



OECD Eurasia
Competitiveness Programme

DRAFT AGENDA

Launch event:

**SME POLICY INDEX: EASTERN PARTNER
COUNTRIES 2016**

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

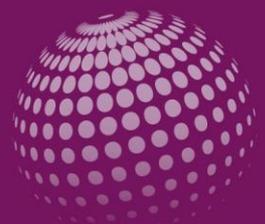
**SME DEVELOPMENT STRATEGY OF
GEORGIA 2016-2020**

22 March 2016

Marriott Hotel, Rustaveli Avenue 13
Tbilisi, Georgia

Organised in co-operation with:

Ministry of Economy and Sustainable Development of Georgia



■ OVERVIEW

The OECD, the European Commission, the European Bank for Reconstruction and Development (EBRD), European Training Foundation (ETF) and the Government of Georgia are organising a joint event to launch the **SME Policy Index: Eastern Partner Countries 2016 – Assessing the Implementation of the Small Business Act for Europe** and the **SME Development Strategy of Georgia 2016-2020**. The event will comprise a high-level public launch, followed by an in-depth discussion on the implementation and monitoring of the SME Development Action Plan for 2016-2017. The event will bring together representatives from the Georgian government, the OECD, the European Commission, EBRD and 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

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 publication is the result of the SBA assessment which 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. 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**.

■ SME DEVELOPMENT STRATEGY OF GEORGIA 2016-2020

The development of small and medium-sized enterprises has been one of the main priorities of Georgia's economic policy following the Association Agreement with the European Union signed in 2014. To this purpose, the Government of Georgia has recently adopted the **SME Development Strategy of Georgia 2016-2020**.

The strategy is the result of an ongoing public-private dialogue that brings together representatives from the Government, the private sector and the civil society. It has been drafted by the Ministry of Economy and Sustainable Development and outlines the Government's reform plans to support SMEs along five strategic dimensions:

- Improvement of legislative, institutional framework and operational environment for SMEs
- Improvement of access to finance
- SME skills development and promotion of entrepreneurial culture
- Export promotion and SMEs internationalization
- Facilitation of innovation and R&D in SMEs

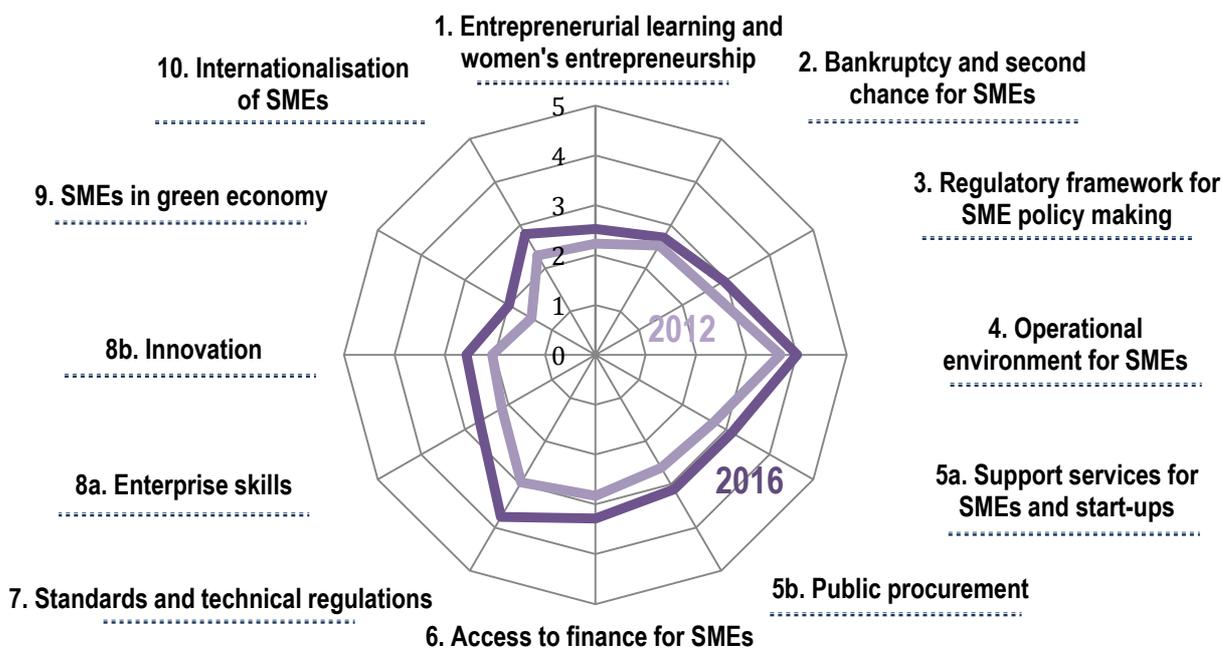
The SME Development Strategy of Georgia 2016-2020 has been drafted in close co-operation with the OECD, GIZ and with the financial assistance of the European Union.

