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Geneva, 17–19 June 2019

Report of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development on its seventh session

Held at the Palais des Nations, Geneva, 17 to 19 June 2019

I. Introduction

1. The seventh session of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development was held at the Palais des Nations in Geneva, Switzerland on 17–19 June 2019. Its aim was to discuss responsible and sustainable entrepreneurship practices and government policies to facilitate entrepreneurship development that would enable economically disadvantaged groups, including women, youth and migrants.

A. Chairs' summary

1. Opening plenary

2. In her opening statement, the Deputy Secretary-General of UNCTAD said that entrepreneurship played a central role in enabling the transition towards inclusive and sustainable development. Likewise, General Assembly resolution 73/225 on entrepreneurship for sustainable development, adopted in 2018, had recognized the importance of entrepreneurship in creating jobs, fuelling economic growth, favouring innovation, improving the quality of life and meeting social and environmental challenges. Entrepreneurship also contributed to promoting social cohesion, reducing inequality and forging opportunities for all, especially women, youth, persons living with disabilities and vulnerable groups.

3. The Deputy-Secretary General recalled that efforts had been made in recent decades to foster corporate social responsibility, leading many enterprises to be more responsible, not only towards their shareholders, but towards their customers, their employees and



society. Further, many multinational enterprises recognized that contributing to the economic, environmental and social dimensions of the Sustainable Development Goals brought them many advantages other than improving their image. Although the Entrepreneurship Policy Framework developed by UNCTAD benefited inclusive enterprises and entrepreneurs, Governments would need to adopt further measures based on the needs of target sectors. Further, the needs of small and medium-sized enterprises (SMEs) should be taken into account when implementing the 2030 Agenda for Sustainable Development. For example, policies aimed at ensuring food security and sustainable agriculture could inadvertently create obstacles for small holders and microenterprises. Assessing the impact of regulation and creating and using development indicators for SMEs would be a means of responding to these concerns. In light of the many challenges facing developing countries and countries with economies in transition, government should work hand in hand with SMEs and create an environment that was favourable to inclusive entrepreneurship and the development of such enterprises. In closing, she stressed the importance of listening to the voice of youth and sharing best practices on inclusive entrepreneurship to identify tangible measures to reinforce private sector contribution to sustainable growth.

4. Introducing document TD/B/C.II/MEM4/20, entitled “Responsible and sustainable business practices and corporate social responsibility and enterprise development”, the Director of the Division on Investment and Enterprise underlined the importance of business and inclusive entrepreneurship in delivering the 17 Sustainable Development Goals. Inclusive entrepreneurship could be a powerful tool to address key social and environmental challenges, including youth unemployment, women’s economic empowerment and the social and economic integration of migrants and refugees. The Entrepreneurship Policy Framework of UNCTAD stressed the need for cooperation and coordination among all stakeholders to create inclusive entrepreneurial ecosystems that enabled entrepreneurship to flourish. Some businesses had shifted their focus from spending on corporate social responsibility to creating inclusive business models that generated value, while also making a social or environmental impact. Increasingly, investors were also considering wider impact as part of their portfolio. The recently launched *World Investment Report 2019* drew attention to the increasing role of special economic zones in encouraging development.¹

B. Responsible and sustainable business practices and corporate social responsibility and enterprise development

(Agenda item 3)

1. Achieving the Sustainable Development Goals by adopting an inclusive and sustainable approach to business

5. A panel discussion on the promotion of entrepreneurship for sustainable development was led by experts from the following entities: the Board of Investments of the Philippines, Inclusive Business Action Network of Germany, Permanent Delegation of the International Chamber of Commerce to the United Nations and other international organizations at Geneva, United Nations Industrial Development Organization, Université Publique du Sud au Cayes of Haiti and the World Bank.

6. One expert described the serious challenges faced by the international community in its efforts to achieve the Sustainable Development Goals. There was a pressing need for government, business and society to work together to drive change. Business in particular must seek to integrate sustainability into all aspects of the value chain – going beyond the idea of corporate social responsibility as a charity exercise and truly embedding sustainability into the core business model. He said that the World Bank had established nine principles of impact investment, drawing attention to the value of working with large businesses to achieve impact at scale.

¹ UNCTAD, 2019, *World Investment Report 2019: Special Economic Zones* (United Nations publication, Sales No. E.19.II.D.12, Geneva).

7. Another expert illustrated the value of inclusive business as a way in which the public and private sectors could work together to achieve social impact and economic development, goals shared by both. For example, the Inclusive Business Action Network, a global initiative funded by the European Union and the Government of Germany, supported businesses to scale up inclusive business models and engaged with Governments to create suitable policy frameworks. This meant incorporating sustainability into the core business model and including people at the base of the pyramid, either by providing targeted goods and services or by fostering business opportunities for the poor. The initial focus of the Network has been in South-East Asia, where it was running an 18-month programme with the Association of Southeast Asian Nations. The Network had also set its sights on Africa, with plans to collaborate with the African Venture Philanthropy Alliance, an initiative that was welcomed by one expert.

