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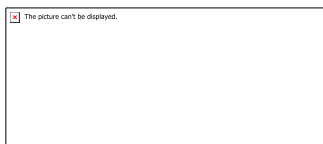
18 July 2020

MSME surge project Phase II Project Proposal



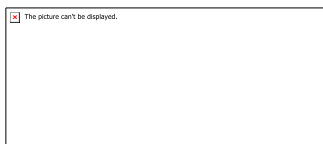
Coordinating agency: UNCTAD
To be jointly implemented by: UNCTAD,
UDESA, UNECA, UNECE, UNECLAC,
UNESCAP, UNESCWA

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1. Executive summary

Project Title:	
Start date:	July 2020
End date:	31 December 2020
Target countries:	All member states with focus on specific countries in different geographical regions in accordance with the mandates of the implementing agencies
DA Implementing entities:	UNCTAD, UN DESA, UN ECA, UN ECE, UN ECLAC, UN ESCAP, UN ESCWA
Other UN partners	UN Resident Coordinators and Country Teams, UNIDO, UNITAR, UNDP

The objective of the project is to develop and implement capacity building tools for governments and MSMEs to facilitate resurgence and strengthen resilience of micro, small and medium 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.

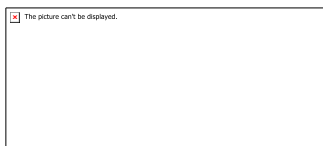
The initiative brings together UNCTAD, UN DESA and the UN regional commissions for Africa (ECA), Europe (ECE), Latin America and the Caribbean (ECLAC), Asia and the Pacific (ESCAP), and the Arab region (ESCWA) with funding provided by the UN Development Account. Thereby, it ensures both global reach and regional presence, international cooperation, and exchange of knowledge and good practices from all over the world.

The project will be structured in five clusters addressing most critical areas of the MSME recovery:

1. Mobilize entrepreneurial ecosystem and strengthen business skills
2. Simplify business registration and facilitate formalization
3. Improve access to finance/financial literacy
4. Increase access to technology and innovation
5. Enhance access to markets

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 recovery. 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, including women and informal workers. The project also includes a number of activities to facilitate green and sustainable recovery of the MSMEs.

UNCTAD will provide an overall coordination, lead clusters on MSMEs/entrepreneurship policies/skills facilitation and e-registration, and contribute to clusters on access to finance and markets. UN DESA will address issues of formalization. UN ECA will lead cluster on access to innovation and technology and participate in the cluster on access to markets. UNECA will focus its analysis on implications of COVID 19 on MSMEs' access to markets in Southern Africa, at national, regional and global level, and the potential role of technology and innovation, including in



the context of the blue and green economy, in facilitating such access. UN ECE will lead the cluster on access to markets and in this context provide inputs on business skills on managing risks and uncertainties in crisis times, on rational use of natural resources, food waste management and circular economy. UN ESCAP will lead the cluster on access to finance, UN ESCWA will expand on the information and data system delivered in Phase 1. UN ESCAP and UN ECLAC will provide inputs on MSME market access facilitation through their integration into value chains. UN ECA, UN ECE, UN ECLAC, UN ESCAP and UN ESCWA will also provide reports on MSMEs needs assessment in COVID 19 environment in their regions to facilitate immediate impacts of their targeted interventions. E-platforms and networks will be created: on the MSMEs policies - by UNCTAD, technology and innovation policy related platform will be created by the ECA, and policy-making platform by ESCAP and ESCWA in their respective regions.

Considering continued travel restrictions and social distancing requirements, proposed activities aim to create and utilize online platforms and *online capacity building tools*, where possible available in several languages to facilitate access and outreach at a global level, regional and national levels. Dissemination and outreach will be facilitated by cooperation among agencies involved in the project and their national/regional counterparts, and UN Resident Coordinators and Country Teams. The project will also ensure a scaling up approach, where the tools and outputs of one agency will be utilized by another agency (for example, ECE training materials on rationale use of natural resources would be incorporated into the BDS portfolio of the Empretec centers of UNCTAD). UNCTAD network of Empretec centers in about 40 countries, within their national MSME networks, would provide an institutional support for dissemination and implementation of relevant outputs of other agencies.

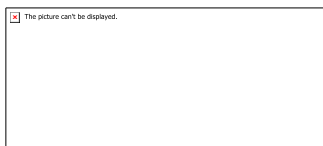
2. Background

2.1. Context

The project builds on the mandate enshrined in the General Assembly's Resolution on Global Solidarity to fight the coronavirus disease 2019 (COVID-19) (A/RES/74/270).¹ adopted on 2 April 2020. The Resolution recognized the unprecedented effects of the pandemic, including the severe disruption to societies and economies, as well as to global travel and commerce, and the devastating impact on the livelihoods of people. It emphasized that the poorest and most vulnerable are the hardest hit by the pandemic and that the impact of the crisis will reverse hard-won development gains and hamper progress towards achieving the Sustainable Development Goals. It called for intensified international cooperation to contain, mitigate and defeat the pandemic, emphasized the need for sustainable and inclusive recovery and acknowledged the need for all relevant stakeholders to work together at the national, regional and global levels to ensure that no one is left behind. The Resolution followed the United Nations report “Shared Responsibility, Global solidarity: Responding to the socio-economic impacts of COVID-19” issued in March 2020.² This report is a call to action, and above all, a call to focus on people – women, youth, low-wage workers, small and medium enterprises, the informal sector and on vulnerable groups who are already at risk.

1 United Nations, Resolution 74/270, adopted by the General Assembly on 2 April 2020, available at <https://undocs.org/en/A/RES/74/270>

2 https://www.un.org/sites/un2.un.org/files/sg_report_socio-economic_impact_of_covid19.pdf



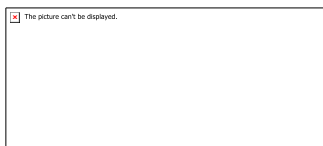
The proposal is further guided by the UN Framework for the immediate socio-economic response to COVID-19³ which sets out the framework for the United Nations' urgent socio-economic support to countries and societies in the face of COVID-19, and puts in practice the UN Secretary-General's Shared Responsibility, Global Solidarity report. The Framework consists of five streams of work – an integrated support package offered by the United Nations Development System (UNDS) to protect the needs and rights of people living under the duress of the pandemic, with particular focus on the most vulnerable countries, groups, and people who risk being left behind. *One of its core five streams of work is protecting jobs, supporting small and medium-sized enterprises, and informal sector workers through economic response and recovery programmes.* These streams are connected by a strong environmental sustainability and gender equality imperative to build back better.

Mainstreaming gender equality and human rights

With more than two-thirds of the global population employed by MSMEs, the unprecedented outbreak has vividly shown how tightly their activities are woven into the economic and social fabric of the world and therefore how fundamental is their role in social and economic resurgence. Therefore addressing issues of MSME resurgence naturally is people focused. The project approach is built on the notion that nobody should be left behind.

The current crisis threatens to push back the limited gains made on *gender equality* and exacerbate the feminization of poverty, vulnerability to violence, and women's equal participation in the labor force. The project will ensure that the MSME surge actions take a gender perspective, including considering specific constraints for women entrepreneurs and women in the informal sector. The technical assistance will emphasize the critical role of women's leadership and participation in the Post-COVID-19 recovery action in the short and long term. Ensure gender balance and expertise in the teams and activities will be at the backbone of the project. While attention will be given to ensure at least 30% of women participation in all interventions, targeted activities will be conducted to address female entrepreneurship (UNCTAD and UN ECE). It will also include gender-sensitive communication tools, making information, and training material available to both men and women.

Protection of human rights and efforts to ensure inclusion will embed the activities of the different clusters across the preparedness, response and recovery spectrum. Massive job losses among migrant workers will have knock on effects on economies heavily dependent on remittances. Effects are expected to be substantial in economies with a large informal sector, where often social protection systems do not exist or are limited, or, in the formal sector, exposed to market volatility. A human rights-based approach to a recovery plan entails considering what measures governments should be taking to ensure positive impacts and mitigate any negative shock on people's right to development. To achieve this, the project will promote holistic, people-centered approach to the MSME recovery and sustainable development. Environmental considerations will be addressed by interventions aimed to support the transition to a healthier, resource efficient green and circular economy (UNCTAD and UN ECE).



Moreover, business linkages support has proved to be particularly effective and impactful in the agricultural and tourism sectors, helping subsistence farmers and small tourism operators. Food production, and related informal and formal labor, transportation, and marketing services are principal sources of income and livelihoods for more than two-thirds of the populations in the LDCs and several large middle-income countries. The project will therefore address issues on MSMEs resurgence through business linkages and integration into value chains.

Finally, the project will also provide assistance on support to MSMEs to help them to identify opportunities on reconverting production towards immediate needs for enterprises to remain in business, reaching customers through ICT tools and platforms, consolidating their supply chains, and developing contingency plans to ensure business continuity.

2.2. Link to the SDGs

Due to an innovative and opportunity seeking nature of entrepreneurship, flexibility and adaptability of smaller scale businesses to new environment, and ability to provide innovative solutions for emerging new challenges in economic, social and environmental areas, MSMEs can play an important role in addressing all Sustainable Development Goals (Figure 1).

Figure 1: The role of entrepreneurship and MSMEs on the Agenda 2030

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MSMEs development and entrepreneurship can contribute to implementation of the entire Agenda 2030⁴. While the current crisis poses a threat to its implementation, the project specifically contributes to the following SDGs:

SDG 1 End Poverty

SDG 4: Quality education

SDG 5: Gender Equality

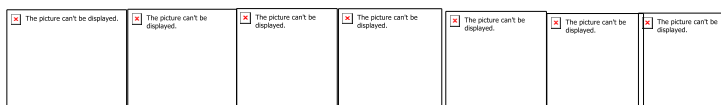
SDG 8: Decent Work and

Economic Growth

SDG 9: Industry, Innovation and Infrastructure

SDG 12: Responsible Consumption and Production

SDG17: Partnerships for the Goals

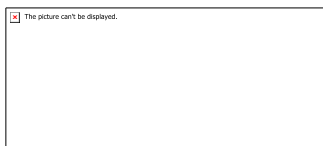


In particular, the implementation of the project will directly support the achievement of the following SDG targets:

4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

⁴DESA report "[MSMEs and Their Role in Achieving SDGs](https://sustainabledevelopment.un.org/content/documents/26073MSMEs_and_SDGs.pdf)", 2018

https://sustainabledevelopment.un.org/content/documents/26073MSMEs_and_SDGs.pdf



8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

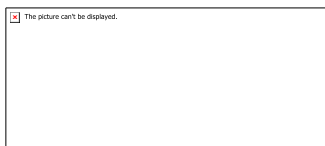
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

Further SDG targets to be indirectly positively influenced by the project are:

- 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance*
- 5A Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws*
- 12.2 By 2030, achieve the sustainable management and efficient use of natural resources*
- 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses*
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle*
- 17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism*
- 17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology*
- 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries*



2.3. Mandates, comparative advantages and link to the 2020-2021 Programme Budget

The objective of the project is to develop and implement capacity building tools for governments and MSMEs to facilitate resurgence and strengthen resilience of micro, small and medium 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.

