



# MED MSMEs

## Policies for inclusive growth

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## Your Monthly Tabadool

**€17 billion of investments facilitated in priority sectors including SMEs** - In December 2022, the Board of the European Fund for Sustainable Development + (EFSD+) approved an envelope of 24 new guarantee programmes aimed at contributing to the objectives of the EU Economic and Investment Plans. The €2.4 billion approved are expected to turn into €17 billion in investments in priority sectors, including renewable energy, digital connectivity, private sector competitiveness, and SME banks' finance, sectors. The EFSD+, under the EU's Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe, provides guarantees up to 40 billion to mitigate the risk for investments aligned with EU priorities in partner countries. Considered a [Sustainable Development Goals \(SDGs\) Good Practice](#), it consists in €26.7 billion managed by EIB for public sector- clean energy-, green infrastructure- and health-operations and up to €13 billion deployed by a range of international financial institutions. Agreements will be signed with 11 European and International Financial Institutions provisioning for a three-year implementation period. Interventions in the Southern Neighbourhood focus on energy transition and security.

**The Business Country Desk (BCD): a free digital services platform for SMEs** - The BCD online service platform supports and promotes trade and investment in the 10 Southern Mediterranean countries and to initiate and develop North-South or South-South partnerships between the Mediterranean economic operators. It focuses on Supply chains; Marketing and sale of new products and services; Foreign Direct Investment; Technology transfer and Business opportunities. The BCD, developed in the framework of the EU co-funded EBSOMED project, is articulated around four windows: [MED BUSINESS HelpDesk](#) providing information on business climate, socio-economic, regulatory and political context, as well as key sectors in each target country; [Partnership](#), a multi-criteria search engine gathering detailed profiles of - and enabling contact with - potential business partners; [EuroMed Business Matching](#), an event-oriented tool, strengthening partnerships; and [E-learning](#), providing free access to online courses on e.g. projects' design, digital strategies, internationalization and access to finance. The project was initiated by [BUSINESSMED](#) that represents 25 enterprises confederations in the [UfM](#) member states.

**uTradeHub: Trade Facilitation for MSMEs – Korea** - Started in 2006 with 16,000 SMEs, the [uTradeHub](#) single window platform now counts 120,000+ registered SMEs, half of them using the internet portal for their export certificates and declarations. The Integrated Delivery Request system and other facilities allowed delivery time drop from 3 hours to 45 minutes; the reduction of the lead-times for issuing FX transaction documents from 5 hours to 30 minutes; the drop from 500 minutes to 15 minutes for the Export Declaration, and from 30 minutes to 1 minute for Purchase Certificates. The uTradeHub also proved an efficient [supply chain financing](#) enabler for SMEs thanks to: the exemption from documentary proof for local duties draw back and exemption; the sharing of VAT data among agencies; the "export" certification of Local L/C documents. Bankers are particularly interested in the identification of indirect exporters, especially SMEs looking for trade finance; more business opportunities likely to benefit from Bank of Korea's concessional loans; Strengthened Risk Control and traceability for fraud prevention as well as an accessible credit history allowing admin cost-cutting. Taking part in the implementation of the [WTO TFA](#), Korea Customs Services provided support services to Algeria and Jordan (2018) and Tunisia (2020), notably in the fields of Business Process Reengineering and Master Plans for Customs.

**CSR in "Hauts-de-France": valuable retrospect** - On February 9, 2023, the MED MSMEs Programme contributed to the dialogue

organized in Tunisia by the [ITC](#) on "How can digital transition foster green transition?" The [case presented](#) focused on CSR in the French region of "Hauts-de-France", an economic lung facing many challenges. In response, the Chamber of Commerce, the Region and the Alliances network launched in 2011 the REV3 programme that helps SMEs in managing the energetic, technological and societal transitions. The [2022 CSR Barometer](#) for the region makes it possible to measure the progress made since 2011 and provides useful lessons for countries embarking on a similar approach. Over 10 years, the main motivation for the commitment to a CSR approach - which was based on the convictions of the business manager - is drifting towards employees' engagement and customer demand (conversely, shareholders and the competition have little weight). Another highlight is that - after a decade of efforts - still 39% of companies have not heard of CSR, the other 61% emphasizing the role of associations in raising their awareness and highlighting the absolute need to communicate, preferably through "champions". The key role of the [future European Directive](#) in this area was also spotted: 12,800 large companies and 4,000 outside Europe will be concerned with inevitable repercussions for French SMEs, but also enterprises in the southern Mediterranean that must be prepared.

**Digitalization is not an option anymore for NBFIs** The SME finance landscape has been profoundly transformed over the last five years, but analysts expect more to come with 1) the adoption of the open banking model by major banks and 2) the emergence of fintech players facilitated by regulators (like the [PSD2 in Europe](#)) paving the way to the creation of pools of big data. Non-Banking Financial Institutions (NBFIs) are expected to play a pivotal role in this transformation: but whether they exist for long (e.g. microfinance institutions, leasing or factoring companies as well as venture capital funds), or they are new entrants (e.g. fintech companies, crypto asset managers, [API](#) providers), all of them will have to embrace digitalization to stay in the race. For that reason, on March 7, 2023, the MED MSMEs Programme organized a one-day training session on Leveraging digital solutions to offer innovative services, reduce cost of operations and better manage risks. The training was attended by 50 participants from 7 countries, including policy makers, regulators, NBFIs professionals. The participatory format allowed the audience to interact, address specific questions to the trainers and exchange views with peers, and allowed the dissemination of some inspiring practices. The training material is accessible [here](#) - The recording can be accessed [here](#).

**The "SME RIA" of the EU customs single window regulation** - The impact of all key EU regulations is ex-ante examined from an "SME perspective" with the [Small Business Act for Europe's](#) tools. Hence, the [Regulatory Impact Assessment](#) (RIA) was applied to the regulation establishing the [EU Single Window Environment for Customs adopted in December 2022](#). This regulation provides the framework to improve information sharing between customs administrations and government authorities in charge of non-customs formalities at the EU border (ex. health, safety, environmental protection, agriculture). Operators will clear formalities more easily through a centralised system interconnecting the import, export and transit systems of the Member States with Union non-customs systems (the [EU CSW-CERTEX](#)). The [impact assessment](#) (IA) highlighted that SMEs are disproportionately affected by the administrative burden and SMEs will benefit strongly from the Business-2-Government service package. The IA expects also a reduction in competition distortion between EU states which will positively affect the European SME fabric.

Access here the latest [Regulatory Impact Assessment guidelines](#).

