



EU4Business

SME POLICY TRENDS

NOVEMBER 2021 BULLETIN

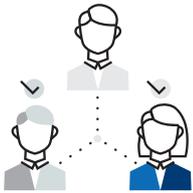
BELARUS



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TRENDS IN SME DEVELOPMENT

IN BELARUS



Total SMEs in Belarus

111,405

of which

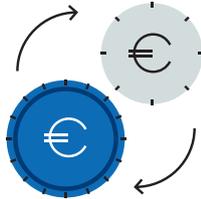
20,808

export

compared with total SMEs of

110,777

in 2020



Government Resources supporting SMEs in 2021

€67.05

million

0.14%

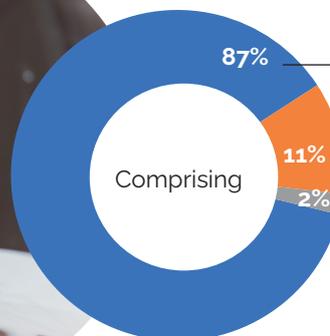
of GDP



Annual Change in SMEs' (2020 vs 2019)

Incomes **-14.3%**

Employment **-5%**



Micro

96,598

Small

12,588

Medium

2,219

SMEs supported by the EU

amounted to

1,448

1.3%

of total in Belarus

in 2020

Estimated EU support to SMEs in Belarus

€10.41

million

(annualised budgets available as of January 2021)

Performance of EU supported SMEs in 2020, Annual Change:

Incomes **+8%**

Employment **+7.97%**

Exports **-8.06%**

GOVERNMENT OF BELARUS CURRENT SME POLICY

LATEST POLICY DEVELOPMENTS ON BELARUSIAN SME POLICY

The Belarusian Fund for Financial Support to Entrepreneurs is implementing a pilot project to involve small and medium-sized businesses in import substitution¹. Small and medium-sized businesses are provided with a unique opportunity to participate in individual direct negotiations on the supply of their products to large industrial enterprises.

¹ Statement of the Belarusian Fund for Financial Support to Entrepreneurs. [Link](#)

The list of administrative procedures will be reduced and transferred to a single electronic platform². The creation of a register of procedures will minimize the need for direct contact between entrepreneurs and officials as much as possible. And this, in turn, will significantly reduce corruption risks. The work on single electronic platform will be finalized by January 1, 2024

² Statement of the Minister of Economy. [Link](#)

SME DEVELOPMENT STRATEGY

FOR 2021-2025
PUBLISHED 29.01.21

[Link](#)

OBJECTIVES

- Create a favourable environment for the development of small and medium-sized businesses, taking into account their needs

TARGETS

- Strengthening of the institutional framework.
- Simplification of the regulatory environment and business process administration.
- Strengthening the potential of small and medium-sized businesses.
- Encouraging business initiative, business skills training and promotion of entrepreneurs.

BUDGET COMMITMENTS

The Programme envisage that total amount of financing should amount to

€2,313.6 million
in 2021-2025

To implement the program, a set of 38 measures has been developed, including:

- development of incentive measures for organizations providing services to business, to expand their range of services for small and medium-sized businesses;
- improving the mechanisms and conditions for the provision of state financial and non-financial support to small and medium-sized businesses;
- defining common approaches to assessing the effectiveness of state financial and non-financial support;
- creation of an ombudsman institution for the protection of entrepreneurs' rights;
- mitigation of criminal liability for economic crimes;
- development and introduction of an index of administrative burden on business;
- improvement of tax legislation in order to optimize the tax burden on small and medium-sized businesses and simplify tax administration;
- organizational and informational support of the start-up movement.

