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## INFORMAL WORKING GROUP ON MSMEs<sup>1</sup>

### 2023 ANNUAL REPORT

#### 1 INTRODUCTION

1.1. On 13 December 2017, at the 11<sup>th</sup> Ministerial Conference (MC11), 88 WTO Members representing all major regions and levels of development established the Informal Working Group on MSMEs ([WT/MIN\(17\)/58/Rev.1](#)). In their Joint Ministerial Statement, the "Friends of MSMEs" committed to discussing and identifying "horizontal and non-discriminatory solutions" to improve the participation of MSMEs in international trade while considering the specific needs of developing economies.

1.2. The following Annual Report describes the activities of the MSME Group in 2023. With approval from the Group, the Coordinator's role was transferred on 26 April 2023 to H.E. Mr Matthew Wilson, Ambassador of Barbados from H.E. Mr José Luís Cancela, Ambassador of Uruguay. Following an announcement to join by the United Arab Emirates<sup>2</sup>, the MSME Group counts 98 members.<sup>3</sup>

1.3. A draft Coordinator's Report ([INF/MSME/W/45](#)) summarizing the key activities undertaken and outcomes achieved by the Group since its establishment in 2017 was issued in advance of MC13. Further, a draft compendium on Special Provisions for MSMEs in Authorized Economic Operator (AEO) Programs ([INF/MSME/W/47](#)) and a joint compendium with the International Trade Centre (ITC) and the Informal Working Group on Trade and Gender on Access to Finance for Women-led Micro, Small and Medium-sized Enterprises (MSMEs) ([INF/MSME/W/46-INF/TGE/W/7](#)) were also issued by the Group.

#### 2 OPEN-ENDED MEETINGS HELD BY THE INFORMAL WORKING GROUP ON MSMEs DURING 2023

2.1. The MSME Group held five open-ended meetings during 2023, the first on 13 March, followed by 26 April, 3 July, 9 October and 7 December.

2.2. On 13 March, the Group held its first open-ended meeting of 2023 to discuss regular work for the year ahead ([INF/MSME/CN/20](#)). A new work program was proposed focused on five pillars: 1) promoting MSMEs' access to information, especially through the Trade4MSMEs website; 2) building capacity to promote MSME trade inclusion by compiling information in handbooks, such as the Trade4MSMEs guides, or in a compendium of good practices; 3) providing policy guidance on

<sup>1</sup> Previous Annual Reports include [JOB/GC/207](#) dated 3 December 2018; [INF/MSME/R/13/Rev.1](#) dated 9 December 2019; [INF/MSME/R/21](#) dated 15 December 2020; [INF/MSME/R/30](#) dated 11 February 2022 and [INF/MSME/R/35](#) dated 15 March 2023.

<sup>2</sup> The announcement was received on 28 March 2023.

<sup>3</sup> Members of the Informal Working Group on MSMEs are: Afghanistan; Albania; Antigua and Barbuda; Argentina; Armenia; Australia; Bahrain, Kingdom of; Barbados; Belize; Brazil; Brunei Darussalam; Canada; Chile; China; Colombia; Costa Rica; Côte d'Ivoire; Dominica; Dominican Republic; Ecuador; El Salvador; European Union and its 27 Member States; The Gambia; Georgia; Grenada; Guatemala; Guyana; Honduras; Hong Kong, China; Iceland; Israel; Japan; Kazakhstan; Kenya; Korea, Republic of; Kyrgyz Republic; Lao People's Democratic Republic; Liechtenstein; Macao, China; Malaysia; Mexico; Moldova, Republic of; Mongolia; Montenegro; Myanmar; New Zealand; Nicaragua; Nigeria; North Macedonia; Norway; Pakistan; Paraguay; Peru; Philippines; Qatar; Russian Federation; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Saudi Arabia, Kingdom of; Singapore; Switzerland; Chinese Taipei; Tajikistan; Türkiye; Ukraine; United Arab Emirates; United Kingdom; United States of America; Uruguay and Viet Nam.