8. Another expert discussed the benefits that inclusive business had brought to her country and the steps being taken to develop the sector further. The Philippines, one of the fastest growing economies in Asia, considered inclusive business to be a key element of its development strategy to reduce poverty. In view of the benefits that large corporations received from the State, the Investment Priority Plan 2017–2020 of the Board of Investments of that country had proposed fiscal incentives to agriculture and tourism businesses that operated in an inclusive manner. Overall, the experience showed that inclusive business could be profitable and beneficial for local communities.

9. One expert made a case for business and entrepreneurship to enable the least developed countries to rise out of poverty and requested the assistance of UNCTAD and its Entrepreneurship Development Programme (Empretec) in that endeavour. Based on the example of Haiti, she said that the least developed countries had missed out on the first three industrial revolutions and now needed to grasp the opportunities offered by the fourth. Innovation was essential to drive economic growth, with foreign direct investment as a tool for change. Citing the recommendations contained in *The Least Developed Countries Report 2018*,² she stressed the need for countries to enable the development of the entrepreneurial skills of their young people and to attract large-scale investment to create jobs. Business with purpose, behaving ethically and responsibly, could drive change. However, to generate inclusive growth, Governments needed to create the right conditions for individuals to develop their personal capacity rather than rely on aid.

10. Another expert said that his organization aimed to enable business to play an active role in achieving the Sustainable Development Goals and to identify areas where business could better contribute to socially and environmentally sustainable development. Endorsing other speakers, he supported the idea of business engagement in achieving sustainable development, as expressed in Goal 17. His organization aimed to make the global trading system work for all, with plans to launch a project in collaboration with institutions of the European Union, easing the access of refugee entrepreneurs to finance.

11. Another expert noted that basic industrialization was behind target. New business models were needed if industrialization was to become sustainable. His organization urged the international community to work together, citing recent collaboration with UNCTAD on entrepreneurship policies in Ethiopia as a good example.

12. In the ensuring discussion, some experts noted the lack of standard economic indicators, which were necessary to facilitate the implementation of the Sustainable Development Goals. Moreover, well-being indicators should be taken into account when moving from the triple to quadruple bottom line. One expert said that a national impact investment strategy had been created in his country and questioned whether there was a need for improved and consistent measurement of impact investment. Several experts agreed that as impact investment had grown from a niche market, consistent measuring had become more important. While an aggregated approach did not yet exist, there were several promising initiatives on Sustainable Development Goal reporting, including those of the

² UNCTAD, 2018, *The Least Developed Countries Report 2018: Entrepreneurship for Structural Transformation – Beyond Business as Usual* (United Nations publication, Sales No. E.18.II.D.6, New York and Geneva).

Organization for Economic Cooperation and Development and UNCTAD. This was an area policymakers should focus on. One expert pointed to the Sustainable Development Goal Atlas as a good starting point for metrics, while another made a case for coordination between work on business and entrepreneurship and the Sendai Framework for Disaster Risk Reduction 2015–2030.

2. Creating a supportive environment for youth entrepreneurship

13. A panel discussion was held on supportive environments for youth entrepreneurship. The panel was composed of experts from the following entities: the Commonwealth Youth Division, United Kingdom of Great Britain and Northern Ireland; Enterprise Uganda, Uganda; Italian Agency for Development Cooperation, Italy; Nyero-Too Poultry Farm, Uganda; Plan International Finland, Finland; Social Venture Africa, Ghana; and The Youth Employment Service, Cameroon.

14. Many experts appreciated the participation of young people in the session and noted that they had developed entrepreneurship to create their own opportunities and solve sustainability issues. Traditional financing mechanisms such as grants and subsidized loans had supported the creation of self-employment opportunities for disadvantaged groups. However, given the current constraints to government budgets, financing instruments such as loan guarantees, microcredit, crowdfunding, peer-to-peer lending and business angel investment led by the private sector could complement the role of traditional financial measures. To meet the challenges of the fourth industrial revolution, which would bring an increased demand for science, technology, engineering and mathematics qualifications in manufacturing, special efforts were needed to overcome the skills bottleneck of young entrepreneurs in developing countries who suffered from a significant information asymmetry in new technologies and insufficient access to knowledge.

15. One expert underlined the long-standing partnership between the Commonwealth and UNCTAD, whose most prominent outcomes were a policy guide on youth entrepreneurship and a policy toolkit on youth entrepreneurship for the blue and green economy.³ It was important to adopt a comprehensive approach and ensure alignment between policies relating to the economy, private sector development and innovation. Moreover, in policymaking, it was necessary to create a space for innovative, forward-looking, long-term measures, rather than to respond to the most immediate challenges. The policymaking process would need to constantly adapt to the accelerating pace of change.

16. In Ghana, the experience of Social Venture Africa highlighted the importance of vocational training and technology to create opportunities for all. In particular, science, technology, engineering and mathematics education for women and technical assistance programmes targeting women and men to create virtuous circles of learning between genders were necessary. There were significant differences between urban and rural areas – infrastructure, access to digital and communication technology and access to the entrepreneurship support initiative – with rural populations at a disadvantage. One expert noted that young people’s access to innovation was an issue related not only to skills and capacity training but to social status as well. In this regard, organizations should promote better access to leadership positions for youth.