MAJOR INSTRUMENTS

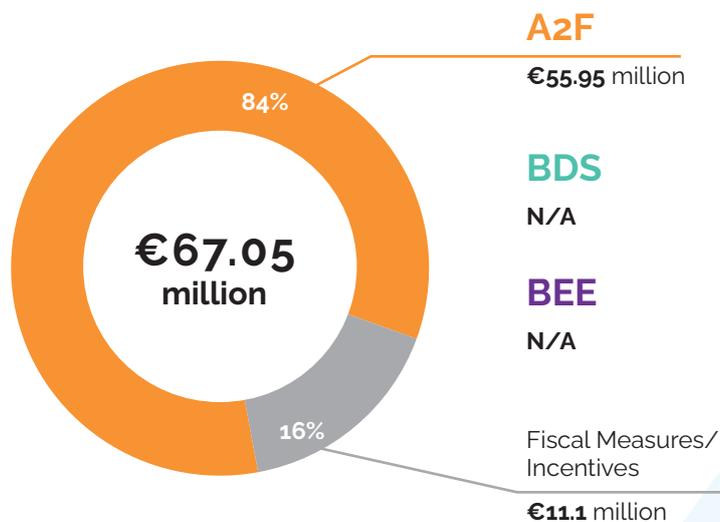
AVAILABLE FOR SMES IN BELARUS

These are instruments that were active in 2021, some of which have ended already

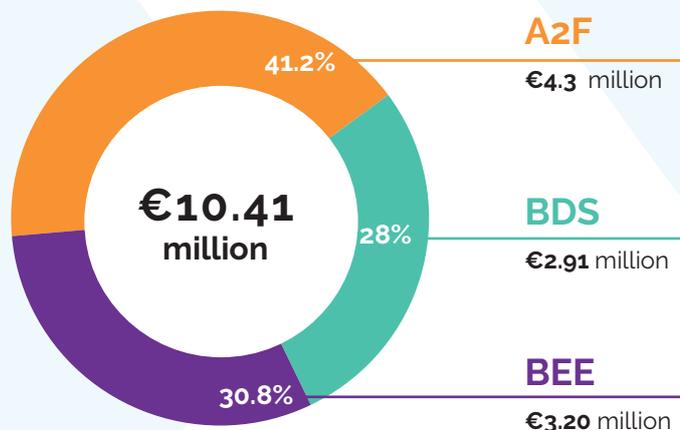
The following instruments to support SMEs are categorised by instrument in line with EU4Business Facility to allow comparison and coherence of EU support in Belarus