topics of interest to the Group; 4) implementing the December 2020 MSME Package; and 5) strengthening engagement with the private sector and other stakeholders through the Group's Newsletter and annual meetings with the private sector. Members were supportive of this proposed Work Programme. The two winners of the 2022 Small Business Champions competition, Association Professionnelle Accompagnements Valeurs Expertises Conseils (A.V.E.C.) (Benin) and the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), then presented the progress of their projects. Both representatives noted the importance of winning the International Chamber of Commerce (ICC), International Trade Centre (ITC), and WTO MSME Group Small Business Champions award for the exposure it provided and the way it allowed additional networking and identification of resources. The Group also received three presentations. The first was from the ITC regarding India's presidency of the G20 for which the ITC was invited to serve as a knowledge partner. For the second, the ITC presented on its most recent SME Competitiveness report titled "Connected Services, Competitive Business". And lastly for the third, the ICC presented their recent SME Climate Impact Report in which they identify policy levers that can help MSMEs take more climate action. The Coordinator also announced that the third edition of the ICC-ITC-WTO MSME Group Small Business Champions would be released on 16 March via social media. Separately, the Group agreed to issue a call for research papers on the impact of MSME provisions in regional trade agreements, with papers due in August. Finally, Ambassador José Luís Cancela, who has been coordinator of the MSME Group since 2018, announced his impending departure from Geneva and invited delegations interested in coordinating the activities of the Group to make their position known. Ambassador Matthew Wilson from Barbados expressed an interest in taking on the roll. A full summary of the meeting and of presentations received is available in document [INF/MSME/R/36](#).

2.3. The MSME Group held its second open-ended meeting of the year on 26 April 2023 ([INF/MSME/CN/21](#)). Barbados' Ambassador, Matthew Wilson, was formally appointed as the new MSME Group Coordinator following the call for volunteers during the first meeting of 2023. The outgoing Coordinator, Ambassador José Luís Cancela (Uruguay), provided a summary document, [INF/MSME/R/37](#), detailing key outputs and decisions by the MSME Group during his tenure from 2018. The Group's meeting opened with an experience sharing session organized by Singapore on MSMEs and digitalization policy. The focus was on understanding Digital Economy Agreements (DEA), digital trade facilitation, and UNCITRAL's work. The MSME Group also received three presentations from external participants on: 1) the current G20 presidency's agenda to support MSMEs; 2) WIPO's 2022 report on intangible asset finance; and 3) the ITC's Standards Map and its Trade for Sustainable Development (T4SD) Programme. Under other business, the United States brought a presentation to the MSME Group's attention titled "Who Notices Notifications," which was held on the margins of the Council on Trade in Goods. It was noted that during the event, panellists highlighted the challenge of staying up to date with all the WTO's notifications, especially resource-constrained MSMEs. Following the MSME Group's meeting, more than 50 people participated in the annual meeting with the private sector. A full summary of the meeting and of presentations received is available in document [INF/MSME/R/38](#).

2.4. The third MSME Group meeting was held on 3 July 2023 ([INF/MSME/CN/22](#)) and was the first meeting chaired by the new Coordinator. The meeting had five presentations by external speakers and active discussion and experience-sharing by members on MSME trade-related subjects in advance of MC13. The Secretariat kicked off the meeting with a presentation of the revamped version of the Trade4MSMEs website and The Trade Game, which was launched on 27 June for MSME Day. The United Kingdom submitted a communication for discussion titled "Supporting Women-Owned MSMEs" ([INF/MSME/W/43](#)). The document describes the challenges women-owned businesses face to access finance and includes recommendations for actions. The Coordinator suggested that given the interest in further exploring programmes for supporting women-owned and led businesses to access finance, there was merit in the MSME Group collating country experiences into a compendium. Members endorsed this suggestion. MSME Group members also gave a mandate to the Coordinator to prepare a draft MC13 outcome document under his responsibility that would reiterate the importance of facilitating MSME trade and include some high-level commitments discussed within the MSME Group. Discussion throughout the meeting returned to concrete deliverables for MC13 and the Group decided to work on compendiums of good practices on: 1) AEO programs and MSMEs; and 2) financial inclusion of women-owned MSMEs following the UK proposal, to be developed jointly with the Informal Working Group on Trade and Gender. Five presentations were received from: 1) the World Customs Organization (WCO) on their AEO SAFE Framework and the WCO's efforts to support MSME inclusion; 2) The International Chamber of Commerce (ICC) on their Digital Standards Initiative which aims to create an enabling regulatory environment and promote the use and alignment of global standards to promote paperless trade; 3) the International Federation of Freight