17. Another expert recalled that entrepreneurs had to meet market demands and be competitive and that these two requirements represented enormous, never-ending challenges. He said that entrepreneurship training should focus on behavioural competencies, which needed to be constantly adapted. Yet another expert stressed the importance of networks of trust, which could be a source of finance, through supplier credit. The lack of professional business services such as technical expertise, banking and accounting services, was one of the major barriers to business growth.

18. One expert said that education was the most obvious answer to the lack of human capital, for example, in Cameroon. The Youth Entrepreneurship Strategy declaration

³ UNCTAD, 2015, *Policy Guide on Youth Entrepreneurship* (United Nations publication, New York and Geneva); Commonwealth Secretariat, 2018, *Youth Entrepreneurship for the Green and Blue Economies: Policy Toolkit* (Commonwealth Secretariat, London).

promoted by United Nations agencies was important, as it recognized the voice of young people and the solutions they offered. Another expert said that children and youth should not only be considered recipients, but actors of economic development. It was necessary to pay attention to the aspirations of youth and their intentions to start new enterprises with a purpose, as generating a profit was often not the first priority for all young entrepreneurs. For example, in Italy, young people showed keen interest in the cultural industry, and Italian technical cooperation was providing support in this area. Several experts agreed that greater efforts were needed to include youth in decision-making.

3. Empowering women entrepreneurs

19. A panel discussion was held on the empowerment of women entrepreneurs. The panel was composed of experts from the following entities: Commonwealth Businesswomen's Network, United Kingdom; Dell, Denmark; Enterprise Development Centre, Nigeria; International Organization of la Francophonie, Switzerland; United Nations Entity for Gender Equality and the Empowerment of Women, Switzerland; University of the West of Scotland, United Kingdom/United Republic of Tanzania; International Robotics Academy, Jordan; and Women's Economic Imperative, United Kingdom.

20. Many experts recognized the importance of programmes and policies that targeted women entrepreneurs and of acknowledging the outstanding results that women could achieve when they received the necessary support. One expert stated that the International Organization of la Francophonie had successfully supported women's entrepreneurship through incubators in French-speaking Africa. The adoption of inclusive financial policies, such as those implemented in the Democratic Republic of the Congo, could help bridge the financing gap. The exchanges of best practices through digital networks, such as the Réseau francophone pour l'entrepreneuriat féminin, was also fundamental to identify examples of successful women entrepreneurs who could serve as an inspiration to others.

21. One expert said that organizing funding events for women entrepreneurs could be an effective way to overcome cultural barriers. Access to capital and funding for women entrepreneurs had to be facilitated – women struggled to obtain funding for business ventures, even in Silicon Valley. Another expert noted that in some countries, it was difficult for women to borrow, as collateral was mostly held by men. Women's networks were important, as they provided women entrepreneurs with examples of successful business ventures and role models.

22. Given that women formed a heterogeneous group, policies had to be adapted to different contexts. For example, in Canada, specific regulations in public procurement promoted the development of women's entrepreneurship, as 15 per cent of providing goods and services for the government had to be women-owned. Following this example, the United Nations Entity for Gender Equality and the Empowerment of Women had developed a gender-responsive procurement programme to include more small businesses run by women. It had also designed a technical assistance programme to enable women-enhanced participation in value chains and encouraged companies to adopt the Women's Economic Empowerment Principles. Barriers to women's entrepreneurship were also exacerbated by corruption, which prevented open and fair procurement procedures to which women in business could apply.

23. Another expert noted the potential of more open, transparent and gender-sensitive procurement to encourage women's empowerment. Moreover, the heads of the Commonwealth States had recently recognized that barriers to women's entrepreneurship were systemic. Gender-responsive trade and entrepreneurship policy and programmes were therefore needed, such as the women's Empretec programme in Malaysia. Gender-responsive policies should be developed in an effort to balance equality and equity, as the issues facing women and men entrepreneurship were the same but policies had different impacts on men and women. In this respect, there was a need for disaggregated statistics and gender-specific data, which were seldom available. Several experts emphasized that no policies were truly gender neutral.

24. The importance of science, technology, engineering and mathematics disciplines could not be overlooked. Such disciplines were usually less accessible to girls and women, but were nonetheless important to ensure that women were prepared for the labour market of tomorrow. Since the technology divide between men and women was rooted in education, entrepreneurship education was essential at the primary level. Measures such as the approval of parental leave for men could represent an effective measure to reform the job market in a more inclusive way and help women achieve a better work–life balance.

