



# SUPPORT TO AN ENABLING BUSINESS ENVIRONMENT FOR MSME DEVELOPMENT & FINANCIAL INCLUSION

FROM POLICIES TO IMPACT

MED MSMEs PROGRAMME QUARTERLY NEWSLETTER

VOL. 1

## CAPTURING OPPORTUNITIES IN TIMES OF UNCERTAINTIES

NOVEMBER 2020

This newsletter of the MED MSMEs regional programme comes at a time of uncertainties on the sanitary, social and economic fronts. MSMEs are undoubtedly the very affected by the COVID-19 crisis. But they are also at the core of the resilience of our economies and key drivers of future rebound, inclusive growth and job creation. Beyond the pandemic that is reshaping global value chains, the knowledge economy, big data, artificial intelligence and disintermediated business models are accelerating the transformation of the structure of the world economy. Keeping MSMEs aboard is a must; and improving the business environment for MSMEs is the way. In response, the EU adopted in March 2020 the “SME Strategy for a sustainable and digital Europe”.

EU partner countries of the South Neighbourhood also embarked on policy and regulatory reforms coupled with the launching of new programmes that can pave the way for more competitiveness based on reinvigorated national dialogue.

This unprecedented level of efforts has generated a wealth of practices that are also a source of inspiration. Contributing its share, the MED MSMEs Programme is working on the identification of such practices, as well as on the exchange of expertise and dialogue to facilitate their adoption. The Programme is launching a database on COVID-19 responses, supporting national dialogue through working groups on MSME access to finance and SME internationalization, and promoting tools for MSME alternative finance and risk management.

By the end of 2020, and thanks to the engagement of the network of Small Business Act Coordinators (SBAC) and stakeholders, national roadmaps will be produced that articulate the EU bilateral initiatives with the regional lens. Implementation will follow in 2021 with the support of the Programme and its partners to facilitate the implementation of the upcoming Work Programme of the Regional Platform on Industrial Cooperation of the UfM.

Christophe C. Malherbe - Team Leader - GOPA Consultants

Read More at <https://medmsmes.eu/about>



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## Way forward seminar at the UfM December 11 and 12, 2019


The MED MSMES programme is committed to nurturing dialogue by sharing experiences. As part of this commitment, the Programme gathered over 50 South Neighbourhood public and private sector decision makers, under the auspices of DG NEAR, at the Union for the Mediterranean (Barcelona) for a two-day seminar aimed at scoping the Programme's 2020 Work Plan through dialogue. Ms. Ingrid Schwaiger, Deputy Head of Unit of the Regional Programmes Neighbourhood South at the European Commission DG NEAR, opened the session and reasserted that "Contributing to an enabling environment for MSMEs in the Southern Neighbourhood constitutes a core pillar of the EU Private Sector Development policy".



The Programme presented and discussed more than 20 inspiring EU and international practices on MSME Access to Finance and SME Internationalization, two dimensions of the Small Business Act (SBA) for Europe that provide the Programme's methodological framework. The dialogue resulted in a consensus on two focal areas for 2020: alternative finance, including fintech, and exports, either direct or through the integration of SMEs into value chains.

These two days of intense dialogue with the public and private sector representatives allowed the Programme to develop its 2020 Annual Work Plan around five specific results:

- (1) Adapting policies and regulations to MSMEs' needs;
- (2) Promoting administrative simplification;
- (3) Adapting the offer of MSME (alternative) finance;
- (4) Supporting a regional platform raising awareness on existing supports and enhancing South-South dialogue;
- and (5) Raising awareness on the EU Initiative for Financial Inclusion.

Watch synthesis video here 



## Facilitating dialogue by empowering Small Business Act Coordinators (SBACs)

Micro, Small and Medium Enterprises - (MSMEs) are essential drivers of job creation and economic growth in Europe and the neighbouring Mediterranean partner countries. That is why the European Union strategy to improve the business environment for MSMEs included the creation of the Small Business Act (SBA) for Europe, which provides a comprehensive policy framework for institutional and regulatory reforms in Europe. This framework is adapted to guide cooperation on MSME development with and within Mediterranean partner countries. Its implementation is ensured by a network of national coordinators who accompany the deployment of the 10 principles of SBAs in close cooperation with relevant institutions and representatives of the private sector and civil society.

Given the key role of SBA coordinators (SBACs), one of the objectives of the MED MSMEs Programme is to empower them and reinforce their position, particularly around two of the 10 principles of SBAs: access to finance and the internationalization of SMEs. To this end, the programme is providing specific technical assistance to support the SBACs in mobilizing and animating two thematic working groups on the two focal areas. During the year 2020, the MED MSMEs programme mobilized national experts supporting the SBA Coordinators in 5 of the 8 beneficiary countries. In each of these countries, the SBA coordinators were able to set up and organize several meetings and webinars gathering more than 100 professionals from the public sector including ministries and other public agencies; and from the private sector including chambers of commerce, business associations and others.



