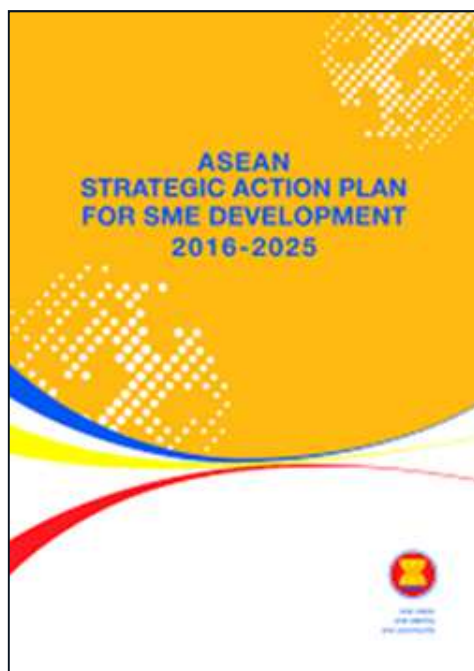




Polcymaker training course on SME
productivity and working conditions
**ASEAN STRATEGIC ACTION PLAN FOR SME
DEVELOPMENT 2016-2025**



ASEAN STRATEGIC ACTION PLAN FOR SME DEVELOPMENT 2016-2025



Outline

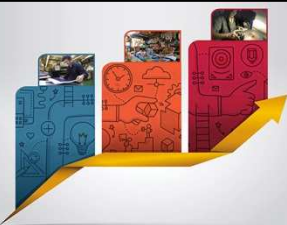
1. Objectives of Action Plan

2. Strategic Goals

3. Key Policy Indicators (KPIs)

4. Indonesia SME Strategy

5. Discussion



Objectives of action plan

- To formulate a common vision and strategic goals to realise the vision
- To define explicit desired outcomes for each strategic goal
- To provide a set of key policy indicators (“KPIs”) to measure the outcomes and evaluate the achievement of the goals
- To align actions from a regional perspective and concrete action lines to achieve defined goals
- To set out an implementation roadmap in relation to the time-bound priority in order to clarify the sequence of action lines
- To design a high-level monitoring mechanism so that AMS can conduct periodic evaluation and share the results at the SMEWG meetings



Outline

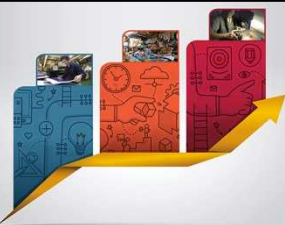
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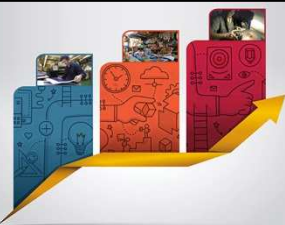
Strategic goals and desired outcomes

Strategic Goals	Desired Outcomes
A) Promote Productivity, Technology and Innovation	<p>A-1) Productivity will be enhanced</p> <p>A-2) Industry clusters will be enhanced</p> <p>A-3) Innovation will be promoted as a key competitive advantage</p>
B) Increase Access to Finance	<p>B-1) Institutional framework for access to finance will be developed and enhanced</p> <p>B-2) Financial inclusion and literacy will be promoted, and the ability of MSMEs to engage in the financial system will be enhanced</p>
C) Enhance Market Access and Internationalization	<p>C-1) Support schemes for market access and integration into the Global Supply Chain will be further developed</p> <p>C-2) Export capacity will be promoted</p>
D) Enhance Policy and Regulatory Environment	<p>D-1) Inter and intra-governmental cooperation in terms of policy and regulation will be enhanced</p> <p>D-2) MSMEs' interests will be promoted and involvement in the decision-making processes will be enhanced</p> <p>D-3) Obtaining of permits and business registration will be streamlined</p>
E) Promote Entrepreneurship & Human Capital Development	<p>E-1) Entrepreneurial education and learning programmes will be instituted</p> <p>C-2) Human capital development for MSMEs will be enhanced especially for women and youth</p>



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Key Policy Indicators (KPIs)

