

Business Advisory Council for South Eastern Europe
Zagreb, 16-17 November, 2004

EXECUTIVE SUMMARY AND OPERATIONAL CONCLUSIONS

- The BAC accepted Mark Harrison and Vladimir Cupic as new members. Victor Jackovich's CV will be sent to the BAC and, if there are no objections, he will be invited to Skopje.
- In 2005, Aldo Fumagalli will join the Board and will serve as Vice Chair to Nikos Efthymiadis, who will Chair in 2005. Pierre Daures will remain as a BAC member representing France and will provide advice as past president to the Board.
- Reports from the Chisinau and Tirana BAC missions will be sent to the relevant EU institutions for information.
- The BAC will identify sources of financing for the Excellence in Public Administration Pilot session. A total of 150,000 Euros is needed by the end of December. The goal is to find three sources of 50,000 Euros.
- Danica Purg will lead the EPA steering committee, which will include the following BAC members: Pierre Daures, Giorgio Dominese, Vassili Takas and Bernard Snoy.
- The BAC adopted the 2005 Work Plan. The following Board members will be responsible for the following priorities, and BAC members who expressed interest in the topics: Nikos Efthymiadis – relationship with the SEECF; Aldo Fumagalli – investment & doing business and capacity building (Delcan Murphy, Alexandru Munteanu, Danica Purg, Samo Ivanchich, Vebi Velija, Patricia Veevers and Velitcho Alexandrov); Muhtar Kent – trade and transport facilitation (Sveto Janevski, Yanis Tsorbatzolgou, Cumhur Atilgan); Christian Hufnagl – public private partnerships (Pierre Daures, Manfred Nussbaumer, Ronald Denom, Bosko Kostic, Velitchko Alexandrov, Patricia Veevers, Danica Purg); Pierre Daures – relations with the EU, IFIs and other organizations (Bernard Snoy, Bosko Kostic, Declan Murphy, Patricia Veevers). All Board members will monitor country specific initiatives with the involvement of BAC members, and the issue of visibility will be the task of the Secretariat.
- The Board decided on the following meetings for 2005: Skopje -16-17 March (in tandem with the EBRD seminar); Thessaloniki - 30 –31 May; Chisinau - 28-29 September, and Belgrade – the week of 28 November.

MEETING REPORT

1. Opening and administrative issues

Pierre Daures welcomed the BAC to Zagreb and thanked Ms. Ljerka Puljic for the excellent organization and hospitality.

Adoption of the Istanbul report

The Istanbul report was unanimously adopted

Membership issues, including introduction of new members

Mr. Daures welcomed the new associate members Mr. Jean-Pierre Vigroux (PriceWaterhouseCoopers/FIC), Mr. Yanis Tsorbatzoglou (SECIPRO), Ms. Patricia Veevers MIGA), Mr. Claudio Vizeoli (EBRD).

Mr. Daures also announced that the Board had decided to extend membership to Mr. Mark Harrison from the UK and Mr. Vladimir Cupic who will replace Mr. Bosko Kostic. Mr. Kostic will formally introduce him at the next meeting in Skopje.

Dr. Busek proposed Victor Jackovich as a candidate from the US. He gave background information on Mr. Jackovich, and his involvement with SECI and the region. The Secretariat will obtain a CV from him and circulate it among the BAC members. If there is no objection, he will be invited to Skopje.

Mr. Aldo Fumagalli introduced his advisor Mr. Luciano Salvator.

A complete list of participants and regrets is annexed to this report.

2. Reports

a) Board Report, including agenda 2005 (P. Daures)

Mr. Daures reported that the Board met on the previous day to discuss issues pertaining to membership, missions, the letter to Prime Minister Sanader and the 2005 Work Plan (see discussion below).

Concerning Board structure in 2005, Aldo Fumagalli will join the Board and will serve as Vice Chair to Nikos Efthymiadis, who will Chair in 2005. Pierre Daures will remain as a

BAC member representing France and will provide advice as past president to the Board.

b) BAC Mission Chisinau (A. Fumagalli)

Mr. Fumagalli reported on the mission to Chisinau that took place on 25-26 October. This mission was led by Muhtar Kent and organized by Alexandru Munteanu. The two main objectives of the mission were to explore the possibility of having a regular BAC meeting in Moldova, as well as to get better acquainted with the reform process and the general investment climate. The mission attended the launching of the new FIC in Moldova and met with the

President, Prime Minister and Minister of Economy. The group also visited the EFES investment (brewery) and wine cellar.