Government of Belarus



EU4Business 2020



ACCESS TO FINANCE (A2F) INSTRUMENTS

A1

Capped Loss Recovery

A2

Interest Subsidy

A4

Capped Guarantees

A6

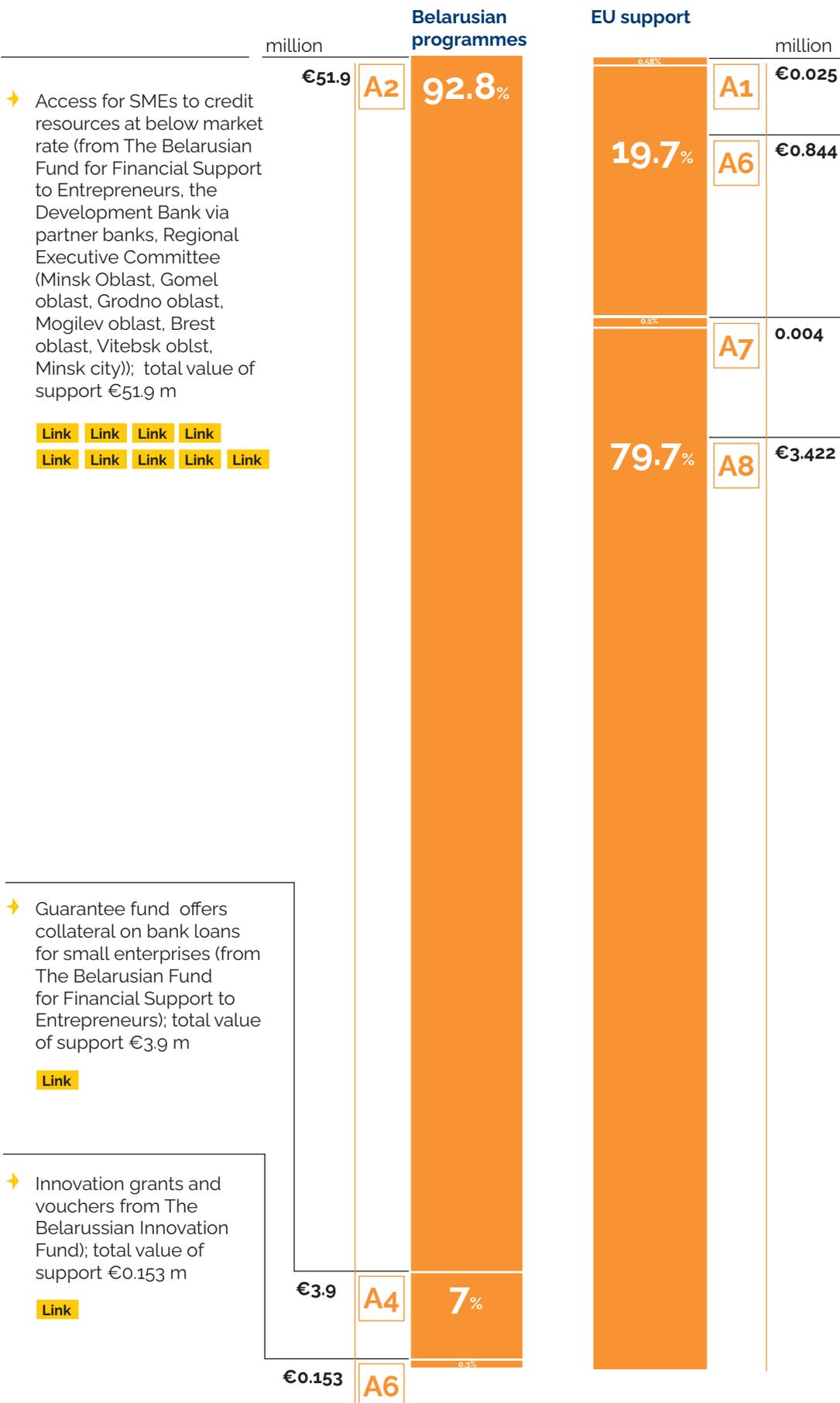
SME Incentive grants

A7

Grants to SMEs

A8

Structured Funds



→ Access for SMEs to credit resources at below market rate (from The Belarusian Fund for Financial Support to Entrepreneurs, the Development Bank via partner banks, Regional Executive Committee (Minsk Oblast, Gomel oblast, Grodno oblast, Mogilev oblast, Brest oblast, Vitebsk oblst, Minsk city)); total value of support €51.9 m

[Link](#) [Link](#) [Link](#) [Link](#)
[Link](#) [Link](#) [Link](#) [Link](#) [Link](#)

→ Guarantee fund offers collateral on bank loans for small enterprises (from The Belarusian Fund for Financial Support to Entrepreneurs); total value of support €3.9 m

[Link](#)

→ Innovation grants and vouchers from The Belarussian Innovation Fund); total value of support €0.153 m

[Link](#)

BUSINESS DEVELOPMENT SERVICES INSTRUMENTS

Within the delivery of Specific agency activities, the following BDS services are Provided by the government (no figures are available)

Belarusian programmes

EU support

million

<p>B1 → Information, methodological and consulting services, training, retraining and attracting qualified personnel, conducting marketing research, other assistance in the implementation of entrepreneurial activities (from Business support centers)</p> <p>Link</p>	no figures are available	59%	<p>B1 €1.717</p>		
<p>B3 → Providing SME with premises and property, information and consulting services, assistance in finding partners, obtaining financial resources (from business incubators)</p> <p>Link</p>			35%	<p>B2 €1.021</p>	
<p>B4 → The Ministry of Economy placed on the website Toolkit Cooperation of small and medium-sized entrepreneurship, as well as self-employed persons in order to develop the cluster initiative (from Ministry of Economy)</p> <p>Link</p>					<p>B3 €0.129</p>
<p>B5 → The Ministry of Economy places on the website information about exhibitions and fairs in Belarus and abroad (from Ministry of Economy)</p> <p>Link</p>					<p>B5 €0.045</p>
<p>B6 → Financial support in the form of a subsidy to reimburse part of the costs of participation in exhibitions and fairs or for their organization (from local authorities (executive committee))</p> <p>Link</p>			4.42%	<p>B3 €0.129</p>	
			1.53%		<p>B5 €0.045</p>