Forwarders Associations (FIATA) on the value of digitizing trade documents, especially for MSMEs, and their ability to cut costs and time and facilitate access to finance; 4) the World Trade Board on their recent Financial Inclusion in Trade Roadmap and five action points to align regulatory infrastructure and increase MSME access to trade finance; and 5) the International Trade Centre (ITC) on their Alliances for Action program to support sustainable agriculture by smallholder farmers through market development, south-south collaboration between farmer organizations, and access to finance. Uruguayan officials from capital also joined the meeting to share their experience of integrating MSMEs within their national AEO program. Separately, two of the three 2023 ICC-ITC-WTO MSME Group Small Business Champions, COPROGENY from Cameroon and Divasity.com from Nigeria, were able to join the MSME Group meeting to present their winning proposals to the members. And lastly, the Coordinator informed the Group that he had discussed the idea of a joint workshop and solutions lab on the circular economy, women-led MSMEs and trade with the co-conveners of the Informal Working Group on Trade and Gender and Trade and Environmental Sustainability Structured Discussions (TESSD). It was noted the event would take place in September. The ITC provided an update on the new information available in the Global Trade Helpdesk related to digital payments, *de minimis* thresholds, online marketplaces and online payment solutions. The ITC also briefed the Group on the G20 Jaipur Call for Action, which calls upon the ITC to work on a detailed implementation plan in consultation with UNCTAD and the WTO for upgrading the GTH to address information gaps faced by MSMEs. A full summary of the meeting and of presentations received is available in document [INF/MSME/R/39](#) and [INF/MSME/R/39/Corr.1](#).

2.5. On 9 October 2023, the MSME Group held its fourth open-ended meeting ([INF/MSME/CN/23](#)). The Group discussed preparations for MC13 and welcomed the draft Coordinator's Report ([INF/MSME/W/45](#)), which summarizes the work accomplished since the Group's establishment in December 2017 including the December 2020 MSME Package of six recommendations and declarations ([INF/MSME/4/Rev.2](#)); the Trade4MSMEs website; the databases of MSME provisions in regional trade agreements and trade policy reviews; the Trade4MSMEs Network; The Trade Game; and the ICC-ITC-WTO MSME Group Small Business Champions initiative. The Report also recaps discussions that the Group has had over the past two years and highlights key ideas that have emerged from these discussions to help structure work after MC13. Members were supportive of the text. The draft compendium on Access to Finance for Women-led MSMEs ([INF/MSME/W/46-INF/TGE/W/7](#)), a joint document with the Informal Working Group on Trade and Gender and supported by the ITC, was reviewed. The Coordinator noted that the draft compendium on Authorized Economic Operator (AEO) programs with a MSME dimension was being prepared and would be sent to members for review. The World Bank Women Entrepreneurs Finance Initiative (We-Fi) delivered a presentation to the Group. The initiative encourages voluntary commitments by signatories to promote access to finance for women entrepreneurs, particularly through data tracking and improved data quality. The OECD briefed the Group on their Ministerial Meeting from June 2023 under the theme Managing Shocks and Transitions – Future Proofing SMEs and Entrepreneurship Policies. The OECD underscored that there would be no net zero global emissions without MSME inclusion and that there was a need to embed a MSME lens in broader policies. The Aid-for-Trade Secretariat briefed the Group on the biannual Global Trade Review that will take place from 26-28 June 2024. As the review will coincide with MSME Day (27 June), the Coordinator suggested organizing an event at the Aid-for-Trade Review to celebrate the occasion. The third 2023 ICC-ITC-WTO MSME Group Small Business Champions winner, Hey Success!, from the Philippines, provided an overview of their Agripreneurship project and progress made so far. A full summary of the meeting and of presentations received is available in document [INF/MSME/R/40](#).

2.6. The Group held its last meeting of the year on 7 December 2023 ([INF/MSME/CN/24](#)). The Group reviewed the expected outputs for MC13 including: 1) a joint compendium on Access to Finance for Women-led MSMEs ([INF/MSME/W/46-INF/TGE/W/7](#)) with the IWG on Trade and Gender and the ITC; 2) a compendium on Special Provisions for MSMEs in Authorized Economic Operator (AEO) Programs ([INF/MSME/W/47](#)); and 3) business and policymaker handbooks compiling the guides of the Trade4MSMEs website. Separately, members updated the Group on their work to implement the December 2020 MSME Package of Recommendations and Declarations. The EU commented on their work to develop MSME-related trade policies and Hong Kong, China reported on the inclusion of information on MSME-related statistics and programmes in their trade policy review. Presentations of research received in relation to the Group's March 2023 call for papers on "MSME Provisions in Regional Trade Agreements: Objectives and Observed Outcomes" were then made. Two papers were provided by the delegation of the Philippines titled "The Impact of FTA Import Utilization on Firm Performance: An Assessment of Philippine Manufacturing MSMEs" and "Survey on MSME/MSME-Related Provisions in APEC Economies' FTAs/RTAs". The UN Economic