Strategic Goal		KPID	Data Source	Availability
A	Promote Productivity, Technology and Innovation	National labor productivity (GDP divided by number of labor)	ADB Data	10 AMSs
		R&D expenditure (% of GDP)	WB Data	10 AMSs
B	Increase Access to Finance	Percentage of business loans to SMEs	National Data	6 AMSs * 1
C	Enhance Market Access and Internationalization	Percentage share of SMEs' contribution to national exports	National Data	4 AMSs * 2
		Percentage of SMEs with investment overseas	National Data-	* 3
D	Enhance Policy and Regulatory Environment	Time and cost required to start a business (days)	WB Data	10 AMSs
		Cost of business start-up procedures (% of GNI per capita)	WB Data	10 AMSs
E	Promote Entrepreneurship & Human Capital Development	Contribution of SMEs to employment	National Data	8 AMSs * 4
		Labor force participation rate, female (% of female population ages 15+)	WB Data	10 AMSs
		Labor force participation rate for ages 15-24 (youth), total (%)	WB Data1	0 AMSs

Data for the above KPIs are basically available in all the 10 AMSs from national sources, and multilateral organisations (e.g. Asian Development Bank, World Bank, etc.) except for the following:

* 1: 'Percentage of business loans to SMEs' - Data is available for 6 AMS (Indonesia, Malaysia, Myanmar, the Philippines, Singapore and Vietnam).

* 2: 'Percentage share of SMEs' contribution to total national exports - Data is available for 4 AMS (Indonesia, Malaysia, Myanmar and Thailand).

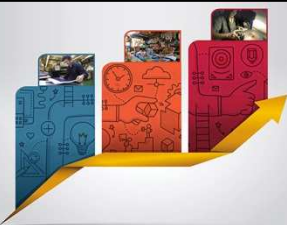
* 3: 'Percentage of SMEs with investment overseas' - Data availability to be confirmed under a separate survey.

* 4: 'Contribution of SMEs to employment' (% of workforce employed by SMEs to total national workforce) - Data is available for 8 AMS (Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam).