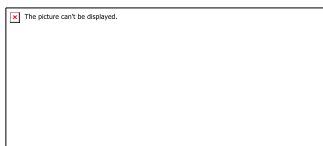
The project will build on comparative advantages and mandates of the participating agencies. The DA implementing entities possess the expertise, knowledge, capacity and tools to provide immediate advice, capacity building and support to governments and MSMEs during the pandemic crisis emergency. Therefore, they can take this opportunity through innovative online solutions to support and advice as many countries as possible with their normative and operational work building on experience and lessons learned from their past interventions and ongoing projects. This effort will make available a set of advisory services and capacity building tools to UNCTs as they support national emergence from the COVID-19 crisis and mitigate the effects of related shut-down measures. The effort will help to enhance coordination in the area of the MSME promotion in the UN system, and avoid duplication, facilitate efficient use of resources and impactful results based on synergies.

2.3.1. Mandates

UNCTAD's goals are to maximize the trade, investment and development opportunities of developing countries and economies in transition and assist them in their efforts to integrate into the world economy on an equitable basis. Entrepreneurship and MSME promotion and capacity building is a key component of its mandate and the ongoing work⁵. In particular, UNCTAD is a focal point in the UN on entrepreneurship and MSME policy as formally mandated by two United Nations General Assembly resolutions on Entrepreneurship for Sustainable Development. /RES/71/221 and A/RES/73/225 both call on “the United Nations system, and in particular the United Nations Conference on Trade and Development, to continue to provide support to and assist member States, at their request, to identify, formulate, implement and assess coherent policy measures on entrepreneurship and the promotion of micro-, small and medium-sized enterprises”.

In accordance with the mandates UNCTAD provides technical assistance and capacity-building support to a number of developing economies, including advice and training to policy makers to inform and guide the development and implementation of *national entrepreneurship policies* based on UNCTAD's Entrepreneurship Policy Framework (EPF). Endorsed by member states through a series of intergovernmental discussions and formally launched at the Ministerial Conference UNCTAD XIV in 2012, the EPF identifies policy objectives and options in the form of recommended actions designed to assist governments in the practical formulation and targeting of national entrepreneurship strategies toward overarching developmental objectives. Broadly speaking, the EPF seeks to optimize the regulatory environment, enhance entrepreneurship education and relevant skillsets, facilitate technology exchange and innovation, improve MSMEs access to finance and markets, promoting awareness and networking opportunities.

⁵ https://unctad.org/meetings/en/SessionalDocuments/td519add2_en.pdf



UNCTAD's flagship entrepreneurship/MSME capacity building programme Empretec is also highlighted in the A/RES/73/225 which encouraged all relevant actors to increase efforts to systemically integrate entrepreneurship within the formal and informal education systems, including through, inter alia, behavioral approach programmes such as the Empretec programme of the United Nations Conference on Trade and Development.

UNCTAD's e-registration programme is part of its *Business Facilitation Programme* which recognized by the Nairobi Consensus, 2016 (art 55 r). UNCTAD "should continue to help countries to promote enterprise development and entrepreneurship, reduce bureaucratic barriers and streamline business registration, through the Entrepreneurship Policy Framework, Empretec and the Business Facilitation Programme".

UNCTAD activities in the area of *accounting and reporting for MSME*, including on environmental and social impacts, are mandated by the Agreed Conclusions of the Intergovernmental Working Group on International Standards of Accounting and Reporting (ISAR) at its 36th session that took place in 2019 which recognized UNCTAD's *Guidance on Core Indicators for Entity Reporting on Contribution towards Implementation of the Sustainable Development Goals* as a useful toolkit for organizations to provide comparable baseline data on their contribution to the implementation of the Sustainable Development Goals. In this regard it requested UNCTAD to conduct further case studies on implementation of the Guidance including in Francophone countries in Africa, among others, , and including for small and medium-sized enterprises, to facilitate wider use, raising awareness and dissemination of the Guidance, as well as training and capacity-building, including in cooperation with relevant training institutions.

UNCTAD is the only international organization with quasi-universal membership to deal with *competition and consumer protection* issues (mandate: UNGA 35/63 on restrictive business practices (competition) and UNGA 70/186 on consumer protection)⁶. UNCTAD is the custodian of the only two global instruments on these issues: the UN Set of Principles and Rules on Competition⁷ and the UN Guidelines for Consumer Protection⁸.

UNCTAD has built a solid expertise on the linkages between *trade and gender*, and plays a key role in ensuring that economic policies – trade policy in particular – become instrumental in the achievement of gender equality and women's economic empowerment. UNCTAD has worked with developing and least developed countries to analyse the impacts of trade and trade policy on gender equality and women's well-being; to provide technical assistance to raise policymakers' awareness of the gender ramifications of trade; and to support them in the formulation of gender-responsive trade policies.

UN DESA's mission is to promote sustainable development for all, *focusing on the most vulnerable*. This reflects a fundamental concern for equity and equality in countries large and small, developed and developing. It underscores the need for all stakeholders – governments, UN and other

⁶ https://unctad.org/meetings/en/SessionalDocuments/ares70d186_en.pdf

⁷ UN, "THE UNITED NATIONS SET OF PRINCIPLES AND RULES ON COMPETITION," <http://unctad.org/en/docs/tdrbpconf10r2.en.pdf>.

⁸ United Nations, "United Nations Guidelines for Consumer Protection," December 2015, http://unctad.org/en/PublicationsLibrary/ditccplpmisc2016d1_en.pdf.



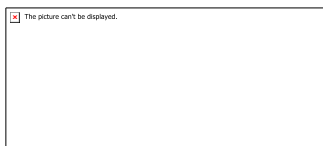
international organizations, civil society and the private sector – to do their part to improve economic and social well-being. This emphasis on equitable participation by all people and nations is what makes the United Nations unique and gives the development agenda its universal legitimacy. It provides leadership and catalyzes action to promote and implement the United Nations 2030 Agenda for Sustainable Development by conducting research and undertaking substantive analysis to inform policy making, providing capacity development, and facilitating UN inter-agency coordination and the engagement of Major Groups and other Stakeholders in the United Nations' work on sustainable development.

For Africa, a region that is likely to suffer a disproportionate impact from the full onslaught of Covid-19 in the months to come, the **UN ECA** and its sub-regional offices will take the lead in conducting policy-oriented research, and implement target capacity-building activities to assist RECs and supporting member governments at a regional level on addressing the impacts of Covid-19 on African MSMEs and private sector, especially in the context of the African Continental Free Trade Area (AfCFTA) and the Tripartite Free Trade Area (TFTA). At its 25th session of the Inter-Governmental Committee of Senior Officials and Experts (ICSOE) that took place in Southern Africa, in Eswatini, in September 2019, on “*Strategies and policies for the integration of Micro, Small and Medium Scale Enterprises (MSMEs) in the industrialization process in Southern Africa*”, the ECA sub-regional office for Southern Africa was given a clear mandate by its member states to provide Southern African MSMEs with technical support, especially in fostering them to become more innovative and creative in their approaches to resolve their competitiveness challenges. ECA SRO SA will start to implement in 2021 its UNDA 13th tranche project titled: ‘*Innovative approaches for private sector competitiveness to promote trade and inclusive industrialization in Southern Africa*’. The broad objective of this project is to strengthen capacities of MSMEs in six selected Southern African member states to design and apply innovative approaches to enhance their competitiveness so that they can be effective private sector enablers of trade and inclusive industrialization. The UNDA 13th tranche project of UNECA SRO SA will be complementary to this ongoing technical assistance project in which ECA's interventions will focus on the use of technology and innovation by MSMEs to address the impact of Covid-19 including access to markets and building resilience.

UN ECE has a strong record of capacity building and policy recommendations in the areas of renewable energy and energy efficiency through its Groups of Experts on Renewable Energy and on Energy Efficiency and multiple implemented technical assistance projects, many of them jointly with other UN Regional Commissions. UNECE, through the United Nations Framework Classification for Resources (UNFC), provides countries, companies, financial institutions and other stakeholders with a unique tool for sustainable development of energy and mineral resource endowments, which is capable of managing the natural resources required for the present and future needs of the society and realizing the objectives on SDGs.

UNECE is as a multilateral platform facilitates greater economic integration and cooperation among its fifty-six member States and promotes sustainable development and economic prosperity through:

1. policy dialogue,
2. negotiation of international legal instruments,
3. development of regulations and norms,



4. exchange and application of best practices as well as economic and technical expertise,
5. technical cooperation for countries with economies in transition.

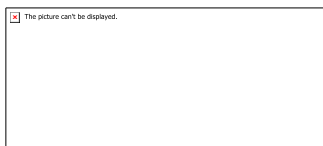
UN ECLAC in the area of economic development, aims to promote equitable long-term economic growth and the effective generation and allocation of financial resources to support development and equality in the Latin American and Caribbean countries. ECLAC pursues this goal through a threefold strategy: the systematic monitoring of macroeconomic and industrial policies and reforms; the evaluation of their impact in terms of sustainability, productivity, efficiency and equity; and substantive support for the formulation and implementation of these policies by governments.