4. Migrant entrepreneurs: Accelerating integration and economic development

25. The next panel session was devoted to the integration and economic development of migrant entrepreneurs. The panel was composed of experts from the following entities: Arcadia Blockchain Technologies and Arcadia Blockchain for Refugees, Switzerland; Federal Department of Foreign Affairs of Switzerland; Help Code, Italy; Singa Geneva, Switzerland; University College London, United Kingdom; University of Southern Denmark in Odense, Denmark; and World Bank/Centre for Mediterranean Migration, France;

26. One expert highlighted the importance of the joint cooperation between the International Organization for Migration, Office of the United Nations High Commissioner for Human Rights and UNCTAD that had led to the completion of the Policy Guide on Entrepreneurship for Migrants and Refugees. There were several commonalities between the Policy Guide and the approach of the Swiss Government to migration and development: it was important to include migrants and refugees in local entrepreneurial ecosystems, even though one size did not fit all, and inclusive entrepreneurial ecosystems should be developed according to local needs and circumstances. The responsibility of implementation should be shared by all stakeholders of the entrepreneurial ecosystem – the private sector, non-governmental organizations and local institutions. In many cases, local associations were the engines behind their integration but this should be accomplished in synergy with the local population, which might be in equally disadvantaged conditions. In this connection, the legal status of migrants should be resolved as a matter of priority to facilitate integration.

27. One expert recalled that many migrants, for example in the Middle East, were settled in urban centres, not in camps. This made it important to adopt measures aimed at integrating them into local communities and to recognize the proactive role that local governments should play in this context. In this connection, several experts noted that the case studies contained in the Policy Guide on Entrepreneurship for Migrants and Refugees issued by the three aforementioned organizations clearly showed that entrepreneurship could help. Migrant and refugee entrepreneurs created jobs, provided economic services, paid taxes and otherwise contributed to the life of the local community, which facilitated their acceptance and recognition. Government aid should include the local level, working with local government officials, associations, advocacy groups and international organizations. Host municipalities could provide learning and networking opportunities for migrants, especially with the private sector. Local governments could also provide incentives and investment in infrastructure to enable migrant entrepreneurship. As local peer groups could at times be hostile to migrants, it was necessary to put in place an active communication strategy to inform local residents and dispel myths. Relocating migrants to small cities could also help replace an ageing population and help improve the chances of migrants' economic success.

28. One expert discussed his organization's work with refugees and migrants, citing the importance of bridging the divide between the private sector and non-profit organizations. A strong local network was key to enhancing access to capital for refugee and migrant entrepreneurs and to lobbying for the creation of an enabling regulatory infrastructure. There was a need to allow a longer buffer period for refugees and migrants willing to start their own business, as in most European countries the fear of immediately losing social welfare benefits was a clear disincentive to establishing and formalizing their start-ups. In this connection, Governments should allow for a longer buffer period after the start of business before discontinuing welfare assistance.

29. Universities could also help integrate migrants and refugees into local communities. Technology and blended learning, for example, could help build networks. Incubators could feature mentors to teach and provide networking opportunities to migrants. There was a need for improved access to capital, better measurements and more experts from academia that could study migrant entrepreneurship. Further, there was a need to raise awareness of the pre-migration phase, involving the concerns and motivations of people who would become displaced.

30. One expert underlined the role of blockchain in simplifying access to payment and transfer infrastructure, which was often closed to refugees and migrants. Access to that infrastructure was an essential condition for refugee and migrant integration within entrepreneurial ecosystems. It was also in the interest of local governments, provided they implemented appropriate incentives for entrepreneurs to start new ventures. There was a need to strike a balance between over-regulation and under-regulation to allow new technology such as blockchain to be deployed safely for consumers and entrepreneurs.

31. The unstable and uncertain legal status of migrants complicated their ability to successfully engage in long-term entrepreneurial undertakings. In this respect, one expert suggested that a simplified identification document or migrant passport be introduced to help remedy this situation. Software and information technology too could enable organizations to monitor, track and distribute aid efficiently to refugees and migrants. Another expert explained how blockchain technology had offered a solution that could enable non-governmental organizations to set up and help collect taxes, support the distribution of loans and provide insurance to entrepreneurs. Satellite-imaging software could help track the movements of refugees and migrants, which in turn could help guide migrant caravans through dangerous areas, as well as facilitate aid. Regulations should be streamlined to help encourage small entrepreneurs to start a business, and all parties needed to work together to create synergies.

32. Panel participants discussed the role of diaspora networks, expatriate knowledge transfer programmes and sound international monitoring systems based on reliable impact evaluation.

5. Growing inclusive entrepreneurial ecosystems in the digital world

33. A panel of experts explored inclusive entrepreneurial ecosystem in the digital world. The panel was composed of representatives of the following entities: Avocet Natural Capital, United Kingdom; Council of Ethnic Minority Voluntary Sector Organizations Scotland, United Kingdom; European Organization for Nuclear Research (CERN), Switzerland; Foundation for Armenian Science and Technology, Armenia; Fondetec, Switzerland; Kubinga, Angola; The Great Village, France; and University of Hertfordshire, United Kingdom.

34. One expert outlined the development of a local ecosystem. Since its inception, his firm had supported over 600 businesses through direct loans, co-working spaces, coaching and mentoring. A Swiss programme, for example, had achieved a 90 per cent survival rate after five years, much higher than the Geneva average. He suggested that business competitions could be a path towards creating an inclusive ecosystem. His firm has supported the Idea Prize for potentially viable businesses ideas with social and environmental impact. With regard to digitalization, the technology presented three main challenges: digital marketing, financial management and process automation. Entrepreneurs needed role models, peer-to-peer support and affordable platforms that offered solutions to many businesses. The Genève Avenue platform, for example, enabled local businesses to have an online presence.