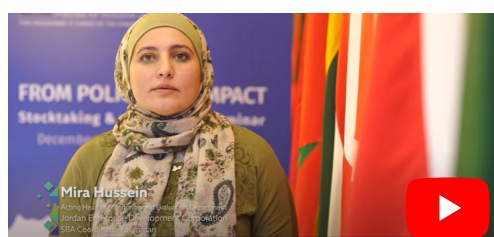
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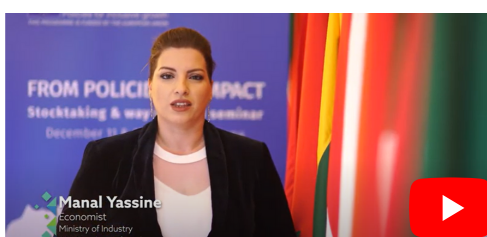
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TUNISIA

These meetings were key in providing insights and taking stock of the situation of MSME supporting policies and instruments in addition to identifying the specific needs of MSMEs in terms of financing and access to the international markets. The meetings also played a key role in better understanding the new challenges brought about by the COVID-19 pandemic, their impact on MSMEs and solutions to overcome the crisis.

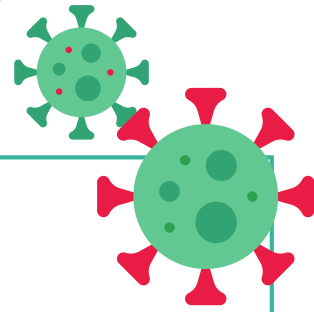
To access the videos, please click on each visual's YouTube icon 



## Responding to the COVID-19 pandemic: best practices to support MSMEs

The MED MSMEs Programme responded to the unexpected threat of COVID-19 to the sustainability of MSMEs by creating a “COVID-19 response” database. The database highlights innovative EU and South Med policy practices that translates into new instruments, regulations and governance mechanisms aimed at generating impact.

The database ambitions to be an inspirational source of information for decisions-makers, providing them with insights and guidance into best practices, success stories and lessons learned. From the mobilization of the ASMEX (Association Marocaine Des Exportateurs) and SMAEX (Société Marocaine d'assurance à l'exportation) in Morocco to cover country risks during COVID-19, to the promotion and utilization of fintech services in Jordan to foster digital payments facilitating physical distancing, the programme helped to identify and analyze practices worth sharing with key stakeholders across the eight partner countries.



“

***“The Covid-19 database will be a valuable and inspirational source of practices...”***

## National roadmaps articulating the national and regional levels: a participatory approach



Since April 2020, the MED MSMEs Programme has mobilized regional expertise to undertake two comparative studies of policies and instruments supporting alternative financing and MSMEs export development in the eight countries covered by the Programme.

The aim of these studies is to develop national roadmaps that will guide the areas of interventions of the Programme in 2021. These roadmaps will include activities that are aligned with national priorities, complementary to what exists at country level and that take advantage of the regional lens. They also take into consideration the COVID-19 impact on the MSME sector. The studies are being discussed during national working group meetings and webinars starting with those that have already taken place in Morocco, Tunisia, Jordan and Palestine\*, and informed by two online surveys shared among the MSME support ecosystem.

The Programme started the preparation and organisation of working group meetings and webinars in September 2020 and plans to finalize the first roadmaps in November 2020 starting with Morocco and Tunisia. Other country roadmaps are expected to be completed by the end of 2020, to be ready for implementation early 2021.

**Take-up the surveys here:**

[Access to innovative and alternative finance](#)

[Support to exporting SMEs](#)

\*This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.



# Using the Regulatory Sandbox as a catalyst for innovation

July 2020 Webinar



On July 16th 2020, the MED MSMEs Programme organized a regional webinar with stakeholders from the public and private sector in South Med partner countries to introduce the Regulatory Sandbox framework as a tool for producing regulation enabling fintech companies to develop and test fintech instruments for MSME financing.

The event took place under the patronage of DG NEAR with participants from the Central Bank of Jordan (CBJ), Banque Centrale de Tunisie (BCT) and representatives from Fintech companies. The event also gathered 40 participants from partner countries in the South Med region from both public and private sectors.

The webinar provided insights on utilizing the regulatory sandbox for a stronger fintech sector, with some specific information on how it can support aspects like financial inclusion, or better relationships between regulators and operators.

As a follow up to this event and to introducing and discussing the concept of the sandbox, the MED MSMEs Programme will:

- 1-Finalize the development of a regulatory sandbox guide
- 2-Transmit the regulatory sandbox guide to stakeholders in partner countries
- 3-Enhance the public private dialogue with countries currently in process of implementing the sandbox framework and, support those who are willing to launch the framework at national level.

More information on the sandbox:



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