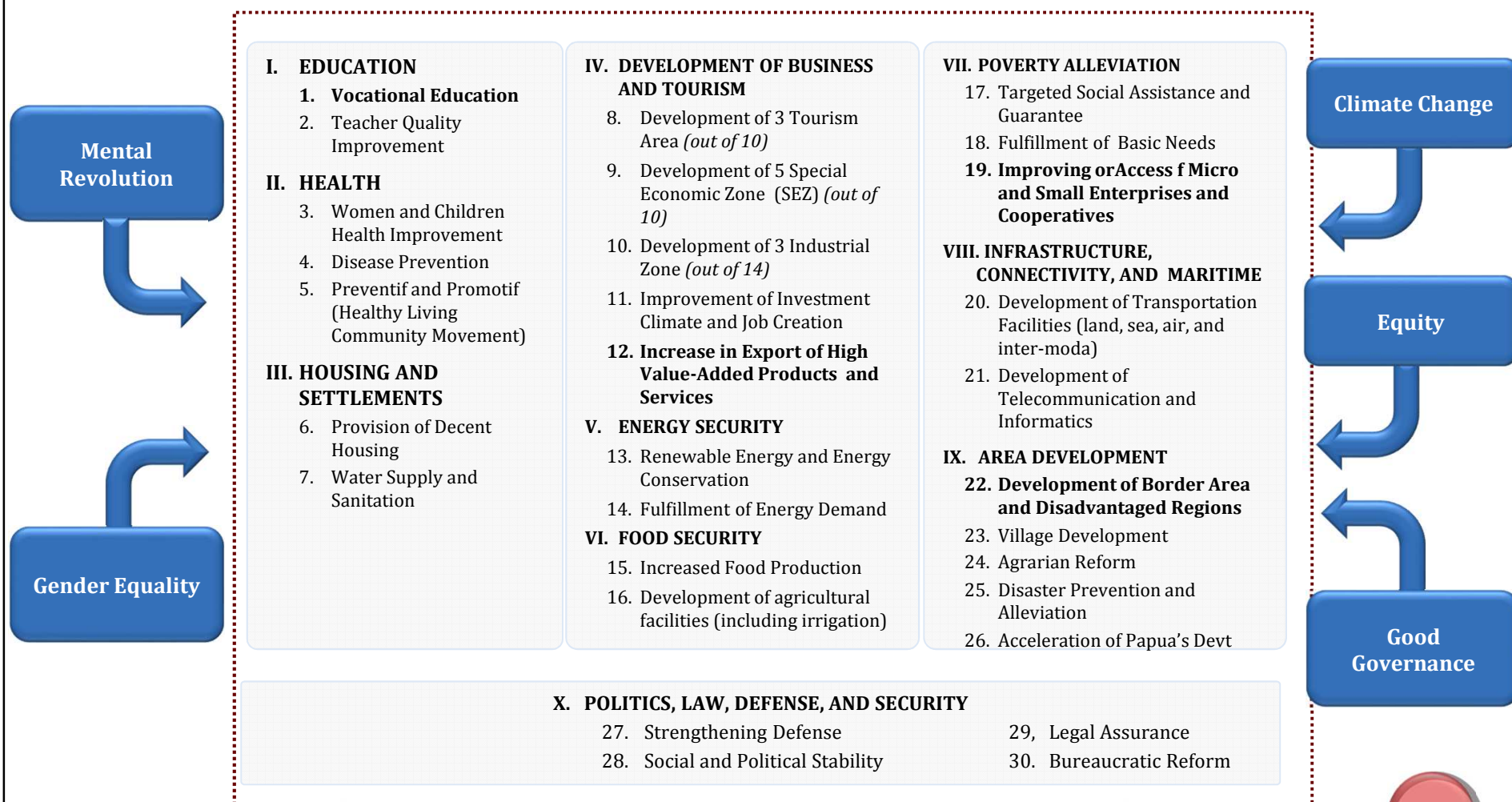


Outline

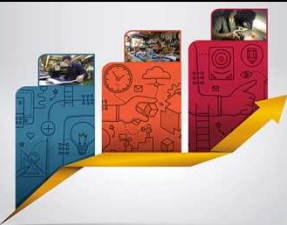
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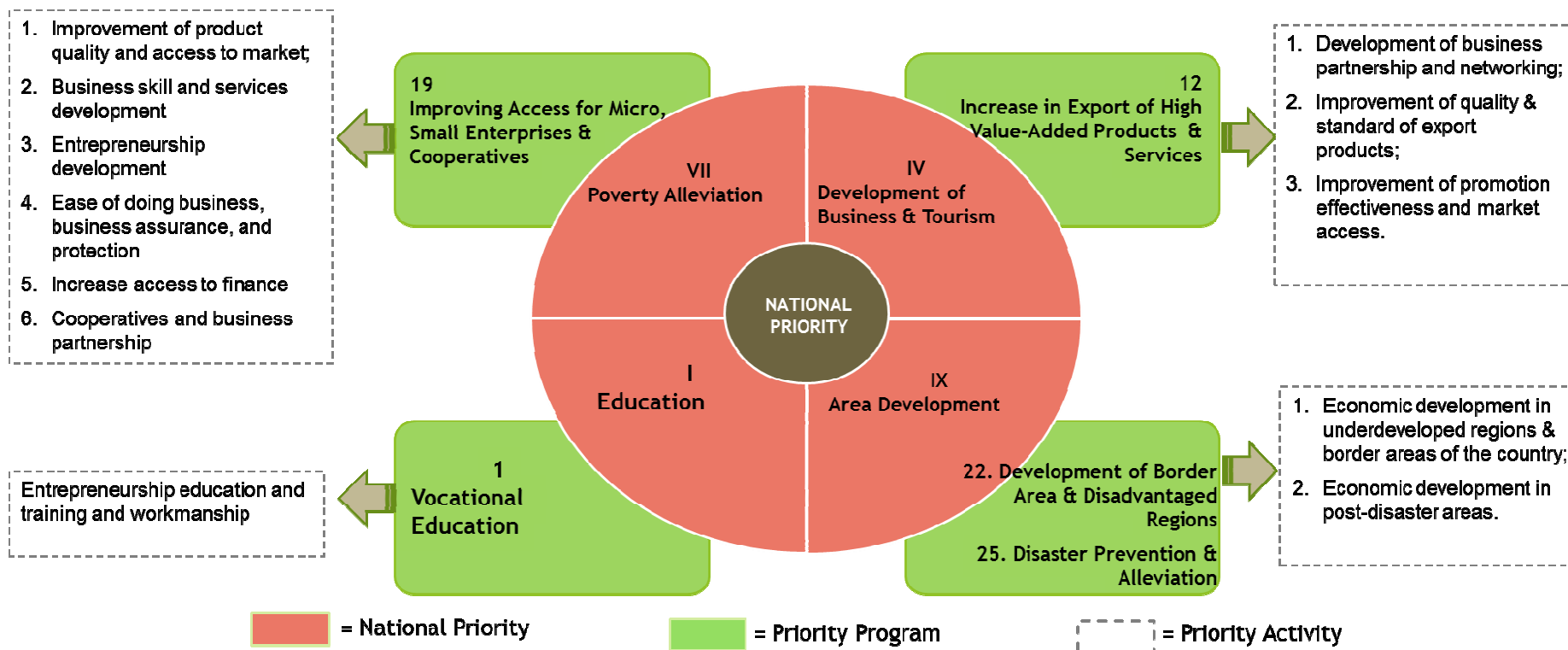
National Priority Plan and Priority Programme 2018 Indonesia