35. Another expert said the digital environment offered an opportunity to create a much more inclusive entrepreneurial ecosystem. She had set up a platform to enable people to collaborate based on shared ideas and sense of purpose by creating a virtual community where people connected on the basis of values, not personal traits. Various initiatives had been built on that platform, including ones aimed at training entrepreneurs, supporting the return of women to the labour market and helping corporations engage in impact projects.

36. One expert described his experience in creating a science and technology hub in Armenia. Starting with the shell of a building, the foundation he represented had created an inclusive, innovation-focused incubation and acceleration centre that offered fellowships to the top-performing PhD graduates from the country's universities. The foundation had engaged with the Armenian diaspora to create a network of angel investors by using extensive networks of Armenians around the world.

37. A young entrepreneur spoke on inclusive ecosystems based on his experience as the co-founder of a ride-sharing service in Angola. The challenges of developing a new business in a least developed country included a lack of access to the Internet for potential customers and employees. In his country, the lack of native-language material available to support people in accessing digital services was a formidable barrier to digitization. There was a need to improve the efficiency of impact investment, offer tax incentives and provide resources such as the UNCTAD Empretec centre in Angola.

38. Another expert discussed his organization's work with ethnic minority groups in Scotland. Despite discrimination in the labour market, migrants in Scotland received support to create social enterprises. He said that Governments could better support these types of businesses by providing affordable finance for private organizations ensuring targeted support for excluded communities.

39. Another expert said that an inclusive and sustainable business model could address the major sustainability issues facing the world by introducing a circular agricultural economy. The organization he represented advocated sustainable agriculture, renewable energy and green fuel. By developing a more circular approach to agriculture and energy, the organization helped enable farmers to generate a profit sustainably.

40. According to another expert, technology institutions should make further efforts to ensure that they created an inclusive environment for entrepreneurship, including by providing additional funding. Her organization had launched three initiatives to increase inclusion: open meetings where people from all backgrounds could meet with the organization's scientists and engineers, an international network of business incubators and a fully paid summer school for high-technology entrepreneurs at the organization.

41. One expert reflected on the unintended consequences that the fourth industrial revolution could bring, including fewer choices and higher prices for consumers. A key challenge was the concentration of capital and power in the hands of a small number of large technology companies, which might choose either to extract or create value. The digitalization of economies would affect gender equality, given the disparity in digital skills and access.

6. Moving beyond corporate social responsibility towards corporate social engagement

42. A panel of experts discussed the transition from social responsibility to social engagement in the business world.

43. The panel was composed of experts from the following entities: B Lab, Switzerland; Centre for Corporate Responsibility and Sustainability, Zurich University, Switzerland; Family Business Network International and B Market Builder, Singapore; Industrial Innovation Centre, Rusayl Industrial Estate, Oman; Inter IKEA Group on Sustainability, Sweden; International Institute for Management Development, Switzerland; Lafarge Holcim Group, Switzerland; LGT Capital Partners, Switzerland; and Swiss Sustainable Finance, Switzerland.

44. One expert noted that the concept of corporate social responsibility had undergone a transition in recent years. Companies had succeeded in reducing negative economic, social and governance impacts but it was important that they now focus on maximizing the positive effects of their activity. However, the current system of accounting for risk and return was making it more difficult for businesses to invest in developing countries or to work with SMEs in their supply chains in developing countries. He suggested that the language of the debate needed to change and that policymakers should begin to think more about how investment in developing countries could bring sustainable development benefits by connecting meaningfully with the local business ecosystem.

45. Another expert described her firm's vision of creating a better everyday life for as many people as possible. The firm had defined its sustainability agenda to 2030 to enable it to become circular and climate-positive, promote healthy and sustainable living and encourage a fair and equal society. It was indeed possible for companies to move from simply doing business as usual to integrating sustainability into their core activities.

46. With regard to the evolution of corporate social responsibility and sustainable business, one expert said that the amount of available data on corporate social responsibility from large firms had increased dramatically in the past 20 years. However, this was more a reflection of companies making their existing business model more sustainable rather than a real move towards sustainability. In the current banking system, investment decisions were made on the basis of risk and return. Attempts to factor into this formula environment, social and governance issues could not deliver genuine investments in sustainability. To bring about change, he suggested that analysts should capture sustainability for asset owners. The next generation would be more interested in impact and value and would be able to reorient current structures.

47. Another expert said that his organization was attempting to create a market structure for a sustainable economy. Given that businesses could only manage what they could measure, it was necessary to provide them with a standard tool that fully incorporated sustainability into the business model. The work was focused on the delivery of the Sustainable Development Goals and, in order to make progress, his company was working with the Global Compact to incorporate the Sustainable Development Goals meaningfully into its measurement tool.