Commission for Africa (UNECA) provided a third presentation titled "What is the positioning of SMES in the African Continental Free Trade Area (AfCFTA): Key findings based on the AfCFTA Country Business Index". The Group also received three external presentations, including from the delegation of Chile to the WTO on their support for industrial cooperatives and the inclusion of MSME-related language in RTAs; the ITC on their recently released SME Competitiveness Outlook (SMECO) on Small Businesses in Fragility; and the Digital Cooperation Organization (DCO) on their work to support digital entrepreneurs through the STRIDE Association and women entrepreneurs through Elevate 50. The first "MSME Spotlight" occurred and featured a woman-led candle business from Barbados. Tamara Gibson, the chief chandler, joined online to describe her business, the importance of e-commerce through her own website, and the challenges she encounters to trade internationally. Finally, under "Other Business" the United States briefly alerted the MSME Group to their recently held webinar on the digital frontier for agriculture in developing economies and the Coordinator informed the Group that the proposed theme of the 2024 edition of the ICC-ITC-WTO MSME Group Small Business Champions competition would be "Supporting Trade by Indigenous Peoples". A full summary of the meeting and of presentations received is available in document [INF/MSME/R/41](#).

### 3 IMPLEMENTATION OF THE DECEMBER 2020 MSME PACKAGE

3.1. Members continued to implement the December 2020 MSME Package ([INF/MSME/4/Rev.2](#)).

#### 3.1 Annex 1

3.2. The Secretariat updated its database of MSME references in TPRs through mid-year 2023, including new entries from 1996 and 1997. Additionally, Brazil, Chile, the European Union, Hong Kong, China, Japan, Chinese Taipei and Türkiye included MSME information or dedicated sections in their reports.

#### 3.2 Annex 2

3.3. The ITC presented to the MSME Group regularly throughout 2023 on updates made to the Global Trade Helpdesk. Over the year, the Global Trade Helpdesk platform was expanded to include a new Go Digital section featuring information on *de minimis* values from the Global Express Association; e-commerce transactional marketplaces across economies; as well as digital payment coverage and payment solutions. The platform also now includes WTO notifications on Quantitative Restrictions, complementing the coverage for other non-tariff measures. The Global Trade Helpdesk was presented to over 1,300 businesses and business support organizations at events including the ICC World Chambers Congress, UN Arab SME Summit, ASEAN Business Summit as part of the Digital Export Enablement programme across ASEAN markets, and in open webinars with the Trade4MSMEs platform. The platform was recognized by Trade and Investment Ministers at the G20 in India as a veritable and inclusive source of trade information for MSMEs and nominated for technological enhancement as part of the Jaipur Call for Action.

3.4. MSME Group members were also called on to continue their review of the information, with a total of 43 members having completed the exercise.

### 4 OTHER ACTIVITIES

#### 4.1 Other

4.1. The Group met virtually with the private sector in April 2023 in the afternoon of the second open-ended meeting of the year. More than 50 people participated in the annual meeting and participants stressed the importance of unifying regulation and standards to reduce compliance costs for MSMEs as well as the need for more training to raise awareness and build capacity. Cooperation with the ICC and the ITC was welcomed and further encouraged. It was noted that consideration should be given to developing compendiums of good practices on issues such as trade facilitation – an approach that the Group also discussed at their first meeting in 2023.

4.2. The WTO MSME Group celebrated international MSME Day on 27 June 2023 with the launch of a completely revamped version of the Trade4MSMEs website, made possible through the financial support and strategic partnership of the UK Institute of Export and International Trade (IOE&IT). The updated Trade4MSMEs website is meant to be a first stop for goods and services traders as well

as trade policymakers, with guides on each of the main considerations that exporters and importers need to review as well as guides on key topics for trade officials. The site now features new navigation tools; a separate section for MSMEs that trade services; more than 40 MSME guides; over 600 resources in the library; and new national pages with country-specific tools and links for MSME traders. In tandem with the overhaul of the Trade4MSMEs website, IOE&IT and the WTO MSME Group Secretariat created The Trade Game, which was also launched on MSME Day. This "choose your own adventure" online game brings players through some of the decisions and challenges of exporting as a micro enterprise.

