



MEETING MINUTES

# SME Policy Index 2022: Western Balkans and Turkey

## Launch Meeting - Kosovo\*

**Wednesday, 21 September 2022**

**16:30 – 18:00**

**Emerald Conference Centre**

Pristina



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\* This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence

OECD Global Relations  
**South East Europe**

# **SME POLICY INDEX 2022 LAUNCH MEETING – KOSOVO**

**WEDNESDAY, 21 SEPTEMBER 2022**

**16:30 – 18:00**

**EMERALD CONFERENCE CENTRE, PRISTINA**

## **16:30-16:50 Opening Remarks**

**Mr. Karim Dahou, Deputy Director, OECD Global Relations and Cooperation**, joined virtually and expressed appreciation for hosting SME Policy Index 2022 launch for Kosovo as part of this year's Western Balkans Digital Summit, which is an important part of the Digital Agenda for the Western Balkans, as the region aims to get its fair share of the digital transformation. He stressed the importance of the *SME Policy Index 2022: Western Balkans and Turkey* publication for Kosovo in facilitating its digital and green transition, as well as in fostering its resilience. This is especially relevant in the current economic context marked by challenges caused by the COVID-19 pandemic as well as the full-scale Russian aggression against Ukraine. He highlighted several achievements made by Kosovo during the assessment period, including the wider range of available business support services, improved financial intermediation for SMEs and increasingly digitalised export promotion services. He also underlined a few recommendations for Kosovo going forward, namely accelerating the deployment of digital government services, stepping up efforts to improve bankruptcy and second chance policies and enhancing financial support for SME greening. Mr. Dahou concluded his opening remarks by expressing thanks to the European Commission (EC), whose financial support was essential in funding the assessment, as well as to KIESA, in particular to Mr. Zef Dedaj and his colleagues, who co-ordinated the collection of inputs on the side of Kosovo.

**Ms. Rozeta Hajdari, Minister of Trade, Industry and Entrepreneurship, Kosovo**, underlined how important SMEs are for Kosovo's economic growth, job creation as well as green and digital transition. She highlighted the relevance of the *SME Policy Index* and its good practice examples to reduce existing gaps related to SME growth. She noted that during the assessment cycle, Kosovo had introduced legislative changes and implemented a range of regulatory reforms to make SMEs sustainable in the long run and ease their access to international markets. She added that the government was in the process of completing important documents, including the new digital strategy and the strategy for industry and entrepreneurship, in line with international best practices and in close consultation with businesses. Ms. Hajdari stressed that Kosovo will focus on information and communication technology (ICT) sectors, digitalisation and innovation in the upcoming period, which will be supported by the recently established Fund for Innovation. The Fund's goal is also to support vocational education and strengthen partnerships between public and private actors. Lastly, she recalled her participation in the OECD South East Europe Regional Programme's high-level conference on labour migration in May 2022 and reiterated the importance of building an action plan on human capital flight, in co-operation with regional neighbours. Ms. Hajdari concluded by expressing gratitude to the OECD for its important work in boosting regional development.

**Mr. Vassilis Maragos, Head of Unit for Kosovo, DG NEAR, European Commission** emphasised the importance of the *SME Policy Index* as a tool to guide policy to prepare Kosovo for membership to the European Union (EU) and to help advance competitiveness of the economy by addressing remaining challenges, in particular concerning the digital and green transition. He added that the EU was a strong partner of Kosovo's authorities due to its direct assistance through actions led by the EU office in Pristina. He added that new tools have been recently introduced by the EU to support Kosovo's SME sector development, particularly access to finance (such as favourable loans for SMEs and support to the banking sector). He pointed out how different areas of the business and regulatory environment overlap and emphasised the importance of the rule of law, economic criteria, public

administration reform, strong judicial sector and anti-corruption activities. He concluded by noting that the EU and Kosovo were facing common challenges and needed to work hand in hand to face them.

### **16:50-17:35 Presentation of assessment key findings**

**Ms. Marijana Petrovic**, Project Manager at the OECD South East Europe Division, presented the SME Policy Index 2022 main objectives and key features as well as the SME sector's main characteristics in Kosovo.

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 outlined 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.]

### **17:35-17:50 Zoom-in: Good practices for driving forward digital government reforms**

Following the presentation of the assessment findings, a zoom-in on digital government reforms was presented by **Ms. Seong Ju Park** from the OECD Open and Innovative Government Division with the objective to share the OECD's expertise on digital transformation among broader regional audience present at the Western Balkans Digital Summit. Ms. Park presented good practice examples from OECD countries in areas such as developing effective monitoring and evaluation of digital government services, service design and delivery, and upskilling of public officials for digital government. Focus was given to tools and instruments that are the most relevant for Kosovo.

[See PowerPoint presentation attached to the email.]

### **17:50-18:00 Closing Remarks**

**Mr. Zef Dedaj, Acting General Director, Kosovo Investment and Enterprise Support Agency (KIESA)** noted that Kosovo had showed significant improvements in the assessment level and added that progress was further achieved since the report was finalised. He stressed that in the in the first six months of 2022, investments had increased by 40% and exports by 29% year-on-year. He proceeded to note that KIESA had been working to boost the innovation ecosystem, in particular with the Innovation Fund that was now fully functional, to further develop economic zones and to simplify and increase access to finance for SMEs. He added that a single point of contact of services was established in December 2021 and that new services will be integrated in the period to come, making Kosovo a regional leader in the digitalisation of services. Mr. Dedaj concluded by expressing the government's commitment to address all recommendations and to further collaborate with the OECD to provide relevant data.

**Ms. Anita Richter, Acting Head of South East Europe Division, OECD Global Relations and Cooperation** expressed gratitude for the opportunity to present the SME Policy Index findings as part of the wider regional Digital Summit. She highlighted the excellent collaboration of the OECD South East Europe team, OECD experts, external experts and representatives of the Government of Kosovo, hoping that the results of the assessment will be useful for them. She also thanked the representatives of international partners such as the European Training Foundation, European Bank for Reconstruction and Development and the European Commission. Regarding future developments, she announced that the OECD South East Europe team will be embarking on a new cycle of the *Competitiveness Outlook*, will continue its work on anti-corruption and labour migration and human capital, and will in the future develop a new work stream on environmental policies and the circular economy. Ms. Richter concluded

by inviting the participants to reach out to the OECD team for any questions or comments on the presentation or the mentioned work.

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