48. Given the long-term focus of family businesses, one expert said that such business were well placed to lead inclusive capitalism by behaving more ethically. Businesses could benefit from \$12 trillion worth of opportunities presented by the delivery of the Sustainable Development Goals. Family businesses were delivering more sustainably, for example by working with people in low-income communities to improve distribution, paying improved rates for commodities, sourcing precious metals ethically and developing clean technologies.

49. Another expert said that his organization sought to create a positive impact by taking steps to maximize value from the circular economy and aiming to achieve sustainability targets. For example, a leading provider of waste management services worked to ensure that waste was managed and used sustainably. Another project, 14 Trees, was an example of intrapreneurship. The project, launched by an intern in the organization, had attracting SwF 10 million worth of capital. The project had replaced energy-intensive building materials in Malawi with sustainable alternatives and was expanding to 15 other African countries. To one expert's query on the use of carbon capture by businesses, he replied that his organization was engaged in such projects, including with the European Commission.

50. One expert said that his investment organization had moved from simply excluding stocks in harmful businesses from its portfolio to a sustainability-focused agenda. His organization has created its own assessment tools to deal with the issue of unreliable sustainability reporting from in-house reports. Private equity was well placed to encourage sustainable practices. On the client side, although investors considered the Sustainable Development Goals of interest, only a small percentage allocated capital or integrated them into their portfolios. His firm had assessed the impact of business on the Goals to be negative; however, further analysis had shown that the top performing companies were delivering across many areas. Business and investment could be effective partners in delivering results for sustainability.

51. One expert showed how social innovation from businesses could deliver more effective novel solutions to social and environmental problems. In order to deliver on sustainability, business must identify a meaningful purpose and attach this to the idea of making an impact. This kind of activity must be part of the core business model. Another expert stated that Governments sought to retain regulatory control to the disadvantage of innovation.

52. One expert enquired whether the new sustainable finance system was simply meeting the needs of investors or whether it was making a difference in least developed

countries – for example through Switzerland’s sourcing of cocoa. In reply, another expert said that banks had a role to play in meaningfully informing customers, and that the European Union was doing good work to identify good, green investment. Another expert acknowledged this lack of visibility and noted that the new tool with the Global Compact would be helpful in addressing that problem.

53. Several experts agreed that developing an effective policy framework that encouraged responsible business practices and multi-stakeholder public–private partnerships could help domestic companies, particularly small firms, meet the sustainability demands of global buyers and ensure socially and environmentally responsible corporate behaviour.

7. Harnessing impact investment

54. A panel of experts discussed how to establish and strengthen links between sustainable entrepreneurs and impact investors. The panel was composed of representatives of the following entities: the Graduate Institute of International and Development Studies, Switzerland; International Labour Organization; Ministry of Foreign Trade of Ecuador; Moeda, Brazil; Organization for Economic Cooperation and Development; Sela Technologies, Nigeria; and Sustainable Development Goals Lab, United Nations Office at Geneva.

55. One expert said that in many countries investment promotion agencies were responsible for promoting investment and changing laws. In Ecuador, for example, a new law focusing on incentives for priority sectors had been implemented. Policy measures included tax holidays for SMEs in the right sectors and identified investments and special economic zones that could be used to attract investment into target sectors. Investors were being encouraged and enabled so that they could contribute to local communities, for example by creating new jobs. As a result of this new approach, foreign direct investment was increasing. She suggested that UNCTAD could help support private sector investment by sharing best practices in impact investing from around the world.

56. Another expert shared findings on corporate social responsibility. Companies were increasingly looking to go beyond corporate social responsibility and seek social engagement, with demand from investors as well as from philanthropists and individuals with high net worth who were interested in using the impact investment model. In addition to increased revenue, impact investing could bring innovation to develop new solutions, accountability (holding organizations to account for social and environmental outcomes) and sustainability (through investment in organizations that have a viable business model). The market for corporate social responsibility in impact investing was still small, with many firms concentrated in financial services and microfinance. However, it was growing in both developed and developing countries and was becoming increasingly important. Despite this promising growth, however, impact investment remained concentrated in traditional sectors, leaving higher impact and higher risk sectors, such as water, health and education, in need. Impact investment could be a means of moving the industry forward by channelling investment where it was needed most, innovating with new and more efficient solutions, improving data and introducing supportive policy measures.

57. One expert stated that her enterprise was taking measures to resolve some of the aforementioned issues. In some countries, institutional loan interest rates for women-run businesses could reach 100 per cent. Blockchain technology could provide a framework for women and other small businesses to raise funds at the grassroots level and at a much lower cost. Similarly, cryptocurrency could be used to help fund start-ups. New technologies had begun to open up new opportunities for financing projects. Yet they could also pose challenges to regulation and policy. Policymakers should therefore work to protect investors and businesses but should avoid over-regulation in this new industry.

58. Another expert stated that solutions to sustainable development challenges would have to be found outside of silos and that a cross-organizational approach was needed. There was a disconnect between sustainable development projects and the impact investment community. The Sustainable Development Goal Lab had endeavoured to bridge the gap between finance and international development by bringing together actors from the

finance and the development communities to share expertise and encourage collaboration. This group was working together to make investment possible at the right scale and in high-risk, high-impact areas. The Sustainable Development Goal Lab is working on a pipeline builder to make projects accessible to impact investors, for example by performing due diligence or by aggregating small investment opportunities.

