

Status of SME Strategy implementation

A mapping versus initiatives listed in the Strategy



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1 Summary

An overview of the status of implementation of initiatives listed in the [SME Strategy](#) is listed in table 1.

Wave	#	Initiative	Status	
I	1.1	Develop mentorship networks	Ongoing: MoET and ecosystem partners.	
	1.3	Provide national recognition for SME role models	Not started.	
	2.1	Attract top-tier VC/PE firms and angel investors	Ongoing: MoET and ecosystem partners.	
	2.2	Broaden Circular 331	Ongoing: MoET.	
	2.3	Improve access to debt capital	Ongoing: MoET and ecosystem partners.	
	2.5	Launch iSME project	Done.	
	3.1	Bridge SMEs to large enterprises and multinationals	Ongoing: MoET and ecosystem partners.	
	3.2	Leverage the global Lebanese network	Ongoing: ecosystem partners.	
	3.3	Activate the Lebanese Export Promotion Agency (LEBEX)	Pending.	
	3.4	Improve market competitiveness	Ongoing: ecosystem partners.	
	3.5	Enhance standards of SME products and services	Ongoing: ecosystem partners.	
	3.6	Strengthen relationships with new top trading partners	Ongoing: MoET.	
	4.1	Develop competitive capabilities clusters	Ongoing: ecosystem partners.	
	4.3	Assist SME's technology upgrade	Ongoing: ecosystem partners.	
	4.8	Link industry to academia with innovation vouchers	Ongoing: ecosystem partners.	
	4.11	Assist SMEs in cleaner production and resource efficiency	Ongoing: ecosystem partners.	
			Update ratify and implement first wave of pending laws	Ongoing: MoET.
	5.3	- code of commerce	Ongoing: MoET and ecosystem partners.	
	5.4	- insolvency law	Ongoing: MoET and ecosystem partners.	
	5.5	- Public procurement law	Ongoing: ecosystem partners.	
	5.10	Launch a job matching program	Ongoing: MoET and ecosystem partners.	
	6.1	Focus all efforts on an industry/city	Ongoing: MoET.	
	6.3	Set up an SME observatory	Ongoing: MoET.	
	II	1.5	Establish a women-friendly business environment	Ongoing: ecosystem partners.
		4.2	Repatriate Lebanese expat success stories	Ongoing: ecosystem partners.
		4.4	Introduce apprenticeship programs	Ongoing: ecosystem partners.
		4.7	Establish a commercialization office	Not started, being followed up on by MoFA.
		5.1	Twin IPPO with an international counterpart	Not started.
			Ratify and implement second wave of pending laws	Ongoing: ecosystem partners.
5.6		- domestic and foreign investment promotion law	Ongoing: ecosystem partners.	
5.7		- labor code	Ongoing: ecosystem partners.	
5.9		Attract and facilitate access to skilled labor	Ongoing: ecosystem partners.	
6.2		Establish regional 'SME malls'	Not started.	
6.4		Create/upgrade a full-fledged portal for entrepreneurs and SMEs	Ongoing: MoET.	
III	1.2	Launch entrepreneurship & family business center at the Lebanese University	Not started.	
	1.4	Develop a second-launch restructuring program	Not started.	
	2.4	Introduce SME Exchange and enhance crowd funding	Ongoing: ecosystem partners.	
	4.5	Expand vocational and training programs to meet market needs	Ongoing: ecosystem partners.	
	4.6	Provide incentives for employee training	Ongoing: MoET and ecosystem partners.	
	4.9	Optimize R&D spending on core sectors	Not started.	
	4.10	Introduce R&D expenditure tax credit	Not started.	
	5.2	Upgrade IP framework and patenting process	Ongoing: MoET.	
	5.8	Adapt judicial system to meet SME requirements	Ongoing: MoET and ecosystem partners.	
	5.11	Develop government e-services	Ongoing: MoET and ecosystem partners.	

Table 1: Overall status of implementation of the SME Strategy.

Note that data included in this document does not cover the entire ecosystem in Lebanon and only accounts for those organizations which the Ministry of Economy and Trade has contacted for this purpose and who have responded. For a comprehensive mapping of ecosystem players, the reader is referred to our online guide [What's in Lebanon for SMEs](#) as well as [our webpage for SMEs](#).

