

**Expert Meeting on Investment, Innovation and Entrepreneurship for
Productive Capacity Building and Sustainable Development**

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Introductory remarks

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Excellencies,
Distinguished delegates,
Ladies and gentlemen,

It is a pleasure to welcome you to this Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity Building and Sustainable Development. I would like to thank all the experts, speakers and participants who have joined us here to share their experiences and the lessons learned in this very pertinent area of business activity. The interest this meeting has generated confirms indeed the need to have this discussion, particularly as we consider how we maximize the private sector's contribution to help deliver on the Sustainable Development Goals, under the post-2015 Development Agenda.

The SDG proposal cites poverty as the greatest global challenge facing the world today. Its eradication is slated as the first goal in pursuit of achieving sustainable development. But at the heart of the poverty problem are economic fundamentals. The most compelling way out of poverty is to put poor people into jobs and to increase their household incomes. However, we are witnessing an era of high unemployment – both in the developed and developing worlds – and jobless growth is a mounting problem. The trouble with joblessness can in large measure be ascribed to the type of investment that predominates in the world today. While an enormous amount of money is injected into the market, there is a clear lack of investment in the real economy. It is in the world of bricks and mortar where sustainable jobs are most persistently generated. And in this real world, small business and the entrepreneurs that run them are of fundamental importance.

We all know that small businesses are engines for job creation. Small and medium sized enterprises on average provide two-thirds of all formal jobs globally and account for ninety per cent of all new businesses. In low-income countries in Sub-Saharan Africa, small businesses keep as many as eighty per cent of the total working population in employment.

Small enterprises' utility stretches beyond jobs. These entities can also be important catalysts for other goals in the development agenda. Entrepreneurship can foster inclusive economic development by opening avenues of opportunities for women and youth. What is more: entrepreneurship is a key vehicle to unlock innovation. Entrepreneurship thus has the potential to bolster our efforts to solve other social and environmental concerns. So fostering small enterprises is a compelling value proposition to fast track progress on development imperatives. The global drive to meet our development challenges, and in particular the proactive engagement to involve the private sector, therefore provides clear political impetus to concentrate efforts and dedicate resources to entrepreneurship development.

However, entrepreneurs in developing countries and transition economies face numerous challenges that limit their potential and their capacity to contribute to economic development. Many countries do not have the appropriate policies in place, and lack the requisite institutional framework to support their entrepreneurs and allow for entrepreneurial activity to thrive. The challenge, then, is to set up such a framework.

The clear developmental benefits associated with entrepreneurship have impelled UNCTAD to pursue a longstanding and comprehensive work programme entirely dedicated to enterprise development. This work has culminated in the development of our Entrepreneurship Policy Framework, or the EPF, to assist policy makers build a coherent and comprehensive approach to entrepreneurship strategies and policies. It identifies policy objectives and options; proposes case studies and provide examples of effective practice. It also provides pointers for monitoring and evaluation, and suggests indicators to measure progress.

Its particular value is the multi-faceted prism through which the EPF approaches entrepreneurship development. The framework consists of six key components, each of which zooms in on a different facet of the spectrum of vital elements that need fine-tuning to ensure enterprises can be born, they can grow, and they can thrive. These components are:

- Formulating National Entrepreneurship Strategy
- Optimizing the Regulatory Environment
- Enhancing Entrepreneurship Education and Skills Development
- Facilitating Technology Exchange and Innovation
- Improving Access to Finance
- Promoting Awareness and Networking

Now, UNCTAD technical assistance work in turn focuses on each of these components where governments need guidance to shape a holistic entrepreneurship response, or entrepreneurs require help to overcome obstacles in the regulatory or market space. These interventions include our work with e-Regulations, which give guidance to entrepreneurs on the regulatory requirements to open and operate a business in their particular country.

There are also the Empretec entrepreneurship development centres in 36 countries, which were launched in 1988 and have since provided entrepreneurship training, networking opportunities as well as business development services to more than 350,000 entrepreneurs in developing countries and transition economies. UNCTAD's business linkages programme, delivered in about 10 developing countries, is another crucial link in the chain to support small businesses. It helps build business ties between domestic SMEs and larger corporates, tying them into supply chains, which ensure these entities have access to steady demand and income. Moreover, these links give small businesses access to an array of other invaluable benefits, such as technology, knowledge and skills, and services to improve their business and management practices, and facilitate access to finance and markets.

And then there is our recently launched Business Schools for Impact project. This initiative will help business schools obtain teaching materials, case studies and practical internship opportunities to teach their graduates the skills and attitudes to start and run businesses that can make a difference to the lives of poor consumers and producers. In this way we start fostering entrepreneurial spirit, geared towards sustainable development, already in the classroom.

All of these technical assistance efforts complement our policy advice and research, and means our work does not remain in the realm of theory, but practically helps grow the wings to allow entrepreneurs to fly.

Ladies and Gentlemen,

Entrepreneurship indeed has a key role to play in the post-2015 development agenda. It is a multi-faceted and rich phenomenon covering an array of intersecting areas and representing a broad range of challenges. These are reflected in our agenda. Today and tomorrow, we will hear the views of young entrepreneurs, social and female entrepreneurs, impact investors, policy makers, delegates and business executives, on how to leverage entrepreneurship for sustainable development.

Our challenges ahead are formidable. To ensure that entrepreneurship realizes its full potential and contribute effectively to the SDGs, we need to build a new generation of entrepreneurs who have a vision for sustainable development and inclusive growth. I wish to

reiterate UNCTAD's commitment to this work and encourage all of you to join our efforts in making entrepreneurship an engine for sustainable development.

Your recommendations will be of utmost importance as we prepare the ground for the UNCTAD XIV quadrennial conference, which takes place next year in Peru. I therefore look forward to the outcome of this Expert Meeting and wish you fruitful and stimulating deliberations.

Thank you.