

FOCUS OF THE ITALIAN NATIONAL CONTACT POINT ON SMES



17-18 November 2016
Hungarian Ministry for National Economy
Budapest

OVERVIEW

- *Structure and responsibilities*
- *Promotion of the Guidelines*
- *Why focusing on SMEs?*
- *Targeting Italian SMEs*
- *Tools for SMEs*
- *SMEs and the territory*
- *SMEs as suppliers*



STRUCTURE AND RESPONSIBILITIES

The Director General

Directorate Industrial Policy, Competitiveness and SMEs

Decision making
Approval of Annual Report
Convening and informing the NCP Committee
Representation of the NCP

**MINISTRY OF
ECONOMIC
DEVELOPMENT**



Monoagency +

The NCP Committee*

Representatives of relevant Institutions, businesses associations and other stakeholders

- Developing its programme of work
- Reviewing specific instances after assessment by the Secretariat and expression of opinion
- Opinion on NCP work programme
- Proposition of studies and research on relevant issues

The Secretariat

Head of Division VI and Staff of the Ministry

- Annual Report to the OECD;
- operational management
- promotional programme
- handling specific instances

* The NCP Committee includes:

☐ Ministries

Foreign Affairs and International Cooperation; Environment; Economy and Finance; justice; Labour and Social Policies; Agriculture; Economic Development

☐ Conference of Italian Regions;

☐ Confindustria (the largest Italian business association)

☒ **CNA and Confcommercio (SMEs business associations)**

☐ ABI (Italian Banks' Association)

☐ the most representative Trade Unions at national level (CGIL, CISL, UIL)

☒ **Unioncamere (the Italian Union of the Chambers of Commerce)**

☐ CNCU (National Council of Consumers and Users)

☐ AOI (the Association of the Italian Organisations of International Solidarity and Cooperation)

PROMOTION OF THE GUIDELINES



HOW
Yearly workplan of the NCP

HOW
Including OECD
Proactive Agenda

HOW
Tools and projects

WHO
big multinationals...but also SMEs

WHO
Stakeholders outreach

HOW
Cooperation with key actors

- Members of the NCP Committee
- Outreach to business and stakeholders
- Promotion and Export Credit Agencies
- International Organisations (ILO, UNICEF..)
- OECD (ex Mynamar)
- Technical external support

WHY FOCUSING ON SMEs?

While it is acknowledged that small- and medium-sized enterprises may not have the same capacities as larger enterprises, governments adhering to the Guidelines nevertheless encourage them to observe the Guidelines' recommendations to the fullest extent possible. **GL, PI, I, 6**

In addition to addressing adverse impacts in relation to matters covered by the Guidelines, encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct compatible with the Guidelines. **GL, PI,II, 13**

	Micro firms	Small firms	Medium firms	MSMEs	Large firms	Total
Firms						
EU 27	92.2	6.5	1.1	99.8	0.2	100.0
Italy	94.6	4.8	0.5	99.9	0.1	100.0
Germany	83.3	13.7	2.6	99.5	0.5	100.0
France	93.1	5.8	0.9	99.8	0.2	100.0
United Kingdom	89.4	8.7	1.5	99.6	0.4	100.0
Employees						
EU 27	29.6	20.6	17.2	67.4	32.6	100.0
Italy	46.6	20.2	12.4	79.2	20.8	100.0
Germany	19.2	23.0	20.6	62.8	37.2	100.0
France	27.8	20.2	15.8	63.8	36.2	100.0
United Kingdom	20.5	18.6	15.1	54.2	45.8	100.0
Value added						
EU 27	21.2	18.5	18.4	58.1	41.9	100.0
Italy	29.4	22.6	16.2	68.3	31.7	100.0
Germany	14.9	18.4	20.6	53.9	46.1	100.0
France	26.3	17.5	15.2	58.9	41.1	100.0
United Kingdom	18.5	14.8	16.3	49.7	50.3	100.0

To avoid causing or contributing to adverse impacts on matters covered by the Guidelines through their own activities includes their activities in the supply chain. Relationships in the supply chain take a variety of forms including, for example, franchising, licensing or subcontracting.... **GL, PI,Comm II, 17**

NUMBER OF FIRMS, EMPLOYEES, VALUE ADDED BY SIZE
Percentage values (2012) - Source: MED's elaborations on
Cambridge Econometrics data

TARGETING ITALIAN SMEs

“... While it is acknowledged that small- and medium-sized enterprises may not have the same capacities as larger enterprises...”

General weaknesses of SMEs...

