

#ClosingTheGap Guinea

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The [Agency for the Promotion of Private Investments \(APIP\)](#) hosts a Dutch Good Growth Fund (DGGF) workshop gathering local stakeholders of the Guinean entrepreneurial ecosystem.

On January 13th 2017 entrepreneurs, financial institutions and business development support service providers gathered at the APIP to validate the preliminary outcomes of the #ClosingTheGap Guinea study. The ultimate objective of the workshop was to try and formulate concrete solutions that contribute to providing local entrepreneurs with a more conducive ecosystem –notably better access to financial services.



The study undertaken by the consultants from Enclude was commissioned by the Dutch Good Growth Fund (DGGF), an initiative of the Dutch Ministry of Foreign Affairs which seeks to expand the possibilities of financing small and medium-sized enterprises (SMEs) by investing in financial intermediaries that in turn invest in local companies. The mandate of DGGF is focused on "missing middle" enterprises: SMEs - that have outgrown microfinance but do not yet have access to traditional financial services.

DGGF generates a wealth of knowledge, findings, lessons learned and best practices. DGGF's objective is to systematize this

knowledge so as to accelerate its diffusion throughout the sector. A recent example of this is the study published in June 2016 on [small-cap SME mezzanine finance](#).

The #ClosingTheGap studies are designed to better understand and address the gaps in the entrepreneurial ecosystems part of the DGGF mandate. The [first such study was conducted in Kenya](#) in 2015. Practical research is conducted and events are organized locally, if possible in close cooperation with relevant partners. These events, as now held in Guinea, bring together stakeholders to better identify the main challenges faced by the "missing middle" The outcomes of these local events are subsequently an integral part of the study.

After Senegal, Guinea is the second country of a regional #ClosingTheGap study covering francophone West Africa. The workshop on January 13th was the opportunity to present new perspectives on the Guinean entrepreneurial ecosystem, particularly a segmentation of the Guinean SME sector. The segmentation draws from the census of private economic operators carried out by the APIP in 2015 and data from the Enterprise Survey undertaken by the World Bank with the support of DGGF. The segmentation captures the characteristics of the enterprises in each sub-segment and the barriers that hinder their growth. These are reflected upon as part of the overview of the current financial and related non-financial services offer in order to contribute to a better understanding of (systemic) problems behind the obstacles faced by the target entrepreneurs. The participants reflected in small working groups around the issues identified: one group focusing on the offer of financial services and reflecting the perspective of financial institutions, the other group focusing on the demand for financial services and capturing the perspective of entrepreneurs.



Local actors have developed roadmaps that identify what each category of stakeholder in the ecosystem (i.e. government, financiers, BDS providers and entrepreneurs) can do in the short, medium and long term to address identified issues. To mention only a few actions that can be implemented in the short and medium term: the APIP shared their initiative to set up an incubator dedicated to build the capacity of women entrepreneurs, commercial bank representatives expressed their willingness to strengthen the exchange of financial data on companies, entrepreneurs acknowledged the need to structure a solid business in order to be able to diversify their activities while avoiding too much dispersion. Improving the risk center and the establishment of a commercial court with trained judges, better equipped to rule on matters relating to the proper functioning of businesses were also mentioned as longer-term solutions.



These concrete solutions will be captured in the final report #ClosingTheGap Guinea which should be finalized by the end of the semester and made available to the public on the DGGF website: <http://english.dggf.nl/investment-funds-local-smes-scbd-knowledge-development>.

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