2 Details per SME Strategy initiative

Initiatives in the SME Strategy are organized into six strategic thrusts, namely: evolving business leaders, facilitating the “right” funding, improving access to markets, enhancing capabilities and innovation capacity, developing a conducive business environment and national environment, and ensuring coherence and effective coordination.

2.1 Evolving business leaders

Wave	#	Initiatives	Status
I	1.1	Develop mentorship networks	Ongoing: OXFAM ; CESVI .
I	1.3	National recognition for SME role models	Not started.
III	1.2	Entrepreneurship & Family Business center at LU	Not started.
III	1.4	Develop a second launch restructuring program	Not started.
II	1.5	Establish a women-friendly business environment	Ongoing: roundtable on Women Entrepreneurship ; NJCP focus on women and youth; National Strategy for Women in Lebanon 2011-2021 ; PUAMI ; SIF .

Table 2: Status of initiatives under the Evolving Business Leaders thrust.

2.2 Facilitating the “right” funding

Wave	#	Initiatives	Status
I	2.2	Broaden C331	Ongoing: MoET.
I	2.1	Attract top tier VC/PE and angels	Ongoing: several laws are being worked on (see table 4).
I	2.3	Improve access to debt capital	Ongoing: Kafalat credit guarantees (Kafalat Plus in collaboration with MoET – project ended Dec. 2017); PUAMI ; SIF ; ProVTE ¹ ; ISLAMIC RELIEF ; UNRWA ; ACTED .
III	2.4	Introduce SME exchange and crowdfunding	Ongoing: MoET has helped CMA on building and introducing SME stock exchange; crowdfunding: Zoomal .
I	2.5	Launch iSME project	Done.

Table 3: Status of initiatives under the “Facilitating the Right Funding” thrust.

Law	Description	Status	Implementing decrees partners	Awareness campaign partners
Modernizing the Code of Commerce	Reduce cost, time, and procedures related to doing business (e.g., suppress minimum capital requirements, allowing online creation of a company). IBEL working group at Presidency of the Council of Minister and MoET have completed drafting those recommended amendments to the Code of Commerce chapters on SAL, SARL, and Sole Proprietorship Companies (SPC)	Issued Law No 126 dated 29-3-2019 - published Official gazette No 18 dated 1-4-2019	n/a	n/a
Automation and modernization of Commercial Registry	IBEL and MoJ have launched a project to modernize the Commercial Registry and allow a one-stop-shop for registration of a company	Now in the hands of OMSAR (this is not meant to be a law)	PMO, IFC, MoJ, OMSAR	IFC

¹ Practice Oriented VTE in Lebanon. EU funded project, implemented by [GIZ](#).

Competition law	Ensure competition and enhanced market access, by preventing monopoly and anticompetitive agreements and abuses of dominance	Drafted but not yet in Parliament		
Secured Transaction law	IBEL with technical assistance from IFC has completed drafting a law on secure transaction. The law will allow the use of movable assets as collateral, increasing access to finance and decreasing the cost credit, thereby facilitating lending to SMEs. After enactment of the law, IBEL, with MoET and IFC will establish a collateral registry to make the registration of movable assets more transparent	Approved by CoM on 27/03/2018, Parliament joint committee- not yet discussed	MoET, IBEL, technical assistance from IFC	IFC
New bankruptcy draft law	IBEL, with IFC and MoJ is working to establish an efficient loan recovery, restructuring, and insolvency system. This shall allow unviable firms to exist efficiently, while viable but financially distressed ones reorganize operations and restructure debt. All above includes new provisions of gender equality for a married couple	Approved by CoM on 27/03/2018, Parliament joint sub committee - not yet discussed	IBEL, with IFC and MoJ	IFC
New insolvency practitioners draft law	IBEL, with IFC and MoJ is working to set the legal framework for IPs through a licensing process. The law will create a structure that will attract highly qualified IPs, trained in relevant aspects of commercial law and in accounting and finance, and able to perform their duties. It will be in line with the modernized draft law on restructuring, safeguard, insolvency	Approved by CoM on 27/03/2018, Parliament, joint sub committee - not yet discussed	IBEL, with IFC and MoJ	IFC
Private equity fund law	IBEL and Lebanon for Entrepreneurs (LFE - part of UK-based LIFE) has drafted a private equity fund law	Approved by CoM on 27/03/2018, Parliament, sub joint committee on 17-12-2018 - to be approved by committee MP members	n/a	LFE
Law on preferred shares	Replacement of article 110 of the Code of Commerce with a new article framing preferred shares	issued within Law No 126 dated 29-3-2019 - published Official gazette No 18 dated 1-4-2019	n/a	n/a
Judiciary mediation	The aim of the law is to institutionalize court referred mediation in Lebanon. This will help SMEs and the private sector reduce the time and cost of litigation, help reduce the backlog of cases in courts and to unblock assets caught in disputes	issued Law No 82 dated 10-10-2018 - published Official gazette No 45 dated 18-10-2018	n/a	IFC
Electronic Transactions law & Protection of Personal Data	Law relating to the recognition of actions done electronically : it regulates among others, electronic transactions , the Proof, E signature-, E banking, E commerce, cybercrimes and protection of personal data	issued Law No 81 dated 10-10-2018 - published Official gazette No 45 dated 18-10-2018	Technical assistance on drafting the implementing decrees and awareness campaigns are required	

