Prospects for innovation grow as MSMEs globally face COVID-19 and economic hardship

The advent of COVID-19 and national responses to contain the virus, including through varying types of “lockdowns,” have created a new pattern of challenges and complexities for industries, including for micro, small and medium-size enterprises (MSMEs). The situation has also marked a turning point for high-technology entrepreneurship and ushered in an era of urgent innovation, as a prerequisite for productivity growth, positive economic dynamism, and employment creation. Many Empretecos as well as Empretec centers have had to “re-invent” their business model to adapt to the government regulations imposed as a result of the pandemic and address the decrease in consumer demand due to slowdown in economic activity. During the second half of 2020, as many countries encounter the “second” wave of COVID-19, there is hope that innovation and economic activity will pick up in 2021.

According to the Oxford COVID-19 Government Response Tracker (https://www.bsg.ox.ac.uk), it is estimated that as of 31 March 2020, more than 100 countries went into either full or partial lockdown due to the COVID-19 pandemic. Many MSMEs had to scale-down or suspend their activities over a prolonged period without additional income or sufficient savings to cover expenses such as rent payments and wages. Global supply chains were interrupted, transportation networks disrupted, and employees stopped working.

By the summer of 2020, a series of fiscal measures were introduced world-wide including aimed at helping MSMEs. Supporting MSMEs has been an important part of governments’ COVID relief package worldwide. A global coverage of supportive measures shows that debt finance (loans and guarantees), employment support and tax relief have been the most used policy measures (Figure 1).
To address this unprecedented situation, many international organizations have combined forces to develop and implement capacity-building tools for governments and MSMEs with a view to strengthening their resilience and supporting economic resurgence. Policy efforts are focusing attention to resilient, “green,” and inclusive recovery.

For more information on UNCTAD’s publications and technical assistance that can help countries mitigate or recover from the economic impacts of COVID-19 please visit: [https://unctad.org/programme/covid-19-response](https://unctad.org/programme/covid-19-response)

**MSME day – June 2020**

On 27 June 2020, UNCTAD hosted the MSMEs day to highlight the role of MSMEs in the post-COVID-19 recovery phase and in social economic development. With more than two-thirds of the global population employed by MSMEs, discussions focused on the current impact of COVID-19 on MSMEs, highlighting the rapid action needed in facilitating economic and social recovery for MSMEs globally. Participants also shared policies and best practices for the immediate re-opening of small business, and for the designing of longer-term social and economic recovery strategies in which MSMEs will play a central role.

The event was organized jointly with UN DESA and International Council for Small Business (ICSB), with the support of the Permanent Mission of Argentina in New York. It brought together ministers, high level policy makers, leaders of major international organizations, business associations, academia and other key stakeholders in the private and public sector to contribute to the collective voice of MSME solidarity. The event was very popular with over 2,000 viewers representing all developing regions of the world. It was also very closely followed through social media channels such as Twitter where 6,576 people engaged on the topic. For more information please see: [https://unctad.org/en/Pages/MeetingDetails.aspx?meetingid=2431](https://unctad.org/en/Pages/MeetingDetails.aspx?meetingid=2431)
Secretary-General Report – July 2020

In July 2020, UNCTAD, in collaboration with other UN entities, prepared the Report of the UN Secretary-General reviewing the progress made in the implementation of General Assembly resolution 73/225 on entrepreneurship for sustainable development. The resolution was adopted by Member States in December 2018. It makes explicit reference to the Empretec programme recommending its implementation for Member States as a behavior-based approach to entrepreneurship. The Report offers a review of recent trends in entrepreneurship with specific attention to the implications of the COVID-19 pandemic on entrepreneurs and micro-, small and medium-sized enterprises, especially those operated by vulnerable groups including women, youth, migrants and refugees. The Report draws from the experiences of UNCTAD and other UN entities in supporting Member States implement relevant policies and measures to support entrepreneurship through various thematic areas including conducive regulations and improving access to finance, training, networks, markets and technology. Inter alia it refers to growing attention toward behavioral approach to entrepreneurship skills training, particularly in building an entrepreneurial mindset and complementing “hard” business skills such as accounting and finance. In this context it highlights the impact of UNCTAD’s flagship Empretec programme with impact assessment from recent training workshops across the world. The Report is publicly available in all six UN languages through the following link: https://digitallibrary.un.org/record/38798317?ln=en

