



International
Trade
Centre



CBI
Ministry of Foreign Affairs

INTEGRATING SMES FROM THE EAP COUNTRIES INTO DOMESTIC AND GLOBAL VALUE CHAINS



8th Business Development Panel
Yerevan, 24-25 October 2016

Introduction: Helping SMEs export to the EU

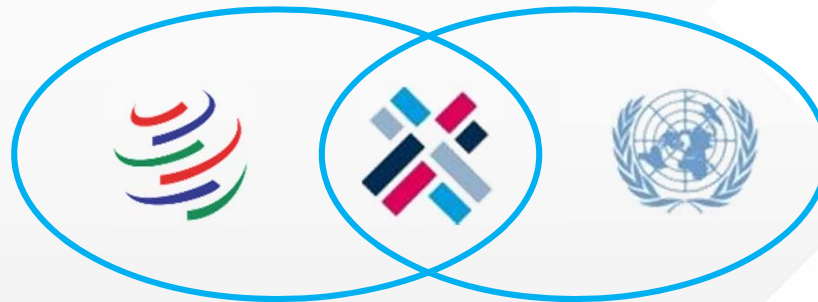
- ✓ **EU market opportunities & constraints**
- ✓ **Project approach**
- ✓ **Discussion**

ITC helps businesses trade

Agency of the United Nations and the World Trade Organization

Focus on:

- Market intelligence
- Business environment
- BSOs
- Linking enterprises to value chains
- Inclusive / green trade
- Economic integration among countries



CBI in a nutshell...

Part of the Netherlands Enterprise Agency, resorting under the the Dutch Ministry of Foreign Affairs.

What we do

- Offer export coaching programmes to make SMEs export market ready;
- Provide technical support to business support organisations to increase the added value for their exporting members;
- Develop market information on potential export sectors in Europe;
- Inform and influence policy makers and
- Involve importers in the development and implementation of our programmes.

Our approach

We use a value chain approach that entails involving many different stakeholders in our work, from SMEs to business support organisations, governments and international organisations. In this way we can tackle many different issues that impede exports.



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EU market offers opportunities at scale

- ✓ **The EU is among the largest importer of goods for which EAP countries have comparative advantage**
- ✓ **EAP has accelerated the momentum for deepening export links**
- ✓ **Possible benefits: employment, value addition, diversification, enterprise competitiveness**



Why SMEs?

- Represent more than **90% of enterprises** in any country
- Account for **2/3 of private sector** employment
- Create the **majority of new jobs**
- Provide better and more opportunities for vulnerable groups such as **women and young people**

Supporting growth and development through SME competitiveness is an important factor in achieving the UN Sustainable Development Goals.

Tapping EU markets has its challenges

Quality & compliance

Market requirements
(e.g. DCFTA)
Labs & certification
Health & safety
regulations

Enabling SMEs

Consolidate to attain scale
Support infrastructure
(e.g. e-commerce)
Raise capital

Sector-specific SME support

Research, strategy, marketing
Identifying buyers / investors
Trade fair participation, inward missions

EC-funded project to help seize the opportunity



To support EaP SMEs in integrating into value chains and access markets



Armenia, Azerbaijan, Belarus, Georgia, Moldova, and the Ukraine.
Focus: EU markets



ITC implementation, co-delegated to CBI, in cooperation with regional & national partners



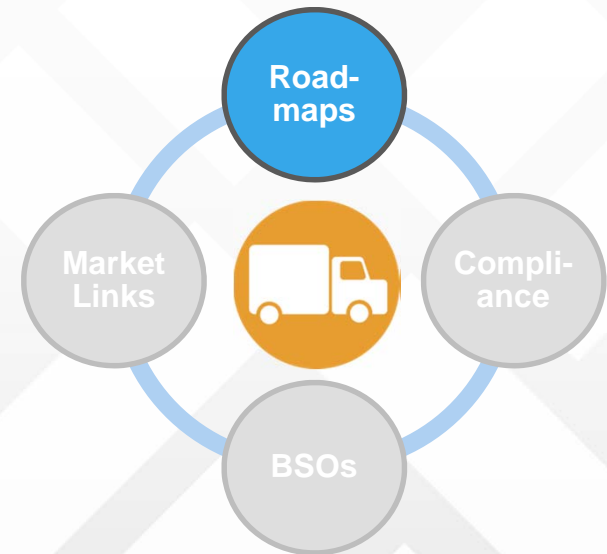
Three years
(2017-2020)