- Modest attitude to dimensional growth (entrepreneurs' cultural limits)
- Modest inclination to internationalize and to localize the productive process or some parts of it abroad
- Internationalization strategies, labour productivity and profit margins tend to rise with firm's size
- Intergenerational problems (according to a quite recent estimation, 40% of Italian entrepreneurs is more than sixty years and almost 45% of firms will face intergenerational problems in the next 10 years)
- Modest tendency to invest in R&D and in innovation generally (although a lot of innovation realized by micro and small firms is very often “informal” and is not *captured* by data)
- Low qualified workers and mismatch between demand and supply of jobs
- Very severe situation of “credit crunch” for micro/small firms
- Modest knowledge and of utilisation of innovative services

... And, concerning RBC and due diligence...

- Absence of a (structured) culture of RBC (sunken RBC)
- Limited structure and organization
- Human resources available limited and not appropriately qualified and trained to deal with RBC and due diligence
- Limited spending power
- Position of weakness towards the large suppliers and / or operating in a high concentration markets
- Focus on other priorities in the different phases of the development process and enterprise growth

TOOLS FOR SMEs

OVER THE YEARS THE ITALIAN NCP DEVELOPED NUMEROUS 5TOOLS FOR THE PROMOTION OF THE GUIDELINES, MAINLY AMONG SMES.

➤ 2 ONLINE TOOLS FOR SMES

➤ DUE DILIGENCE GUIDANCE FOR SMES IN THE SUPPLY CHAIN

➤ INDICATORS FOR ACCOUNTABILITY IN THE GOLD SECTOR

➤ A SURVEY ON SMES' APPROACHES TO RBC IN THE SUPPLY CHAIN OF THE GOLD SECTOR

➤ IN THE FRAMEWORK OF THE NAP ON CSR, A PLATFORM OF RBC INDICATORS, TO PROVIDE A SHARED LANGUAGE FOR FIRMS, ESPECIALLY SMES, AND INSTITUTIONS

➤ PILOT PROJECTS WITH LARGE COMPANIES THAT HAVE A SIGNIFICANT NUMBER OF SMES AS SUPPLIERS

... BUT ALSO....

➤ REPORT ON TEXTILE SUPPLY CHAIN

➤ GUIDANCE FOR THE IRON SECTOR SUPPLY CHAIN



SMEs AND THE TERRITORY

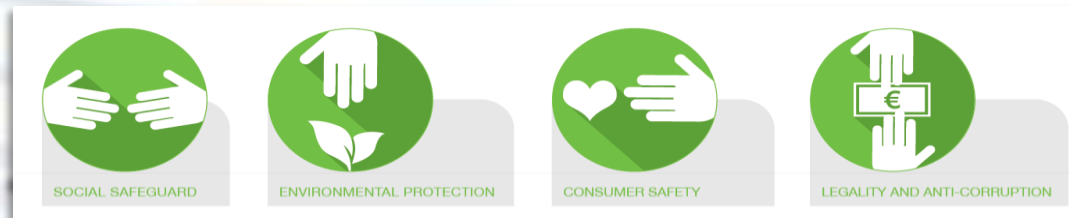
MEMORANDA OF UNDERSTANDING

Region	Duration	Project	Actions
Toscana	10.03.2013 - 31.12.14	Promotion of the "Guidelines" OECD among the Tuscan companies operating in the fashion sector Focus on the management of risks related to the fashion industry	in collaboration with the Tuscany Region and the Chamber of Commerce of Prato on "the application of the OECD Guidelines to the textile industry" in order to examine the risks and opportunities in relation to the theme of sustainable development, related to the supply chain. •Study and setting of an organizational system for monitoring due diligence of the supply chain in the textile industry •Promotion of RBC among businesses in the textile industry as a value creator
Veneto	24.4.2013 biannual	Joint projects aimed at the dissemination of the GL and at contributing to the interregional project below	Thanks to this MoU, the NCP participated to the Interregional project illustrated below
Interregional project (Veneto and Liguria + other 13 regions)	•2012 – omgoing	• increase the spread of RBC among businesses • Start a process of exchange and mutual learning between public administrations	The MED- NCP took part to the project by financing the creation of an online platform of RBC and innovation indicators: • for businesses to test themselves • for businesses and public administration to have a common and measurable platform for RBC ranking and scoring, for instance in case of public tenders or access to credit.
Friuli Venezia Giulia	7.5.2014 biannual	Dissemination and awareness to the territories and districts of the Region Friuli Venezia Giulia of the GL principles and specific actions on the issue of CSR	n. 3 promotional conferences on the GL

SMEs AS SUPPLIERS

“...encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct compatible with the Guidelines.”

Involvement and support in the TRAINING COURSE FOR SUPPLIERS organised by Leroy Merlin Italia (March – May 2015)



- Presentation of the new Ethical Code - also referring to the OECD Guidelines - by LMI to all the suppliers, with proposal to adhere to it
- 3 webinars addressing suppliers on the main issues of RBC and responsible supply chain management
- As a result, 90% of LMI suppliers adhered to the new Ethical Code

Thank you for your attention

