



OECD Eurasia
Competitiveness Programme

DRAFT AGENDA

**SME POLICY INDEX
EASTERN PARTNER COUNTRIES
2016**

**Assessing the Implementation of
the Small Business Act for Europe**

Country dissemination event

23 February 2016

Erebuni Plaza, 26/1 Vazgen Sargsyan St
Yerevan, Armenia

Organised in co-operation with:



DISSEMINATION OF THE SME POLICY INDEX: EASTERN PARTNER COUNTRIES 2016 ASSESSING THE IMPLEMENTATION OF THE SMALL BUSINESS ACT FOR EUROPE

■ OVERVIEW

The OECD, the European Commission, the European Bank for Reconstruction and Development (EBRD) and the European Training Foundation (ETF) are organising together with the Armenian government a country dissemination event for the **SME Policy Index: Eastern Partner Countries 2016 – Assessing the Implementation of the Small Business Act for Europe**. The purpose of the dissemination event is to present the findings of the Small Business Act for Europe Assessment and discuss key developments and remaining challenges for the business environment – particularly, for SMEs – in Armenia. The event will comprise a high-level public launch, followed by an in-depth discussion on the implementation of the proposed policy roadmaps.

■ WHAT IS THE SBA ASSESSMENT?

The assessment monitors the progress in the implementation of the ten principles of the **Small Business Act for Europe** and measures convergence towards EU practices and standards. The SBA principles are designed to create a level-playing field for SMEs and to foster entrepreneurship and competitiveness.

The SBA Assessment provides policymakers with a detailed overview of SME policy performance and recommends improvements within each policy area. Moreover, it identifies strengths and weaknesses in the design, implementation, monitoring and evaluation of policies and support programmes, while comparing country progress to previous assessments.

In 2014-2015, the assessment was carried out for the second time in the Eastern Partnership region, following an initial assessment in 2012, which resulted in the publication of the **SME Policy Index: Eastern Partner Countries 2012**.

■ WHAT IS THE SME POLICY INDEX?

The SME Policy Index is a benchmarking tool for emerging economies to monitor and evaluate progress in policies that support small and medium-sized enterprises. The Index has been developed by the OECD in a joint effort with the European Commission, the EBRD and ETF in 2006 and applied to four regions in 32 economies (Western Balkans and Turkey, Eastern Europe and South Caucasus, North-Africa and the Middle East, Southeast Asia).

The SME Policy Index methodology has been revised in 2014 to better capture the intensity, quality and effect of policy, to provide more in-depth policy recommendations and to allow for international comparison.

■ WHO WILL PARTICIPATE?

The country launch event for the **SME Policy Index: Eastern Partner countries 2016** will bring together representatives from the Armenian government, the OECD, the European Commission, the European Bank for Reconstruction and Development (EBRD) and European Training Foundation (ETF) as well as the business sector, academia, civil society and the media.

**SME POLICY INDEX: EASTERN PARTNER COUNTRIES 2016
ASSESSING THE IMPLEMENTATION OF THE SMALL BUSINESS ACT FOR EUROPE**

23 February 2016, Yerevan

14.00 – 14.30 Registration

14.30 – 15.30 Official launch of the *SME Policy Index: Eastern Partner Countries 2016*

14.30 – 15.00 Welcoming remarks

- Mr. **Karen Chshmaritian**, Minister of Economy of Armenia (TBC)
- **H.E. Mr. Piotr Antoni Świtalski**, Ambassador, Head of European Union Delegation to the Republic of Armenia
- Mr. **Antonio Somma**, Head of OECD Eurasia Competitiveness Programme

15.00 – 15.15 Presentation of key findings and recommendations

- Mr. **Daniel Quadbeck**, Project Manager, OECD

15.15 – 15.30 Question & answer

15.30 – 16.00 Coffee break

16.00 – 17.30 Prioritising SME policy reforms: A roadmap for implementation

Chair: Mr. Garegin Melkonyan, Deputy Minister of Economy

16.00 – 16.10 Opening by Chair

- Mr. **Garegin Melkonyan**, Deputy Minister of Economy of Armenia (TBC)

16.10 – 16.40 Presentation of SME policy roadmap for Armenia

- TBD, European Commission
- Mr. **Anton Leis Garcia**, Project Co-ordinator, OECD
- Ms. **Meryem Torun**, Policy Analyst, OECD
- Mr. **Vincent McBride**, Country Desk for Armenia, ETF

Perspectives from the government

- 16.40 – 16.50**
- The government is invited to comment on the implementation of the roadmap and potential next steps