Empretec Directors e-meeting discusses challenges and opportunities with Covid-19

Directors of the Empretec centers, coordinators and international trainers from 23 countries met virtually on 14 April 2020 to discuss strategies and measures to cope with the global pandemic and the restrictions affecting regular operations of Empretec centers all around the world. The virtual meeting was hosted by UNCTAD from Geneva, Switzerland. Participants shared challenges in their respective countries and provided examples of how virtual tools were facilitating their activities in support of local entrepreneurs and MSMEs, including former Empretec graduates (empretecos and empretecas), as well as attracting new participants for future workshops.

Participants discussed the use of virtual meeting platforms to conduct coaching and reinforcement sessions as well as a more intensive use of social media such as Facebook and Twitter. The latter were mainly used to publicize e-learning activities and provide on-line support services, such as “live” sessions and “chats” with experienced Empretec facilitators, including motivational videos. UNCTAD has invited each center to send a summary of what they were doing and suggestions on what could be done in the short-term and the coming months, including the possibility of forming a task force to discuss the development of new on-line tools that could complement the standard Empretec workshops conducted in presence.

Global Initiative towards post-Covid-19 MSME sector: MSME SURGE project

Coordinated by UNCTAD, this US$ 1.3 million project funded by the UN Development Account, brings together various UN agencies in addressing COVID-19 impact on entrepreneurship and MSMEs. Those partaking include, UN DESA and the UN regional commissions for Africa (ECA), Europe (ECE), Latin America and the Caribbean (ECLAC), Asia and the Pacific (ESCAP), and the Arab region (ESWA), thus ensuring both global reach and regional presence, international cooperation, and exchange of knowledge and good practices from all over the world. The project was launched in July 2020 and is expected to run up until the end of 2021.

The objective of the project is to develop and implement capacity-building tools for governments and MSMEs to facilitate resurgence and strengthen the resilience of micro, small- and medium-size enterprises (MSMEs) in developing countries and economies in transition, to mitigate the economic and social impact of the global Covid-19 crisis and to facilitate the MSMEs contribution to the SDGs implementation.

The project proposes a coherent approach towards MSME resurgence reflecting a holistic and comprehensive nature of efforts needed to ensure and facilitate the MSMEs’ green, resilient and inclusive post COVID-19 resurgence. Activities will be delivered through a coordinated approach and complimentary efforts of participating agencies covering key interrelated components of an enabling entrepreneurship ecosystem, such as mobilizing entrepreneurship potential, enhancing MSMEs access to innovation and technology, finance and markets, including at a policy level and at MSMEs level, and reaching out to most affected target groups, such as women and informal workers. The project also includes several activities to facilitate environmentally friendly and sustainable recovery of the MSMEs.

For more information on SURGE Phase II project please visit: https://unctad.org/project/global-initiative-towards-post-covid-19-resurgence-msme-sector
The role of Entrepreneurship in post-COVID 19 resurgence — Urgent priorities for start-ups and MSMEs’ recovery

In response to the ongoing COVID-19 pandemic, and as part of the MSME surge project, UNCTAD and the United Nations Institute for Training and Research (UNITAR), have joined efforts to host a series of Virtual Roundtables on the impact of Covid-19 on entrepreneurship and MSMEs. The workshops will examine what government policies and MSMEs initiatives could lead to resilient, green, and inclusive recovery, as well as share good practices. This joint initiative aims to provide insights to policymakers and MSMEs to better understand and navigate this unprecedented situation.