SME Definition law	Law introducing a national definition for SMEs and also covering Women Entrepreneurship and Social Enterprise	Drafted, not yet in Parliament, awaiting Council of Ministers	n/a	n/a
S.A.L.T. law	Law introducing the establishment of a new category of specialized companies in the field of technology (S.A.L.T.) so that the Lebanese law will have joint stock companies and holding companies specialized in the field of Software Design, Web and App Design, Innovation and Tech Industry, CS, AI, and Data Consultancy and e-commerce	Proposed by MP Nadim Gemayel	TBD	TBD

Table 4: Status of laws relating to SMEs.

2.3 Improving access to markets

Wave	#	Initiatives	Status
I	3.4	Improve market competitiveness	Ongoing: value chain analysis with EU (chosen sectors were potatoes and waste management); training programs and analysis for SMEs in North and South by different NGOs and EU embassies (Netherlands) to help MSMEs improve productivity, learn new skills that would enable them to improve market competitiveness; Mercy Corps .
I	3.1	Bridge SMEs to large enterprise & multinationals	Ongoing: working on having commercial attaches in Embassies to promote Lebanese products in foreign countries ² ; trainings for SMEs to improve product standards to access new markets especially European markets; Lebanon Business Network ; IDAL (IT, Agro) ; Mercy Corps ; MoU between MoET and Zoodel ; International Trade Center.
I	3.2	Leverage the global Lebanese economic and diplomatic networks	Ongoing: LDE (Lebanese Diaspora Energy); Lebanon Business Network .
I	3.3	Activate the Lebanese export promotion agency (Lebex)	Pending.
I	3.5	Enhance standards of SME products	Ongoing: trainings from various NGOs for SMEs to improve product standards to access new markets especially European markets, in addition to the value chain analysis with the WorldBank ; IDAL ; Mercy Corps ; ACTED ; Qualeb.
I	3.6	Strengthen relationships with new top trading partners	Ongoing: work by MoET to improve trade relations (e.g., MERCOSURE, China, and Armenia).

Table 5: Status of initiatives under the “Improving Access to Markets” thrust.

2.4 Enhancing capabilities and innovation capacity

Wave	#	Initiatives	Status
I	4.1	Develop competitive capabilities clusters	Ongoing: IDAL ; OXFAM ; Lebanon Softshore Cluster .
II	4.2	Repatriate Lebanese expat success stories	Lebanese Diaspora forums.
I	4.3	Assist SME’s technology upgrade	Ongoing: OXFAM ; Berytech .
II	4.4	Introduce apprenticeship programs	Ongoing: Makhzoumi Foundation ; OXFAM ; CESVI .
III	4.5	Expand TVET to meet market needs	Ongoing: National Strategic Framework for Technical and Vocational Education and Training in Lebanon, 2018-2022 (also see ILO); CESVI ; SIF ; ProVTE ³ ; ISLAMIC RELIEF ; ACTED .
III	4.6	Provide incentives for employee training	Ongoing: LCRP , LHSP .
II	4.7	Establish a commercialization office	Not started, being followed up on by the Ministry of Foreign Affairs.
I	4.8	Link industry to academia	Ongoing: LIRA , UK Tech Hub .
III	4.9	Optimize R&D spending on core sectors	Not started.
III	4.10	Introduce R&D expenditure tax credit	Not started.
I	4.11	Assist SMEs in cleaner production	Ongoing: ACTED .

