



**Asia-Pacific  
Economic Cooperation**

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**2020/SMEWG50/030**

Agenda Item: 10

## **Small and Medium Enterprises Working Group Strategic Plan 2021 – 2024**

Purpose: Consideration  
Submitted by: APEC Secretariat



**50th Small and Medium Enterprises Working  
Group Meeting  
21-22 October 2020**

## **SME Working Group Strategic Plan 2021 – 2024**

### **1. Introduction**

First established in February 1995 as the Ad Hoc Policy Level Group on SMEs (PLGSME), the Group was renamed the Small and Medium Enterprises Working Group (SMEWG) in 2000. In 2006, the SME Ministers endorsed the recommendation of the SOM Steering Committee on ECOTECH (SCE) Fora Review that the Working Group on Trade Promotion (WGTP) be incorporated into the SMEWG<sup>1</sup>.

Prior to the current Strategic Plan 2021-2024, the Group has had guiding documents for its strategic objectives and programs, such as the Framework for SME Activities (1997), the Integrated Plan of Action for SME Development (SPAN in 1998/2002), and the Strategic Plan 2009-2012, 2013-2016, and 2017-2020.

This plan provides a set of objectives, organized into five priorities and agreed among the 21 economies. Its purpose is to address critical and emerging issues pertaining to the growth and development of SMEs in the APEC region.

For its elaboration, the SMEWG has taken into consideration not only the current challenges SMEs must face, but also the declarations and statements issued by APEC Leaders, APEC Ministers and APEC SME Ministers. This includes documents such as the APEC Iloilo Initiative: Growing Global MSMEs for Inclusive Development, the Boracay Action Agenda to Globalize MSMEs (BAA), the APEC Strategy for Green, Sustainable and Innovative MSMEs, as well as the APEC Initiative on Promoting Innovative Start-ups.

### **1. Vision Statement**

The SME Working Group (SMEWG) is the champion within APEC for the inclusive development of sustainable, resilient and innovative SMEs.

### **2. Mission Statement**

The SMEWG is the main fora where APEC economies exchange information, views, best practices and analysis concerning SMEs in the APEC region.

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<sup>1</sup> Prior to this date, the Micro-Enterprises Sub-Group (MESG) operated as an entity under the SMEWG from its establishment in 2002.

It takes action on the recommendations of the SME Ministerial Meeting as well as direction from Leaders and Ministers that relate to SMEs. In addition, it provides recommendations to the SOM on SMEs and related activities.

Its work is practical and involves the private sector, as well as other APEC sub-fora in order to harness synergies that benefit SMEs.

### **3. Critical Success Factors**

- Active participation of member economies in the SMEWG meetings and activities, as well as in developing projects, identifying policies and programs for regional cooperation and a commitment and willingness to make and implement changes.
- Engagement from member economies in sharing best practices, with improved access to information and continuous systems for reviewing and evaluating progress.
- Enhanced cross-fora collaboration efforts within APEC, and greater engagement with a variety of stakeholders, including those in the private sector, research institutions, universities and other multilateral organizations.

### **4. Priority Areas, Objectives and Key Performance Indicators (KPIs)**

The SMEWG will focus on five priority areas for its Strategic Plan 2021-2024:

- Entrepreneurship, innovation, and start-ups;
- SME access to international markets and global value chains (GVCs);
- Inclusive capability development towards digitalization;
- Access to finance and alternative financial solutions; and
- Government to business interaction.

S/N	Priority Area	Objectives	Indicators	Specific Success factors
1	Entrepreneurship, innovation and start-ups	Improved business environment for start-ups and entrepreneurs	<ul style="list-style-type: none"> <li>• No. of innovative SMEs and start-ups</li> <li>• No. of initiatives / projects / training / mentoring programs and capacity building activities targeted at start-ups</li> </ul>	<ul style="list-style-type: none"> <li>• Identify areas for improvement such as facilitative regulations that support new business models, with targeted and outcome-based initiatives</li> <li>• Wider engagement and collaboration with relevant stakeholders, researchers and innovators</li> <li>• Improve access to finance for SMEs , start-ups and entrepreneurs of traditionally-disadvantaged backgrounds</li> <li>• Review and evaluate progress by examining the growth rate of entrepreneurship, start-ups and innovation amongst SMEs</li> </ul>
		Foster innovation in SMEs to strengthen business competitiveness	<ul style="list-style-type: none"> <li>• No. of new incubators, innovation centers and other platforms that assist innovating SMEs and entrepreneurs</li> <li>• No. of new registered and innovative SMEs</li> <li>• Capacity building programs and activities promoting innovation</li> </ul>	

