Foreword

In recent years, the Government of Armenia has demonstrated a strong commitment towards promoting private sector-led growth, including with a specific focus on supporting the development of small and medium-sized enterprises (SMEs) and facilitating their digital transformation. The OECD has been actively supporting these efforts through various initiatives aimed at advancing the design and implementation of SME policies and promoting digitalisation within the business landscape.

Armenia has prioritised the digital transformation as a key policy objective. In 2021, the government approved the Digitalisation Strategy of Armenia for the period 2021-25 (DSA), underscoring its dedication to leveraging digital technologies to enhance efficiency, transparency, and data-driven practices in public administration. Notably, the DSA recognises the pivotal role of SMEs in driving economic progress, underscoring the importance of equipping businesses with digital skills and promoting the widespread adoption of digital solutions throughout the country.

To this end, the OECD has provided policy advice to Armenia, offering guidance on creating an enabling environment and implementing policies to promote the adoption of digital business skills within SMEs. A particular emphasis has been placed on addressing sectoral and size-related disparities in digitalisation levels observed among SMEs in Armenia. Survey data from the World Bank highlights that while a considerable proportion of SMEs in the country utilize computers and have internet access, the extent of adoption of more sophisticated IT solutions varies significantly across sectors and enterprise sizes. Despite ongoing efforts to digitalise, a gap persists in the adoption of advanced solutions such as specialised software and cybersecurity measures.

Leveraging insights gathered through extensive research and engagement with local stakeholders through a series of stakeholder meetings, this report summarises the key findings and provides actionable policy options to 1) improve the framework conditions for SME digitalisation, 2) build a structured system for SME digitalisation support, and 3) foster synergies in the existing ecosystem.

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Draft recommendations have been discussed at the OECD Eurasia Competitiveness Roundtable on 14 December 2023. This peer review note will be circulated for further comments in April 2024, with the aim of publishing the report by July 2024.



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