² This is a new decision taken by MoFA, Lebanese embassies will have commercial attaches, in the coming months the appointed attaches will start their duties in their designated countries.

³ Practice Oriented VTE in Lebanon. EU funded project, implemented by [GIZ](#).

and resource efficiency

Table 6: Status of initiatives under the “Enhancing Capabilities and Innovation Capacity” thrust.

2.5 Developing a conducive business and national environment

Wave	#	Initiatives	Status
II	5.1	Twin IPPO with an international counterpart	Not started.
III	5.2	Upgrade IP framework and patent process	Ongoing: registering online now at MoET .
II	5.3, 5.4, 5.5, 5.6, 5.7	Update, ratify and implement pending laws	Ongoing: several laws are being worked on (see table 4).
III	5.8	Adapt judicial system to meet SME requirements	Ongoing: several laws are being worked on (see table 4).
II	5.9	Attract and facilitate access to skilled labor	Ongoing: reducing skill gaps with trainings from different NGOs and international organizations to increase skilled labors. Universities are adding more entrepreneurship courses to their curricula and other courses to help teach students new skills (see MoET’s page on the subject).
I	5.10	Launch a job matching program	Ongoing: World Bank National Job Creation Program (NJCP).
III	5.11	Develop government e-services	Ongoing: QMSAR and IPR at MoET .

Table 7: Status of initiatives under the “Developing a Conducive Business and National Environment” thrust.

2.6 Ensuring coherence and effective coordination

Wave	#	Initiatives	Status
I	6.1	Focus all efforts on an industry/city	Ongoing: Recommendations of the McKinsey study.
II	6.2	Establish regional “SME malls”	Not started.
I	6.3	Set up an SME observatory	Ongoing: MoET has worked with the World Bank on developing a feasibility study and funding is expected through the NJCP .
II	6.4	Create a full-fledged portal for entrepreneurs and SMEs	Ongoing: SME portal on MoET website is live and receives constant updates.

Table 8: Status of initiatives under the “Ensuring Coherence and Effective Coordination” thrust.

3 Mapping of LCRP partners work to the SME Strategy

3.1 Mercy Corps

Wave	#	Initiatives	Status
I	3.4	Improve market competitiveness	To improve market competitiveness for MSMEs, the intervention included the set of: A. Marketing and digital marketing plan through BDS services were prepared to increase the visibility of the MSME products. B. In-kind contribution was given (with cot sharing) to increase the MSME production capacity in order to compete with other businesses locally and internationally. Regions: Central Bekaa, Saïda, Chouf, and Jezzine. Sectors: Agriculture, Construction, and Environment. Amount: \$52,559. # of Jobs created: 20.
I	3.1	Bridge SMEs to large enterprises and multinationals	The intervention was conducted through BDS support. A market linkage was established with a purchaser in Africa for one of the MSME dairy products. In addition, larger enterprises were linked to purchase the MSMEs products. Economic Sectors: Agriculture and Construction. Amount of Funds: \$17,190 in BDS services. # of Jobs created: 3. Regions: Central Bekaa and Saïda.
I	3.5	Enhance standards of SME products and services	The standards of MSME products and services were improved through technical assistance (ISO2200, product development). Moreover, the in-kind contributed helped to leverage the quality of the products. Regions: Saïda, Chouf, Central Bekaa, and Jezzine.

			Sectors: Agriculture, Construction, and Environment. Amount of Funds: \$66,077. # of Jobs created: 21.
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Table 9: Progress as reported by Mercy Corps.

