrowers to schedule debts, and then, based on social responsibility developed guidance and training services to enhance the capabilities of borrowers and their resilience during crises. Mr. Keutelian, Microcredit Program Administrative Manager at Makhzoumi Foundation, presented an overview of the developmental, health and educational role of the foundation by integrating financial, technical, health and technical services and its experience in this field, stressing the social safety nets that this diversity of services offered for their clients in times of crisis. Mr. Hage, the Internal Control Officer at ESMF, addressed the importance of delivering tailored-made business advisory service and their experience in this field stressing the efficiency and effectiveness of the provision of non-financial resources during economic distress or during prosperous times. Mr. Shami, consultant at Association D'entraide Professionnelle, focused on the repercussions of the financial crisis that turned this distress into an opportunity for financial institutions to offer advisory, technical and social services, in addition to encouraging the adoption of electronic lending and raising standards for lending at the local level.

The event ended with a **discussion session** moderated by journalist Ghada Ballout Zeitoun. The preliminary shared ideas were summarised as follows by Rana Al-Sayed, the Assistant General Director of Sidon Chamber:

- provide access to funding mechanisms supported by world-wide networks that can connect entrepreneurs and investors from everywhere;
- foster cooperation between the public and private sectors for the development/ reshaping of the Microfinance sector to meet the emerging needs of the borrowers and for using new financing tools;
- increase awareness and knowledge on microfinance insurance for entrepreneurship to reduce unnecessary and risky refinancing;
- capitalize on the results of other ENI CBC Med Programme initiatives to meet the need of entrepreneurs and put in place a microfinance program including technical support for establishing and managing their businesses.

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