UN ESCAP is the leading inter-governmental platform for regional cooperation in Asia and the Pacific, covering 53 Member States and nine associate members and working closely with them to analyze and address the evolving economic, social and environmental dynamics of the region. This project will contribute to the achievement of ESCAP Resolution 70/5: Strengthening regional cooperation and capacity for enhanced trade and investment in support of sustainable development. Its objective is to strengthen national and regional initiatives, programmes, projects and other efforts to promote sustainable development of the Asia-Pacific region through enhanced trade and investment and to, wherever appropriate, endeavor to strengthen regional cooperation among member States, the United Nations development system and other development partners in promoting sustainable development through enhanced trade and investment. At the 76h Commission session on 21 May 2020, ESCAP member States adopted Resolution 76/2 on Regional cooperation to address the socioeconomic effects of pandemics and crises in Asia and the Pacific, where they acknowledged the importance of ensuring the continued flow of essential goods and services in order to face the challenges of the adverse effects of the pandemic and other related crises in the spirit of good neighbors. They requested the Executive Secretary, in close coordination and consultation with member States and the rest of development actors, to analyze the ability of the Asia-Pacific region to recover from COVID-19 and other pandemics and similar widescale crises, to develop ideas for concrete and coordinated actions, including proposals for responding to the socioeconomic impacts of COVID-19 and future pandemics and related widescale crises in the region.

UN ESCWA is mandated to support the economic and social development of its 18 member States, promote regional integration, and represent the concerns of its member States at the global stage. UN ESCWA has emerged as a leader in the United Nations as a developer of information and knowledge sharing systems and has recently started a SME specific programme. ESCWA has developed and launched an SME information portal for the region with an aim to support entrepreneurs and small businesses access information needed to support their business. In phase 1, ESCWA will develop the SME portal for use by all project, DA and UNDS partners. IN Phase two ESCWA will improve the portal and enhance the information contained as well as engage in several project specific activities.

2.3.2. Comparative advantages

UNCTAD has been implementing the EPF since its launch in 2012. Several countries in Africa and Latin America have developed their National Entrepreneurship Strategies based on the EPF. The EPF provide a comprehensive and holistic approach to MSME and entrepreneurship promotion which is critically needed in post COVID 19 surge to ensure the whole of the government coordination,

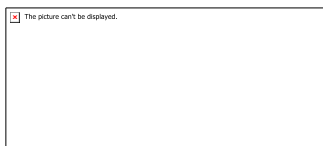


facilitate impact of recovery measures and efficiency of financial support provided to MSMEs. UNCTAD has been implementing its Empretec programme through a network of national Empretec centers in more than 40 countries which could provide support in reaching out to more than 400 000 entrepreneurs through the online platform and training tools. UNCTAD has about 30 country additional requests on the installation of the Empretec programme. Empretec centers can provide an institutional setting for other participating agencies to roll out training activities in the areas of formalization, on business skills, access to finance, technology and markets. UNCTAD has developed an accounting training course for owners and employees of micro and small enterprises with no or limited accounting knowledge based on the Guidelines for Small and Medium Enterprises (SMEGA) developed by the ISAR group of UNCTAD. The training workshop (available in Spanish) was piloted with support of the Empretec Center in Peru. The programme aims at enabling micro and small enterprises to understand the accounting flow, recognize transactions, elaborate financial reports and analyze these reports in order to assess business performance, and improve their results. It also provides information of the basic requirements of local funding institutions that micro-enterprises and entrepreneurs should meet when applying for funding⁹. UNCTAD also has a long established programme for small farmers “Farming as Business”; it also has developed a Policy Guide on Entrepreneurship and Migration and conducted several capacity building activities in this areas, which would facilitate an outreach of the proposed activities to migrant and refugee communities.

UNCTAD's Business Facilitation programme designs and implements innovative eGov solutions to support MSMEs and promote private sector development. The programme works with Governments to develop online solutions that streamline administrative procedures for entrepreneurs and remove barriers to formalization. The programme has operated in more than 40 countries, implementing a wide range of eGov solutions (information portals, single-windows or online services). Since the beginning of the COVID-19 crisis, the Business Facilitation Programme has received several governmental requests seeking assistance to speed up the digital transformation of their public services. The goal is to support rapid economic recovery through improved and simplified online services for MSMEs. Some countries are already using UNCTAD's e-government platform eRegistrations to continue providing essential services and new COVID-19 fiscal rescue measures to businesses while offices are closed.

UNCTAD is providing policy advice in the areas of competition and consumer protection policies, including in the context of COVID19 resurgence. UNCTAD is currently collecting information on best practices on competition and consumer policy measures taken in response to COVID-19 crisis impact on businesses and consumers; and on measures to protect consumers and ensure the availability of medical equipment and supplies. UNCTAD's Manual on Consumer Protection provides tools for policy makers and enforcers to better address threats to consumers interests. In 2018 and 2019, UNCTAD assisted over 23 countries and three regional economic organizations of developing countries (CEMAC – Economic and Monetary Union of Central African Countries, MERCOSUR (Common Market of the South,) and the Eurasian Union (competition law) to adopt, revise and implement their national competition and consumer protection legislation and institutional frameworks and/or underwent voluntary peer reviews on competition or consumer protection following UNCTAD's dissemination of international best practices according to key reference

⁹ For more information, see: www.unctad.org/isar



instruments - the UN Set of Principles and Rules on Competition and the United Nations Guidelines for Consumer Protection - and in light of UNCTAD Model Law on Competition and UNCTAD Manual on Consumer Protection.

UNCTAD has built a solid expertise on the linkages between trade and gender, and plays a key role in ensuring that economic policies – trade policy in particular – become instrumental in the achievement of gender equality and women's economic empowerment. UNCTAD has worked with developing and least developed countries to analyse the impacts of trade and trade policy on gender equality and women's well-being; to provide technical assistance to raise policymakers' awareness of the gender ramifications of trade; and to support them in the formulation of gender-responsive trade policies.

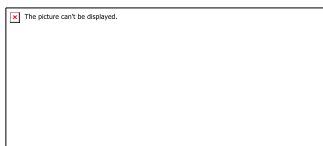
Furthermore, UNCTAD has long lasting experience on trade and gender aspects and informal cross-border trade. UNCTAD concluded in December 2019 a four-year DA project on women in informal/small-scale cross border trade in Malawi, Tanzania and Zambia. The three main components of the project were i. Analysis; ii. Training at the borders ; iii. Policy dialogue. The 6-day training programme had two components, one devoted to enhancing traders' understanding of trade rules and customs procedures, and traders' rights and obligations; and a second one devoted to build up entrepreneurial skills based on the Empretec methodology.

Lack of understanding of rules at the border and very limited business skills are among the key reasons for cross-border trade to remain a subsistence activity and for traders, especially women, to operate informally.. In addition, UNCTAD also had a long standing programme on Empretec Women in Business Award that since 2008 assisted many female entrepreneurs in their business promotion, skyrocketed their visibility as role models and inspired many other women to engage in entrepreneurial activities.

UN DESA has expertise gained in implementation of its project “*Enhancing national capacities for enhancing potentials of MSMEs in achieving SDGs in developing countries (MSME project)*” funded by the UN Peace and Development Fund (PDF). Being implemented in select countries in Africa, Asia and Latin America, the project focuses on addressing MSME informality and delivered policy guidelines for streamlining MSME formalization in Cambodia as well as case studies on MSME registration in developing countries; and prepared research papers and policy briefs on MSMEs and SDGs, and youth entrepreneurship. Complementing the PDF funded project, DESA will work with informal MSMEs in developing countries after the COVID-19 outbreak in order to contribute to social and economic resurgence of countries.

Regional economic commissions have comparative advantages in the proposed areas of their cooperation on the project.

UN ECA conducts activities that integrate policy-oriented research and analysis, design of diagnostic tools, institutional and human capacity-building and technical advisory services on (i) how existing or forthcoming regional trade and integration agreements (e.g. AfCFTA) can be harnessed to address the short-term, medium-term and long-term socio-economic impacts of Covid-19 on MSMEs and private sector development (ii) on concrete ways to promote regional and intra-regional responses to support MSMEs and private sector development. (iii) as well as identifying sources of innovative finance for MSMEs in the African region. Recently it published a succinct report on COVID 19 impact on MSMEs based on a survey covering 54 African countries. Resources from this project will be deployed by ECA to conduct a second-round of the same survey, encompassing regional and



country-level analysis to the extent feasible. The activities of ECA under this project will complement ECA's ongoing work at assessing the socio-economic impact of Covid-19 on the continent and sub-regionally and at advising governments and RECs on designing targeted policy interventions to mitigate the impacts.

UNECE has a comparative advantage in the area of market access, drawing on its rich experience in promoting and maintaining norms, standards, recommendations and best practice guidelines in the areas of trade facilitation; regulatory cooperation and standardization policy; and, agricultural quality standards. These are developed by inter-governmental subsidiary bodies (UN Centre for Trade Facilitation and Electronic Business; Working Party on Regulatory Cooperation and Standardization; and, Working Party on Agricultural Quality Standards) based on identified needs and stakeholder requests and in close consultation with public and private sector representatives from both developed countries and transition economies.¹⁰ UNECE also has a comparative advantage in the area research and analysis through its evidence-based national assessments on regulatory and procedural barriers to trade. ¹¹ The assessments focus on non-tariff measures (NTMs) governing, using a unique inhouse survey-based evaluation methodology that was extended to support gearing NTMs towards serving as a means for implementing the 2030 Agenda.¹² The findings and recommendations emerging from the assessments inform UNECE's inter-governmental discussions under the Steering Committee on Trade Capacity and Standards that oversees the UNECE sub-programme on Trade) and technical assistance projects.¹³ UNECE has a strong record of capacity building and policy recommendations in the areas of renewable energy and energy efficiency through its Groups of Experts on Renewable Energy and on Energy Efficiency and multiple implemented technical assistance projects, many of them jointly with other UN Regional Commissions. UNECE, through the United Nations Framework Classification for Resources (UNFC), provides countries, companies, financial institutions and other stakeholders with a unique tool for sustainable development of energy and mineral resource endowments, which is capable of managing the natural resources required for the present and future needs of the society and realizing the objectives on SDGs.

