



INFORMATION MATTERS - A NEW DIGITAL RESOURCE FOR SMEs ACROSS THE EBRD REGIONS





This article presents a recent EBRD digital initiative to provide small and medium-sized enterprises (SMEs) in the EBRD regions with core legal and business advice on how to remain resilient in a challenging economic environment. Launched in September 2021 in response to the coronavirus pandemic, we have created a freely accessible general website (businessguide.ebrd.com) for SMEs in all EBRD economies of operations, with content in both English and Russian.

Local language websites in Georgia (<https://businessguide.ebrd.ge/>), Moldova (<https://ghidulafacerii.ebrd.md/>) and Ukraine (<https://businessguide.ebrd.com.ua/>) complement this website and contain tailored advice for the local market.¹

“ MORE THAN 99 PER CENT OF ALL BUSINESSES ACROSS THE ECONOMIES WHERE THE EBRD WORKS ARE SMEs, WHICH ARE AN ESSENTIAL SOURCE OF EMPLOYMENT AND ECONOMIC GROWTH. ”

SMEs play a vital role in economic development. These businesses are at the heart of the EBRD’s twin mandates of supporting transition to open-market economies and promoting private and entrepreneurial initiative. More than 99 per cent of all businesses across the economies where the EBRD works are SMEs, which are an essential source of employment and economic growth.

For this reason, the EBRD has long championed SMEs in its economies of operations. It runs a successful Small Business Initiative across its regions that offers financing directly and through local financial intermediaries, as well as consultancy services through its Advice for Small Businesses programme to help improve SME performance and make them catalysts for economic growth. The programme targets SMEs with a turnover of less than €50 million (or a balance sheet of under €43 million), with



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¹ The United Kingdom’s Good Governance Fund supported development of these three country-specific sites and related events from January-December 2021.

between 10 and 250 employees (exceptionally up to 500 employees).² It also offers specialised advisory services to businesses in areas such as strategy and marketing, technology and energy efficiency and environmental aspects. Managed at local level, the programme has strong links with the SME community and helps SMEs to innovate and reach their full potential.

However, significant challenges remain in the SME sector across the EBRD regions. A number of studies indicate that barriers to digitalisation and productivity in particular persist, with SMEs lagging behind larger companies.³ Supporting digitalisation has become a key component of the Bank's strategy of supporting the SME sector.

Digitalisation is a central theme of the EBRD's Strategic and Capital Framework 2021-2025, focused around three central pillars: (1) laying the foundations of a sustainable and inclusive digital economy, (2) adaptation of organisations to support digitalisation of services, assets, business processes and value chains, and (3) supporting innovation and sustainable growth among digital-first clients.⁴ For example, in Ukraine, EBRD supported the development of *Merezha*, an award-winning digital platform launched in 2019 that acts as a market place and knowledge hub for Ukrainian SMEs, matching them with professional advisers and enabling access to online events. The platform has been so successful that there are already plans to replicate it in neighbouring countries in the Caucasus region, including Georgia.

The Bank has also instituted several other digital initiatives as part of its emergency response package to support the EBRD regions following the onset of the Covid-19 pandemic and ensuing economic crisis. These include the launch of both the EBRD Know How Academy in 2020 and the EBRD website businessguide.ebrd.com.⁵

EBRD BUSINESS GUIDE WEBSITE

[Businessguide.ebrd.com](https://businessguide.ebrd.com) is an open information resource website created by the EBRD Legal Transition Programme, in partnership with its Governance and SME Finance and Development initiatives. The website addresses a need identified in many EBRD economies for SMEs to have easy access to free legal and business advice. This need was particularly acute at the start of the pandemic, when businesses were facing requirements to comply with new, emergency legislation and regulations, often introduced with little warning. At the same time, lockdowns and social-distancing measures in many countries presented businesses with major operational challenges. In addition, businesses faced complex contractual issues, including health and safety requirements as well as force majeure.

