

Comparative Study on policies and instruments supporting SMEs exports in the EU Southern Neighbourhood: Green and Digital transition is key

The MED MSMEs Programme organised a webinar to present the results of the comparative study on policies and instruments supporting Small and Medium-Sized Enterprises (SMEs) exports in 6 EU Southern Neighbourhood countries (Egypt, Jordan, Lebanon, Morocco, Palestine, Tunisia).

The event was attended by senior officials from the European Commission (DG Near and DG Grow), from Ministries of Trade and Industry, national coordinators of the Small Business Act – SBA and representatives of the private sector in the targeted countries as well as regional and international experts.

Ms. Ingrid Schwaiger Deputy Head of Unit, Regional Programmes Neighbourhood South, Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) introduced the two main policy frameworks framing the overall relations and trade and investment in particular with the Southern neighbourhood: the new Agenda for the Mediterranean, with an accompanying Economic and Investment Plan and the Trade Policy Review to modernize trade and investment relations. The new Agenda looks beyond the challenges and focuses on a more positive narrative for the future relations putting people at the center, promoting green and digital transition and focusing on an economy that works for people with more attention to job creation and employment.

She emphasized the need for partners to take ownership of their ambition to recover. EU on its side will make full use of the EU Tool Box for a strategic engagement and work jointly with Member States including through Team Europe Initiatives. She explained that the EU is currently in the process of programming for the period 2021-2027 and is preparing the multi-annual programming and a number of thematic actions. The EU toolbox offers a number of instruments such as financial instruments (guarantees, blending), Team Europe Initiatives and traditional capacity building and strengthening, Trade and investment is central in this. Themes for future support on trade comprise qualitative aspects with impact on job creation, strengthening of sustainable value chains and south-south cooperation. Wrapping up, she underlined the need to accelerate the green and digital transition to make business more resilient especially in times of uncertainty and major changes.

Mr. Fabrice Terrac, Deputy Head of Unit, International Value Chains, DG GROW recommended the ecosystem approach to understand the various challenges Southern Mediterranean economies are facing and to know the existing infrastructure and tools that they can use (other businesses, academics, authorities) to connect them.

He explained that when SMEs wish to go international, it is important to check whether the environment can be a facilitator or a “complicator” for their endeavor (such as public authorities and existing laws and regulations) and how to address each issue.

He also analyzed the COVID-19 effect and pointed out that there was a need to adapt and fine tune the efforts started previously. He considered that priorities have not changed but that they are reinforced and that the COVID-19 brought in the opportunity to go forward and faster. For economies to thrive, they need to have robust supply chains; They also still need help to improve their business climate and the economic diversification to make them less vulnerable to shocks.

The MED MSMEs Programme team leader, **Mr. Christophe Malherbe**, stated that the ultimate outcome of the study is to inspire policy makers by the dissemination of regional knowledge on the state of play as regards SME export support and promotion in six of the South Med countries, and that the study's recommendations are aligned with the pillars of the recent EU communication on the green and digital transition.

In presenting the results of the study, **Ms. Lois Stevenson**, MED MSMEs Programme Regional SME Export Development Expert made a few recommendations to strengthen SMEs exports in the EU South Neighbourhood region:

- Making knowledge more reliable and accessible: establishing systems for collecting and reporting on SME export statistics
- Awareness raising on shifts in global value chains and policy responses (e.g. COVID-19 and GVCs, supplier diversification)
- Supporting the digital transition of SME exporters and their support ecosystem
- Improving SMEs' use of standards to meet international requirements (e.g. Small Business Standards Association)
- Raising awareness on opportunities for export of tradable services in EU and African markets
- Promoting the EU Green Action Plan for SMEs (e.g. good practices, integrating “greening” policies, opportunities, EU “GreenEcoNet”)
- Promoting inclusion of women-owned SMEs in international trade (e.g., networking, fostering duplication of GPs)

Ms. Meriem Zarraa, Program Officer at the Euromed Trade Helpdesk, illustrated the EU funded project “EuroMed Trade and Investment Facilitation Mechanism part II (TIFM – II)” by mainly presenting the new trade and investment package for the EU and the objectives to improve investment and business climates and the regulatory frameworks in the South Mediterranean region for sustainable jobs and growth.

Building on the success of TIFM I (Jan 2014 - June 2017) with two specific objectives: to facilitate closer economies between the EU and South Mediterranean countries and enhance economic integration, and improve trade and investment transparency by providing free access to information with three already achieved outputs: a) Enhancement of the Euromed Help desk, b) Enhanced understanding of the trade obstacles facing SMEs and the available options to reduce costs c) Strengthening of market analysis and research to use Euromed Help desk.

The key speakers (**Manale Yassin from Lebanon; Ahmad Hammad from Jordan, Fadi Daraghme, Jawad Al Muti, and Khaled Amleh from Palestine; Shady Nasreddine from Egypt, Houria Nadifi from Morocco**) praised the supporting study and the webinar value add; they gave updates on the efforts in their own countries, pointed out specific needs and technical hurdles they are facing in terms of access to information and the focus on certain sectors relevant to their economies, current laws, access to raw materials associated with the supply chain and the rules for origin.

Finally, Ms. Liisa Tanttari, EU International Aid / Cooperation Officer, DG Neighbourhood and Enlargement – NEAR, expressed her thanks to all the participants and acknowledged all the efforts done at country level. She briefly referred to a number of related on-going initiatives such as the Trade and Investment Programme involving OECD, ITC and ILO, the EIB/EBRD Trade and Competitiveness Programmes, and an upcoming new programme to support clusters as

well as the intention to support women empowerment and the green transition in future programmes.

A webinar on policies and instruments facilitating access to finance for MSMEs is scheduled in October in the framework of the series of webinars organised by the MED MSMEs Programme.

ABOUT the MED MSMEs Programme www.medmsmes.eu

The MED MSMEs Programme (2018-2022) is funded by the European Union and aims to convene stakeholders and support dialogue at regional level to inspire policies and regulatory reforms for Micro, Small and Medium Enterprises (MSMEs), in particular on the internationalisation and access to finance dimensions.

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