One of the country's biggest problems is Transdniestria where organized crime, smuggling, and trafficking are rampant and Russian troops are still in the area.

The government was very keen on organizing a meeting in Chisinau. Elections are in the spring, thus the best time for a BAC meeting would be in mid September. Mr. Munteanu stressed Moldova is neglected and there is an interest and willingness from the side of the state authorities for greater contact and cooperation with the BAC and the international community. He also announced that on 25-26 November, a big investment event is being organized in Chisinau.

Danica Purg mentioned that 20 people from Moldova graduated from her school, two of which are deputy ministers. Georg Brodach asked Danica to circulate list of high level alumni in the region.

c) BAC Mission Tirana (P. Daures)

This mission was not a success due to the lack of interest from the side of the government. Conrad Eckenschwiller reported that the group first had a discussion with some representatives from the Albanian business community and foreign investors. The next day the group was supposed to meet with the government but only 2 vice ministers attended: economy and foreign affairs. The head of the foreign investment agency was also present. Some of the main conclusion drawn were that regulatory bodies are not working and laws are not being implemented, there is a lack of dialogue between government and private sector, and the tax system is arbitrary – many enterprises do not pay taxes and those that do, pay more than they should.

Another problem was that the meeting was partially organized by the Chamber of Commerce in Albania, which does not have a very good reputation in the business community.

Dr. Busek mentioned that the real obstacle is the battle between Fatos Nano and Sali Berisha. Albania has been forgotten in Brussels and Dr. Busek felt that it is important that the BAC mission report be sent to the EC, especially to the head of the Infrastructure Steering Group, as well as to the Committee for South Eastern Europe in the European Parliament. He proposed to do the same for the Moldova mission report.

Declan Murphy mentioned an OECD report on the informal economy in Albania and said that the government is really trying to address this issue and that some positive steps have been taken in this direction.

Vebi Velija said that the international and diplomatic community in Albania is generally indifferent to what is happening and the attitude of the government is to maintain the status quo.

Mr. Efthymiadis asked that those leading business missions should prepare a proper report and then provide some real advice. The BAC should really act as an advisory body.

d) Stability Pact/SECI (E. Busek)

Dr. Busek reported on developments affecting the region. In the Commission, Olie Rehn is now responsible for South Eastern Europe and Turkey while Benitta Ferrero-Waldner is the new Commissioner responsible for Moldova. Concerning the Stability Pact, there will be a budget line in the Commission from 2007 onward.

Dr. Busek reported that the October conference on local democracy and cross border cooperation, which was held in Zagreb, was important for decentralization, especially fiscal decentralization. On energy, the power stations of Mostar and Ernestinovo are finally repaired. Progress is also being made on implementing the free trade agreements and the EC assessment of the Bucharest Crime Fighting Center is a positive step in providing a road map for the center to become a regional Europol Center. The Stability Pact is also planning its meeting of the working tables and regional table in Skopje.

2005 will be an important year. In Bosnia there will be a change in the powers of OHR and the country has to start taking more decision. The critical issue for Kosovo is how to move forward with the status question. Elections have not changed things – the old Prime Minister is out of office and more than 50% of the population are unemployed and under 25. The political situation in Serbia is not stable and in Croatia, the issue of extraditing General Gotovina to the Hague might postpone the negotiations with the EU. Opening negotiations with Croatia is important because it can really send a positive message to the other countries in the region.

On infrastructure, the Vidin-Calafat bridge should soon be tendered and the Novi Sad bridge should be completed by May 2005.

Finally, Dr. Busek thanked Pierre Daures for the excellent job he has done as 2004 BAC Chairman.

e) Conclusions from the Round Tables

Nikos Ethymiadis reported on the round table session on Non-tariff Barriers to Trade (NTBs) and the SECIPRO Committees. The main conclusions were: there is a need to focus on administrative NTBs on infrastructure; governments should provide support, including financial, to the PRO committees; the PRO committees should meet with governments on a regular basis; the Stability Pact should lobby with governments in the region on specific NTB issues; the network should be upgraded and the SECI Agenda Committee should be reinstated; special attention should be given to the single window and weight certificate, as well as visa regulations and commercial arbitration. The Corridor X case study should be made fully operational, and the BAC's target for the Corridor is to become fully operational within three years.