To help SMEs access free tools and guidance on how to cope with and quickly adapt their businesses to these new requirements and a constantly changing economic climate, we designed and established businessguide.ebrd.com. Structured around six core modules, the website provides information to SMEs on:

1. Developing your business strategy
2. Managing your people
3. Running your business
4. Taking your business online
5. Keeping your business's finances healthy
6. Restructuring your business finances

Through this guidance, the website assists owners and managers of SMEs with supplier, customer and employee relationships, and helps them to manage operational and financial challenges and navigate restructuring processes. Significantly, the platform provides businesses with legal guidance in corporate, employment and insolvency law – areas in which small companies have strong demand for expertise and information. The website also offers templates to help SMEs apply business concepts to their day-to-day operations. These range from templates for

² For more information on eligibility criteria, see www.ebrd.com/knowhow.

³ Marchese, M., et al. (2019), *Enhancing SME productivity: Policy highlights on the role of managerial skills, workforce skills and business linkages*, OECD SME and Entrepreneurship Papers, No. 16, OECD Publishing, Paris.

⁴ <https://www.ebrd.com/news/2021/ebrd-adopts-first-digital-approach.html>

⁵ The EBRD Know How Academy – a 30-country digital learning programme for SMEs, micro businesses and entrepreneurs – delivers a range of structured courses in crisis management around relevant topics, such as financing and managing customers, suppliers and staff.



Welcome to the EBRD Business Guide

business strategy development to a template of a standstill agreement to help firms in financial difficulty reach an agreement with their trade creditors while they look for a restructuring solution.

The businessguide.ebrd.com website also provides an entry point to dedicated country pages in local language for Georgia, Moldova and Ukraine. These country pages follow the structure of the general website and include a specific section detailing temporary emergency measures and support for businesses introduced by their respective governments in response to the pandemic, to help raise awareness.⁶ For example, the Georgian government provided fiscal support to individuals and businesses equal to GEL 1.86 billion (€521 million or 3.8 per cent of gross domestic product) in 2020 and to an expected GEL 1.25 billion (€349 million or 2.2 per cent of gross domestic product) in 2021. Similarly, in Moldova, the government implemented a comprehensive fiscal package for businesses and individuals, including deferral of tax payments and tax relief for sectors affected by state-imposed restrictions. In Ukraine, measures were even broader and included the cancellation of certain business-related taxes and penalties.

At a broader level, the businessguide.ebrd.com website provides free information and advice that is not otherwise readily available to SMEs across EBRD economies. The website draws inspiration from other government and country initiatives for SMEs. In Ireland, for example, support for SMEs is one of the pillars of the Department of Enterprise, Trade and Employment. On the Department's website, SMEs can find information on matters such as late payments, the new small companies administrative rescue process⁷ and government support – including a network of 30 local enterprise offices and a telephone information centre to support SMEs. In addition, the website www.businessregulation.ie centralises online information and advice about all regulations affecting business.

⁶ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

⁷ The Small Company Administrative Rescue Process was introduced pursuant to the Companies (Small Company Administrative Rescue Process and Miscellaneous Provisions) Act 2021 to provide a restructuring option to SMEs. This became officially available on 7 December 2021.

Australia adopts similarly supportive policies for SMEs at a regional level. The Queensland government website contains a number of tools for small businesses, including a “business health check”, and provides information on topics such as health and safety, finance and funding and supply chain support, as well as specific coronavirus-related programmes. Moreover, the government runs a helpline for smaller businesses, produces a monthly *Small Business Connect* newsletter and even organises a Queensland Small Business month. While this level of government support is not yet present in many of the emerging economies where the EBRD operates, the Bank’s [businessguide.ebrd.com](https://www.ebrd.com/businessguide.ebrd.com) website seeks to fill part of the communication and information gap for SMEs.

In other countries, trade groups and associations play an active role in representing SME interests and sharing information with the SME community. For example, Canada has a privately operated national publication called *Canadian SME* as well as several organisations – such as membership association Canada SME and Canada Innovative SMEs Association – to support SMEs. The latter specialises in sectoral areas to drive Canada’s prosperity, such as artificial intelligence and information and communications technologies.

