



How MSMEs in LDCs can contribute to developing productive capacities and fostering structural transformation in LDCs

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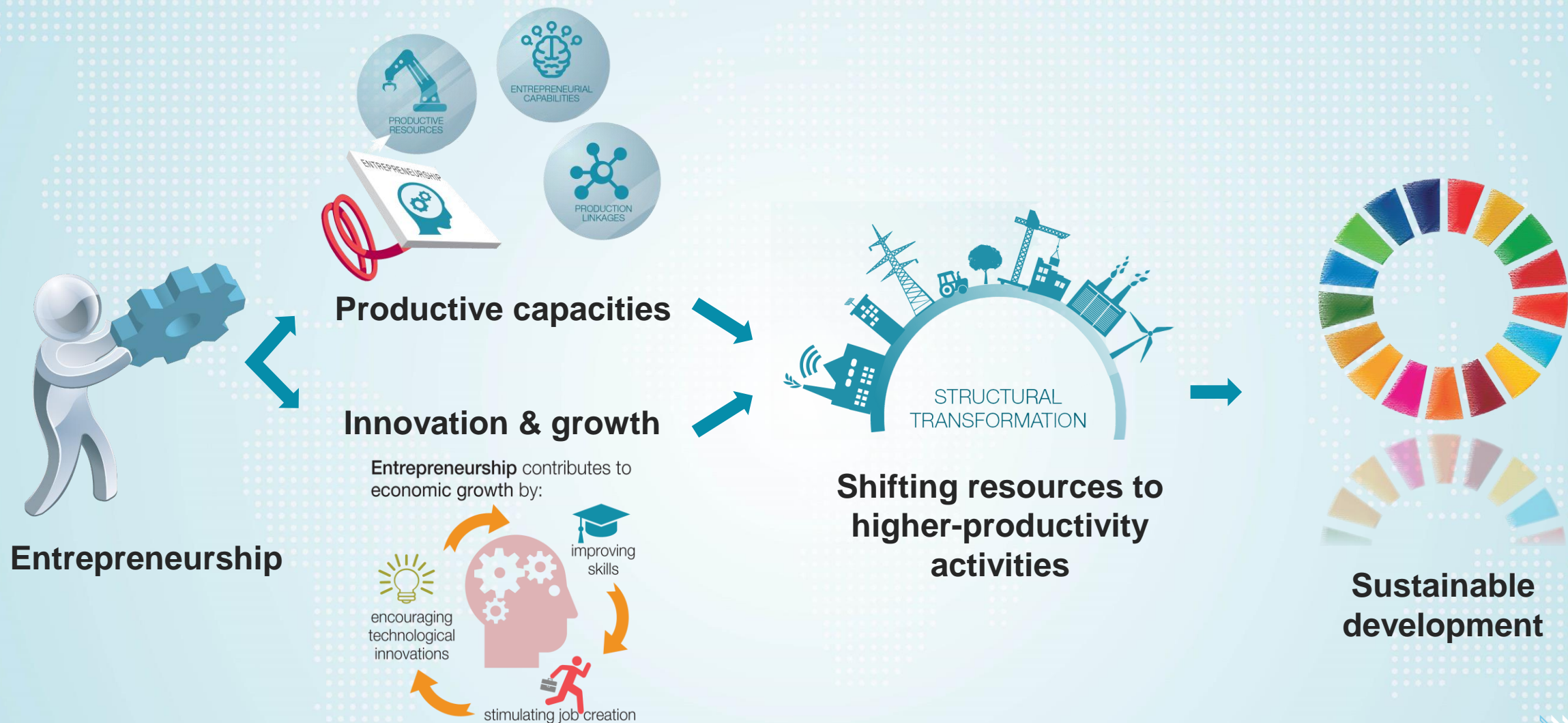
Priorities for the SME ecosystems for the next Programme of Action for the LDCs: Missing middle, SMEs and their productive capacities – Side-event to the Financing for Development Forum

New York, 13 April 2021

ENTREPRENEURSHIP – SDG LINK

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Enterprises that contribute most to economic transformation:

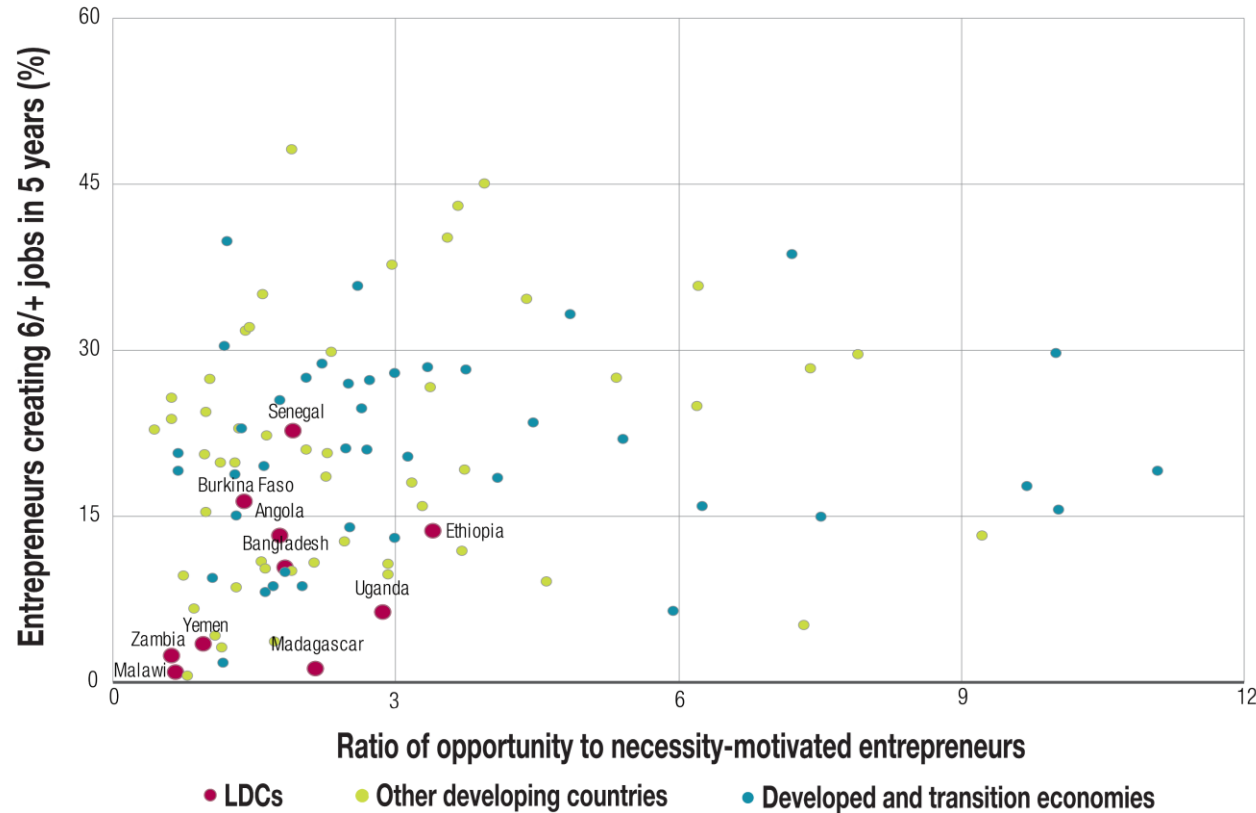
- opportunity-driven
- innovative → introduce new products & technologies
- dynamic → grow in time



LDC ENTREPRENEURIAL LANDSCAPE

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Most involved in business activity imitating other firms

- Low value added
- Low growth
- Short life cycle
- Little innovation

⇒ Limited potential to transform economy



POLICIES FOR TRANSFORMATIONAL ENTREPRENEURSHIP

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Entrepreneurship policies that explicitly target structural transformation ensure long-term sustainability and inclusiveness, and help reaching SDGs



STRATEGY
FOR LDC
ENTREPRENEURSHIP
POLICY



POLICIES FOR TRANSFORMATIONAL ENTREPRENEURSHIP

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- **Firms face many barriers in start-up and scale-up stages**
 - **They can be addressed through:**
 - horizontal policies (e.g. financial system, infrastructure, formalization)
 - more targeted vertical policies (e.g. extension services)
- **Constant dialogue between government and private sector**
 - **Interactive learning**

THE ENTREPRENEURIAL
STATE TAILORS SUPPORT

ACCORDING TO STAGES OF FIRMS' LIFE CYCLE

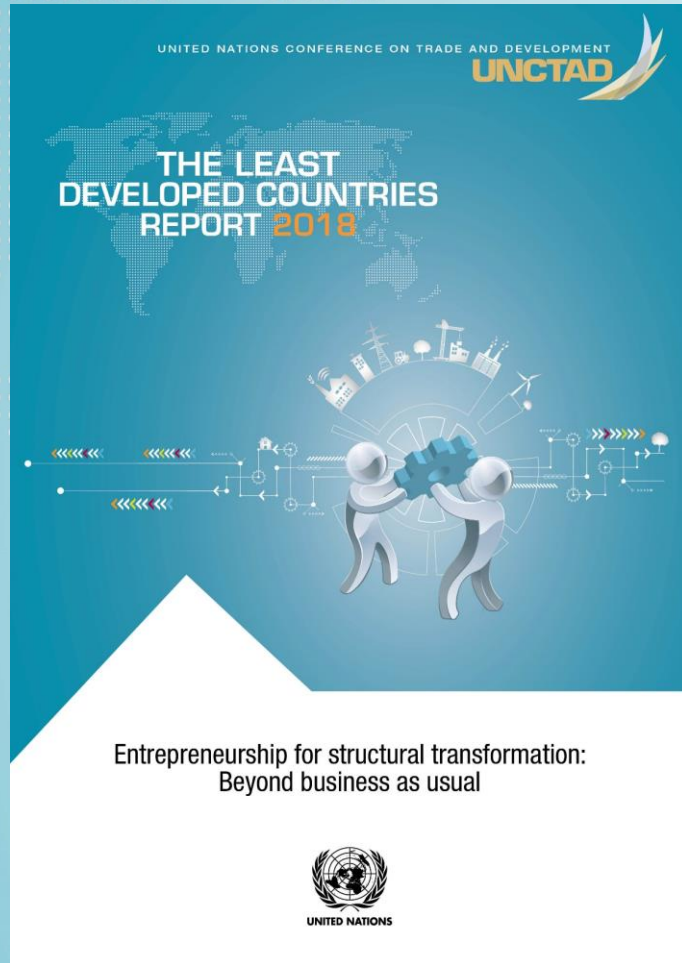




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Thank you

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