UN ECLAC has a long experience in studying the MSME performance in Latin America and in supporting public institutions in developing, implementing and evaluating MSME fostering policies. A specific expertise has been developed in value chain, networking and innovation measures. During pandemic crisis, ECLAC has been monitoring the social economic regional situation and developing several activities to support Latin American Governments. In this context, ECLAC plans to apply its

10 Further details on the work of these bodies is available at: <http://www.unece.org/tradewelcome/trade-programme.html>

11 The studies and evaluation methodology are available at: <http://www.unece.org/tradewelcome/studies-on-procedural-and-regulatory-barriers-to-trade.html>.

12 The methodology focuses on at the border customs procedures as well as behind the border constraints stemming from capacity shortfalls in the areas of standardization policies, technical regulations, accreditation, conformity assessment and metrology. The capacity shortfalls are identified through an analysis of NTMs governing trade in goods and actor oriented questionnaires targeting all supply chain participants (traders , logistics service providers, line ministries, specialized agencies and market support institutions). Such a broad coverage enables a systemic evidence-based analysis of regulatory and procedural trade barriers stemming from: (i) trade facilitation measures; (ii) quality control systems embodied in standardization policies, technical regulations, quality assurance, accreditation and metrology (SQAM); and, (iii) trade-related infrastructure, including transport and logistical support. The methodology (https://www.wto.org/english/tratop_e/tradfa_e/naguide_corr_table_e.pdf) was extended in 2016 to capture the interplay between regulatory and procedural trade barriers and the enterprises' technological capabilities and, thereof, allow for translating into practice the 2030 Agenda notion of trade as a "means of implementation" (SDG 17). The extended methodology was implemented in Armenia and Georgia (<http://www.unece.org/tradewelcome/studies-on-procedural-and-regulatory-barriers-to-trade.html>)

13 The Steering Committee on Trade Capacity and Standards was established in 2015. The mandate of the Steering Committee on Trade Capacity and Standards is established under the UNECE Executive Committee's decision ECE/EX/2015/L.



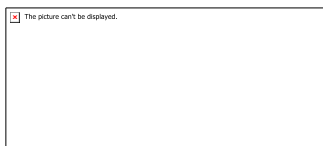
skills to identify good practices in supporting MSME and create or reinforce networks of policy makers to analyse and share practical proposal.

UN ESCAP has expertise and networks to implement the present project effectively in Asia in the region. For the past 20 years, ESCAP has been active in researching and promoting relevant policies and building institutional capacities for SMEs' effective participation in RGVCs within Asia and the Pacific. Work undertaken includes sectoral value chain studies, policy advocacy, knowledge products, advisory services and capacity building workshops and seminars. In 2012, ESCAP also launched a Policy Guidebook for SME Development in Asia and the Pacific, developed in collaboration with key SME experts and agencies within and outside the region which is currently being updated and revised in a second edition and online toolkit which will form the basis for sustained training for policymakers to develop SMEs and enhance their competitiveness, including linking to international value chains. As SME development and integration into regional and global value chains are cross-border phenomena, a regional approach is required. As a result, and given its track record in these areas as the only region-wide United Nations agency, ESCAP is in an advantageous position to conduct the project

UN ESCWA analyses socioeconomic conditions, strives to link development knowledge to policy and advises member States on inclusive and sustainable development. ESCWA has an expertise in building capacity of various stakeholders including government agencies in charge of MSMEs regulation and servicing and MSMEs themselves in certain areas. In particular it has experience in developing online knowledge exchange and advisory platforms driven by its ongoing work on MANARA, such as the Arab States Knowledge and Data Platform mandated by the Secretary Generals' UNDS reform. It also has an existing SME portal (<https://smeportal.unescwa.org/>) which will be used as a basis to develop 5 regional portals and a global portal, that will be able to provide information directly to MSMEs, partners, supporters and government entities. In particular, phase II of the project will built on synergies with the ongoing work of ESCWA on creating a knowledge hub on MSMEs resurgence being developed by ESWCA in the phase 1 of this project, including development of a smart search engine (MANARA) that links and references all existing documents to MSME related themes in order to support Governments and UN Country teams with relevant background information MSME knowledge portal that provides a broader range of stakeholders, including MSMEs, with a repository of different grants and funds, development programmes, training material, as well as direct relevant contacts. ESCWA will also help to facilitate the outreach of the activities of the project to the ESCWA region.

2.3.3. Link to the 2020-2021 Programme Budget

UNCTAD's programme budget for 2020 can be found in the document [A/74/6 \(Sect. 20\)](#) approved during the Seventy-fourth session of the General Assembly. UNCTAD activities in workstream 1, 2, 3 and 5 on entrepreneurship policies and entrepreneurship training, through its Empretec programme, on accounting and reporting for MSMEs and on market access, competition and consumer protection policies directly contribute to Subprogramme 2 (Investment and Enterprise) which plans to *“strengthen investment and enterprise development for creating jobs, building productive capacity, diversifying the economy and achieving sustainable and inclusive growth and development”* (p.14). In addition, some specific workstream's component support other Subprogrammes: UNCTAD's Empretec webinars for cross-border entrepreneurs, focusing on women entrepreneurs (OP1.10 in cluster 1) contribute to Subporgramme 3 (International Trade and Logistics) whose objective is *“to ensure that international trade and commodities are an engine for prosperity, inclusiveness and*



sustainable development for all member States” (p.18). Finally, UNCTAD activities in the area of business registration in workstream 2, entrepreneurship policies and accounting and reporting in workstream 3, competition and consumer protection policies in workstream 5 support Subprogramme 1 (Globalization, interdependence and development), which plans to “contributes, is to enhance economic policies, rules and strategies at the global, regional and national levels for sustained growth and inclusive and sustainable economic development of developing countries “(p10).

The proposal is aligned with the **UNECE** Subprogramme 5 Sustainable Energy , which seeks “to ensure access to affordable and clean energy for all and reduce greenhouse gas emissions and the carbon footprint of the energy sector in the region as well as UNECE Subprogramme 6 Trade, which seeks “to strengthen trade facilitation and electronic business, regulatory cooperation and standardization policies, agricultural quality standards and trade-related economic cooperation in the ECE region and beyond” of the UNECE proposed budget for 2020 and proposed programme budget for 2021.

The proposal is aligned with the **UNECA** Programme 15, Subprogramme 7 (Subregional activities for development) and Component 5 “Subregional activities for Southern Africa” whose objective is “to strengthen sub regional and national programmes and capacities to achieve inclusive industrialization for reducing poverty and inequality in Southern Africa” including by “strengthening regional and national programmes and capacities to reduce poverty and inequality through private sector development and intra-regional trade as catalysts for industrialization”.

The proposal is also aligned with the objective of **DESA**’s Division for Sustainable Development Goals, which is to ‘accelerate the implementation of the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals, targets and commitments, through increased engagement of Member States and other stakeholders’, as spelled out in DESA’s Strategic Framework for 2020 (A/74/6) and 2021 (A/75/6), under Programme 7, Section 9, Subprogramme 3.

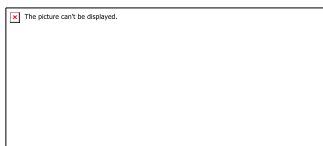
The proposal will also contribute to **ESCAP**’s objective reflected in the budget 2020 in Subprogramme 2 on Trade, Investment and Innovation. Subprogramme 2 seeks to “harness trade, investment, innovation, technology and enterprise development towards sustainable development and regional integration in Asia and the Pacific”.

The proposal is also aligned with the **ECLAC** Subprogramme 2 “ Production and Innovation” to enhance structural change, productivity, growth and innovation in the region. The programme will provide advisory services, training, expert meetings and technical cooperation projects to reinforce institutional capabilities of member States to design and implement new policies to diversify the production structure.

ESCWA activities are connected with the ESCWA subprogramme 3 (Shared Prosperity): “Enhanced enabling macroeconomic policy environment for regional integration supported by policy assessment tools” and “Improved regional coordination among member States for cross-border infrastructure, especially in transport and trade facilitation”.

3. Analysis by Cluster

3.1. Rationale and demand



The crisis could lead to a decline in 195 million full-time equivalent workers in the second quarter of 2020 alone. Hence, this pandemic is also a jobs and livelihoods crisis that threatens the SDG progress. MSMEs, farm workers, the self-employed, daily wage earners, refugees and migrant workers are hit the hardest. Jobs in the service industries are affected, including first of all in culture and tourism and low cost labor intensive sectors.

Trapped in economic stagnation due to the “Great Lockdown”, millions of micro and small businesses have become the most vulnerable to COVID-19 within the private sector. Apart from their sectoral characteristics, several factors explain their vulnerability. Compared with large firms, small businesses have fewer resources and lower capacities to cope with the abrupt economic shocks, highlighted by what happened at the beginning of the lockdown. These small firms normally do not have diversified businesses, markets, suppliers and external sources to leverage in the face of crisis. With more than two-thirds of the global population employed by MSMEs, the unprecedented outbreak has vividly shown how tightly their activities are woven into the economic and social fabric of the world and therefore how fundamental is their role in social and economic resurgence. Concerted and coordinated efforts at all levels and of all relevant stakeholders, and quick action in their favor is critical to enable them to play that role.

The areas of interventions are selected based on the following criteria:

1. Addressing urgent Covid-19 related challenges faced by MSMEs;
2. Expressed demand from developing countries and economies in transition;
3. Target at capacity building areas that are proven to have key impacts on entrepreneurship and MSMEs promotion¹⁴: enabling ecosystem and facilitation of entrepreneurship competencies/motivation, access to finance, technology and markets, networking;
4. Address issues in an inclusive manner leaving no one behind (i.e. including informal businesses, women, youth and immigrants among others)
5. Integrated with the ongoing and planned future work of the UN system in the areas of MSME development and entrepreneurship based on existing mandates of implementing agencies;
6. Results-orientation: activities shall be able to achieve quick results and impacts by the end of this 2020;
7. Virtual delivery: without or with very few travels, building on the existing networks and through virtual channels due to possible continued travel restrictions and social distancing requirements.

Cluster 1. Enabling entrepreneurship policies and skills facilitation

The crisis exposed and deepened pre-crisis fragilities in the MSME sector. However, it also underscored the need of a coherent and holistic policy response to build a resilient MSME sector and provided an unprecedented opportunity to emerge with a better set of policies and measures for MSME promotion than existed prior to the pandemic.