59. One expert said that her organization worked with impact investors to address Sustainable Development Goal 8, which alone required funding of \$7 billion per annum. It was important to ensure quality of work. The organization was currently working to manage risks to quality of work with impact investment funds, for example managing child labour risks, health and safety and supporting businesses in developing countries to address alcohol abuse among workers. In addition, the organization could perform a role as convener of the different investment and delivery partners with regard to decent work. Similarly, they could provide measurements and standards for impact investors on decent work, building on work they have already started with the impact investment community. She cited a technical paper that provided further details.⁴

60. As to how the private sector could provide solutions to some of the challenges described by previous speakers, another expert said that in response to the need for significant investment in Nigeria, he had considered how funding could reach the places and people who needed it the most. Through new technologies and through his enterprise, communities could become involved in impact measurement. Information and capital could flow freely across countries and various technologies could provide a tool to make this happen. For example, he explained how his firm's technologies had been used to provide the structures and platforms for partners to collaborate and capital to flow to a community level. New metrics and currencies could now be developed, such as for social or environmental impact, which could be earned and spent on other social or environmental goods.

61. One expert said it was a pivotal moment in the impact investment debate. Globally, there was a lack of liquidity and money, as well as a wealth shift of \$68 trillion from baby boomers to millennials: this could fill the financing gap for the Sustainable Development Goals. While the former were mostly concerned with investment returns, the latter were evaluating the social impact of their investments, despite increased risks. There was a potential for the retail customer to fill the funding gap. From the perspective of the European Union, there was a case for moving away from an environment, social and governance approach towards an approach with increased emphasis on the Sustainable Development Goals. The European Union had set up a fund for sustainable investment and laid down conditions for sustainable development projects. He advised against making conditions too onerous, which could limit the participation of large industrial groups. Fintech – financial technology – could provide a route for impact investment to reach projects directly.

8. Balancing risks and opportunities: The future of entrepreneurship policies

62. An expert panel discussed the linkages between inclusive entrepreneurship policies and social policies. Weak or often non-existent social safety nets for some workers tended to exacerbate economic insecurity and inequality. While policies that created opportunities for all were important, so were policies that reduced risks.

63. The panel was composed of representatives of the following entities: the Department of Industry and Entrepreneurship Development of Seychelles; Empretec Argentina Foundation, Argentina; Empretec Uruguay, Uruguay; Graduate Institute of International and Development Studies, Switzerland; United Nations Commission on International Trade Law, Austria; University of Fribourg, Switzerland; and University of Salerno and International Council for Small Business, Italy.

64. In Seychelles, for example, the Government was working in a sustainable-development strategy built around agriculture, fisheries, financial services and tourism. The

⁴ P Elmer, M Marino, P Richter and E Zhang, 2018, *Innovative finance: Putting your money to (decent) work*, Paper No. 75 (International Labour Office, Geneva).

transition to sustainable development rested on the development of the country's blue economy and its entrepreneurial ecosystem.

65. In Uruguay, the textile and manufacturing industry required inclusive innovations to ensure that marginalized groups were not forgotten. For example, Empretec Uruguay interacted with its constituents so that they could provide feedback and design assistance. Empretec considered its end beneficiaries to be agents of change and had designed new programmes for women entrepreneurs and prisoners.

66. To ensure the inclusion of disadvantaged groups, one international organization aimed to simplify and streamline rules and regulations for enterprises with the creation of a new legal entity for micro, small and medium-sized enterprises. Most of these enterprises were active in the informal economy, which had major consequences on social and health security and tax collection. The proposed entity would separate business ownership from the owner and grant legal personality to small business. A business that was a legal entity had a greater chance to obtain credit, enter value chains and recruit employees outside the circle of family and friends. A new model law would target individual entrepreneurs working in the informal economy or informal business with more ambition or young people and women entrepreneurs worldwide.

67. In Argentina, the Empretec programme had adopted a sustainable and inclusive approach to entrepreneurship through a new project, entitled "Communities with value". Even people in difficult situations were keen to take action to improve their lives, and policymakers could provide support to help them do so. The educational systems of developing and emerging countries were preparing people to be employees, not entrepreneurs. In his view, support for entrepreneurship should be introduced at an early age.

68. In Georgia and Armenia, research on cohorts of the self-employed and micro and small enterprises showed that micro businesses in the informal sector rarely grew or became formal. The concept of survivorship was more appropriate to refer to economic actors taking existential risks, in comparison with entrepreneurs who took risks on fixed costs. There was a need to improve the terminology and statistical data on the entrepreneurial ecosystem and to strengthen the linkages between social and entrepreneurship policy. In addition, it was necessary for foundations, international organizations, incubators and local communities to work together.