3.2 IDAL (Investment Development Authority of Lebanon)

Wave	#	Initiatives	Status
I	3.5	Enhance standards of SME products and services	<p>The Business Support Unit introduced by IDAL in 2018 aims at providing free legal and tax advice to start ups and SME's in Lebanon. The unit's strategy includes also the organization of regular workshops in the various regions of Lebanon in partnership with the Chambers of commerce on various subjects on how to set up a startup (several workshops conducted so far on: marketing, intellectual property, tax and legal, etc.).</p> <p>Sectors: Agriculture. Funding: 33 million Dollars annually. Regions: All Lebanon.</p>
I	4.1	Develop competitive capabilities clusters	<p>IDAL is developing since 2017 a national cluster development strategy in all regions of Lebanon based on the comparative advantages of each region. First, a concept plan was developed that defined what is a cluster, its benefits, the need for clusters in Lebanon and an international benchmarking analysis was done to understand the various cluster models and initiatives that were implemented elsewhere. Based on this analysis, a business and legal framework was developed for the initiative. So far, various stakeholder consultations are being organized in the various regions of Lebanon to understand the readiness of the private sector to engage and partner with IDAL for the implementation of this initiative. Two pilot projects were identified and are being supported through technical assistance. IDAL will present the cluster strategy to PCM and is looking for partners to help in the implementation.</p> <p>Sectors: Industry and Agro Food. Regions: All Lebanon.</p>
I	3.1	Bridge SMEs to large enterprises and multinationals	<p>See IT and Agro.</p> <p>Sectors: IT and Agro Food. Regions: All Lebanon.</p>

Table 10: Progress as reported by IDAL.

3.3 OXFAM

Wave	#	Initiatives	Status
I	1.1	Develop mentorship networks	<p>Providing coaching to SMEs and Micro businesses through consultants and service providers.</p> <p>Sectors: Services, Manufacturing, and Construction. Amount of Funds: \$265,000. Regions: Bekaa.</p>
I	4.1	Develop competitive capabilities clusters	<p>Providing financial grants to five SMEs receiving coaching.</p> <p>Sectors: Services, Manufacturing, and Construction. Regions: Bekaa. Amount of Funds: \$200,000.</p>
I	4.3	Assist SME's technology upgrade	<p>Providing financial grants to 5 SMEs receiving coaching</p> <p>Sectors: Services, Manufacturing, and Construction. Regions: Bekaa. Amount of Funds: \$50,000.</p>
II	4.4	Introduce apprenticeship programs	<p>Informal apprenticeships, no certification at the end of the program.</p> <p>Sectors: Services, Manufacturing, and Construction. Regions: Bekaa. Amount of Funds: \$168,000.</p>

Table 11: Progress as reported by Oxfam.

3.4 CESVI SOUTH

Wave	#	Initiatives	Status
I	1.1	Develop mentorship networks	<p>Connecting supported entrepreneurs with networks of training service providers, business development service providers and other successful entrepreneurs to foster peer-to-peer mentorship and coaching and strengthen the SME ecosystem.</p> <p>Sectors: Agriculture, Artisanal, Construction, Green jobs, and IT.</p>

			Regions: South.
II	4.4	Introduce apprenticeship programs	Building Resilient Communities in Lebanon: an Integrated Approach to Livelihood and Income Generation for Vulnerable Populations. Out of 595 participants to the VT program in Green Construction, MEP, Decorative finishing, Basic IT and Advanced IT, 93 will be placed in paid 3-month-apprenticeships at private companies in Saïda. Sectors: Construction, Green jobs, and IT. Regions: South.
III	4.5	Expand vocational and training programs to meet market needs	Development of market-based and demand-driven TVET curricula to facilitate the absorption of skilled labor in the labor market. Free VT in Green Construction, MEP, Decorative Finishing, IT and Advanced IT are offered to 595 vulnerable individuals in Saïda. Sectors: Construction, Green jobs, and IT. Regions: South.

Table 12: Progress as reported by CESVI.

3.5 PUAMI (Première Urgence Internationale)

Wave	#	Initiatives	Status
I	2.3	Improve access to debt capital	In Bekaa and Beirut with \$50,000 in grants, \$10,000 in loans.
II	1.5	Establish a women-friendly business environment	Small grants to support women in starting their small home based business, following short term technical trainings and business trainings. Support to micro or nano business (new or recent) only, in the sectors of textile, food processing, hairdressing, make-up. Sectors: Craftsmanship and Services. Regions: Akkar, Mount Lebanon, and Saïda. Amount of Funds: \$1,100 .