¹⁴ Based on formulation and implementation of UNCTAD’s Entrepreneurship Policy Framework (EPF) since 2012, <https://unctad.org/en/Pages/DIAE/Entrepreneurship/>



In particular governments would need assistance in developing and implementing a tailored set of policies and practices for immediate basic re-opening measures for small business-owners, to facilitate inclusive resurgence but also to develop a longer- term social and economic recovery strategy where the MSMEs play a central role. Capacity building measures to support and sustain entrepreneurship and MSMEs need to be coherent and holistic to address both the current and post-pandemic scenarios, as well they should facilitate creating a long term foundation for resilient and competitive MSME sector for the future. To achieve that they will need to span over several closely interrelated areas, including regulatory reforms, access to finance and markets, training and education, creation of support networks; and technology exchange and innovation, which becomes especially critical in light of accelerated digitalization pushed by the pandemic and which presents an excellent opportunity for the MSMEs on their response to the challenges of the current crisis which is important to utilize.

To facilitate social and economic recovery and to make proposed stimulus measures to the MSMEs effective a technical support is needed to ensure and enhance the capacity of the MSME sector to productively and gainfully utilize available financial and social packages and to build back better. Micro and small enterprises will need extensive business management skills and human resources support to cope with the challenges unknown and not expected before the pandemic crisis. In this regard, Empretec program based on a behavior approach towards unleashing entrepreneurship potential, which is implemented by UNCTAD in more than 40 countries, could be a powerful tool to boost entrepreneurship spirit and capacity of many in need. This was strongly supported by more than 20 Empretec centers who participated at the virtual Empretec Directors Meeting in May 2020, requested UNCTAD to urgently develop Empretec online tools to assist them and their MSMEs to mobilize efforts to build resilience.

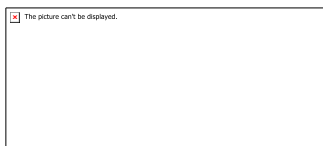
Business management courses are needed to assist MSMEs in assessing and mitigating risks, in developing and implementing standards and best practices in smart solutions on sustainable natural resource management, which could be flexible and transferable especially when building resiliency for the MSMEs. Building MSME capacity on financial literacy and access to finance; access to technology and markets, is critical; as well as understanding and ability to apply this knowledge to enhance synergies of such tools in areas such as e trade and commerce, digital finance , e-registration and formalization among others.

From the perspective of structural transformation, agriculture is one of the sectors to focus on: Ensuring the continued functioning of global and national food supply chains will be crucial in securing food supply and preventing a food crisis. Given that agricultural workers experience the highest incidence of working poverty -creating decent income opportunities while adhering to safety and health measures will be key in fighting global poverty.¹⁵

Cluster 2 - Business registration and formalization

A majority of MSMEs in developing countries and transitional economies have not formally registered their businesses and remain informal, operating without access to a number of benefits and programmes supported by Government during the emergency response to the COVID-19 outbreak. It is estimated that in some countries, up to 95 percent of MSMEs are informal. Informal MSMEs also

¹⁵ ILO, 2020. COVID-19 and the impact on agriculture and food security



lack access to financial resources and international markets. MSME informality relates not only to business registration, but also to labour relations, where employees in informal MSMEs work under inadequate conditions and lack sufficient social protection. Moreover, informal MSMEs often are located in areas without adequate access to basic utilities, clean water and sanitation services. All these could exacerbate the vulnerability of informal MSMEs towards the COVID-19 outbreak, limiting their roles in the economic resurgence after the COVID-19. Most informal MSMEs are led by the working poor, women, youth and other marginalized and vulnerable groups who need to be included in an inclusive economic resurgence after COVID-19 and who are at most risk of falling into poverty and being left further behind.

As perhaps the most vulnerable in the labour market, informal economy workers have been the hardest hit. According to ILO, the first month of the crisis has caused a drop of 60% in their income globally – 81% in Africa and the Americas, 70% in Europe and Central Asia and 22% in Asia and the Pacific. As many as 1.6 billion of the world's two billion informal economy workers have suffered massive damage to their capacity to make a living.¹⁶ As developing countries have substantially higher degrees of informality, they suffer the most from the consequences of the pandemic. For instance, more than 85 percent of African workers were informally employed and informality was also the reality for the majority of people in Asia, Latin America and the Middle East. Informal employment was particularly high among women (62 percent), and dominant in agriculture and services.¹⁷

The COVID-19 crisis serves as a reminder of the crucial need to make the transition from the informal to the formal economy a priority area in national policies. Economic recovery, while necessary, will not by itself reduce informality; suitable public policies are essential to enhance the capacity of informal MSMEs to contribute to economic recovery and growth, job creation and poverty eradication, strengthen the resilience of informal MSMEs to external shocks such as the socio-economic impacts of the COVID-19 outbreak. Considering the large number of vulnerable groups working in informal MSMEs, especially women and youth, these measures will also substantially contribute to inclusive resurgence in post COVID-19 times.

Cluster 3- Access to Finance/Financial literacy

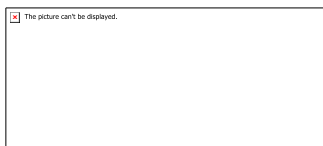
While small economic units around the globe play a major role as providers of jobs, particularly in low and middle-income countries¹⁸, and particularly for women¹⁹, they often lack access to credit, have few assets and are the least likely to benefit from fiscal measures in general and the current

¹⁶ ILO "Contagion or starvation, the dilemma facing informal workers during the COVID-19 pandemic", 7 May 2020.

¹⁷ ILO (2018) *Women and Men in the Informal Economy: A Statistical Picture, Third Edition*, Geneva: ILO, 2018.

¹⁸ ILO. 2029. Small Matters, global evidence on the contribution to employment by the self-employed, micro-enterprises and SMEs.

¹⁹ UNDP, 2020. UNDP Briefing Note Gender COVID-19. April 2020.



crisis related stimulus packages. Inadequate access to financial products and services remains a major obstacle for many aspiring and incumbent entrepreneurs, particularly in developing countries. The financial constraint is especially binding for entrepreneurs from vulnerable groups and MSMEs..

There are various factors at play including complex application procedures, unfavorable interest rates and high collateral requirements. Improving the efficiency, accessibility, and versatility of financial services can help boost demand and access for credit.

In post-Covid-19 period, policymakers have a key role to play in setting the legal framework and promoting the adoption of financial and digital technologies including crowdfunding, robo-advice, digital identification, and data protection, among others with an objective to harness opportunities emerging from digital economy and develop their financial sectors further. A major barrier to incumbent and would-be entrepreneurs in the developing world is inadequate level of financial literacy. Poor planning, underestimating market volatility and inadequate accounting practices can all result directly in financial losses for entrepreneurs. These difficulties also restrict entrepreneurs' ability to access finance from lenders who require solid financial information that these businesses lack and that the financial literacy can provide. Many entrepreneurs can benefit from *financial and accounting literacy training* to ensure responsible borrowing and client protection. There is growing evidence for the positive impact of financial literacy interventions on the likelihood of accessing savings accounts and insurance products by vulnerable groups. In order to reach critical mass, such programmes require public funding or public-private partnerships between different actors in the financial sector.

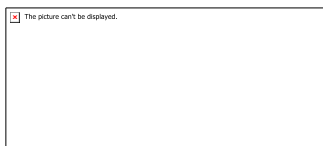
Cluster 4 - Access to Technology and Innovation

Entrepreneurship, technology and innovation are mutually supportive. Technology provides entrepreneurs with new tools to improve the efficiency and productivity of their businesses, or with new platforms on which to build their ventures. In turn, entrepreneurs fuel technological innovation by developing new or improving existing products, services or processes and ensuring commercialization of frontier research. This synergy has been evident in the digital revolution which has transformed economies and societies worldwide and it will continue to do so in the post-COVID-19 era at an accelerating pace thanks to improvements in big data analytics, artificial intelligence, cloud computing. Fueled by entrepreneurs, it also represents the most prominent technological change shifting the competitive landscape toward digital economy.

There are however huge digital divides across the world half of which remains offline with wide gender gaps. Only 20% are online in least developed countries. Geographically, the United States of America and China dominate the digital economy with 90% of market capitalization value of world's largest digital platforms.²¹ In developing countries the level of local economic and human development, the rate of adoption of technologies in use internationally, and the innovation capabilities of local firms or research institutions shape the future of innovative entrepreneurship in the digital era. There is room for public policy to support the entrepreneurial ecosystem for innovation, science, technology and higher value creation in digital economy.

20 UNIDO, 2020. COVID-19, Implications and Response : Digital Transformation and Industrial Recovery

21 UNCTAD (2019). Digital Economy Report.



Fostering innovation and technology in a country involves a complex set of relationships among the different actors involved including government, academia and entrepreneurs. This is particularly relevant in the implementation of the Agenda 2030 which highlights the environmental, social and economic dimensions of sustainable development. While majority of innovations in developing countries stem from incremental knowledge and innovations in traditional sectors, digital technologies, if accessible, can help move along the ladder of innovation. At the same time the sustainable development dividend of innovation in traditional sectors such as agriculture remains potentially huge since improvements in agricultural productivity in an environmentally sustainable manner can contribute significantly to eradicating poverty, ending hunger, reducing inequality and improving human capital boosting further the potential for higher innovation.

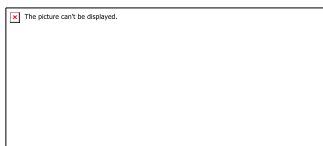
Since the outbreak of the COVID-19 pandemic, a major transformation is associated with the enforcement of social distancing and lockdowns, and, accordingly, the change in the ways in how people commute, communicate and consume. A rapid “COVID-driven digitalization” is on its way, providing chances associated not only with specific ICT products and services, but also with the digitalization of traditional businesses.

However, the “COVID-driven digitalization” is uneven both across and within countries. The least developed countries and the economically backward areas of many developing countries, especially rural areas, do not have such an infrastructure, ecosystem and network. Many obstacles continue to hamper greater participation in e-commerce activities by small businesses and consumers. As a new pattern of digitalized economic system is taking shape in rather advanced economies, the pre-existing “digital divide” risks being widened, and a “new digital divide” may emerge. When the pandemic is over and/or a vaccine is widely available, the economy will bounce back. However, the new normal will be very different from the pre-COVID situation. This requires a significant adaptation of policy measure and significant measures on capacity building in the MSME sector.