The first Virtual Roundtable took place on 18 September 2020 and was attended by about 180 online participants. During the animated discussions, entrepreneurs, policy makers, academics and practitioners shared their views and experiences on the challenges and opportunities entrepreneurs face in the current global crisis.

Participants stressed that the achievement of SDGs in developed and developing countries depends on a dynamic, innovative and resilient MSMEs sector. The International Chamber of Commerce (ICC) shared the results of their survey on MSMEs in Least-Developed Countries (LDCs). Their findings show that the most affected categories of entrepreneurs are women and nascent entrepreneurs, as well as those active in the informal economy. Layoffs were high overall, but were especially pronounced in the textile and craft, utilities and energy, and catering and tourism industries. To combat the negative effects of the Covid-19 crisis, the panelists highlighted the need to implement coherent entrepreneurship policies that can simplify regulation, ease access to finance and markets, encourage investment and promote innovation and entrepreneurship education.

The event laid the ground for the next Virtual Roundtable which will focus on digital and innovative solutions for entrepreneurship and MSMEs.

For more information on ICC survey of MSMEs in LDCs, please visit: https://infogram.com/1prdz6xmyk9e79tgg299prwrr7cmv65v3xp?live

Empretec Master Class and Training of Trainers workshops take place in Lagos, Nigeria

Empretec Master Class (ETW) and the Empretec Training of Trainers (TOT) workshops took place in Lagos, Nigeria from February 17 to 22, and 24 to 28, 2020, respectively. The two events were organized jointly by UNCTAD and the Empretec Nigeria Foundation to introduce a revised ETW curriculum, which was elaborated by UNCTAD and SABRAE/Empretec Brazil, based on research and testing workshops carried out in different continents to reflect present day international best practices in business training delivery methods.

The ETW was based on the revised Empretec training methodology and trained a group of 25 participants (14 men, 11 women) selected by the Empretec Nigeria Foundation. Out of those, 23 successfully completed the course. The event also hosted 17 Empretec trainers from throughout Africa who acted as observers to learn how the new methodology is applied in practice.

The second TOT event coached 21 trainers from 8 African countries on the contents and modifications of the “6DM” ETW, and to prepare them to start delivering this new version of Empretec workshop. The audience comprised Empretec Trainers, National Master Trainers and International Master Trainers. In addition, there were 5 trainee trainers (from Nigeria), Empretec center staff members (from Nigeria, Ghana and Gambia) and two center directors (Gambia and Zimbabwe).
UNCTAD-EMPRETEC Regional Roundtable on Entrepreneurship

Africa Regional Roundtable on “Entrepreneurship for Sustainable Development” took place on 24 February 2020 at the Buhari Hall, the Lagos State. It was organized jointly by UNCTAD and the Empretc Nigeria Foundation. Representatives of 8 African Empretc centers participated in the event.

The objective of the Roundtable was to discuss the importance of entrepreneurship policy in strengthening an enabling entrepreneurship environment and examine key challenges in developing a national entrepreneurship strategy. The event was opened by H.E Ambassador Marim Kato, Minister of State for Industry, Trade and Investment, while the keynote address was delivered by Professor Chris Ogbuehi of the Graduate Business School of the Pan Atlantic University, Lagos. The roundtable also included interventions by distinguished representatives from FATE Foundation, the Nigerian Export Promotion Council, Nigerian Investment Promotion Commission, Tony Elumelu Foundation, and other senior representatives of key agencies in the area of entrepreneurship and development from Nigeria. In this context UNCTAD introduced its Entrepreneurship Policy Framework as a means to ensure a holistic and coherent approach in designing and implementing a national entrepreneurship strategy and to facilitate stakeholder coordination. The meeting was attended by more than 500 participants.