4.3. The third iteration of the ICC-ITC-WTO MSME Group Small Business Champions initiative with the theme "Helping Smallholder Farmers go Global" was held and three winners were announced on MSME Day 2023 by H.E. Mr Matthew Wilson, Ambassador of Barbados and MSME Group Coordinator; Ms Pamela Coke-Hamilton, Executive Director, International Trade Centre; Mr John Denton, Secretary General, International Chamber of Commerce; and Dr Ngozi Okonjo-Iweala, Director-General, World Trade Organization. The winning proposals included "Capacity Building Support for Women Cassava Producers to Improve the Quality and Quantity of Competitive Cassava-Derived Products on the International Market" by Coprogeny from Cameroon; "Agripreneurship" by Hey Success Virtual Assistance Services in the Philippines; and a "Funding and Market Readiness Program for Agribusinesses" by Divasity.com in Nigeria. A panel discussion was also held in connection with the ICC-ITC-WTO MSME Group Small Business Champions initiative on the importance of smallholder farmers for trade inclusivity and the challenges these traders face. Four panellists from the public and private sector including the FAO; Brazil's Ministry of Agrarian Development and Family Agriculture; CABI Southeast and Pacific Asia; and Avoport, a South African agricultural supply chain integrator, joined together for a moderated discussion by the ICC to discuss challenges and public private partnerships that have supported trade by these participants.

4.4. The second annual meeting of the Trade4MSMEs Network was held on 28 June 2023. This followed from the proposal by the MSME Group Coordinator in early 2022 to organize a regular discussion among international institutions that work to support MSME economic participation, with the objective of keeping the Trade4MSMEs website up to date and of fostering cooperation among the participating organizations. Nine International Organizations joined the MSME Group Coordinator and Secretariat for a virtual discussion. The discussion was centred around two questions: first, "what are the top 3-5 issues that MSME constituents in your network have flagged over the past year?"; and second, "what are solutions your organization has been working on, or considering, to address these challenges?". In relation to the first question, interventions were made by ADB, UNECLAC, UNCTAD, ITC and EIF. One of the primary issues that was raised was access to finance, including trade finance and supply chain finance, especially for women-owned businesses. For the second question, ADB, ITU, ITC, UNECLAC, UNCTAD and EIF discussed various activities that have been undertaken in the past one to two years to support MSME trade inclusion. Digitalization, digital trade and e-commerce received particular attention.

4.5. The MSME Group, together with the IWG on Trade and Gender and the Trade and Environmental Sustainability Structured Discussions (TESSD) held a Joint Solutions Lab on 28 September 2023 to discuss the intersection of these groups' work, how to bring cohesion to WTO efforts, and to listen to women-led MSME traders' experience on the ground. The event featured a keynote address by the WTO Director-General and continued with an ambassadors' roundtable that called for continued cooperation and cohesion among the WTO initiatives, investment in women owned businesses and those led by indigenous communities, supporting all MSMEs to embrace the circular economy, and the need to have greater development of more granular economic data on women-led MSMEs. This was followed by a business panel that highlighted the increased awareness of environmental, social and corporate governance (ESG) by businesses and the growing consumer demand for responsibly produced products. The business panel called for better use of technology and technological interoperability as well as training and improved HS classification for recycled or sustainable goods.

4.6. As Coordinator of the MSME Group, Ambassador Matthew Wilson was invited to participate in various meetings and webinars organized by external stakeholders to raise awareness concerning the efforts of the Group. This included an intervention within the UN MSME Day programme, participation in an Informal Dialogue on "Advancing Interests of the Least Developed Countries (LDCs)" organized by CUTS as well as a breakfast meeting co-hosted with the ITC Executive Director to brief the African Union Trade Commissioner on the importance of the MSME Group's work.

4.7. Additionally, the Coordinator issued three Newsletters over 2023 ([2023-Spring](#), [2023-Summer](#) and [2023-Fall](#)). Newsletters covered updates on the work of the Group and its initiatives including the Trade4MSMEs web platform; presentations the MSME Group received; and the ICC-ITC-WTO MSME Group Small Business Champions.

## **5 CONCLUSION**

5.1. The Informal Working Group adopted the present Annual Report (2023) ad referendum at its 7 December 2023 open-ended meeting.

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