GREEN ENTREPRENEURSHIP AND MSMEs RESURGENCE

THE ROLE OF ENTREPRENEURSHIP IN POST COVID-19 RESURGENCE
IMPORTANT NOTE:

Please consider that the content in this presentation was prepared by, and belongs to, the respective panelists and does not necessarily represents the views or opinions of UNITAR and UNCTAD.

Source: WHO
Programme

3:00-3:05 - Welcoming remarks by
- Ms. Tatiana Krytova, Head of the Enterprise Branch, Division on Investment and Enterprise

3:05-3:10 - Virtual Davos-style discussion moderated by
- Ms. Alex Meija, Division Director, UNITAR and Editor-in-Chief, UN Today Magazine

KEYNOTE SPEAKER
- Mr. Gunter Pauli, Entrepreneur, economist, author. Mr. Pauli is a member of The Club of Rome and served three years since 2017 as an elected member of the Executive Committee. Mr. Pauli has served as an advisor for governments of Spain, Argentina and Italy. Founder of the Zero Emission Research Initiative

PANELISTS
- Ms. Aminah Hananah, Founder of Ecofun Moody environmental interactive Board Games, Indonesia
- Ms. Najina Mohamed, Policy Director at the Green Economy Coalition, South Africa

4:00-4:30 - Q&A session
Welcome Remarks

Ms. Tatiana Krylova
Head of the Enterprise Branch, Division on Investment and Enterprise
Moderator

Mr. Alex Mejia
Director, Division for People and Social Inclusion at UNITAR; Head, CIFAL Global Network
Globally, as of 4:48pm CET, 24 February 2021, there have been **111,762,965 confirmed cases** of COVID-19, including **2,479,678 deaths**, reported to WHO.
COVID-19 and Entrepreneurship

The coronavirus (COVID-19) outbreak has caused a global health emergency, and a global economic slowdown, among other consequences.

Trade, investment, growth, and employment are all affected and the crisis will have an impact on the achievement of the UN Sustainable Development Goals. Likewise, as with any crisis, the situation has become even worse in developing countries, where the stability or growth for start-ups and MSMEs has been significantly endangered.

Every business that has been forced to close, leads to multiple stories of unemployment, economic and social dislocation, as well as staggering uncertainty.

It remains paramount that governments, in partnership with different stakeholders dedicate their support to drive competitiveness of micro, small and medium-sized enterprises (MSMEs) with a particular focus on those small businesses in developing countries.

“We need a fundamental rethinking of SME and entrepreneurship policies to improve business conditions and access to resources. We need a renewed measurement agenda to understand how countries, regions and cities can capitalize on their many diverse small businesses as drivers for inclusive and sustainable growth.”

- OECD Secretary-General Angel Gurria

Source: ITC, The World Bank
Definition of "GREEN BUSINESS"

1) A business that is committed to the principles of environmental sustainability in its operations, strives to use renewable resources, and tries to minimize the negative environmental impact of its activities.

2) Several aspects of this definition require elaboration:
   - Meets regulatory requirements for environmental performance, but takes specific steps to go beyond these requirements to minimize its impact on the environment.
   - May produce or deliver traditional or new product and services ways that minimize impacts on the environment.
   - Strives to use resources and energy that have, in turn, been produced in ways that minimize impacts on the environment.
Green Entrepreneurship for MSMEs

What does ‘Green Entrepreneurship’ mean?

To foster the integration of environmental sustainability principles into successful MSME business activities.

In some cases, this means that an existing MSME may adopt a "green strategy" incorporating new environmental sustainability goals and actions into its business actions to improve its business opportunities.

In other cases, it means that new enterprises may be started that specifically target the provision of a "green" product or service for resurgence purposes.

Source: The World Bank
Moderator

Mr. Alex Mejia

Director, Division for People and Social Inclusion at UNITAR; Head, CIFAL Global Network
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   - Ms. Najma Mohamed, Policy Director at the Green Economy Coalition, South Africa

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Keynote Speaker

Prof. Gunter Pauli

Entrepreneur, Economist, Author;
Member of The Club of Rome and
elected member of the Executive Committee since 2017;
Advisor for Governments of Spain, Argentina and Italy;
Founder of the Zero Emission Research Initiative
Panelists
Ms. Annisa Hasanah
Founder of Ecofunopoly
environmental interactive Board Games,
Indonesia
Engaging People In Sustainability by Playing Games

Annisa Hasanah ARSYAD
Founder of Ecofunopoly
Community Engagement

Volunteering

Ecofunopoly was invented

Ecofun Community was founded

Business Pivot due to COVID-19

Community Engagement

Shifting to Social Business

> 3,000 Dice from wood waste

> 600 Kg paper waste

> 200 Collaborations (NGO, Government, School, Local Communities, etc)
Activating ‘survival mode’ through business pivot

- Customized products
- Charitable Shopping
- Offline to Online Service
Reflection on Post-COVID 19:

- Business adaptability is the new competitive advantage - balancing the business activities for short term and long term goals
- Maintaining the network and customer relationship through hard times
- Looking for another potential source of revenue stream by connecting the product and service to the consumer’s needs
THANK YOU

For Business Inquiries:
ecofuncommunity@gmail.com
Ms. Najma Mohamed
Policy Director at the Green Economy Coalition,
South Africa
About the Green Economy Coalition

- The Green Economy Coalition, the world’s largest movement for green and fair economies

- Our inclusive global movement brings together 8 national and regional hubs, and 51 organisations and their networks to catalyse a just transition to green and fair economies across 4 continents

- We work with civil society, small businesses & citizens to demonstrate the demand for green and fair economies seeking to influence the institutions and policies needed to drive and deliver structural economic reform for a sustainable future

- We track the transition to green economies at global and national level

- Key trend across countries and regions: MSMEs play a significant role in inclusive green transitions
MSMEs are on the green agenda

- Local green enterprises core to the transition stories of the GEC hubs
- 2017: Santa Cruz Declaration on Local Green Enterprises - recognise the vital importance of small businesses to addressing global challenges
- February 2020: Delhi Declaration on Local Green Enterprises - focus on ecosystems in support of local green enterprises
- June 2020: Global policy position on Key priorities for a just, green and transformative recovery - prioritise small and informal enterprises to accelerate the private sector transition to greener practices
- January 2021: GEC and SEED convenes a global policy roundtable - COVID-19 recovery & small enterprises
The Challenge, the Opportunity

- MSMEs are drivers of innovation, green growth, job creation, social cohesion and play a key role in green transitions & recovery.
- MSMEs constitute 90% of businesses, and account for 50% of jobs worldwide (World Bank).
- MSMEs impact the environment. They are also critical for driving green innovation.
- Even pre-COVID-19, only 3% of global climate funds were reaching MSMEs.

COVID-19 has hit MSMEs very hard. More than 75% of MSMEs are experiencing or expecting a reduction in revenues through 2020 (ILO).

Unprecedented national stimulus and public spending, but initial research shows that little is reaching MSMEs, and even less is supporting them to ‘go green’.

(GEC / SEED Policy Roundtable, 21 January 2021)
# The Green Recovery - Green SME Nexus

## Top-down policy actions

**The What**
- Green economic opportunities
- Efficient and sustainable resource use
- Natural capital protection
- Social inclusion

**The How**
- Digital transformation
- Private sector engagement
- High employment intensity
- Short implementation timeline for rapid effects
- Building resilience for future shocks
- Target COVID-19-impacted groups
- High economic multiplier effect
- Long-term transformation support

## Bottom-up SME actions

**The What**
- Drive green investments and innovations
- Provide access to basic green services
- Support natural capital protection

**The How**
- Pioneering digital transformation
- Resilience capacities in place
- Innovative entrepreneurial solutions
- Value chain inclusion of COVID-19 impacted groups
- Creation of green and fair jobs
- Creation of local economies
- Direct offer of products and services
- Providing alternative long-term transformation
Who is providing support?

NB: This map is not exhaustive but is illustrative of organisations engaging in green / SME space.
## What kind of support is happening?

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Finance</th>
<th>Policy</th>
<th>Research</th>
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<tbody>
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<td><strong>Global</strong></td>
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<td><strong>Capitals Coalition</strong> supporting SMEs with tools for natural capital. <strong>Climate SME Hub</strong> provides tools GEC Green Economy Tracker to empower SMEs and CSOs; <strong>SEED</strong>: 4-tier SME support programme</td>
<td>UNIDO: Green Fund; financing ECSOs.</td>
<td>OECD Tracking green growth data to inform policy; Tagging ‘green’ in recovery planning; policy briefs for SMEs; UNIDO: Policy guidance for SMEs; ITC Trade/WTO discussion focussing on SME; GEC supporting SME voice in global policy.</td>
<td>UNCTAD coordinating the UN COVID 19 response with a lot of training available; IIED focus on agriculture and energy sector SMEs; <strong>SEED</strong> Green Recovery Study and SME Impact Assessment work</td>
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<td>EIB new European Guarantee Fund supporting COVID affected EU businesses (EGF - €25bn); EU &amp; AFDB ‘Green Belt’ partnership; Hivos-Triodos Fund for smaller businesses also to MFIs</td>
<td>GGGI supporting green growth package development in S. America.</td>
<td>ILO research on green enterprises in context of COVID-19 response in West Africa</td>
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<td>Hivos: Women entrepreneurship support programme; <strong>UNIDO</strong>: SA Youth Entrepreneurship Support Programme; <strong>TERI</strong>: Waste-to-value business models building; <strong>Libelula</strong> building green SME networks;</td>
<td>E.g. In South Africa SMEs can defer taxes; In India loan packages; in Netherlands SMEs finance; <strong>Peru</strong> provides low interest loans for formal SMEs;</td>
<td><strong>Peru</strong> New “BIC LAW” will recognise green SMEs; <strong>Uganda</strong>: ‘Green Growth policy’ under national planning agency; GEC supporting CSO voice in national policy;</td>
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**What kind of support is happening?**

