



Enhancement of the Business Environment in the Southern Mediterranean

National seminar for Palestine on Innovation 29 and 30 October 2014



A project funded by the European Union



1. Project Context



- **3-year regional project** funded by the EU (3 Million EUR)
- Project linked to the **Euro-Mediterranean Industrial Cooperation** process and the work programme for 2014-2015 adopted at the 9th ministerial meeting, in Brussels, 19 February 2014
- **Follows the assessment to support necessary reforms in SMEs policy development**
- Part of the **Private sector development in the Southern Mediterranean Programme** (12 Million EUR) targeting SMEs at micro, meso and macro-level



2. Project Overall Objectives



- **Enhance the business environment and promote SMEs in the Southern Mediterranean region in line with EU best practices**
- **Expand the private sector through the development of more robust, inclusive and sustainable growth**



3. Type of Technical Assistance



Production of studies & analytical work



Capacity building, coaching, mentoring



Exchange of good practices, policy dialogue with key stakeholders



4. Euro-MED Charter for Enterprises Small Business Act for Europe



- 2000 Adoption of the European Charter for Small Enterprises at the EU level
- 2004 Adoption of the Euro-Mediterranean Charter for Enterprise at the 5th ministerial conference in Caserta, Italy
- 2008 Adoption of the Small Business Act for Europe (SBA)
- 2011 Ministers decide to gradually align the Charter with the SBA



5. The Small Business Act for Europe



Main objective: create a common framework for SME initiatives and implement the “**Think Small First**” principle in policy making

In brief, the SBA is:

- a **set of 10 principles** which should guide the design and implementation of policies both at EU and national level. This is essential to create a level playing field for SMEs throughout the EU and improve the administrative and legal environment so as to allow these enterprises to unleash their full potential to create jobs and growth;
- an ambitious package of concrete and far reaching new measures including five legislative proposals which **translate these principles into action** both at EU and Member State level;
- designed to ensure the **full political commitment** of both the Commission and the Member States together with regular monitoring of its implementation.

The SBA aims at providing guidance to promote and develop SMEs in updating the Euro-MED Charter for Enterprise within the Euro-MED industrial cooperation



4. The 10 SBA principles



1. Support entrepreneurship
2. Give a 2nd chance (bankruptcy procedures)
3. “Think Small First” (reduce burdens)
4. Public administration responsive to SME needs (e-government)
5. Improve access to public procurement & use of state aid
6. Facilitate access to finance
7. Benefit from Single Market opportunities
8. **Access to skills and innovation**
9. Eco-innovation/environment opportunities
10. Access to external markets



5. The SBA and the SME Policy Index



- Analytical tool composed of a set of indicators covering the SBA 10 principles
- Aims at:
 - Providing a **structured and comparative evaluation of SME policies** and initiatives by defining a country's position on a set of key SME policy dimensions (e.g. access to finance, business development services, globalisation of SMEs, etc.)
 - Identifying **strong and weak points** in policy design and implementation to provide a list of priority actions for reform
 - Facilitating **dialogue and programme coordination** between policymakers, private sector organisations, NGOs and other stakeholders
- Indicators were jointly defined with the National Charter Coordinators



5. The SBA and the SME Policy Index



- The assessment is based on the principles of the SBA, which are further broken down into sub-dimensions and policy indicators
- Each indicator uses a scale of 1 to 5, where 1 corresponds to the absence of a consistent policy approach and 5 broadly corresponds to a level where good policy practices are widely implemented and monitored.