		Promote entrepreneurship and business development opportunities for youth and female entrepreneurs and amongst traditionally-disadvantaged communities	<ul style="list-style-type: none"> <li>• No. of outreach programmes, capacity building activities, networking, skill-building activities and mentoring to women, and traditionally-disadvantaged groups, as well as No. of concerned parties reached.</li> <li>• No. of female entrepreneurs</li> <li>• No. of young entrepreneurs</li> </ul>	
		Promote social entrepreneurship	<ul style="list-style-type: none"> <li>• Increase in the share of social enterprises.</li> <li>• Policies that promote social entrepreneurship and the establishment of new social enterprises.</li> <li>• No. of supporting activities for social enterprises</li> </ul>	
2	SME access to international markets and GVCs	Increase the internationalization of SMEs, including international trade, GVCs and collaboration with large enterprises	<ul style="list-style-type: none"> <li>• Share of SMEs exporters</li> <li>• Value of exports by SMEs.</li> <li>• No. of programs and initiatives for promoting trade and investment, including trade fairs and matchmaking activities</li> <li>• Share of SMEs participating in GVCs</li> <li>• Value of trade by SMEs (exports and imports)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce barriers to trade and make it easier for SMEs to enter into or grow in foreign markets</li> <li>• Improve productivity of SMEs</li> <li>• Collaborate with relevant APEC fora on addressing trade issues currently faced by SMEs and improving export facilitation programs</li> </ul>

			occurring among APEC economies, and externally to non-APEC markets.	
		Enhance the ability of SMEs owned or led by women and other traditionally disadvantaged groups to participate in GVCs	<ul style="list-style-type: none"> <li>• Share of SME exporters who are women or other traditionally disadvantaged groups.</li> </ul>	
		Improve trade facilitation measures and leverage trade agreements	<ul style="list-style-type: none"> <li>• No. of capacity building activities for SMEs utilizing WTO rules and multilateral trade agreements</li> <li>• No. of small business chapters in trade agreements that include APEC members</li> </ul>	
		Promote green awareness for enhancing SMEs competitiveness to access international markets and GVCs	<ul style="list-style-type: none"> <li>• No. of activities / projects / seminar initiated for promoting green awareness for SMEs in conducting business</li> <li>• No. of business sectors esp. SMEs and government sectors participate in above activities</li> </ul>	<ul style="list-style-type: none"> <li>• Provide SMEs with access to necessary training and skills development to go green</li> <li>• Foster environment to support green SME businesses</li> </ul>
3	Inclusive capability development towards digitalization	Improve business skills in the digital economy	<ul style="list-style-type: none"> <li>• No. of training and development programs to improve business skills of SMEs</li> <li>• No. of SMEs trained in digital skills</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage cooperation and best practice sharing among APEC economies</li> <li>• Secure buy-in and active participation from SMEs on initiatives</li> </ul>

