

## 10<sup>th</sup> Meeting of the MENA-OECD Working Group on SME and Entrepreneurship Policy

10-11 July 2018, Tunis

### Conclusions

The 10<sup>th</sup> meeting of the MENA-OECD Working Group on SME and Entrepreneurship Policy took place on July 10-11, 2018, in Tunis, hosted by the Ministry of Industry and Commerce of Tunisia. Fifty five participants joined, including representatives from the public and private sector from ten MENA countries (Algeria, Bahrein, Egypt, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Tunisia and the UAE), as well as OECD countries (Italy, Czech Republic and Poland), and international organisations (ETF, EIB, ILO, UNIDO and the Union of Arab Banks). Tunisia and Italy, co-chairs of the Working Group, led the discussions throughout the day.

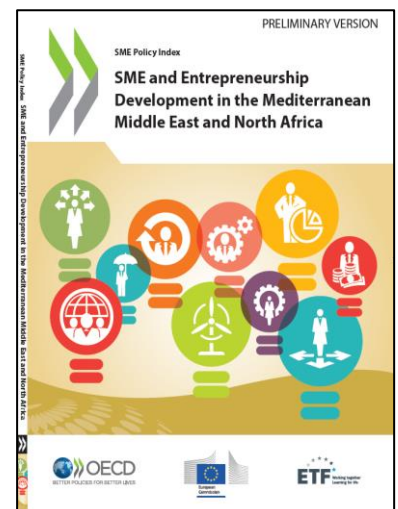


During this meeting, the findings of the *SME Policy Index for the Mediterranean Middle East and North Africa 2018*, a new publication produced by the OECD and the European Training Foundation, (ETF) were presented. The report, covering eight MED economies, was prepared in close co-operation with National Coordinators in each MED economy, and funded by the European Union. Various government and private sector organisations, as well as EU Delegations in the Southern Mediterranean provided important inputs.

#### Key messages

The meeting focused on three themes: sharing lessons learned from the implementation of policy reforms to support SMEs and entrepreneurs; discussing recent initiatives to support women entrepreneurship; and analysing different models of cluster policies. The main messages were:

- Reforms to support SMEs and entrepreneurs are underway.** The *SME Policy Index* finds that governments in the region have been very active since 2014. Some governments have taken important steps to improve the institutional and regulatory framework for SME policies, such as Algeria's new SME law, Egypt's new SME agency, or Libya's Short-term Action Plan for SME policies. Other countries have established important institutions that should improve access to finance, such as new collateral registries in Jordan, the UAE and the Palestinian Authority. Human capital development initiatives continue to support the integration of



entrepreneurship in the academic curriculum, as reflected by Tunisia's example.

- **Challenges continue holding back women's entrepreneurship but positive examples can be shared.** Promoting women entrepreneurship will require addressing some of the underlying factors that result in such large gender gaps, as well as the specific obstacles women face when wanting to start or run a business. Governments, civil society and international organisations are actively engaged in this direction. The first step is to document the situation of women's entrepreneurs and assessing their specific challenges and opportunities. Governments and statistical offices in the region, supported by international organisations and civil society, are working hard on this. Governments should also mainstream gender concerns throughout different Ministries and attach a budget to this so that plans also become reality.
  - **Clusters are becoming a popular mechanism to support SMEs in the face of global competition, and there is not a one-size-fits-all model.** SME clusters have gained more and more importance as collaborative models of increasing productivity and facing increasing competition. Different models are evolving in each country. Italy's model puts emphasis on bottom-up approaches to develop strategies. Tunisia follows a more traditional approach, while UNIDO's PAMPAT project builds on the "geographical concentration" of economic actors in the value chains as in the case of clusters. Depending on the different objective and context, each country will opt for different strategies
  - **Implementation, implementation, implementation.** A crosscutting message throughout the discussions was the need to improve on the implementation side. Many reforms have been adopted in the past four years, with the enactment comprehensive pieces of legislation on insolvency, secured transactions, crowdfunding, etc. Several institutions –from SME agencies to registries and credit bureaux– have been created. Gender equality is recognised in all the constitutions and many specific laws seek to apply it in different dimensions. But how to transform these legal provisions into reality?
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## Next Steps

- **Define future analytical work:** During the meeting, the OECD presented the strategic note and two proposals for analytical work to be conducted in the framework of the Working Group. The team will obtain feedback by written procedure from the participants in order to develop a detailed proposal.
- **Supporting implementation:**
  - The Working Group and the OECD will continue supporting governments in the region in the implementation process with targeted projects at national level, such as the ongoing work with Jordan and Libya, as well as the training programme on SMEs and competitiveness policies delivered in the IMF training Centre of Kuwait.
  - The Working Group will enhance capacities to track impact of reforms. A task-force could be created to develop a self-reporting system to gather statistics in a systematised manner.
  - Peer-learning will be reinforced and mobilised in support of reform processes.
- **Agree on host for next edition:** Countries were invited to host next year's meeting, and some preliminary invitations were put forward. The OECD will follow up to determine the venue and date.

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