Conrad Eckenschwiller reported on the round table dealing with PPPs and FDI. The main issues for FDI are cadastre and property rights. On PPPs, the projects of the Zagreb motorway, the water system in Sofia and public lighting in Mostar were presented. The Mayor of Dubrovnik presented a project of a potential PPP in waste water treatment.

f) PPP Task Force – (B. Snoy)

Working Table II Director Bernard Snoy reported on the progress of the task force and mentioned the projects that are in the list of pilot projects. He mentioned that the IFC is in charge of the BIT facility in Sofia and that there is a new MIGA office in Vienna which does outreach for the western Balkan (Vienna facility).

3. Presentation by Danica Purg on the composition of the Steering Committee Excellence in Public Administration Project and possible funding via ISPA. Contribution from the private sector.

Danica Purg explained the rationale behind the project again, stressing that there are two types of programs: one for public servants and the other for high level managers. She reviewed the requirements for the program. The next step is to now identify appropriate faculty, which should be a mix between experienced public servants and business experts.

Ms. Purg identified 17 topics, which she will send out via email, for guest speakers and asked BAC members to consider which topics are of interest to them.

Ms. Purg will lead a steering committee consisting of Pierre Daures, Giorgio Dominese, Vassili Takas and Bernard Snoy. Others will be approached, including Andras Inotai (Budapest), Goran Pitic, Pierre Casse and (Italian?).

Concerning financing, students will be expected to cover 15-20% of the costs and the rest should come from other sources. Ideally, the pilot module should begin on 13 December.

Ms. Purg asked the BAC to assist in finding money to launch the pilot project. It would be a major marketing tool and it needs to start in 2005 otherwise the momentum will be lost. A total of 150,000 euro is needed for a program of 17 teaching days with 40 participants.

Mr. Daures reminded that the business community needs quality counter parts in public administration and therefore BAC members should provide guest lecturers. The BAC need to 1) provide names of possible lecturer for the subjects, and 2) find funds to finance the pilot project.

Dr. Busek said the BAC needs to approach 3 persons/institutions and ask 50,000 euros each. Dr. Busek said that he will try in Austria and asked Christian Hufnagl to approach the Ostausschuss and Aldo Fumagalli to ask Confindustria. Pierre Daures said he too would ask around. The funds are needed by the end of December so that the pilot project can start in February.

Samo Ivanchich asked if the 50,000 Swiss francs from Liechtenstein in Slovenia for arbitration can be transferred to be used for this project. Dr. Busek will inquire.

4. Action Plan and Priorities 2005 – (N. Efthymiadis)

Nikos Efthymiadis presented his revised Work Plan 2005, based on the comments received since the meeting in Istanbul.

He stressed the importance of local BAC members to actively serve as focal points or liaison between the PRO Committee, FIC, and other structures in their respective countries. They should also regularly inform their government on BAC issues. These local BAC members would send a short report on the situation in their country to the Board 10 days prior to the BAC meeting. The Secretariat will inform the BAC members who is responsible for which country.

Concerning the BAC priorities, the Board agreed that each Board member will assume responsibility for one of the priorities listed and BAC members interested in one or another priority would volunteer to work on that priority..

The following Board members will be responsible for the following priorities, and BAC members who expressed interest in the topics:

Nikos Efthymiadis – relationship with the SEECF

Aldo Fumagalli – investment & doing business and capacity building (Delcan Murphy, Alexandru Munteanu, Danica Purg, Samo Ivanchich, Vebi Velija, Patricia Veevers and Velitcho Alexandrov)

Muhtar Kent – trade and transport facilitation (Sveto Janevski, Yanis Tsorbatzolgou, Cumhur Atilgan)

Christian Hufnagl – public private partnerships (Pierre Daures, Manfred Nussbaumer, Ronald Denom, Bosko Kostic, Velitchko Alexandrov, Patricia Veevers, Danica Purg)

Pierre Daures – relations with the EU, IFIs and other organizations (Bernard Snoy, Bosko Kostic, Declan Murphy, Patricia Veevers)

All Board members will monitor country specific initiatives with the involvement of BAC members, and the issue of visibility will be the task of the Secretariat/BICC.