During COVID-19, Empretc Training-of-Trainers (TOTs) and post-TOTs move online

As part of the general strategic plan of the United Nations called “A UN framework for the immediate socio-economic response to COVID-19”, UNCTAD is supporting Empretc centers and their trainers in strengthening their response to assist SMEs, including through a number of on-line training workshops for trainers and trainee-trainers from various countries. In this connection, a series of web-based workshops took place from 21 April to 18 September 2020. One hundred and thirty-three Empretc trainers and trainee-trainers from Africa, Latin America and the Middle East participated in these TOTs.

The participants appreciated modules incorporating new tools, such as Design Thinking and the Business Model Canvas. They also valued new concepts such as eco-innovation and sustainability embedded in business modeling and appreciated the opportunity to review the selection process as well as receiving guidance on how to validate stamps.

Webinar attendees expressed their interest in attending similar on-line training events in the future and felt this UNCTAD’s initiative was an excellent opportunity to strengthen networks among trainers from different countries. One participant noted “This is to truly appreciate the opportunity you provided to us through UNCTAD to participate in the just concluded online TOT. This has been a wonderful refresher on the ETW Model and will go a long way in preparing us to engage with the present day entrepreneurial ecosystem players, especially the new-age start-ups in this Covid-19 situation and beyond.”

UNCTAD webinar on Entrepreneurship Policy Framework for Angola

UNCTAD, in collaboration with the Angolan National Small and Micro Enterprises Support Institute (INAPM), under the Ministry of Economy and Planning and with the coordination of the Ministry of Industry and Commerce, organized a webinar on 16 July 2020 to formulate a consensus-based approach on developing a National Entrepreneurship Strategy (NES) for Angola based on the implementation of UNCTAD’s Entrepreneurship Policy Framework (EPF).

The webinar was part of UNCTAD’s ongoing work aimed at assisting Angola in developing a NES and a related action plan, as well as building the capacity of policy makers and other stakeholders to design and implement the strategy. This activity was carried out under the EU-UNCTAD Joint Programme for Angola: Train for Trade II, with funding by the European Union. The webinar included relevant stakeholders and key institutions (private sector, civil society and government officials), active in Angola’s entrepreneurship ecosystem.

More than 50 participants, representing the Government and different parts of the private sector, discussed the results of a perceptions survey carried out by UNCTAD of the existing entrepreneurship eco-system in Angola. Consensus was formed on the need to develop a comprehensive national entrepreneurship strategy for Angola, through an inclusive process. Various aspects of the six different thematic
pillars, including Formulating National Entrepreneurship Strategy, Optimizing the Regulatory Environment, Enhancing Entrepreneurship Education and Skills Development, Facilitating Technology Exchange and Innovation, Improving Access to Finance and Promoting Awareness and Networking of the forthcoming strategy were discussed. In this connection, an agreement was reached on the need to appoint and mobilize key institutions to take the lead in the discussions under these pillars.

**UNCTAD webinar on Mapping the Entrepreneurship Ecosystem in Zimbabwe**

Empretec Zimbabwe, working jointly with the Ministry of Women Affairs, Community, Small & Medium Enterprises Development, and in partnership with UNCTAD and AFFORD UK, organized a webinar on 18 June 2020 to discuss opportunities and constraints to sustainable entrepreneurship in Zimbabwe. The virtual gathering sought to have different members of the entrepreneurship ecosystem in the Zimbabwe come together to deliberate on the key environmental issues affecting them.

The meeting was chaired by the Minister of Women Affairs, Community, Small & Medium Enterprises Development, Honourable Dr. S.G. Nyoni, and organized by Empretec Zimbabwe Chief Executive Officer – Ms. Busi Bango.

Participants discussed Zimbabwe’s Transitional Stabilisation Programme (TSP) which aims, among other things, to facilitate access to appropriate and affordable workspaces, promote horizontal and vertical linkages amongst SMEs, and between SMEs and large corporations, and improve access to finance through institutions such as SMEDCO, Savings and Credit Cooperatives (SACCOS), Women’s Micro Finance Bank, Women Development Fund and SME windows established by various financial institutions.

