



UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

STRATEGY FOR SME DEVELOPMENT

Objective

The overall goal of the UNECE Strategy for SME Development is to expand income opportunities in economies in transition through sustainable and dynamic SME development. The objective is to promote the conditions that are necessary for the growth and development of the SME sector:

- A favourable policy and regulatory environment.
- Strong, sustainable institutions providing financial and non-financial services to meet the demand of small- and medium-sized enterprises.
- Improved access of low-income and disadvantaged entrepreneurs (including women, rural poor, young families, people with disabilities and ethnic minorities) to financial and business services for investing in enterprise.

Strategy

The UNECE programme in the area of the SME development will promote policy and regulatory reforms to create an enabling environment for the SME development, and support the creation and strengthening of formal institutions that provide business development and financial services to small-and medium-sized enterprises on sustainable basis.

Particular attention will be given to strengthening institutional capacities to provide services to low-income and disadvantaged entrepreneurs efficiently and effectively. A key element of the strategy is the use of the

ECE resources and expertise to catalyse the formalization and proliferation of SMEs in economies in transition by encouraging:

- The creation of impartial rules through regulation and institutional reform, eliminating barriers that restrain the SME development;
- The reduction of disadvantages faced by SMEs in accessing inputs, such as financing, qualified labour, information, technology and management skills; and
- The formation of various public-private and business-to-business partnerships within and between countries to improve the SME competitiveness.

Implementation

The UNECE main operational instruments for supporting SME development – experts groups of the Working Party on Industry and Enterprise Development (WP 8) and the Working Party on International Commercial Legal Practices (WP 5); Regional Advisory Services, technical assistance, provided within the ECE/CEI cooperation agreement, and the SME Forums – will be central to the ECE programme.

However, in order to make them more effective under the current conditions, they will require a modification, particularly, the mainstreaming of the goals of the Millennium Declaration and other global conferences, such as sustainable development, poverty eradication, and gender equality, into their work and operational activities, carried out by the ECE Regional Advisers.

The successful implementation and the scope of the programme will be conditioned by resource inflow made available by ECE Member States, national and regional organizations, and the private sector.

Organization.

The major responsibility for implementing the programme of work lies with the ECE Coordinating Unit for Operational Activities the guidance of the Working Party on Industry and Enterprise Development.

The Industry and Enterprise Development Section will focus on servicing the Working Party on Industry and Enterprise Development, but also on providing an expert advice to Governments, at their request, on

broad regulatory and normative aspects of institutional development, including the mainstreaming of the gender and poverty dimensions, in order to facilitate the creation of an institutional environment conducive to the development of entrepreneurship.

The Coordinating Unit for Operational Activities will be responsible for advancing the strategy implementation by facilitating the sharing of information, national experiences and technical know-how, dissemination of information on best practices, data-collection, networking and by providing a technical assistance for projects, training activities, and for a coordination of the ECE activities with other organizations active in this field.

The Regional Advisory Services, carried out under the supervision of the Coordinating Unit for Operational Activities, will be provided in response to the requests from Member States and sub-regional intergovernmental organizations, such as the Organization of the Black Sea Economic Cooperation (BSEC), South-East European Cooperative Initiative (SECI), Central European Initiative (CEI), South Caucasian Economic Area Programme (SCEAP), Special Programme for the Economies of Central Asia (SPECAs) and the Commonwealth of Independent States (CIS), for technical assistance and policy advice. These will be tailored to the country or country-grouping situation, based on the comprehensive analysis of obstacles and opportunities that confront small-and medium-sized enterprises, and result in the adoption of mutually reinforcing actions beneficial to the SME development.

Special attention will be given to the following specific issues of the SME development in the ECE region:

- Adaptation of the *acquis communautaire* by EU candidate countries in the field of SME development.
- Implementation of the CEI Declaration of SMEs at the Dawn of the 21st Century adopted at the Meeting of Economic Ministers, 24 November 2000, Budapest.
- Business incubation.
- Competitiveness of SMEs through innovation and technology transfer.

- Entrepreneurial activities among the rural poor with a specific emphasis on micro-credit and support infrastructure in the rural areas.
- Constraints to the development of women's entrepreneurship.
- Promotion of youth entrepreneurship.
- Promotion of family and home-based entrepreneurship.
- Investigating and alleviating impediments to the use of e-commerce by SMEs.

Outputs expected in 2002:

1. Organization of training workshops, seminars and international events on SME related issues.
2. Country studies and best practices on SMEs.
3. Reports on normative and institutional tools for SME creation and development.
4. Facilitation of networks for enterprise promotion, with special attention to most vulnerable social groups (e.g. women, youth, minorities, displaced people, refugees).
5. Promotion of the gender perspective of enterprise development: focus on women's entrepreneurship support.
6. Facilitation of access to financing for SMEs with a special attention to micro-enterprises.
7. Advice on promoting investment and technical assistance projects.
8. Support to the sub-regional groupings' activities and cooperation in the field of SMEs: special attention to the areas affected by an economic crisis, or a violent conflict, and to less advanced countries.

9. Preparing and organizing the Second Regional Forum of Women-Entrepreneurs.
10. Preparing and organizing the First Regional Forum on Youth Entrepreneurship.