Technical innovations, such as mobile banking and payment, are being applied in developing countries in Africa and Asia to foster financial inclusion. These innovations also contribute to preventing the spread of COVID-19 through reducing cash handling. In a market-driven approach, MSMEs in developing countries often act as incubators for translating technical innovations into applied solutions enhancing community resilience and economic growth. It could be useful to collect examples where MSME-driven innovations help reduce the community spread of the COVID-19 in developing countries and economies in transition. Experience and lessons learnt could subsequently inform policymaking processes to promote the contribution of MSMEs to innovations that contribute to job creation, poverty eradication, women’s empowerment, structural transformation and economic resurgence after the COVID-19 pandemic.

Cluster 5 - Access to markets

Improving access to markets at national, regional and global level is a critical element of business strategy of enterprises and an important objective of trade and investment policies of countries. For entrepreneurs to grow their businesses, they need to be able to sell their goods and services to an increasing number of customers implying the need to move beyond local markets. Digital technologies offer additional opportunities to reach customers across the world with ever-decreasing costs while at the same time enabling them to customize global products and services to cater to local



markets. At the same time, the future of international trade is in a formative period, partly due to the COVID-19 pandemic, with companies across the world increasingly adopting digital technologies and reshaping their supply chains.

The pandemic has shaken the business environment for MSMEs and significantly reduced market demand for their products and services. According to latest estimates of IMF in June, the world economy is projected to contract by 4.9% in 2020, much worse than during the 2008-2009 financial crisis²². COVID-19 will not spell the end of globalization, but significant changes are unavoidable in trade and investment.

Reestablishing and strengthening interfirm networks is an important means for increasing market access for local startups and MSMEs. Non-tariff measures (NTMs) play an important role in supporting backward and forward linkages within the economy as well as integrating MSMEs with global value chains in a manner that enables structural transformation towards activities with high value-added. Linked to NTMs are standardization policies, including adopting international standards for achieving regulatory objectives associated with safeguarding the safety and health of consumers, animals and plant and environmental protection. Such standards, such as ISO14000 and ISO26000, enable local firms to engage in innovative activities and meet NTM requirements in local and destination countries and, thereof, integrate themselves in global value chains. Mentoring programmes that bring together experienced suppliers and the next generation of business-owners may help in exchanging information and experience, and provide stimulus through awards and grants. Governments can foster export-oriented industrial clusters and networks through appropriate trade policies. In addition, governments can promote business linkages between large and small enterprises by facilitating partnerships and supplier development programmes. In such programmes, large enterprises develop the capacity of local entrepreneurs and local suppliers by mentoring them and transferring technology. In return, large enterprises have access to a supplier network which can quickly and flexibly meet their needs. This increases the competitiveness of both the large and small enterprises alike. Governments need to acknowledge that in many instances small and informal entrepreneurs require technical support and capacity building in order to overcome the constraints to the integration in national, regional and global value chains. Meeting international quality standards and non-tariff measures to trade is an ever-increasing challenge for many local suppliers in developing countries with increasing emphasis on gender equality and socially and environmentally responsible production standards. Technological upgrading programmes providing low cost technical assistance for the adoption of clean and green technologies and sustainable production and consumption practices can be important to facilitate ties with large international buyers. Corporate Social Responsibility (CSR) standards of large, often multinational, firms may be a particularly important hurdle for small local entrepreneurs. Support in meeting such standards, and gradual facilitation of standard adoption could be important for entrepreneurship development. Inclusive Business (IB) models are also increasingly becoming popular as they are better positioned to strengthen the inclusivity and sustainability features within value chains.

The current crisis will also change business models and approaches to work, and accelerate innovation as new trends in consumer's needs and habits will emerge. In order to regulate market entry conditions, a sound set of competition rules and competition policies need to be applied.

22 IMF (2020) *World Economic Outlook Update: A Crisis Like No Other, An Uncertain Recovery*, June 2020



Otherwise, there is a likelihood of emerging cases of abuse of dominance or collusion between big companies, harming MSMEs.

3.2. Situation analysis

The advancing COVID-19 pandemic has caused a very steep global economic pull back, without modern parallel, leaving dire impact on small businesses around the world. According to ILO estimates, between 5 million and 25 million jobs will be lost, and there will be losses in labour income in the range of USD 860 billion to USD 3,4 trillion. Micro-, small and medium enterprises (MSMEs) make up 90 per cent of the economic engine of developing countries and are a major source of employment and self-employment, including for vulnerable groups, such as women, old people and youth. They are also currently the sector of the economy that is bearing the brunt of the economic halt. However, most developing countries do not have the financial means to provide the kind of financial stimulus needed to jump start the economy in the aftermath of a disease-related shock of the global pandemic Covid-19. International development support is critically needed to prop up economic activities at all levels.

For example a recent survey covering 54 African countries on the impact of COVID-19 on SMEs, indicates that four fifths of the respondents are significantly affected and the rate of capacity utilization ranges from 30-40% for small businesses compared with 50-60% for large enterprises (ECA and IEC, 2020). Another survey of about 490 Ethiopian SMEs,²³ three fourths of which are micro and small businesses, demonstrates that 37% had been closed by April. Some empirical evidence further illustrates the devastating effects of the pandemic on MSMEs in other regions. According to ECLAC estimation, in Latin America and Caribe, in the next six months, 2.7 million of firms will close and more than 96% of them are micro²⁴.

At the sectoral level, demand and supply stagnation has been seen in many industries. MSMEs are major players in non-essential services,²⁵ which have become the most affected sectors by lockdown and other isolation measures. In addition, many micro and small businesses are in the informal economy, which is hit first and hardest by the pandemic.

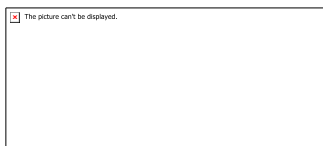
The problems faced by countries in this resurgence also provide an unprecedented (in recent times) opportunity to emerge with a better set of conditions for MSMEs than existed prior to the Covid-19 pandemic. MSMEs can be well leveraged to tackle the problems in the underperforming sectors. Health care, education, public mass transport, women's security, public distribution -these are some of the problem sectors in many developing countries. MSMEs are uniquely placed to participate and contribute to the vibrancy of these sectors. MSME sector has successfully demonstrated that if prioritised and leveraged in the right manner, it can be not only the harbinger of its growth but a panacea for a host of economic and structural travails facing a country. It is expected that Governments will be highly receptive to rolling out regulatory reforms to remove traditional barriers to market entry and constraints related to access and usage of financial resources, including for

23 This is a sample of 32,000 SMEs supported by the UNDP-financed Entrepreneurship Development Centre in Ethiopia.

24 ECLAC (2020) Sectors and businesses facing COVID-19: Emergency and reactivation, Special Report n.4, Santiago, Chile.

<https://www.cepal.org/en/publications/45736-sectors-and-businesses-facing-covid-19-emergency-and-reactivation>

25 The exact definition of these services varies by country, but they are generally recreational businesses, such as accommodation, catering, entertainment and tourism.



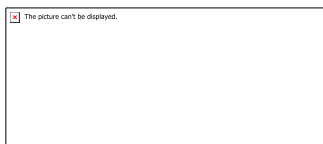
MSMEs operating in the informal sector. Opportunities to simplify market entry and operation should be harnessed to stimulate more green and inclusive growth in the mid and long term. Furthermore, Governments would be looking for assistance to facilitate efforts to unleash innovative technological and regulatory solutions to ensure MSMEs are able to contribute to and benefit from the surge of sustainable growth that is expected during the recovery phase. This includes for example high-end online technology and digital tools like smart search engines and electronic knowledge portals to deliver advisory services and capacity building in these areas. Similarly, the current crisis provides an opportunity for gearing NTMs to serve as a means for supporting structural transformation in support of economic recovery and long-term development. Cooperation arrangements between MSMEs may need to be encouraged and exempted from competition rules in order to ensure their economic survival, while allowing for the provision of affordable essential products to consumers.

The difficulties for MSMEs and their employees will not disappear quickly. On the demand side, many consumers remain cautious and the market may pick up gradually. On the supply side, supply chain disruption will continue to affect the production of goods and the delivery of services. For small manufacturing firms, the problem of the reduced supply of inputs can be as severe as the shrinking market demand for their products. This happens in both national and international contexts, as trade disruptions lead to escalating effects across countries. To address these challenges, MSMEs should overcome both supply and demand restraints. While reopening their businesses, MSMEs need to guarantee the well-functioning of their supply chain and sufficient production factors, especially labour. A major challenge lies in the demand side, which is somehow out of the control of firms, and the fear of a second wave of COVID-19 makes things worse.

New entries into labour force will be looking for entrepreneurship opportunities. These could be either youth by default or people who were not in the labour force before. Crisis often push homemakers into the workforce, and they are predominantly women providing opportunities for change and shaping the world after this global economic shock. Thus, the current scenario is also an opportunity to suggest measures for creating or reinforcing institutions specialized in MSME support policies, especially for technical assistance, innovation and competition law to enable a level playing field for all business, providing opportunities to MSME, and exceptionally allowing for competition exemptions of specific sectors on a temporary basis. Public procurement which started to play a role during the pandemic should play a crucial role in lifting a demand for the MSMEs products and services in the aftermath of the crisis. More transparency and a simplification of procedures related to public procurement would help MSMEs, many of which are owned or managed by women, to benefit from increased governmental intervention in the economy.

In post COVID 19 recovery a change of small business structure is expected. Small businesses in communication, health care related production, distribution and research and security industries already in some cases made significant progress in the rage of crisis of COVID-19. In all, the pandemic is set to reshape the participation of small business start-ups in teleworking and tele-education. This is expected to affect the birth rate of new venture in this area. A current forced lockdown of large population and current work-from-home is positive for innovation among the small businesses. In this context access to innovative training tools and business skills development would become an important support to enhance the efficiency and multiplication effects of financial support to be provided to the MSME sector as part of a stimulus package.