Ms. Tatiana Krylova, Head of Enterprise Branch, Division on Investment & Enterprise Development at UNCTAD, presented UNCTAD’s Entrepreneurship Policy Framework (EPF) as a tool to address key entrepreneurship development issues and spearhead inclusive economic growth, while, Mr. Onyekachi Wambu, Executive Director of AFFORD UK, spoke on diaspora investments in Africa and his organization’s cooperation with Empretec Zimbabwe. Participants appreciated the webinar’s rich discussions, especially those focusing on the SME support in response to the COVID-19 crisis.

**NEWS FROM THE EMPRETEC NETWORK:**

**Argentina:**

With the aim of assisting Argentine entrepreneurs during the COVID-19 crisis, Empretec Argentina transferred its activities to a virtual format and designed a large training programme for different audiences.

From April to June 2020, more than 350 entrepreneurs nationwide graduates - of UNCTAD’s Empretec Entrepreneurship Training Workshops (ETWs) - took part in meetings and practiced the 10 Personal Entrepreneurial Competencies in the context of the difficulties and obstacles caused by the COVID-19 pandemic.

In June 2020, after conducting a virtual survey of more than 300 entrepreneurs, Empretec Argentina developed a series of free virtual training events on topics such as, sustainability, inclusive purchases, management of costs and others. These trainings will last until December 2020.

Furthermore, to assist the COVID-19 crisis affected SMEs sector, Empretec Argentina developed training programmes in finance, together with the National Bank of Argentina and Ministry of Foreign Trade, to assist Argentine entrepreneurs in the internationalization of their companies. More than 400 entrepreneurs are expected to benefit from these trainings.

Finally, in August 2020, Empretec Argentina launched the 12th edition of the National Bank Innovative SMEs & Endeavors Contest. This competition aims to promote the creation and consolidation of new dynamic and innovative companies and will distribute a total of $1,800,000 (argentine pesos) in prizes among the winners.
China:
UNCTAD has been approached by China Economics and Finance Centre (CEFC), at the University of Lausanne to pilot two Empretec workshops in China. The project aims to promote entrepreneurial activities and contribute to SDG No. 4 and its target 4.4 which stipulates that by 2030, the world will substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

The two workshops are planned to be conducted in 2021 and are expected to lay a foundation for further cooperation between UNCTAD and its Chinese partners in the area of entrepreneurship promotion.

Colombia:
In response to new challenges caused by the COVID-19 pandemic, the Empretec Colombia Center implemented its first ETW 6DM modernized version in a 100% virtual mode. The workshop, which took place in the autumn, trained 23 people.

The commitment to change the name of the "Stamp Book" exercise to the "Behavior Log" had good acceptance among participants in terms of understanding its definition, usefulness and handling.

The students also launched the CREA Company in the Opportunity Search module, through the Design Thinking tool. In addition, the Learning Cycle and the CCE, were maintained, while the challenge remained with the Experimentation phase of the Learning Cycle, given the virtual modality.

The Digital Tools module was much appreciated by the participants, even more so considering that it was shared by an Empreteca - this year’s finalist for Colombia for the Empretec Women in Business Awards (WBA 2020), Sandra Sánchez, Founder of the International Agency SHARK, digital business and marketing services.

India:
The COVID-19 pandemic has severely impacted the SME sector in India. Empretec India Foundation had to reinvent itself quickly, keeping true to its essence and purpose, which is to promote Empretec’s methodology to lift entrepreneurial mindset and consciousness, allowing Empretecos to become the best version of themselves.