Mr. Brodach reminded that the BAC needs to focus now on the #1 priority, which at the moment is the EPA project.

5. Decision on the letter to the Prime Minister

The letter was discussed and finalized. It is attached to this report.

6. Meetings 2005

The Board decided on the following meetings for 2005: Skopje -16-17 March (in tandem with the EBRD seminar); Thessaloniki - 30 –31 May; Chisinau - 28-29 September, and Belgrade – the week of 28 November.

7. Other Business

Bosko Kostic presented the Novi Sad Fair, which will be held in October of 2005. All information was sent to the BAC members prior to the meeting. The BAC welcomed this event and agreed that, if time permits, the President of the Novi Sad Fair Mr. Andrejevic could be invited to the next meeting in Skopje.

Samo Ivanchich proposed that the BAC should meet in border regions, where the BAC can have more of an impact. The idea was not so well received out of practical reasons of travel and logistics.

Finally, Maria Bozoudi from the BICC announced that on 5-7 December, the Federation of Industries of Northern Greece will organize a forum on multi-modal transport and trade facilitation in Alexandropolous. The event is funded by EC and World Bank and BAC members are encouraged to attend.

Pierre Daures closed the meeting by thanking the BAC and the Secretariat for the excellent cooperation and support during his one year as BAC chair.

**MEETING IN ZAGREB
16 -17 November 2004**

Participants List

1. Alexandrov, Velitchko - ITA Holding, Bulgaria
2. Bartha, Ferenc – Trigranit, Hungary
3. Bozoudi, Maria - BICC, Thessaloniki
4. Brodach, Georg – ABB, Belgium
5. Budway, Vera Maria – BAC Secretariat
6. Busek, Erhard – Special Coordinator, Stability Pact for SEE
7. Daures, Pierre (*Board*) – Bouygues Group, France
8. Dominese, Giorgio – CSNE, Italy
9. Eckenschwiller, Conrad – Bouygues, France
10. Efthymiadis, Nikos (*Board*) – Efthymiadis Group, Greece
11. Fumagalli, Aldo - Sol, Italy
12. Harms, Michael – Committee for Eastern Europe, Germany
13. Hufnagl, Christian - Deutsche Telekom, Germany
14. Ivanchich, Samo – PartnAir, Slovenia
15. Janevski, Svetozar, Pivara Skopje, Macedonia
16. Kostic, Budimir – Raiffeisen Serbia, Serbia
17. Koshikawa, Yoshinori – Mitsui, Belgrade
18. Munteanu, Alex – Western NIS Enterprise Fund, Moldova
19. Puljic, Ljerka – Agrokor
20. Purg, Danica – IEDC Bled, Slovenia
21. Salvador, Luciano – SOL, Italy
22. Snoy, Bernard - Stability Pact Working Table II, Brussels
23. Trilling, Matthew – Amylum, Slovakia
24. Tsozbatzoglou, Yanis – SECIPRO, Greece
25. Vigroux, Jean-Pierre, Price WaterhouseCoopers, Sofia
26. Veevers, Patricia – MIGA, Washington
27. Velija, Vebi – VEVE Group, Albania
28. Viezzoli, Claudio – EBRD – Director for SEE, London

Regrets

Piet Steel
Andrea Rafaseder
Dimitros Symionidis
Christian Luger
Sergio Valentini
Michael Mix
Muhtar Kent
Cumhur Atilgan
Nermin Salman

Guest -Werner Schoissengeier – VA TECH Croatia

Program

TUESDAY, NOVEMBER 16, 2004

- 14:00 - 15:00 Plenary Session with members of the Croatian Government – Opening Remarks by Prime Minister Sanader (tbc)
- 15:00 – 15:30 Coffee break
- 15:30 – 18:00 Break out sessions:
1) FDI and PPPs in Croatia
2) Non-tariff barriers to trade, with a focus on Corridor X
- 18:30 - Cocktails and reception hosted by Agrokor