The policy development path for each indicator is *typically* structured as follows:

Level 1: There is no law or institution in place to cover the area concerned;

Level 2: There is a draft law or institution, and there are some signs of government activity to address the area concerned;

Level 3: A solid legal and/or institutional framework is in place for this specific policy area;

Level 4: Level 3 + some concrete indications of effective policy implementation of the law or institution;

Level 5: Level 4 + significant record of concrete and effective policy implementation of the law or institution. This level comes closest to good practices identified as a result of the EU SBA process

6. Methodology and assessment process of the SME Policy Index



Dimensions

Sub-dimensions

Indicators

The SBA policy dimensions

- 1) Education and training for entrepreneurship
- 2) Bankruptcy and second chance
- 3) "Think Small First" principle
- 4) Public administration responsive to SME needs
- 5) Adapt public policy tools to SME needs
- 6) Access to finance
- 7) Encouraging SMEs to benefit from opportunities provided by the European single market
- 8) Promote skills upgrading and innovation
- 9) Promote green growth
- 10) Tapping into the opportunities of growing markets



Dimensions

Sub-dimensions

8.2	Promoting all forms of innovation
8.2.1	Delegation of competencies and tasks
8.2.2	Strategic approach to innovation policy for SMEs
8.2.3	Budget provision for SME innovation

Indicators

Level of reforms

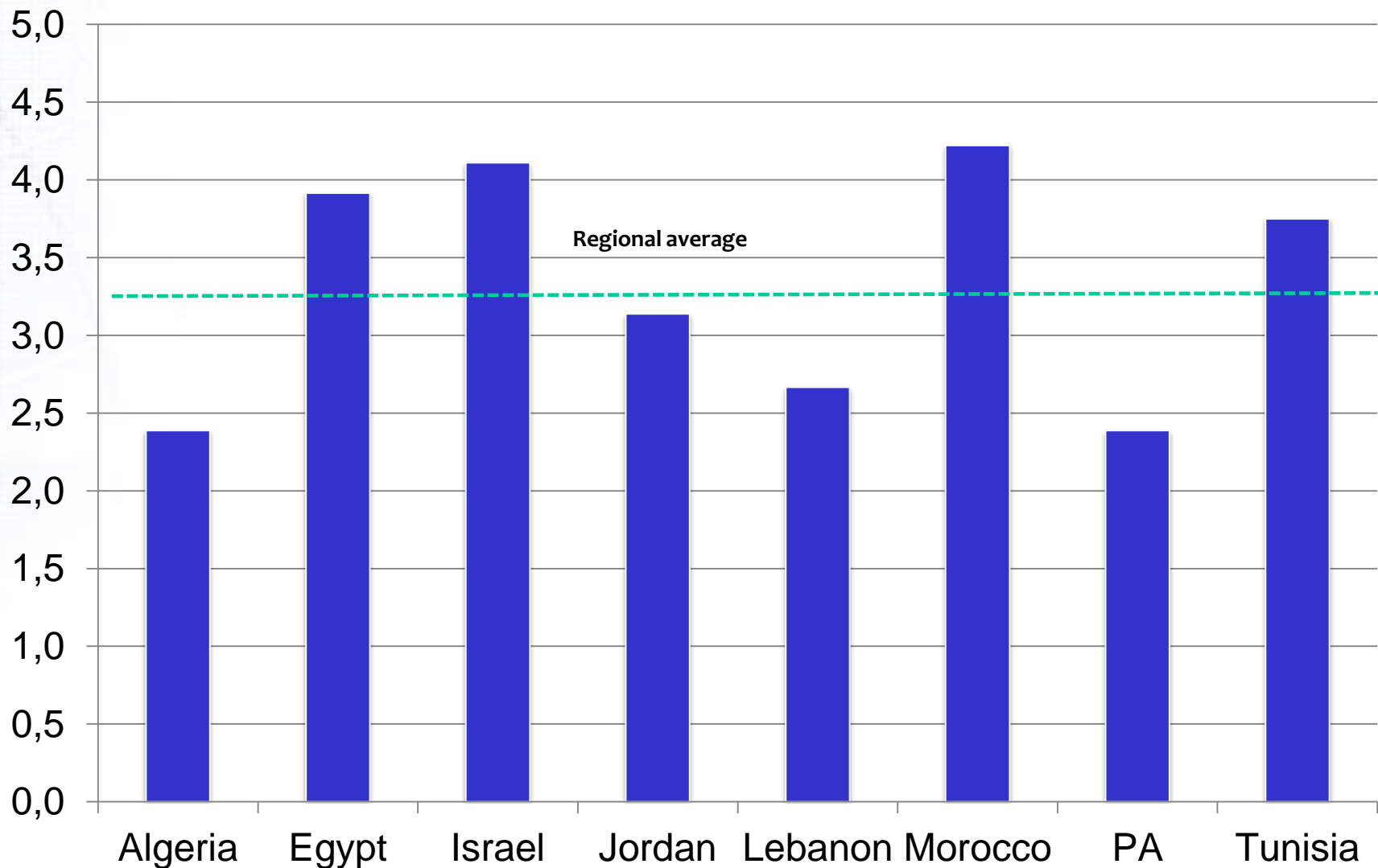
	1	2	3	4	5
Delegation of competencies and tasks					
Strategic approach to innovation policy for SMEs					
Budget provision for SME innovation					