69. In Uganda, research on the exclusion of self-employed economic actors trying to survive showed that self-employment was not gender neutral. Informal self-employment was generally higher among women than men. In some developing countries, small businesses owned by men performed better than those owned by women. This could be attributed to legal discrimination through family laws and social norms, asset ownership repartition and school enrolment beyond primary school. Women tended to allocate more resources to childcare and primary education, which implied there was less money to be invested in their businesses. Against this background, providing access to savings account and developing social policies that established childcare could be considered a suitable solution. There were opportunities linking women in the rural community with women in urban centres, such as those provided by a technical assistance programme in Kenya with Masai women in rural areas. One expert said that the Global Platform for Disaster Risk Reduction provided an opportunity to reform the property rights regime and make it fairer toward women affected by natural disasters.

9. Closing plenary session

70. Summing up, the Chair said that the experts taking part in the session – policymakers, businesspersons, thought leaders and entrepreneurs – shared a strong commitment to contribute to the achievement of the Sustainable Development Goals. The main points emerging from their discussions were as follows:

(a) The rate of implementation should be significantly increased across all areas if the Sustainable Development Goals were to be achieved by 2030. As policymakers could not accomplish this singlehandedly, they would rely on the contribution of sustainable enterprises and communities;

(b) Inclusive entrepreneurship offered many opportunities for marginalized groups, and inclusive entrepreneurship contributed to social inclusion by providing all people with an equal opportunity to operate businesses;

(c) Experts recognized the importance of programmes and policies that targeted and supported women entrepreneurs and in acknowledging the excellent results that women could achieve when they received the necessary support;

(d) There was a need for supportive and effective entrepreneurial ecosystems, which could be established by breaking silos and promoting cooperation and coordination at all governance levels. Collaboration between the public sector, non-governmental organizations, women and youth associations should be encouraged, as well as collaboration between humanitarian and development stakeholders to build resilient communities and support disaster risk-reduction strategies;

(e) Young people, well represented at the session, were an inspiration to all those engaged in tackling sustainability issues;

(f) There was an appetite for business with purpose, for investments with impact and for the private sector to make a difference in sustainable development. All stakeholders should work together to develop the right frameworks, create the right conditions and connect investors with opportunities to lead change;

(g) Although a range of national and cross-national policy initiatives presented at the session was indicative of the variety of the work being carried out in this area, there was a lack of comparable evaluation tools. Therefore, international organizations should carry out further research to measure the outcomes and impacts of entrepreneurship promotion policies and practices on sustainable and inclusive development;

(h) As an outcome of the session, the Multi-year Expert Meeting recommended that UNCTAD make the following contributions:

(i) Continue to work towards disseminating and promoting best practices in investment, innovation and entrepreneurship;

(ii) Help facilitate efforts of the international community and the investment sector to understand and measure impact and to connect investors with opportunities;

(iii) Revisit the Entrepreneurship Policy Framework to fully align it with the 2030 Agenda for Sustainable Development and to incorporate lessons learned from the implementation of the Framework since its launch in 2012.

II. Organizational matters

A. Election of officers

71. At its opening plenary on 17 June 2019, the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development elected Ms. Ibtissam R. Hassan (Egypt) as its Chair and Ms. Gayethri Murugaiyan Pillay (Seychelles) as its Vice-Chair-cum-Rapporteur.

B. Adoption of the agenda

72. Also at its opening plenary, the Multi-year Expert Meeting adopted the provisional agenda for the session (TD/B/C.II/MEM.4/19). The agenda was thus as follows:

1. Election of officers;
2. Adoption of the agenda;
3. Responsible and sustainable business practices and corporate social responsibility and enterprise development;

4. Adoption of the report of the meeting.

C. Outcome of the session

73. At its closing plenary on 19 June 2019, the Multi-year Expert Meeting agreed that the Chair's summary would be produced after the conclusion of the session.

D. Report of the meeting

74. Also at its closing plenary, the Multi-year Expert Meeting agreed to authorize the Vice-Chair-cum-Rapporteur to finalize the report after the conclusion of the session.

Annex

Attendance*

1. Representatives of the following States members of the Conference attended the session:

Algeria	Mauritania
Bangladesh	Morocco
Bolivia (Plurinational State of)	Nigeria
Brazil	Oman
Burkina Faso	Panama
Congo	Philippines
Côte d'Ivoire	Russian Federation
Djibouti	Samoa
Ecuador	Saudi Arabia
Egypt	Seychelles
El Salvador	Spain
Guatemala	Sri Lanka
Guyana	State of Palestine
Iran (Islamic Republic of)	Sudan
Iraq	Switzerland
Italy	Uganda
Kuwait	Ukraine
	Uruguay

2. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
Commonwealth Secretariat
International Organization of la Francophonie
Organization for Economic Cooperation and Development
Organization of Islamic Cooperation
South Centre

3. The following United Nations organs, bodies and programmes were represented at the session:

United Nations Environment Programme
United Nations Office at Vienna

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization
World Bank Group
World Trade Organization

5. The following non-governmental organizations were represented at the session:

General category

Consumer Unity and Trust Society International
International Chamber of Commerce
International Network for Standardization of Higher Education Degrees

* This attendance list contains registered participants. For the list of participants, see TD/B/C.II/MEM.4/INF.7.