3.1. Stakeholder analysis

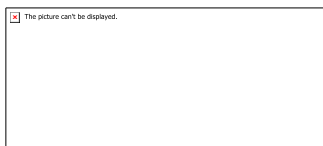


Non-UN Stakeholders listed in order of level of involvement in the project	Type and level of involvement in the project	Desired future outcomes	Incentives
Cluster 1 : Entrepreneurship ecosystem and Entrepreneurship/ Business Skills			
Governments	Leading, in partnership with key stakeholders on MSME development, the planning, delivery, evaluation and improvement of effective and appropriate policies and regulations tailored to post COVID 19 resurgence, participation in policies capacity building activities	Improved regulatory and institutional capacity to provide support to MSMES in post COVID-19 resurgence	Sustainable economic recovery and development through more resilient MSME sector
MSMEs	Contributing to reform process by identifying barriers to MSMEs development in post-COVID 19 recovery and proposing recovery measures. Participating in government and private sector-led initiatives to build stronger and more resilient entrepreneurship and MSMEs ecosystems, participating in capacity building activities on entrepreneurship and business skills facilitation	A number of MSMEs benefitted from capacity building measures and activities resulted in facilitation of their resurgence and development	Simplified regulatory environment, sustainable business growth, improved dialogue with government institutions, more efficient and profitable MSME performance
Business or industry associations	Facilitating communication between individual businesses, mainly MSMEs, on the one hand and other stakeholders, such as governments and local communities on the other hand in order to improve the business environment and their members' capacities practices.	Improved institutional capacity with diverse services to the MSMEs members.	Increased capacity to facilitate the MSME resurgence, assistance in linkages between small suppliers and larger companies
Cluster 2: Business registration/formalization			
Governments	Leading, in partnership with MSMEs, the planning, delivery, evaluation and improvement of business registration procedures.	Improved institutional capacity to provide support on business registration and formalization of MSMES in post COVID-19 recovery	Improved record on registration and formalization of MSMEs
Commercial Registry Offices	Implementing concrete actions, strategies and recommendations	Increased ability to address specific legal issues	Increased technical knowledge through access to global and regional best practices and experiences
MSMEs	Participation in training activities to better understand registration procedures and required terms, conditions and consequences	Improved technical capacity for registration and formalization	Improved access to finance, insurance, social protection and support
Cluster 3: Access to Finance/Financial literacy			
MSMEs	Contributing to reform process by advising on barriers to MSMEs development in post-COVID 19 recovery and proposing reforms.	Improved MSMEs access to finance	Access to credit and equity capital, better understanding of financial risks and issues of financial management



	Participating in government and private sector-led initiatives to build stronger and more resilient entrepreneurship and MSMEs ecosystems; participate in capacity building activities on financial literacy and access to finance, including green finance		
Policymakers	Implementing concrete actions, strategies and recommendations; participation in capacity building activities	Increased ability to address specific issues related to access to finance for MSMEs	Mitigate risks and adverse effects and disruption associated with providing finance to MSMEs, improved capacity to make sound decisions in this area
Business or industry associations	Facilitating communication between individual businesses, mainly MSMEs, on the one hand and other stakeholders, such as governments and local communities on the other hand in order to improve the business environment and their members' capacities building practices.	Improved institutional capacity with diverse services to the members.	Improved financial position of their members.
Technical/experts staff in relevant institutions, ministries	Partners and direct users	<p>Better policy decisions, better coordination across sectors, optimal use of resources and creation of additional synergies at the national/sub-regional level</p> <p>Policy coherence and complementarity; sound enabling framework; and efficient allocation of limited resources are achieved</p>	More efficient and cost-effective financing policies and plans for emergency response to external shock (such as COVID-19)
Cluster 4: Access to technology and innovation			
Policymakers	Implementing concrete actions, strategies and recommendations; participation in capacity building activities	Increased ability to address specific issues related to access to IT for MSMEs	Facilitate MSME resurgence through better access to IT and digitalization
MSMEs	Participating in capacity building activities on the use of technologies in for their resurgence as well as in mapping exercises of how existing technologies are being deployed to aid MSMEs minimize disruptions to their business. Contributing to reform process by communicating barriers to MSMEs development in post-COVID 19 recovery and proposing reforms. Participating to government and private sector-led initiatives to build stronger and more resilient entrepreneurship and	Increased use of technologies by the MSMEs with a positive impact on their resilience and growth	Improved recovery and growth

	MSMEs ecosystems.		
Business or industry associations	Facilitating communication between individual businesses, mainly MSMEs, on the one hand and other stakeholders, such as governments and local communities on the other hand in order to improve the business environment and their members' capacities practices.	Improved institutional capacity with diverse services to the members.	Improved financial stability of their members through a better access and use of the IT
Technical/experts staff in relevant institutions, ministries	Partners and direct users	<p>Better policy decisions, better coordination across sectors, optimal use of resources and creation of additional synergies at the national/sub-regional level</p> <p>Policy coherence and complementarity; sound enabling framework; and efficient allocation of limited resources are achieved</p>	More efficient and cost-effective policies and decisions for emergency response to external shock (such as COVID-19) based on the IT solutions for the MSMEs
Cluster 5: Access to Markets			
MSMEs	Contributing to reform process by communicating barriers to MSMEs development in post-COVID 19 recovery and proposing reforms. Participating in capacity building activities on trade and access to markets; participating in government and private sector-led initiatives on facilitation of market access	<p>Increased capacity of MSMEs on technical and expertise knowledge competition policy issues and requirements as well as NTMs regulatory and procedural requirements pertaining to safeguarding consumer safety, health, and environmental protection in domestic , supply sources and destination markets</p>	Improved and increased access to markets for the MSMEs
Policymakers	Increased capacity to implement concrete actions, strategies and recommendations for recovery and long term development as well as increased participation in capacity building activities	Increased ability to address specific issues related to gearing NTMs to serve as a means of recovery and long term development; competition policy and access to finance for MSMEs	Mitigate adverse effects and disruption associated with pandemics
Multinational Enterprises (MNE)	Contributing to reform process by identifying barriers to MSMEs development in post-COVID 19 recovery and proposing reforms. Participating to government and private sector led initiatives to facilitate business links with local MSME suppliers	More inclusive and sustainable national, regional and global value chains in cooperation with governments and MSMEs	Increased technical capacity of local MSME suppliers on their integration into regional and global GVC
Business or	Facilitating communication between individual businesses, mainly	Improved institutional capacity with diverse	Improved financial position of their members through recovery



industry associations	MSMEs, on the one hand and other stakeholders, such as governments and local communities on the other hand in order to improve the business environment and their members' capacities practices.	services to the members.	of supply value chains and improved demand on MSMEs outputs
Technical/experts staff in relevant institutions, ministries	Partners and direct users	<p>Better policy decisions, better coordination across sectors, optimal use of resources and creation of additional synergies at the national/sub-regional level</p> <p>Policy coherence and complementarity; sound enabling framework; and efficient allocation of limited resources are achieved</p>	More efficient and cost-effective policies and measures for emergency response to external shock (such as COVID-19) in the area of market access

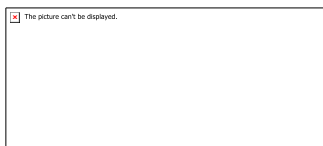
4. Project strategy: objective, outcomes, indicators, outputs

1. Project Strategy

The objective of the project is to develop and implement capacity building tools for governments and MSMEs to facilitate resurgence and strengthen resilience of micro, small and medium 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 planned deliverables are expected to contribute to improved capacity of small and medium enterprises to recover, create new growth opportunities and resilience in the post-Covid economic system. Indicators of achievement will include data on how MSMEs sustained and grew their businesses, newly established businesses, newly registered/formalized MSMEs; jobs sustained and created; including with regard to women and youth entrepreneurs. Expected results also include policies and measures developed and implemented by governments to facilitate the MSME resurgence in the immediate term and to enhance their shock resilience and competitiveness in a longer term. Results will be achieved through capacity building activities delivered jointly by the implementing agencies in five closely interrelated clusters such as facilitation of an enabling entrepreneurship ecosystem and promotion of entrepreneurship and business skills; improvement of registration and formalization capacity; capacity building on the access and use of technology and innovation, access to finance and access to markets at both levels - for policy makers and the MSMEs/entrepreneurs.

Women are overrepresented in some services most impacted by the crisis, mostly lacking social protection. They bear a disproportionate burden in the care economy. Women also represent approximately 70 percent of frontline workers dealing with the pandemic in the health and social sector, many of whom are migrant workers. The project will mainstream a gender perspective, considering specific constraints for women entrepreneurs and women in the informal sector. Environmental considerations should also be taken on board across all sectors of response and recovery efforts. Interventions will support the transition to a healthier, resource efficient green and



circular economy, founded on sustainable consumption and production patterns anchored to sustainable value chains.

The project will build on comparative advantages of the participating agencies. As explained above, the DA implementing entities possess the expertise, knowledge, capacity and tools to provide immediate advice, capacity building and support to governments and MSMEs during the pandemic crisis emergency. Therefore, they can take this opportunity through innovative online solutions to support and advice as many countries as possible with their normative and operational work and existing local networks building on lessons learned from their past interventions. The effort will help to enhance coordination in the area of the MSME promotion in the UN system, and avoid confusion, duplication, and waste of resources.

Cluster 1: Entrepreneurship ecosystem and Entrepreneurship/ Business Skills

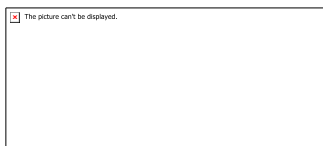
1. Enhancing policy coherence and relevance to COVID 19 challenges

UNCTAD will leverage its EPF work to incorporate policy responses related to the MSME resurgence and will develop an online training platform, jointly with UNITAR, building on successful cooperation with UNITAR on developing a similar platform for UNCTAD's Policy Guide on Entrepreneurship and Migration developed by UNCTAD in cooperation with UNHCR and IOM. In two online training sessions on entrepreneurship and migration (at this stage available only in English) more than 500 policy makers took the online course. The course is now also being translated into Spanish. This present a good basis to replicate this success for the EPF online platform to facilitate capacity building among policy makers and other stakeholders to enhance policy response to COVID 19 challenges and to develop longer term strategies of entrepreneurship and MSME promotion. The EPF course will be made available in English, French and Spanish to facilitate inclusive outreach and impact.

