## **Further Reading in SMEs and PPPs**

## **Full Description**

The role of SMEs on PPP projects has been analyzed from different sectors. Below are some documents on how pro-SME PPP regulations and policies have worked in practice.

G20/OECD Guidance Note on Diversification of Financial Instruments for Infrastructure and SMEs. This document contains the final version of the G20/OECD Guidance Note on recommended policy steps to diversified financing instruments for infrastructure and SMEs. It was endorsed by the G20 Finance Ministers and Central Banks Governors at their meeting in Chengdu, China on 23-24 July 2016, and also by the G20 leaders at the Hangzhou Summit that took place on 4-5 September 2016.

From the Bottom Up: How Small Power Producers and Mini-Grids Can Deliver Electrification and Renewable Energy in Africa. This guide focuses on the decentralized approach, providing practical guidance on how small power producers and mini-grid operators can deliver both electrification and renewable energy in rural areas. It describes four basic types of on- and off-grid small power producers, as well as several hybrid combinations that are emerging in Africa and elsewhere.

Performance of the Transport Infrastructure Sector (Desempeño del Sector de Infrastructura del Transporte - original document in Spanish), August 2015 by the Superintendence of Corporations of Colombia, shows the results of a study done on the Colombian transportation infrastructure's economic and financial situation, particularly indicating the special role of the SMEs in the sector. The research indicates, as one of the conclusions, that 78% of the companies from the construction subsector are SMEs, with an operational revenue of \$4.9 trillion Colombian pesos by 2014.

Building Competitive Green Industries: The Climate and Clean Technology Opportunity for Developing Countries, 2014 by InfoDev/ World Bank Group, examines the role of SMEs in the climate and clean technology revolution. The study finds that there is \$1.6 trillion worth of investment opportunity for SMEs in developing countries in the coming decade in climate and clean technology. The SME opportunity is largest in the wastewater treatment sector, with small hydro, water treatment, onshore wind power, solar PV, geothermal and bioenergy the next largest SME opportunities. The study looks in particular at solar energy in India and at bioenergy in Kenya. It gives practical advice on how governments can help support SMEs in the clean energy sector.

The engineering SMEs and their role in the transport sector (Las Pymes de Ingeniería y su Papel en el Sector Transporte) (in Spanish): This article highlights the role of the engineering SMEs in Colombia, especially in the development of the secondary and tertiary network, and maintenance of the country's infrastructure. Research done by the Asociación Nacional de Instituciones Financieras - Centro de Estudios Económicos for the Cámara Colombiana de Infraestructura (CCI).

Public-Private Sector Partnerships to Promote SME Participation in Global Value Chains: This is James Zhan's intervention at the Expert Meeting on Assessing the Impact of Public-Private Partnerships on Trade and Development in Developing Countries in Geneva, 2013. It highlights issues related to the promotion of SME in global value chains by the collaboration between the public and private sector.

Overcoming political risk for SMEs through infrastructure investment: This article explains the importance of the infrastructure sector for the economy of a country, and how SMEs can benefit from it, either by improving their businesses, or by leveraging their inherent local advantage (ie they would not face certain non-commercial risks as the direct foreign investors would.)

Recommendations of the Working Group on Engineering SMEs –Vice Presidency of Colombia. (Recomendaciones de la Mesa de Trabajo sobre PYMES de Ingenieria) (In Spanish): This document summarizes the recommendations of a working group that the Colombian Vice-President Germán Vargas Lleras created -composed of the Colombian Chamber of Infrastructure, National Agency of Infrastructure, Road National Institute, and the Vice-presidency of Colombia- in order to devise public policies that boost and promote construction and consultant SMEs in Colombia's infrastructure development. The recommendations aim to strengthen SMEs' industrial activity by opening the doors to "bigger and better work opportunities, in a wide market that offers equal options to all suitable bidders that want to participate in public bids". The recommendations target changes in the legal framework of the public procurement regarding the TORs in the public bidding, and in the contractual provisions and enabling requirements of the bidders, by giving precise and exact suggestions. For example, the recommendations include improving engineering SMEs' access to financing, and other creative payment structures.

<u>National Contractor Development Programme Framework - South Africa</u>: This Contractor development framework aims to create opportunities for emerging contractors to build capacity, capability and sustainability to play a meaningful role in infrastructure development. It also promotes empowerment to redress historical imbalances.

## Related Content

**SMEs** and **PPPs** 

Laws and Regulations on Inclusion of SMEs in PPPs

Promotion of SME Participation in PPP Laws and Regulation

Promotion of SMEs/Local Content in Public Procurement Laws and Regulation

Sector-Specific Laws and Regulations Promoting SMEs/Local Content

Bidding Documents and Contractual Provisions regarding inclusion of SMEs in PPPs

**Examples of Policies of International Contractors Promoting SMEs** 

Examples of Policies that Incorporate Existing Operators into New PPPs

Additional Resources

Sub-national and Municipal PPPs

Gender Equality & PPPs

Small Scale Water Projects - Rural and Peri-Urban

How to foster a more inclusive environment for SMEs in PPPs?