Table 13: Progress as reported by PUAMI.

3.6 SIF (Secours Islamique France)

Wave	#	Initiatives	Status
II	1.5	Establish a women-friendly business environment	Support the cooperatives members through vocational training and technical and financial support in order to enhance their commerce and match with market requirements. Sectors: Food Processing. Regions: Chouf. Amount of Funds: \$32,500.
III	4.5	Expand vocational and training programs to meet market needs	To contribute to the improvement of the challenging socio-economic situation in urban and rural context, by improving their access to income and employment opportunities while improving their skills and capacities. This result aims at strengthening the local economic development and market systems in order to create more income opportunities, to reduce unemployment rates and to protect vulnerable people against risks. Sectors: Mount Lebanon. Regions: All. Amount of Funds: \$270,000.

Table 14: Progress as reported by SIF.

3.7 ProVTE

Wave	#	Initiatives	Status
III	4.5	Expand vocational and training programs to meet market needs	Introduce More practice oriented modular Vocational Education (IVET and CVET) with third (reputable and employers linked) party assessment and certification of qualifications. Amount of Funds: Technical Assistance for 4.2 Million Euros in 52 Months.

Table 15: Progress as reported by ProVTE.

3.8 ISLAMIC RELIEF

Wave	#	Initiatives	Status
I	2.3	Improve access to debt capital	Empower vulnerable people by a set of services including vocational trainings, life skills sessions, financial & business management, kits, tools and suitable equipment. Regions: South and Bekaa. Sectors: Services. Amount of Funds: \$433 in grants for each beneficiary. # of Jobs Created: 100.
III	4.5	Expand vocational and training programs to meet market needs	Empower vulnerable people by a set of services including vocational trainings, life skills sessions, financial & business management, kits, tools and suitable equipment; \$433 in grants for each beneficiary. Sectors: Services. Amount of Funds: \$433 in grants for each beneficiary. # of Jobs Created: 100.

Table 16: Progress as reported by Islamic Relief.

3.9 UNRWA

Wave	#	Initiatives	Status
I	2.3	Improve access to debt capital	The program targets startups and existing enterprises owned by Palestinians inside and outside camps throughout Lebanon. The program runs as revolving fund and provides loans with \$10,000 ceiling against collateral. Total active portfolio is around \$3 million. Total loans value issued in 2018 is \$630,873 for 150 enterprises. The program is currently aiming to develop a guarantee fund on cost-sharing basis with a partner to facilitate access to loans and increase outreach. Regions: All Lebanon. Sectors: Services, Small Industry, Animal Husbandry, and Medical Technology. Amount of Funds: \$630,873 in loans issued in 2018. # of Jobs Created: 89 created, 61 saved.

Table 17: Progress as reported by UNRWA.

3.10 ACTED

Wave	#	Initiatives	Status
I	2.3	Improve access to debt capital	ACTED will support both small and medium enterprises through cash grants/purchase of equipment, trainings and upward linkages into the value chain. Regions: Beirut and Tripoli. Sectors: Services. Amount of Funds: up to \$30,000.
I	3.5	Enhance standards of SME products and services	ACTED will support both small and medium enterprises through cash grants/purchase of equipment, trainings and upward linkages into the value chain. Regions: Beirut and Tripoli. Sectors: Services. Amount of Funds: up to \$30,000.
I	4.11	Enhance standards of SME products and services	ACTED will support both small and medium enterprises through cash grants/purchase of equipment, trainings and upward linkages into the value chain. Regions: Beirut and Tripoli. Sectors: Services. Amount of Funds: up to \$30,000.
III	4.5	Expand vocational and training programs to meet market needs	ACTED will support both small and medium enterprises through cash grants/purchase of equipment, trainings and upward linkages into the value chain. Regions: Beirut and Tripoli. Sectors: Services. Amount of Funds: up to \$30,000.

Table 18: Progress as reported by ACTED.