WEDNESDAY, NOVEMBER 17, 2004

Meeting of the BAC - Agenda

- 9:00 – 9:15 Opening and administrative issues
- Adoption of the Istanbul report
 - Membership issues, including introduction of new members
- 9:15 – 10:15 Reports
- Board Report, including agenda 2005 (P. Daures)
 - BAC Mission Chisinau (M. Kent)
 - BAC Mission Tirana (N. Efthymiadis)
 - Stability Pact/SECI (E. Busek)
 - Conclusions from the Round Tables
 - PPP Task Force – (B. Snoy)
- 10:15 – 10:45 Presentation by Danica Purg on the composition of the Steering Committee on Excellence in Public Administration Project and possible funding via ISPA. Contribution from the private sector.
- 10:45 – 11:00 Coffee break
- 11:00 – 12:00 Action Plan and Priorities 2005 – (N. Efthymiadis)
- 12:00 – 12:30 Decision on the letter to the Prime Minister
- 12:30 – 13:00 Next meeting – Skopje (S. Janevski) and Other Business
- 13:00 - 14:00 Buffet Lunch

Annex III

**Modus Operandi & Priorities
2005-2007**

Effectiveness of the SP/BAC will depend on demonstrating efficiency, maintaining and developing the SP/BAC network further, enhancing local capacities of the public and private sector, inducing active engagement of members on key issues, and enhancing our communication channels with local governments regarding trade and investment facilitation, as well as their political coordination body (SEECF).

To this end, the SP/BAC operational foci and priorities for the period 2005-2007 should be developed on the basis of **Members' initiatives** and **active engagement**, and evolve around two inter-related and inter-connected axes: first, develop an efficient and **effective internal structure**, and second, provide a **practical approach to regional development**.

To this end, SP/BAC activities and initiatives should consist of solid steps on the following thematics:

1. INVESTMENT / DOING BUSINESS

One of our major priorities involves the improvement of the investment climate, attraction of new investment in the region and facilitation of doing business. To this end, the accumulated experience with the OECD and the Investment Compact can enhance the effectiveness of the SP/BAC. The combination of OECD input and SP/BAC operational experience can and should deliver specific and effective advice to governments on key issues such as:

- Broader regulatory framework
- FDI & operations framework
- Arbitration
- Land ownership
- Credit & financing

2. TRADE & TRANSPORT FACILITATION

Having identified trade and transport facilitation as a primary task of the SP/BAC, our effectiveness and efficiency will be based on the adoption of both a bottom-up and a top-down approach, using the SECIPRO network as a means in this effort. Therefore, SB/BAC strategy should be targeted towards:

- Enhancing and facilitating SECIPRO efficiency and sustainability (both economic and political), so that the network can serve as an information source for policy making, and as an implementation and monitoring mechanism
- Amelioration of the visa regime

- Cooperation with the SP Working Table II on NTBs and providing substantial input on the implementation and effectiveness of suggested policies.

3. CAPACITY BUILDING

One of the biggest problems that the business community is confronting in SEE is the shortage of capacities in key-fields for doing business. That is related not only with the private sector (business partners, employees, etc), but also and primarily in the public sector. Starting with the inefficiencies of the state mechanism, our goal should be to bring to fruition the project on Public Administration. Since capacity building bears a horizontal character, other possible fields where similar activities would be developed include:

- Customs
- Taxation
- Accounting
- Judiciary
- IT
- PPPs

4. RELATIONS WITH THE EU, IFIs & OTHER ORGANIZATIONS

Building up on past work and achievements, the SP/BAC needs to maintain and deepen the existing contacts with various EU bodies and the Commission, as well as with other IFIs and international institutions. In that respect, members are requested to participate in BAC efforts to:

- Liaise with specific DGs (TREN, TAXUD, RELEX)
- Make contacts with various organizations and groups at their own initiative (eg EIC, ERT etc)
- Collaborate with IFIs in adopting specific guidelines for presentations at SP/BAC meetings

5. SOUTHEAST EUROPEAN COOPERATION PROCESS (SEECP)

Developing closer relations with SEECP has always been among the primary goals of the SP mechanism. The SP/BAC should contribute to this process, by developing a strategic approach to SEECP, so as to increase effectiveness of private sector cooperation with local governments and the local public sector.