			<ul style="list-style-type: none"> <li>• No. of SMEs using e-cloud and IT service platforms</li> <li>• No. of SMEs involved in e-commerce</li> <li>• SMEs' rate of participation in digital trade</li> </ul>	<ul style="list-style-type: none"> <li>• Assess APEC SMEWG work in promoting standards and establish a continuous improvement policy for reviewing and evaluating progress</li> <li>• Research and identify business skills demanded by SMEs within APEC economies</li> <li>• Ensure SMEs have access to the necessary digital tools and training to participate in cross-border trade and engage in the digital economy, such as access to reliable, high-speed internet</li> </ul>
		Increase digital transformation and adoption by SMEs, especially women, youth-led and other traditionally-disadvantaged communities	<ul style="list-style-type: none"> <li>• No. of capacity building activities on digital transformation for SMEs by embracing and using AI, big data, IoT, block chain, etc</li> <li>• Adoption rate of digital technology by SMEs, especially for women, youth-led businesses and rural communities</li> <li>• No. of digital skills-building activities for women to improve digital literacy to support business development in digital trade</li> <li>• Women and girls' access to information and communication technologies for business development</li> </ul>	
4	Access to finance and alternative financial solutions	Improve access to finance for start-ups and SMES, including women-owned or women-led SMEs and other traditionally-disadvantaged communities.	<ul style="list-style-type: none"> <li>• Amount of angel investment secured by start-ups within the ecosystem</li> <li>• Amount of credit for start-ups and SMEs</li> <li>• No. of women-led or women-owned businesses with</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce barriers to accessing capital</li> <li>• Reduce barriers for new financial technologies and mechanisms to enter the market</li> <li>• Enhance APEC work plan delivery on facilitation of fintech and</li> </ul>

			<p>access to new capital and export credit.</p> <ul style="list-style-type: none"> <li>• Volume of government subsidised loans</li> <li>• Number of microloans granted to SMEs by micro financial organizations</li> </ul>	available financing options while ensuring business success
		Promotion of new financial technologies for SMEs, such as innovative financial and data-based lending instruments	<ul style="list-style-type: none"> <li>• Share of SMEs using financial technologies</li> <li>• No. of financial technologies available for SMEs</li> <li>• No. and value of loans issued to SMEs through online lending platforms</li> <li>• Access of SMEs to capital using equity crowdfunding platforms</li> </ul>	
5	Government to business interaction	Improve SME competitiveness in government procurement	<ul style="list-style-type: none"> <li>• No. of government tenders designated specifically for SME bids</li> <li>• No. of international tenders intended specially for SMEs execution</li> <li>• No. of tenders which can be implemented jointly by SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure close working relationship with APEC-BAC to utilize existing platforms or collaborate on public-private projects</li> </ul>
		Encourage transparency and ethical business conduct in government to business interaction	<ul style="list-style-type: none"> <li>• No. of SMEs trained on ethical business practices</li> </ul>	<ul style="list-style-type: none"> <li>• Advance SMEWG/ACTWG cross-fora collaboration and capacity building partnerships.</li> </ul>



Member economies are encouraged, on a voluntary basis, to report its contributions towards achieving the objectives of the five priority areas. For this purpose, they can report on the indicators included for each objective as well as the general indicators listed below. It will be tracked annually to measure the effectiveness and performance of the SMEWG in meeting the objectives of the five priority areas.

- APEC Initiatives and Activities
  - No. of APEC initiatives developed in support of the priority areas
  - No. of participating APEC economies in the activities carried out to achieve the objectives
- APEC Supported Activities
  - No. of APEC supported activities carried out to achieve the objectives of the priority areas (e.g. forums, workshops, studies)
- Best Practice Sharing
  - No. of best practices shared by member economies at SMEWG meetings that are relevant to the priority areas
  - No. of best practices that are adapted and adopted by member economies
- Dialogue with Partners
  - No. of dialogue sessions with the private sector, relevant APEC fora or other multilateral and multi-stakeholder organizations on topics that are aligned to the priority areas

## **5. Implementation Schedule**

SMEWG will take a holistic and committed approach to implementing the priority areas in this Strategic Plan. APEC economies, with the support of the APEC secretariat will work together and with relevant partners to develop a schedule of activities for the next four years, between 2021 and 2024 to achieve the objectives of the Strategic Plan. The detailed implementation schedule is appended to this Strategic Plan and will be updated annually, in line with the SMEWG's annual Work Plan.

## **6. SMEWG Project Development and Ranking**

SMEWG project proposals should focus on initiatives and activities that will enable APEC member economies to achieve the priorities and objectives of this Strategic Plan. Project proposals that have a direct link to the priorities of the Strategic Plan will be given a higher score by the SMEWG members.

## **7. Review of Strategic Plan**

The SMEWG will monitor the implementation of the Strategic Plan and track the KPIs on an annual basis. A mid-term review will be prepared and reported by the Chair of the SMEWG in 2022. A final review of the Strategic Plan 2021-2024 will be presented to APEC SME Ministers in 2024.