Perspectives from the private sector

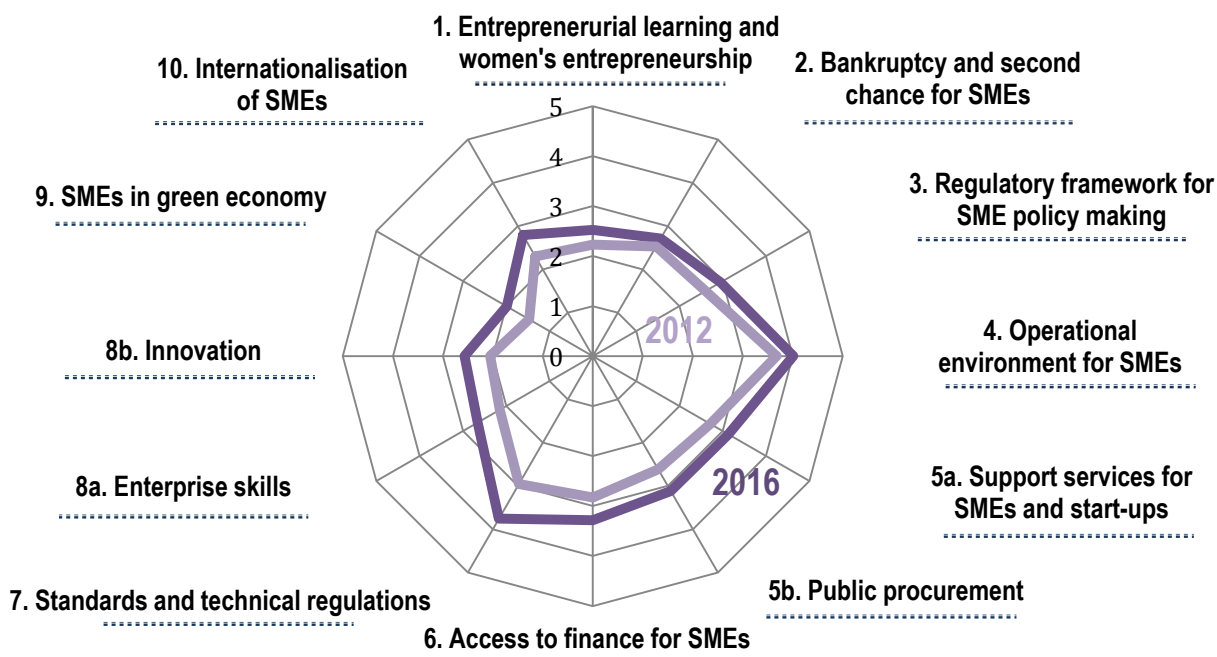
- 16.50 – 17.10**
- The private sector is invited to share their views on the recommended reforms

17.10 – 17.30 Open discussion

SME POLICY INDEX: EASTERN PARTNER COUNTRIES 2016
ASSESSING THE IMPLEMENTATION OF THE SMALL BUSINESS ACT FOR EUROPE

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SBA RESULTS FOR EASTERN PARTNER COUNTRIES



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KEY MESSAGES

- **Horizontal business environment reforms continue to be the area of strongest performance.** Most EaP countries have built a solid track-record in the design and implementation of business and investment climate reforms benefiting all enterprises regardless of their size, including simplification of business-related legislation, streamlining of technical barriers to trade and upgrading of quality infrastructure, and improvement of the legal and regulatory environment in the financial sector.
- **Governments are paying growing attention to developing institutional frameworks for SME development.** There is an overall trend towards the introduction of the basic blocks of a strategic framework for SME support, including developing an SME strategy (e.g. Georgia and Moldova), improving the definition of SMEs (e.g. Ukraine, Azerbaijan) and establishing an SME support agency (e.g. Georgia).
- **Targeted SME policy tools are required to further support SME growth across the region.** Most EaP countries have introduced new programmes to enhance SME competitiveness, including through support services for SMEs and start-ups (e.g. training programmes), specific instruments to encourage SME access to finance (e.g. credit guarantee mechanism, start-up finance), entrepreneurial learning and women's entrepreneurship initiatives (e.g. events for female entrepreneurs) and export promotion (e.g. export agency).

a. Strengthening the institutional, regulatory and operational environment for SMEs

- Build on progress in developing comprehensive medium-term SME strategies and, as fiscal resources permit, set up autonomous implementation agencies.
- Collect and disseminate better statistical data to support policy making.
- Bring regulatory impact assessment methodologies in line with international standards.
- Institutionalise public-private consultation mechanisms across the region.

b. Facilitating SME access to finance

- Address the current decline in lending to SMEs.
- Work toward a regulatory framework that facilitates banks' access to longer term and local currency funding and promote competition in the banking sector to encourage banks to offer more competitive rates and reach out to new segments.
- Support viable alternatives to bank financing by putting in place adequate legal frameworks for the provision of non-bank financial products and services.
- Promote financial literacy among the public and build financial management and business planning skills among small business owners.

c. Promoting skills and entrepreneurship development

- Integrate entrepreneurship into the national curriculum.
- Connect women's entrepreneurship more tightly with countries' growth agendas.
- Improve SME skills upgrading programmes, training needs analysis and quality assurance measures.

d. Enhancing SME competitiveness

- Make public SME support mechanisms more effective and better tailored to the needs of different SME segments and do more to promote the emergence of private markets for business support services.
- Adapt public procurement frameworks to promote SMEs' access to this important market.
- Broaden innovation policy beyond ICT, emphasising non-technological innovation and commercialisation.

e. Supporting SME internationalisation

- Step up export promotion and support by adding more sophisticated products (e.g. market intelligence and training), building capacity in export promotion agencies and increasing access to working capital.
- Continue aligning technical and quality standards with international and EU rules, supported by capacity building and outreach.
- Be more proactive in promoting the integration of SMEs into global value chains, such as by facilitating links between FDI and SMEs.