7. Results for Policy Framework for SME Innovation



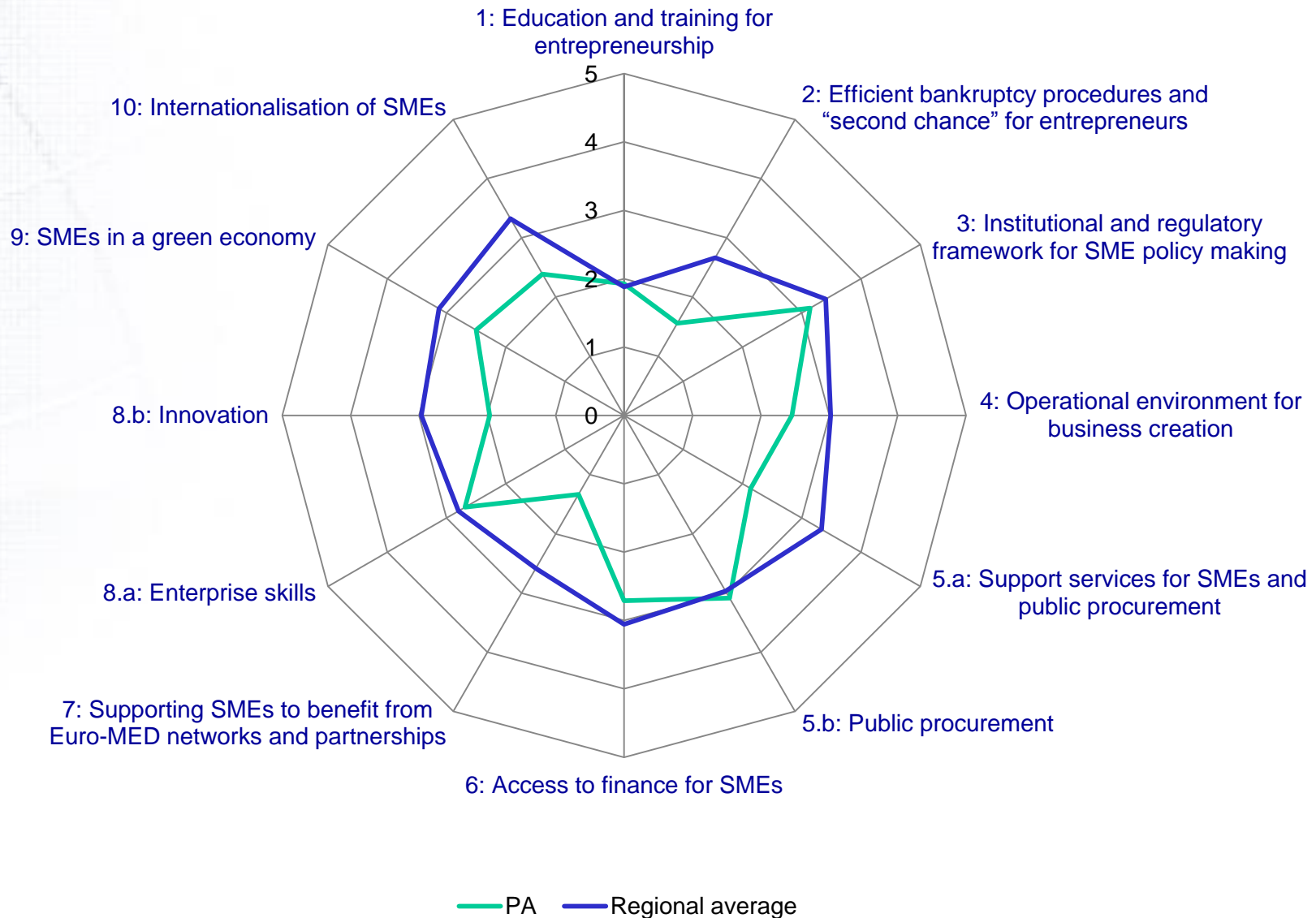
Indicators		AL	EG	IS	JO	LE	MO	PA	TU
8.2.1 Delegation of competencies and tasks	2013	2	2	5	2.5	3.5	3.5	1.5	3
8.2.2 Strategic approach to innovation policy for SMEs	2013	2.5	3.5	4.5	2.5	3	4	2	4
	Change since 2008	+0.5	0	-0.5	0.0	0.0	+1.0	+1.0	+0.5
8.2.3 Budget provision for SME innovation	2013	2	2.5	4.5	3.0	1.5	3	2	3
8.2.4 Establishment of innovation and technology centres	2013	2	4.5	5	3	3	3.5	2.5	4
	Change since 2008	+0.5	+0.5	0.0	0.0	0.0	+0.5	+1.5	+0.5
8.2.5 Information on innovation support service	2013	2	2	4.5	2.5	2	4.0	1	3
8.2.6 Financial support services	2013	3	3	5	3	3.5	3	3	4
	Change since 2008	+1.5	-1.0	0.0	-0.5	0.0	+0.5	+2.0	+0.5
8.2.7 Tools used to support co-operation between SMEs research institutes/universities	2013	2.5	2.5	4.5	3	3.0	2.5	3.0	3.0
8.2.8 Public R&D grants	2013	3.0	2.5	4.5	2	2.0	2.5	1.0	3.0
8.2.9 Incubators (serving innovative start-ups which are linked to technology content)	2013	2.0	3	5.0	3	3.5	3.5	3.5	3.5
8.2.10 Science Parks/competitive clusters and facilities to promote networking among companies (poles de compétitivité)	2013	2.0	2.5	4.0	2.5	2.5	2.5	1.5	3.0
Weighted average		2.3	2.8	4.6	2.7	2.7	3.4	2.0	3.4

7. Results for Policy Framework for SME Innovation





8. Palestine Vs Regional Average





5. Workshop Programme



2-day training on SBA Principle 8.2: Innovation

- Strategy and policies in support of innovation
- Financing schemes and instruments
- Entrepreneurship and culture of innovation
- Co-operation between SMEs research institutes & universities
- Promoting co-operation on innovation : innovation networks, centres, schemes
- Successful communication strategies to promote innovation



9. Useful links



➤ **Small Business Act for Europe**

http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm

➤ **Euro-MED industrial cooperation**

http://ec.europa.eu/enterprise/policies/international/promoting-neighbourhood/mediterranean/index_en.htm

➤ **EuroMed – Good practices database**

<http://ec.europa.eu/enterprise/policies/sme/best-practices/database/europed/index.dfm?fuseaction=welcome.detail&language=FR>

➤ **Small Business Act for Europe – Good practices database**

<http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=welcome.detail>



Thank you for your attention

Contact:

Marie-José Char

M.J.CHAR.GIZ@outlook.com

Project implemented by:

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

 **eurecna**
CNA Veneto
International Services