- **Capacity**
  - **Global**
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- **Finance**
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- **Research**
  - UNCTAD coordinating the UN COVID 19 response with a lot of training available; IIED focus on agriculture and energy sector SMEs; SEED Green Recovery Study and SME Impact Assessment work
  - ILO research on green enterprises in context of COVID-19 response in West Africa
  - GEC hubs mapping “access to finance” dynamics and ecosystem; TIPS: Research on barriers and regulatory landscape in SA.
In summary

- Wide range of support to MSMEs role in COVID-19 recovery: Capacity, Finance, Research, Policy
  - SEED Covid-19 Resilience Workshops and Grants
  - SEED Green Recovery – COVID Nexus Report
  - GEC Hubs focusing on creating an enabling funding architecture for local green enterprises in 7 countries
- Where are the gaps?
- What can we learn from good practices?

GEC and SEED invite you to continue to be part of a global policy cluster focused on Green Recovery and MSMEs. Join the group on the Green Growth Knowledge Platform’s Green Forum.
Ms. Kankana Dubey

UNECE consultant and author of the 2020 report:
“Women Entrepreneurship in Natural Resource Management: Challenges and Opportunities for the MSME Sector in the post-COVID-19 Socio-economic Recovery”
Women-led MSMEs for an Economic Recovery

As economies wrestle with the COVID-19 crisis while already trying to drive climate change mitigation efforts and transition to a low-carbon economy, innovation is particularly important. By promoting environmental awareness and supporting an economic transition, women-led economic enterprises (MSMEs) can lead the change towards building a greener, gender-equal, and more sustainable economy.

The COVID-19 pandemic and its consequences present an opportunity for countries to undergo economic transformation - “build back better”. A renewed economic transition has the potential to create an equal and stronger economic society with decent work policies to protect the rights of the vulnerable workforce - specifically women and migrant workers.
Transition from Brown to Green Sector

Natural Resources Management Sector
Agriculture, forestry, fishing, mining and quarrying – transitioning from extractive practices towards sustainable production methods (i.e., recycling)

Industries and Manufacturing Sector
Production of consumer goods, electricity production, water supply – decarbonising the industrial sector to reduce carbon emissions and transitioning to a circular economy (i.e., CCS, renewable energy)

Services Sector
Financial, banking, retail trade, real estate - transitioning towards green services
Continued

**Transportation Sectors**
Improve public transportation system, infrastructure development, electric vehicles, hydrogen fuel cells

**Technologies and Innovation**
Efficient resource use, increased innovation, adoption of green technologies across sectors of production and consumption (i.e., energy efficient features in residential buildings to reduce energy consumption)
Opportunities for rebooting the economy

With the increasing impact of extractive industries on the environment, countries are facing a challenge to translate natural resource wealth into sustainable development outcomes with a focus on long-term economic development.

The threat of climate change and the finite availability of resources has brought a new phase of development, specifically in mining, i.e. resource efficiency. The linear path followed by countries in the natural resources sector – the paradigm of “take, make, dispose” - is evolving into developing an integrated system approach to increase resource efficiency and reduce waste for a sustainable and green future.
Continued

The participation of women in research and development to develop low-carbon solutions can lead the way for a structural shift to a greener and sustainable economy.

The Fourth Industrial Revolution – using technologies across all industries to drive economic growth, create employment opportunities, and improve social wellbeing.

Decoupling economic growth and emissions – fostering economic growth and development while reducing energy intensity.
Opportunities - Natural Resources Management Sector

The UNECE report entitled “Women Entrepreneurship in Natural Resource Management: Challenges and Opportunities for the MSME Sector in the post-COVID-19 Socio-economic Recovery” highlights the pervasive gender diversity problem in natural resources management. However, certain areas of natural resource management may have low barriers to entry for women. Environmental management, supply-chain management, digital transformation, and other similar sectors have relatively low capital requirements, while relying on technological advancements.

Application of UNECE tools such as the United Nations Framework Classification for Resources (UNFC) and the United Nations Resource Management System (UNRMS) could provide valuable entry points for women.

Challenges

There lies an opportunity for promoting MSMEs in manufacturing and other capital-intensive businesses which also have higher operational costs, but women entrepreneurs rarely explore such opportunities and are known to tend to be risk averse. However, several opportunities for women to participate in the economic sectors remain - if not directly, then through ancillary services.

Opportunities in knowledge-intensive services, which can support the green economic transition are abundant. Examples include market research, advertising, scientific studies, innovation and technical activities, law, human resources, and audit and accounting services. It is important for countries to support and promote the right business opportunities to capitalise on MSME participation.
Thank You.

Kankana Dubey
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