The Foundation strengthened its Primers and other products to coach, rather than to train, to work from inside-out, rather than from outside-in and inspire rather than motivate. The trainers started bringing people together online, covering larger geographical areas, while keeping true to the learning outcomes envisaged. Empretec India also discovered the importance of working specifically on consciousness, and not just on entrepreneurial behaviors and habit-formation as determinants of business success. "Culture + Consciousness = Community!" as a motto and philosophy for the development of the Empretec network in India, birthed during the darkest weeks of the pandemic, as a result of many hours of DRIFTs (on-line meet-ups) and innumerable Stamps written by practitioners in the Empretec Gym – India’s online community repository that hosts thousands of stories of courage and determination that members demonstrated in the face of significant obstacles and challenges.

Empretec India Foundation also established several key partnerships that strengthened its business development services and relations with the media to promote HiERAs (High-Impact Entrepreneurs from Emerging Regions for Action) and help them better integrate into the local, regional and global industry value chains. Many of the HiERAs participated in a virtual celebration hosted by UNCTAD on the World MSME Day which took place on 25 June 2020.

In the words of one Indian Empreteco: “What kept us--indeed, keeps us going--is the spirit of resilience that members of the Empretec community live by and promote. And that spirit of resilience is bolstered by the regular practice of entrepreneurial behaviours - an outcome of the commitment that we make to ourselves and to the communities that our enterprises must serve.”

Jordan:
The Business Development Center (BDC), Empretec National Center in Jordan expanded its Empretec Programme to reach youth in different Jordanian governorates and vulnerable areas with a view to supporting the culture of self-employment. In this connection, BDC initiated “Inhad”—a one-stop national programme that features Introduction to Social Entrepreneurship and Ideation Workshop, as well as Entrepreneurship Capacity Building of Entrepreneurial Competencies and Business Planning and Business Canvas Programmes.

The training is followed by technical support in preparing a feasibility study. Once the feasibility study is done, the applicant will select a participating commercial or Islamic bank to apply for a 7-year concessional loan with a grace period of one year. The loans are granted in the amount of JOD5,000 to JOD30,000 with no down-payment or guarantees required.

The Inhad programme participants also benefit from refresher days, mentoring, business linkages and business incubation services.
From January through to September 2020, 4083 persons registered for the “Inhad,” programme, participating in 17 workshops in Aqaba, Amman, Irbid, Jerash, Tafileh, Madaba, Mafraq, Ma’an, Ajloun, Balqa’a, Kerak and Zarqa. Despite challenges posed by the COVID-19 crisis, 365 youths received technical support in preparing feasibility studies, 43 were funded directly by the banks and 257 found direct job opportunities.

Graduates of Empretec Programme in Jordan serve as an inspiration to other entrepreneurs and their success stories are widely publicized. For example, HRH Crown Prince Hussein visited a fish breeding farm in Thiban—a vulnerable area of Madaba Governorate funded through the Inhad programme. The fish farm was established by an Empretec graduate creating six direct job opportunities. The Crown Prince noted the importance of encouraging self-employment culture in Jordan and launching more income-generating projects in various sectors to achieve economic growth.

Queen Rania Al Abdullah visited the Reef Springs Resort in the governorate of Ajloun. The resort includes a restaurant which was started by an Empretec graduate. During her visit, the Queen visited the resort facilities, including its magnificent garden that features indigenous plants. She also participated in making the traditional thyme.

Finally, in the autumn, Facebook, in partnership with the Jordanian Business Development Center (BDC), launched the ‘Boost with Facebook,’ global programme designed to equip small and medium-size businesses (SMBs) with the digital marketing skills they need to grow their presence online and compete in the digital economy. Under the patronage of Her Excellency Eng. Maha Al Ali, Jordan’s Minister of Industry, Trade and Supply, the programme is envisaged to train around 1,000 SMBs across the country to support their economic recovery.

To find out more about ‘Boost with Facebook,’ or to enquire about registration for future online sessions, please visit: https://www.facebook.com/BDCjo/.

This document has not been formally edited.  
UNCTAD/DIAE/ED/INF/2020/5