Source: Courtesy of the Ministry of Cooperatives and SMEs in Indonesia



National Priority Programme and Program 2018 (related to the Ministry of Cooperatives and SMEs)





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What are the elements of the SME programme in Indonesia that are aligned to the SAP SMED 2016-2025?

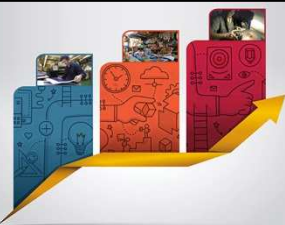


Thank you!



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Global Relations, OECD
e-mail: Max.Bulakovskiy@oecd.org



A) Promote productivity, technology and innovation

Desired Outcomes

A-1) **Productivity** will be enhanced

A-2) **Industry clusters** will be enhanced

A-3) **Innovation** will be promoted as a key competitive advantage

Actions

A-1-1) Develop enhanced understanding of relevant productivity measures
A-1-2) Promote capital investment
A-1-3) Improve production management skills

A-2-1) Enhance industrial linkages among SMEs and between SMEs and large enterprises including MNCs
A-2-2) Promote technology and build capabilities to foster industry clustering

A-3-1) Promote key technology usage and its application to business for innovation
A-3-2) Enhance information on innovation support services
A-3-3) Enhance business-academia collaboration



B) Increase access to finance

Desired Outcomes

B-1) Institutional framework for access to finance will be developed and enhanced

B-2) Financial inclusion and literacy will be promoted, and the ability of MSMEs to engage in the financial system will be enhanced

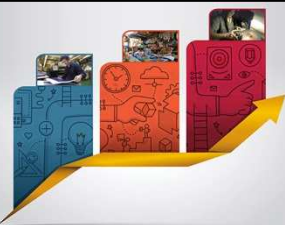
Actions

B-1-1) Improve understanding and strengthen traditional financing infrastructure

B-1-2) Improve policy environment and measures to foster alternative and non-traditional financing through increasing availability of diversified sources of private financing

B-1-3) Strengthen export financing facilities

B-2-1) Enhance outreach to promote financial inclusion to increase access to both traditional and alternative financing



C) Enhance market access and internationalisation

Desired Outcomes

C-1) Support schemes for **market access** and integration into the **Global Supply Chain** will be further developed

C-2) **Export capacity** will be promoted

Actions

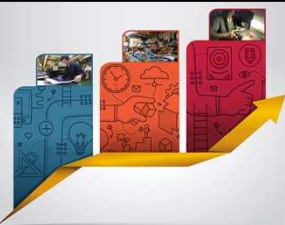
C-1-1) Increase information on regional and global market access and opportunities

C-1-2) Promote partnership with MNCs/large enterprises to increase market access and opportunities

C-1-3) Enhance the use of e-commerce

C-1-4) Promote adoption of international standards of quality to facilitate market access

C-2-1) Establish mechanisms to assist in increasing exports



D) Enhance policy and regulatory environment

Desired Outcomes

D-1) **Inter and intra-governmental cooperation** in terms of policy and regulation will be enhanced

D-2) MSMEs' **interests** will be promoted and **involvement** in the decision-making processes will be enhanced

D-3) Obtaining of **permits and business registration** will be streamlined

Actions

D-1-1) Strengthen the coordination mechanism between public agencies responsible for MSMEs

D-1-2) Develop strategies to align national MSMEs development strategies with the regional strategies

D-2-1) Advocate and promote MSMEs participation in policy formulation

D-3-1) Establish a sound system and streamline permit and registration to enable less costly and faster business formation



E) Promote entrepreneurship and human capital development

Desired Outcomes

E-1) **Entrepreneurial education** and learning programmes will be instituted

C-2) Human capital development for **MSMEs** will be enhanced especially for **women and youth**

Actions

E-1-1) Promote entrepreneurship education

E-2-1) Enhance management and/or technical skills of women and youth entering into the workforce

E-2-2) Provide a platform to promote and facilitate women's participation in MSMEs