6. PUBLIC PRIVATE PARTNERSHIPS (PPP)

Facilitation of Public Private Partnerships is another important and strategic goal of the SP/BAC. Taking into account the existing difficulties in the operating environment, especially with regard to large infrastructure works, efforts for strengthening the relationship and communication between the public and private sector should focus on smaller scale initiatives and projects, such as utilities, municipal infrastructure, electricity distribution, etc. Given that the major obstacles for the fruition of successful PPPs are of

a similar nature in the broader SEE, SP/BAC efforts & advice should focus on specific issues, such as:

- legislation on contracting with the state & other partners
- transparency and information flow
- government guarantees and payments
- identification of credible/trustworthy local partners
- financing (local & international)

7. COUNTRY-SPECIFIC INITIATIVES

The SP/BAC should be able to respond to country-specific problems by taking selected and well targeted practical initiatives whenever and wherever that is necessary, following consultations with local partners (FICs, PRO Committees).

8. VISIBILITY

Increasing visibility of the SP/BAC and its achievables is a very important goal for the period 2005-2007. SP/BAC aim will be to enhance recognition of our work by the broader development and investment network in the region, through activities such as the following:

- Reproduction of the BAC leaflet
- Production of a small “identity booklet” with members’ details
- Press releases and coordination of press conferences after meetings, whenever possible
- Participation and representation of the SP/BAC in various regional and international fora
- Organization of at least one annual forum in the region
- Development of a website

BAC MEMBERS VOLUNTARY CONTRIBUTION

BAC efficiency would greatly benefit from any voluntary commitment of its members, who could offer their support on two specific areas:

a. Support for activities on a local level

In order to promote country-specific initiatives of the SP/BAC, Members could significantly contribute to sustaining and promoting relations with:

- The broader investment and development network (SECIPRO, FICs)
- Local governments (eg through the facilitation of business missions, coordination of meetings, facilitating communication with officials, etc)

b. Support for relations with the EU and the IFIs

Having identified priorities for the development of further initiatives (investment & doing business, trade and transport facilitation, capacity building for the public sector, PPPs), closer relations with the European Commission and various European professional and business associations should be pursued on these particular topics.

Annex IV

Zagreb, 17 November, 2004

Your Excellency,
Dear Mr. Prime Minister,

The Business Advisory Council (BAC) for South Eastern Europe would like to extend its deep appreciation to you and your ministers for taking the time to attend and contribute to the business promotion events and round tables organized here in Zagreb during the past two days. We would also like to thank you for your support and hospitality during our stay in your capital.

Our meetings allowed us to make note of the positive developments in your country with great satisfaction. Croatia is truly making progress in moving towards a more competitive market economy.

We totally support your action and efforts on essential subjects for potential investors, such as trade and border crossing facilitation, the rule of law, the implementation of laws, a fair and predictable judicial system – especially commercial courts, the fight against corruption, the privatization process, national treatment, and simplification of procedures. We insist on the necessity of a real and effective implementation of reforms, including the commitments made under the auspices of the investment compact.

The BAC appreciates the political will of the Government of Croatia to resolve the problems of border crossing and trade facilitation and transport. We believe this will help Croatia to foster competitiveness, especially among the SMEs of the region. At the same time, the BAC fears that Croatia will not be ready to make use of funds available due to weak capacities and a lack of clearly defined priorities, concerning infrastructure investments (green field in the energy sector), including Public Private Partnerships, and privatization, giving serious consideration for tourism activities.

We have annexed to this letter six very practical priorities that we feel should be immediately addressed. These priorities are the results of consensus reached during the past two days of meetings and discussions. Substantial improvements in these areas will have a very favorable on the decision making of investors.

In the name of the BAC, Mr. Prime Minister, I am at your disposal for further discussions and consultations.

Respectfully yours,

Pierre Daures
Chairman of the BAC Board

PRACTICAL PRIORITIES TO BE ADDRESSED

1. Accelerate full implementation of laws, by the government, local administration and courts, where long delays do not foster investment. Special attention should be focused on property rights (cadastre, etc.)
2. Improve dialogue with the business community and the institutional framework for servicing investors, with special consideration given to EU accession, where real and effective implementation of the 31 chapters will be required on the ground.
3. Remove rapidly all non-tariff trade barriers and border crossing difficulties in cooperation with neighboring countries, which in any way are not negotiable with the European Commission.
4. Expand and accelerate educational and training programs for civil servants at the state and municipal level, in order to allow the country to make full use of the funds of the EU and the IFIs, and of opportunities presented by foreign investors.
5. Have a legal framework for PPPs, at the state and municipal level, including issues of ownership, financial capacity, procedures and regulations.
6. Provide a framework of incentives for the development and promotion on SMEs.