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SMEs – an integral part of the CEI activities

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Mr Chairman,
ladies and gentlemen,

I am very honoured to have the opportunity to take part in this meeting and to take the floor on behalf of the **Central European Initiative**. I was asked to convey to you greetings from the Director General of the CEI Executive Secretariat Amb. Harald Kreid, who is not able to take part in our meeting.

As you know, the CEI is the oldest and largest regional organisation in Central and Eastern Europe. It comprises 17 Member states of which seven are European Union Members as well. The others find themselves in various stages of approximation to the EU.

From the very outset of their co-operation CEI Member States have paid particular attention to its economic dimension and to the development of SME's and entrepreneurship. In the process of economic transformation SMEs play crucial role in the small-scale privatisation process, in the creation of job opportunities and in the promotion of technological progress.

The CEI is currently assisting the implementation of projects such as:

- Clusters in the CEI region
- Financing Innovative SMEs
- Development of CEI SME Internet Portal
- Extension of the CEI Business Advisory Service Programme.

The CEI has mainly concentrated its efforts on the transfer of best practices and experiences from the most developed CEI countries to the countries in transition. Two main examples of the CEI efforts are:

- The „Declaration on Small and Medium-sized Enterprises at the Dawn of the 21st Century“ jointly prepared by the CEI and UN ECE, adopted by the CEI Ministers of Economy in 2000 in Budapest
- the contribution in strengthening co-operation with the Stability Pact for South Eastern Europe and SP Investment Compact.

CEI activities are usually presented and new project ideas discussed at the annual **CEI Summit Economic Forum**. On that occasion special attention is traditionally given to SME's. This is the main annual opportunity for the whole Central European region to establish business contacts and either offer or request co-operation on projects. The event is linked to the Meeting of the **Heads of Government** and to the **Round Table of the CEI Ministers of Economic Sectors**. The Forum topics usually cover institutional development, infrastructure strategies, technology for industry, private sector investment projects, support programmes for SME's and financial sector issues. This year it will take place in Portorož, Slovenia in November.

Up to now, the CEI Summit Economic Fora succeeded in creating a **CEI network** where hundreds of participating organisations are invited to present their business offers and requests in order to obtain assistance in finding partners and financial sources. This is the **CEI Match-making Programme**. Its strategic objectives are

- to involve the private sector in regional co-operation
- to provide practical assistance to entrepreneurs of the CEI region and
- to promote cross border co-operation.

In this framework, the CEI yearly publishes a selection of submitted project ideas – so called **INVESTIGUIDE**. This publication is a practical tool to circulate proposal of investment projects and technical co-operation to hundreds of potentially interested organisations and enterprises.

The CEI has established close **co-operation with international and regional organisations** in the SME sector:

Co-operation has been strengthened with the UNECE. In the framework of the **CEI-ECE Memorandum of Understanding** the ECE has offered to the CEI its expertise in basic analysis on SME development in Europe as well as organisational services both for CEI and joint events.

A strong link has also been established with the **OECD Local Economic and Employment Development (LEED) Programme**. In 2003, on the occasion of the 6th CEI Summit in Warsaw, Poland, the CEI and the OECD launched the **CEI-LEED Local Development Network of Advisors (LDN)**, a network of experts, points of reference, national or local institutions involved in CEI countries, aimed at fostering local development by strengthening local expertise.

The CEI has also actively co-operated with the **EBRD** for the establishment of the **Business Advisory Services (BAS) in CEI Countries**. This is a multi-donor programme co-funding specific consultancy projects with small and medium-sized enterprises, improving their competitiveness. By using simple procedures and a cost-effective structure, the BAS allows effective support of a large number of enterprises, focusing on practical inputs with clear objectives such as financial information systems, market research and development, quality management systems, engineering studies, and business plans. Ex-post evaluation of CEI BAS impact on enterprises shows measurable benefits in profitability, productivity and new jobs creation. The Programme is predominantly using (>80%) local accredited consultants, thereby enabling an increase in the ability and competence of the local consultancy industry. Up to now the CEI, by using the **CEI Fund at the EBRD**

provided by Italy, has supported the BAS Programme in Croatia, Slovenia, Bosnia and Herzegovina, as well as in Bulgaria and Macedonia. It is planned to extend the duration of the programme in CEI countries where BAS offices are already operating and to establish BAS offices in other CEI countries with a new emphasis on the “internationalisation” of SMEs.

In order to facilitate the implementation of CEI priorities in the SME sector, the CEI either organises or sponsors a great number of programmes and projects every year (which frequently take the form of workshops, seminars, training courses, conferences) **called CEI Cooperation Activities**, in partnership with various international institutions and CEI national organisations. Among other activities scheduled in 2004 three deserve mentioning:

- the project on “*CC Factor: The Chambers of Commerce - Growing Together - An Animation Path for Representatives of CEI Countries Chambers of Commerce*”;
- the international workshops on “*Pecica-Arad Industrial Zone: an Innovative Model for the Incubation and Development of SMEs in Romania*”
- and “*Challenges for Global Competitiveness: New Synergies between the Italian Trade Fairs System and the CEI Trade Fairs*”

In the framework of the CEI, the **national Chambers of Commerce** of all CEI countries have set up a multilateral co-operation with the aim to create a network to improve business investment and joint projects as well as transfer experience and best practice particularly to SMEs. The collaboration between the Presidents of the Chambers of Commerce of CEI Member States is guaranteed by the annual **Conference of the Presidents of CECCI** which takes place in the CEI Summit Economic Forum framework. The Presidents' Conference aims at illustrating results of annual activities and defining strategies for the future. The 2004 CECCI Presidency is held by the Slovenian Chamber of Commerce. The co-operation within the framework of the CECCI aims at the following main objectives:

- administrative and legislative simplification of the economic environment
- improvement of access of companies (especially SMEs) to research programmes and to technological innovation
- providing support to companies in expanding their activities across national borders
- promotion of entrepreneurship and improvement of business support services through the exchange of best practices.

Let me conclude my overview of CEI activities in the SME’s sector with high appreciation of the OSCE Economic Forum as one of most important opportunity to exchange views on new challenges we all are facing to.

Thank you for your attention.

For further information please visit the CEI website www.ceinet.org