

## **The European Commission supports a regional programme for MSME policy development in the Southern Neighbourhood**

**December 13<sup>th</sup>, 2019** – Over 50 Southern Neighbourhood public and private sector decision makers as well as European institutions and Commission representatives have gathered in Barcelona for a two-day seminar addressing MSME policy formulation through a good practices approach. The event took place on December 11 and 12, within the premises of the Union for the Mediterranean “Palacio de Pedralbes”.

With the ultimate goal of contributing to the South Mediterranean regional integration, the European Union-funded MED MSMEs programme (2018-2022) responds to the need for a policy dialogue conducive to favourable reforms in select areas of Micro, Small and Medium Enterprises (MSMEs) development. This will be done by building on a national participatory approach, international best practices and regional initiatives to inspire the formulation and implementation of integrated policies and instruments supporting the MSME business environment.

While adapted to ten countries of the Southern Neighbourhood, the MED MSMEs programme is based on the proven approach of the “Small Business Act (SBA) for Europe”, the EU’s flagship policy initiative to support small and medium enterprises through a set of policy measures organised around 10 principles. Four of these principles have been selected to better frame the Programme’s scope of intervention, specifically on internationalisation, access to finance, women entrepreneurship as well as institutional and regulatory framework.

**Ingrid Schwaiger, Deputy Head of Unit of the Regional Programmes Neighbourhood South at the European Commission DG NEAR**, specified during the event that “Contributing to an enabling environment for MSMEs in the Southern Neighbourhood constitutes a core pillar of the EU Private Sector Development policy. This requires an ongoing policy dialogue among all partners and a good understanding of in-country priorities and needs. Therefore, this seminar is an excellent opportunity to have an in-depth discussion with the partner countries and in this way efficiently design the future interventions of the MED MSMEs programme”.

Leveraging on the partner countries’ efforts towards improving economic growth through MSMEs, the programme aims to create constructive synergies through North-South and South-South policy dialogue exchanges, regional initiatives and good practices for a concerted approach and shared mechanisms of implementation. The targeted end goal is to contribute to a more favourable environment for MSMEs’ to play their vital role for inclusive growth creation and the provision of employment opportunities.

Further embedding it in its regional positioning, the MED MSMEs programme has also been designed to contribute to the implementation of the Union for the Mediterranean’s (UfM) Working group on Industrial cooperation and SME development priorities. The UfM’s mandate and platform further strengthens the programme’s reach to key regional stakeholders, decision makers and private sector representatives.



The expected results by the end of the programme term are to (1) Improve the adaptation of selected aspects of development policies and regulations to MSMEs; (2) Promote the administrative simplification as an element of SME policy making; (3) Adjust the adaptation of selected aspects of MSME finance policies and instruments, notably concerning alternative financial mechanisms; (4) Increase awareness, of MSMEs representatives and relevant stakeholders, on financial instruments and tools available through a regional platform/coordination mechanism, which enhances South-South dialogue; and (5) Raise awareness and effectiveness of the EU Initiative for Financial Inclusion and support.

“The dialogue with stakeholders under the auspices of the EU and the UfM in Barcelona allowed scoping regional interventions that take into consideration national priorities”, stated **Christophe Malherbe, MED MSMEs Programme Team Leader**. “For access to finance, indicative interventions will accompany the establishment of a regional platform supporting national guarantee companies and the promotion of e-finance solutions to address MSME financing needs. As regards internationalisation, the Programme will raise awareness and facilitate access to existing external trade databases while facilitating exchange of practices among peers and develop tools to support the internationalisation of clusters. These indicative activities will be closely coordinated with other EU regional programmes (EBSOMED, Next Generation, MedUp).

The MED MSMEs programme is implemented with partner countries, namely Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine<sup>1</sup>, Syria<sup>2</sup> and Tunisia in close collaboration with the network of national SBA Coordinators as country focal points.

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<sup>1</sup> 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.

<sup>2</sup> Cooperation with Syria is temporarily suspended until further notice from the European Commission.

