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INFORMAL WORKING GROUP ON MSMEs

DRAFT DECLARATION ON ADDRESSING THE TRADE-RELATED ASPECTS OF MSMEs' ACCESS TO FINANCE AND CROSS-BORDER PAYMENTS

Communication from Côte d'Ivoire

Revision

The following communication, dated 2 October 2020, is being circulated at the request of the delegation of Côte d'Ivoire.

Recalling the Declaration on the Establishment of the WTO Informal Work Programme for MSMEs (WT/MIN(17)/58/Rev.1);

Recognizing that the participation of MSMEs in international trade contributes significantly to the socioeconomic development of developing countries, particularly the least developed countries (LDCs);

Noting that significant challenges associated with trade-related aspects of MSMEs' access to finance and cross-border payments impede MSMEs' integration in international trade;

Considering that the bank penetration rate in developing countries and particularly in LDCs is very low and, moreover, that finance for MSMEs by traditional operators (banks, investment funds and donors), in particular trade finance, is extremely difficult in developing countries and particularly in LDCs and impedes MSMEs' participation in international trade;

Noting that various means such as a global legal identification of companies or digitalization are available that can facilitate addressing the challenges associated with trade-related aspects of MSMEs' access to finance;

Acknowledging that MSMEs are facing a range of other financial challenges to participate in international trade, such as issues related to cross-border payments;

Noting the severe impact that the Covid-19 pandemic has on MSMEs and the key role that addressing the trade-related aspects of MSMEs' access to finance and cross-border payments - among other necessary initiatives - plays in helping MSMEs face the trade-related challenges resulting from the pandemic;

We, the members of the Informal Working Group on MSMEs,

Call on WTO Members to consider the trade-related aspects of MSMEs' access to finance and cross-border payments and to actively engage in relevant fora, such as the Informal Working Group on MSMEs in cooperation with relevant WTO bodies and relevant multilateral institutions, to identify concrete measures that can facilitate addressing the challenges linked thereto with a view to promote their international diffusion, particularly through:

- the exchange of best practices; and
- information-sharing on relevant technical assistance and capacity-building.

Welcome international initiatives aimed at facilitating adoption of a global legal identification system for companies such as the global Legal Entity Identifier (LEI) and invite WTO Members to cooperate in such initiatives.

Invite the WTO Secretariat to organize, with the support of relevant international organizations, information sessions on topics related to trade-related aspects of MSMEs' access to finance and cross-border payments including, for example, the global Legal Entity Identifier (LEI), to inform reflections and potential actions of Members.

Encourage all WTO Members, in cooperation with other multilateral institutions, to consider the trade-related aspects of MSMEs' access to finance and cross-border payments, taking into account the context of the economic recovery during and post-Covid-19, particularly, in the most affected developing countries and LDCs.