SME POLICY INDEX: EASTERN PARTNER COUNTRIES 2016 & SME DEVELOPMENT STRATEGY OF GEORGIA 2016-2020	
11.00 – 12.00	Official launch of the <i>SME Policy Index: Eastern Partner Countries 2016</i> and the <i>SME Development Strategy of Georgia 2016-2020</i>
	<i>Chair: Dimitry Kumsishvili, Vice Prime Minister, Minister of Economy and Sustainable Development</i>
11.00 – 11.20	Opening remarks
	<ul style="list-style-type: none"> • Mr. Dimitry Kumsishvili, Vice Prime Minister, Minister of Economy and Sustainable Development • Mr. Janos Herman, EU Ambassador to Georgia • Mr. Antonio Somma, Head of OECD Eurasia Competitiveness Programme
11.20 – 11.30	Presentation of the <i>SME Policy Index: Eastern Partner Countries 2016</i>
	<ul style="list-style-type: none"> • Mr. Daniel Quadbeck, Project Manager, OECD
11.30 – 11.45	Presentation of the <i>SME Development Strategy of Georgia 2016-2020</i>
	<ul style="list-style-type: none"> • Mr. Dimitry Kumsishvili, Vice Prime Minister, Minister of Economy and Sustainable Development
11.45 – 12.00	Question & answer
14.00 – 16.00	SME Development Strategy of Georgia: Implementation and monitoring
	<i>Chair: Irma Kavtaradze, Deputy Minister of Economy</i>
14.00 – 14.05	Opening remarks
	<ul style="list-style-type: none"> • Ms. Irma Kavtaradze, Deputy Minister of Economy and Sustainable Development • Ms. Simone Rave, Head of Sector, European Commission
14.05 – 14.35	Key findings and recommendations of the <i>SME Policy Index: Eastern Partner Countries 2016</i>
	<ul style="list-style-type: none"> • Ms. Meryem Torun, Policy Analyst, OECD • Ms. Michaela Hauf, Policy Officer, European Commission • Mr. Timo Kuusela, Country Desk for Georgia, ETF
14.35 – 14.50	Presentation of Georgia's Action Plan 2016-2017
	<ul style="list-style-type: none"> • Ms. Irma Kavtaradze, Deputy Minister of Economy and Sustainable Development
14.50 – 15.00	Support to the implementation of the <i>SME Development Strategy</i>
	<ul style="list-style-type: none"> • Ms. Marita Riedel, Programme Director, GIZ Private Sector Development in South Caucasus
15.00 – 15.20	Perspectives from the private sector
	<ul style="list-style-type: none"> • The private sector is invited to share their views on the Strategy and Action Plan
15.20 – 15.40	Public consultation and monitoring of SME policies
	<ul style="list-style-type: none"> • Mr. Stuart Thompson, Policy Analyst, OECD Centre for Entrepreneurship, SMEs and Local Development
15.40 – 16.00	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.