B1
Consultancy Services for SMEs

B3
Incubators

B5
Trade Information

B2
Capacity Building of BSOs

B4
Clusters

B5
B2B activities

FISCAL AND OTHER INSTRUMENTS



Discussions of draft regulatory legal acts that may have a significant impact on entrepreneurial activity, and public discussions of challenges faced by SMEs (from Ministry of Economy, Public advisory board for entrepreneurship development under the Ministry of Economy).

[Link](#)



Support was provided for companies from industries mostly hit by coronavirus. The list of industries are given in the Annex to the Presidential Decree N° 143. The costs incurred due to epidemiological measures under the List of the Ministry of Health are deductible for corporate income tax.; opportunity to receive deferrals for the payment of lease of state property. SME that produce medical protective equipment (protective suits, masks, gloves, glasses, respirators, antiseptics, gowns, etc.), medical equipment and other activities aimed at combating the spread of coronavirus infection (COVID-19) may receive loan at below market rate (from local executive committees, the Development Bank); total value of support € 11.1 m

[Link](#)

NATIONAL INSTITUTIONS FOR SME DEVELOPMENT IN BELARUS

THE BELARUSIAN FUND FOR FINANCIAL SUPPORT TO ENTREPRENEURS

Established
1992

Annual Budget
€1,600,000

[Link](#)

GOAL



To provide small business entities (individual entrepreneurs; micro-organizations (up to 15 people); small enterprises (16 to 100 people)) with state financial support.

MAIN ACTIVITIES

1. Providing small businesses with funds on a repayable basis (loan);
2. Provision of property on terms of financial lease (leasing);

3. Provision of guarantees for soft loans, including microcredits, issued by banks of Belarus at the expense of local budgets in the framework of state support programmes of small and medium-sized businesses;

4. Guarantee fund (offer collateral, i.e. guarantees to cover 60% of the principal sum, on bank loans for small business entities)

DEVELOPMENT BANK

Established
2011

Annual Budget
€87,000,000

[Link](#)

GOAL



Development of a system for financing government programs, provision of support to SME, and implementation of socially significant investment projects.

MAIN ACTIVITIES

1. Providing support to small and medium-sized businesses by providing special loan products through a partner network.

2. Financing long-term and capital-intensive investment projects as part of the implementation of government programs and measures, as well as investment projects independently selected by the Development Bank.

3. Provision of preferential export credits to support domestic exporting enterprises.

BUSINESS ADVOCACY MECHANISMS

IN BELARUS

The following mechanisms are in place to engage in dialogue between private sector and Government on business reform and advocacy in Belarus:

[Link](#)

Public advisory board for entrepreneurship development under the Ministry of Economy

Chair

Sergey Mityansky, Deputy Minister of Economy

OBJECTIVES

- ▶ Conducting public discussions of draft regulatory legal acts that may have a significant impact on entrepreneurial activity, and public discussions of challenges faced by SMEs

MEETING FREQUENCY:

- ▶ Not defined

SECRETARIAT:

Council Secretary Tatiana Pogodina,
Ministry of Economy

[Link](#)

The Entrepreneurship Development Council

Chair

Snopkov Nikolay First Deputy Prime Minister of the Republic of Belarus

OBJECTIVES

- ▶ Reviewing To ensure effective interaction of business with government agencies and organizations, participation in development of measures to regulate entrepreneurial activity

MEETING FREQUENCY:

- ▶ At least once a quarter

SECRETARIAT:

Tatiana Bykova