While countries such as Ukraine have a private association of entrepreneurs, most EBRD countries do not have the same level of coverage for the SME sector. Nevertheless, there is recognition among most national authorities



that websites and digital platforms should be part of any efficient and forward-looking communication strategy with the SME sector. This recognition is already turning into action in many countries: in Ukraine, there is a new Ministry for Digital Transformation. Among its many spheres of activity, the Ministry is responsible for a new SME advisory platform, the Diia.Business portal. In Moldova, meanwhile, there is a new Deputy Prime Minister for Digitalisation, responsible for overseeing implementation of the country’s digitalisation strategy.

Designed in consultation with the EBRD Small Business Initiative and the EBRD-supported Investment Council Secretariats, the Georgian, Moldovan and Ukrainian country pages of [businessguide.ebrd.com](https://www.ebrd.com/businessguide.ebrd.com) seek to provide specific local legal, business and language advice relevant to SMEs, creating an information hub. The webpages also connect users to other online platforms with relevant local information, such as a support programme for agricultural SMEs administered by the Georgian government’s Rural Development Agency, as well as to the EBRD-supported Investment Councils. These councils serve as platforms for high-level public-private dialogue between the government and the private sector to identify and help resolve constraints to the countries’ business environments.⁸



⁸ In Ukraine, the Investment Council does not have an SME focus and therefore was not a partner organisation for the project.

Each Council Secretariat has its own website to promote the council's work, as well as a reciprocal link to the local-language businessguide.ebrd.com webpages. The secretariats' websites receive significant traffic from both government and private-sector visitors, so help raise awareness and direct businesses to the advice provided through businessguide.ebrd.com. In addition, the Secretariat in Moldova is working to launch a Virtual Business Community application (app) so government and private-sector representatives can obtain information and discuss reform initiatives in real time. This app will also be cross-linked to businessguide.ebrd.com. Promoted through these channels as well as social media and a series of EBRD webinars run in parallel to the launch of businessguide.ebrd.com, the dedicated country pages have already proven popular, with some 37,000 visitors to the Georgian site, 27,000 to Moldova and 23,000 to the Ukrainian site in the five months since their launch.⁹

Partnerships with other local organisations have also been established through the development of businessguide.ebrd.com. Logo sharing and cross-referencing of businessguide.ebrd.com with the websites of Enterprise Georgia and the Rural Development Agency in Georgia, the Organisation for the Development of the SME Sector (ODIMM) and the Ministry of Economy in Moldova, and the Ministry of Digital Transformation and Diia. Businesses in Ukraine have helped integrate our offer into the local market. These collaborations have also reaffirmed our understanding at the outset of the project: government authorities need assistance to better support the SME community, and legal advice to SMEs is an important part of this. As a Moldovan Ministry of Economy representative confirmed at our launch event last September, the website helps businesses to keep abreast of the many legal changes affecting the business community.

“ THE WEBSITE HELPS BUSINESSES TO KEEP ABREAST OF THE MANY LEGAL CHANGES AFFECTING THE BUSINESS COMMUNITY. ”

So what are our next steps for the businessguide.ebrd.com website? At the beginning of 2022, we secured funding to maintain the website and host a legal-focused webinar programme for two more years. In addition, as part of our new strategy for 2022-23, we are planning to produce a quarterly newsletter for distribution through businessguide.ebrd.com and EBRD's Small Business Initiative networks, in partnership with the EBRD-supported Investment Councils and other local organisations.

Ultimately, we hope to identify a government or other local private-sector champion to continue our work and to help strengthen communications on important business and legal issues with the SME sector. A successful approach will likely require a combination of public support with private-sector expertise.

⁹ As of February 2022. Since the date of this article we have expanded the website further to provide targeted advice to Ukrainian businesses that have been impacted by the war with Russia.