All hands on deck to get results



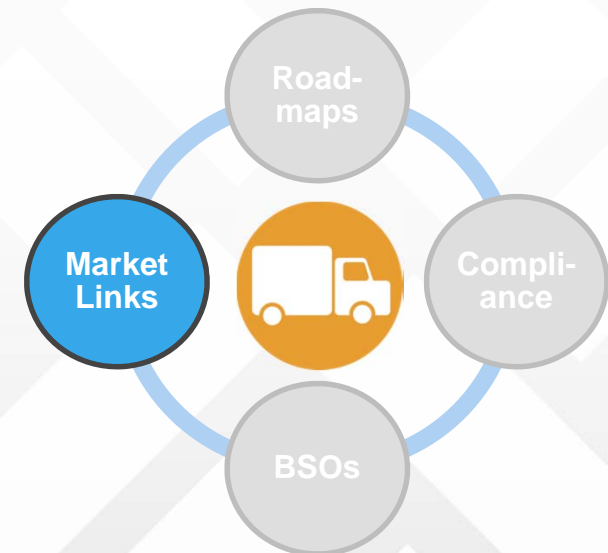
Project roadmap: Stakeholder dialogue & structured action planning at sector level

- ✓ Value chain analysis and dialogue: reviewing existing information and convening sector stakeholders
- ✓ Joint value option appraisal: value retention, addition, creation and distribution
- ✓ Agreement on coordinated action



Establishing market links: Support to identify and connect with buyers

- ✓ **Market analysis and strategizing**
(e.g. market intelligence, segmentation, branding, attributes, pricing)
- ✓ **Promotion: trade fair participation, inward buyers' missions, B2B links, etc.**
- ✓ **E-commerce solutions and digital promotion**



SMEs capacities: Support to comply with market requirements

- ✓ Product adaptation, packaging and branding
- ✓ Quality management and certification
- ✓ Access to finance
- ✓ Supply chain optimization



Holistic BSO capacity-building approach for market-driven sustainability

- ✓ **Supply-side: learning by doing through coaching, mentoring and networking to improve service quality**
- ✓ **Growing demand for services by showing export results**
- ✓ **Long-term view: national ownership, cost-sharing, local expertise, flexibility, & synergies**

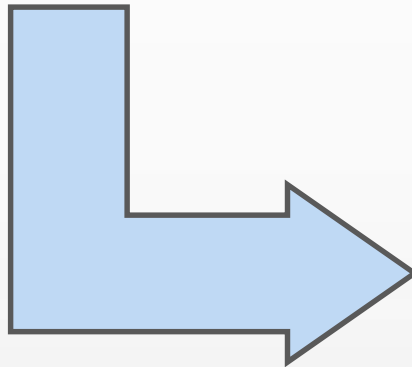


Two-phases approach for tighter adaptation to individual country priorities

Inception phase

April - Sept 2017

- ✓ **Sector value-chain roadmaps:**
*intelligence / stakeholder dialogue
consensus-building on priorities*
- ✓ **Implementation structure:**
office / project staff

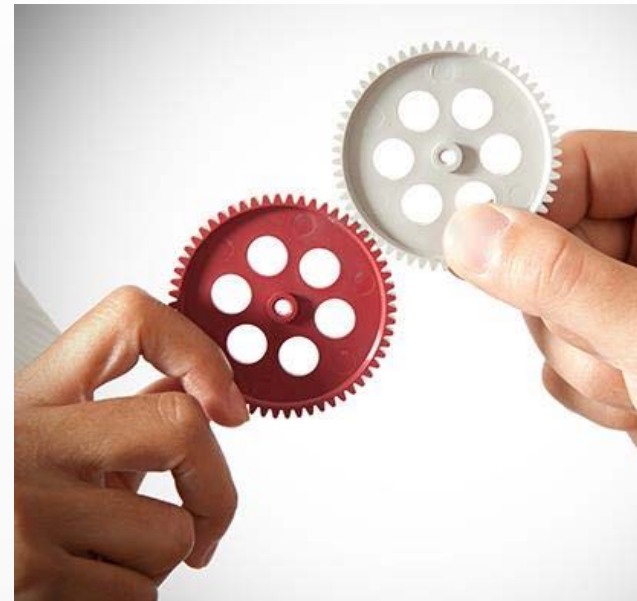


Implementation phase

Oct 2017 - March 2020

Status: preparatory consultations

- ✓ **Discussing with government and businesses**
- ✓ **Tailoring to each country**
- ✓ **Identifying key partners**
- ✓ **Validation & fine-tuning**



Discussion



Sector selection criteria: employment, competitiveness, themes?



Synergies: how to exploit regional or sub-regional complementarities?



**Dissemination of the lessons learned.
How best to collaborate with BSOs and other development partners?**

THANK YOU!

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