



MEETING MINUTES

SME Policy Index 2022: Western Balkans and Turkey

Launch Meeting - Albania

Thursday, 15 September 2022

10:00 – 12:00

Zoom meeting



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SME POLICY INDEX 2022 LAUNCH MEETING – ALBANIA

THURSDAY, 15 SEPTEMBER 2022

10:00 – 12:00

ZOOM MEETING

10:00-10:20 Opening Remarks

Mr. Andreas Schaal, Director, OECD Global Relations and Cooperation, welcomed the participants to the launch of the sixth edition of the SME Policy Index: Western Balkans and Turkey 2022 for Albania, noting that the meeting comes at a time where global situation is more complex and unpredictable than ever. In the last few years, the COVID-19 pandemic led to a GDP contraction of -3.5% in 2020 and recovery of 8.3% of GDP in 2021 while Russia's unprovoked war against Ukraine has led to price increases of over 7.4% in June 2022 y-o-y. Mr. Schaal noted that SMEs, making up over 99% of total enterprises, bore the brunt of these consequences, but continue to be an essential driver of inclusive growth with more flexible management styles, specialisations and a large role to play in the green and digital transitions.

In an effort to help build the resilience of SMEs to increasing global shocks, the SME Policy Index has become a key tool to build stronger policies. Mr. Schaal noted that in this regard, the Index has shown that Albania's operational environment for SMEs remained the most advanced in the region due to increased availability of digital government services. He added that public procurement had been harmonised with EU requirements to encourage the participation of SMEs and that SME internationalisation had been further boosted. However, despite the progress made, policy-makers are confronted with increasing challenges in effectively supporting SMEs today. The SME Policy Index delves into how the government can help SMEs thrive among economic uncertainty, namely by developing insolvency prevention policy measures, including a fully-fledged early warning system, by increasing financial support schemes for SMEs and by creating a conducive business environment for SME digitalisation and e-commerce adoption.

Mr. Schaal closed his remarks by expressing his sincere gratitude to the European Commission for its continuous financial support for the OECD's work in Albania and the entire region of the Western Balkans and Türkiye for more than a decade and the Small Business Act co-ordinators in Albania, who have facilitated the input collection and supported the OECD's teams for more than a year. He concluded by noting that, as has always been the case, the OECD will continue to work side-by-side with the government of Albania in navigating these complex times and supporting private sector development for inclusive, sustainable and resilient growth.

Mr. Besart Kadia, Deputy Minister of Finance and Economy of Albania thanked Mr. Schaal and the OECD SME Policy Index team for presenting their findings and recommendations, which will be key to prioritise reforms for the Albanian government. He noted that SMEs were the backbone of Western Balkan economies and drivers of inclusive growth and innovation. He added that since 2019, Albania had improved its performance, testament to its dedication to this policy area. Mr. Kadia emphasised on the ongoing work conducted by his ministry, namely loan start-up policy and increased state support for existing SMEs, e-commerce and multi-stakeholder work including academia. He concluded his remark by noting that despite the progress made by Albania, more efforts were needed to improve digitalisation, green transition and access to finance.

Mr. Andrew Williams, Albania desk, DG NEAR, European Commission expressed the importance of the SME Policy Index report, the flagship publication of the OECD South East Europe division and reiterated the support for Albania's accession process to the EU. He recalled the EU commissioner, Ursula Von Der Leyen State of the Union speech, which mentioned that Albania's future was in the Union and that the Union would not be complete without Albania. He added that the Commissioner also insisted on removing obstacles that were holding SMEs

back as they represented the backbone of Europe's industrial prowess. He further noted that SMEs from Albania were still recovering from the pandemic and the shocks from Russia's war on Ukraine and mentioned that recovery should include a green and sustainable transition. He noted that improving the regulatory environments and responding to the needs of SMEs remained key challenges in Albania. Mr. Williams concluded by noting that the report would continue to inform the EC's work on EU enlargement and talks with Albania.

10:20-11:45 Presentation of assessment key findings

Ms. Jovana Pavlovic Djukic and **Ms. Marijana Petrovic**, Project Managers at the OECD South East Europe Division, presented the SME Policy Index (SMEPI) 2022 main objectives and key features as well as the SME sector's main characteristics in Albania.

Subsequently, **Mr. Matija Lojpur**, **Ms. Clémence Girin** and **Ms. Zofia Polakiewicz**, Policy Analysts at the OECD South East Europe Division, presented the SME Policy Index 2022 main findings and recommendations for further improvement. The session also zoomed in on several areas most relevant for future progress in SME policy making, and provided the related OECD and EU good practices.

[See PowerPoint presentation attached to the email.]

11:45-12:00 Closing Remarks

Ms. Elira Demiraj, **General Director, Directorate of Economic Development and Employment, Ministry of Finance and Economy of Albania**, thanked all the attendees and her colleagues from the Ministry involved in this assessment process. She noted that the collected data would be taken very seriously because it showed the government's continuous efforts to improve in several key policy areas. She added that during the COVID-19 pandemic, Albania focused strongly on reforming the legal framework and was now in a better position to support start-ups and SMEs. Thanks to the many reforms undertaken, AIDA was now able to take over responsibilities and trainings from the Ministry. Ms. Demiraj highlighted that efforts were made to support women's entrepreneurship and that adult learning and re-skilling initiatives were ongoing to bridge gaps. She noted that the green and circular economy would become a priority in the years to come. Ms. Demiraj concluded noting that while several challenges remained, her team was very satisfied with reforms ongoing this year and that OECD recommendations and EU best practices would be essential to continue their work.

Ms. Anita Richter, Acting Head of OECD South East Europe Division, thanked the knowledge partners at the European Training Foundation and the EBRD for their involvement in this cycle as well as the SBA co-ordination team in Albania – Ms. Arjana Dyrmishi, Ms. Eralda Shtylla and Ms. Elira Demiraj and all other stakeholders responsible for different SBA dimensions for their excellent co-operation throughout the assessment process. She expressed her hope that the SME Policy Index 2022 findings would guide the future work of the governments and the international development partners' community and provide SMEs in the economy with a clearer view on tools available. Ms. Richter concluded by mentioning the new work streams of the division, including the forthcoming circular economy project and the new Competitiveness Outlook publication which would start again this autumn. She also noted that the OECD team would be back in the region and that her colleagues would be in Tirana on 16 September to discuss key findings on labour migration and diaspora policies.

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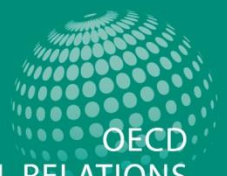
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