To ensure impactful results, development and implementation of MSMEs related policies need to be relevant to COVID 19 situation in the regions. While the full impact of COVID 19 on MSMEs could be only understood and analysed at the end of the pandemic, it is critical to have an intermediate data and assessment reviews to provide policy responses and aid packages in a way that would facilitate immediate positive economic effects, respond to critical societal needs, facilitate inclusive business, and empower most vulnerable groups of population, such as youth, women, migrants and the poor, leaving no one behind. In this regard impact assessment surveys will be conducted by UN ECA, UN ECE, UN ECLAC at regional levels to identify emergences, gaps and priorities on the MSMEs resurgence related measures.

In particular, two short sectoral reports will be produced by UN ECA, one in collaboration with the Indian Ocean Commission and SADC on how SMEs and private sector in Southern Africa and African Small Islands Developing States can harness opportunities from the blue and green-economies to build back better post-COVID and take advantage of the AfCFTA and a report, in collaboration with SADC and COMESA on the role of digitalization in strengthening capacities of SMEs to take advantage of the AfCFTA and other trade agreements in order to build resilience. Additionally, videos will be created to support the distribution of the reports.

The ECA Sub Regional Office for South Africa will implement a regional MSMEs need assessment covering Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South

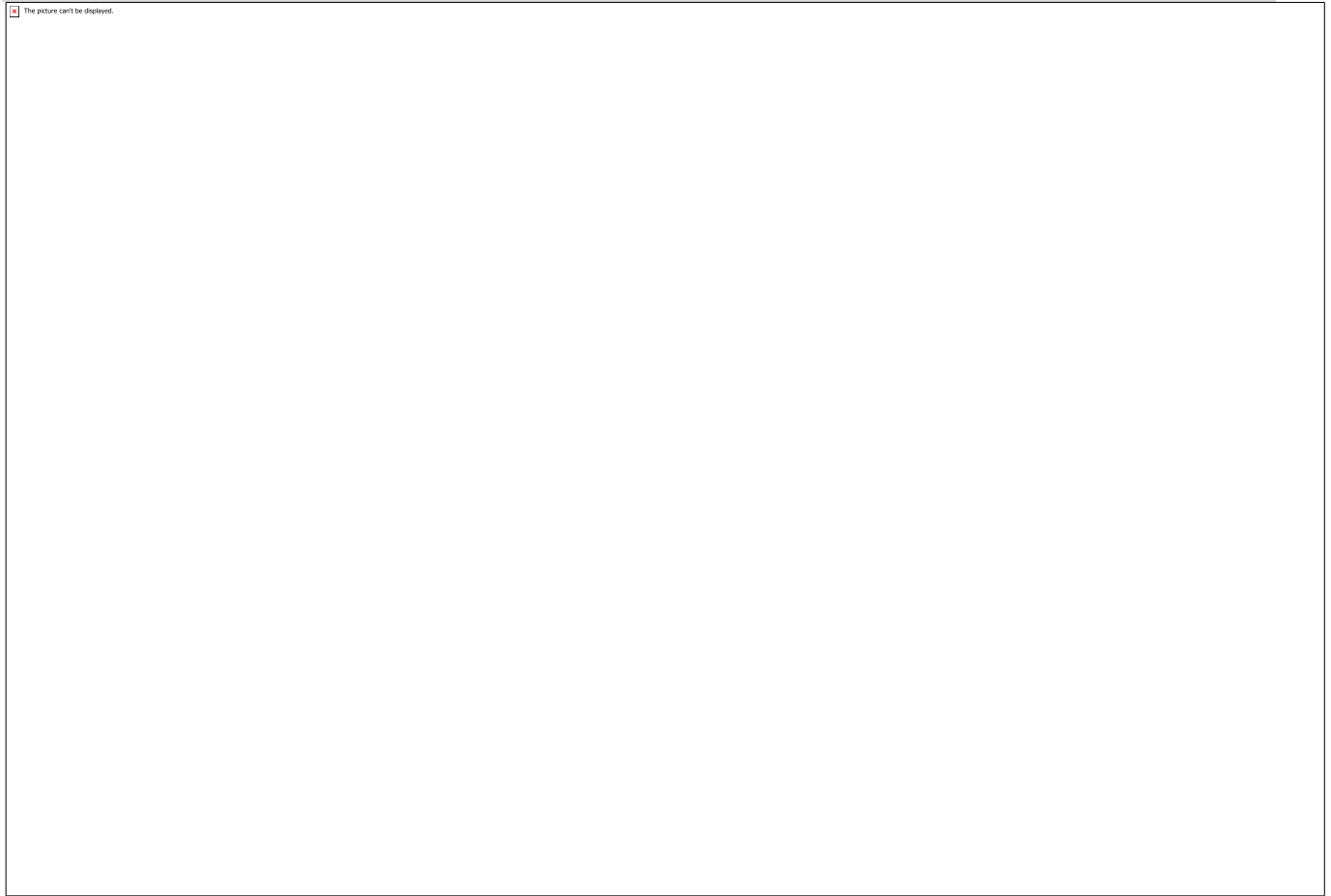


Africa, Zambia and Zimbabwe that will build on the second online survey for SMEs undertaken by ECA (Africa Trade Policy Center and SROSA) and the International Economics Consulting in June 2020 and other surveys undertaken in the region. These are the countries where it has the mandate to strengthen the capacities of MSMEs in the region. Results from ECA first online survey on SMEs indicate that African businesses have largely been disappointed by the responses to the crisis from their governments so far. UN ECA will also facilitate the creation of a digital community of practice for MSMEs in the Southern African region to share their experiences on the use of technology to address the impacts of Covid-19. ECA will also conduct an online training course for SMEs and policy-makers on how to harness technology to address the impacts of Covid-19 and build resilience of Africa SMEs and economies.

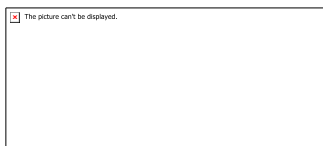
UN ESCAP will establish a regional network of policy makers to facilitate the exchange of best practices and enable capacity building in policy formulation for entrepreneurship and MSME development. The Network will be open to all countries covered by ESCAP mandate. ESCAP will also mobilize support from its ESCAP Sustainable Business Network (ESNB) and its various taskforces including to identify digital economy solutions and related policy needs to enhance SME resilience. In order to achieve this, the Network will bring together national SME policymakers, experts, SME development organizations and banks, as well as international and regional SME related organizations and UN agencies, in particular UNCTAD, UNIDO, ILO, and ITC. It is envisaged that the Network will have its first virtual meeting in early 2021 and another physical meeting in the second half of 2021 in Bangkok, Thailand or virtually. Specific efforts will be put for the Network to support the poorest, marginalized and women-led micro and SMEs.

2. Entrepreneurship and business skills facilitation

UNCTAD will deliver activities on capacity building of entrepreneurship skills to MSMEs with support of its established network of Empretec centres in more than 40 developing countries and economies in transition. Empretec programme will assist in developing such skills mostly needed in post COVID 19 period as opportunity seeking, resilience and self-confidence. It will also ensure an immediate impact on participant's motivation on starting or expanding businesses and equip them with behavioural based tools to achieve success. It will be built on more than 30 years of the programme implementation and its impactful results, including such as higher than average rates of business creation by participants, survival rates of participating MSMEs, number of created jobs, level of income generation just after 3-5 months after taking the programme, among others. In collaboration with centres and experienced Empretec trainers, UNCTAD will develop on-line platforms and demand-driven, customized tools to assist entrepreneurs and MSME owners to cope with short-term and medium-term challenges to their business operations.



In the short term, it is envisaged to provide Empretec centres with on-line support solutions that would complement the traditional in-presence entrepreneurship training workshop, based on Empretec behavioural approach. Refresher sessions, coaching and video guides on some of the topics (soft skills, competencies and behaviours) that are usually taught and practiced in class, will continue to be adapted to the on-line format to allow Empretec graduates (*empretecos*) and prospective clients, both established and potential entrepreneurs, to benefit from the Empretec methodology. Empretec centres are already developing and testing other demand-driven tools to broaden their portfolio of business development services, with support and under the supervision of UNCTAD, including as part of phase 1 capacity building efforts, with a view to validate them and make them available to all Empretec centres and member countries. At the request of the Empretec centers, UNCTAD also intends to design, develop and test an on-line version of its entrepreneurship training workshop, as a readily available platform to assist entrepreneurs, especially from vulnerable backgrounds, and micro, small and medium-sized businesses that are at the forefront of an almost certain post-COVID-19 recession. On line Empretec tools will be made available to all Empretec centers, including in English, French and Spanish.

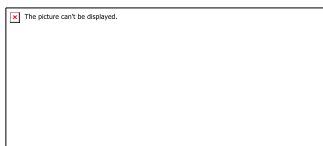


Empretec centers will be involved in cooperation with other DA and other key stakeholders to facilitate delivery of other hard skills training workshops and tools. In particular, cooperation with the UN ECE will be established to deliver specific on-line training for participating MSMEs on sustainable business models and solutions including in the agriculture sector, such as on the agricultural quality development; and training workshops on circular economy, sustainable resource management, critical raw material supply chain solutions, energy efficiency, and renewable energy.

Under the informal cross-border trade intervention, which is comprised of a component on cross-border trade rules and procedures developed by UNCTAD Trade, Gender and Development programme, and a component on entrepreneurship capacity building offered through the low-literacy version of the Empretec training, UNCTAD would specifically target groups of stakeholders who are extremely vulnerable to the effects (informal cross-border trader/women entrepreneurs) of the current global health crisis due to several factors: 1) the informal nature of their operations excludes them from any social protection mechanisms; 2) containment measures and closing of borders have forced their small-scale trading activities to a halt, leaving traders without income and putting the livelihoods and food security of households and entire border communities at risk; 3) the economic losses due to goods that have remained unsold, especially in the case of perishable goods, are putting additional financial pressures on women informal traders. UNCTAD's intervention would aim to scale-up the format of the trainings piloted in Malawi, Tanzania and Zambia, and replicate them at other borders in the same countries, as requested by these governments UNCTAD's intervention would facilitate policy dialogue about how to make the Simplified Trade Regimes more responsive to the kind of crisis traders are experiencing and be better prepared in the future.

UNECE, under phase I of the project, is also developing guidelines and best practices for MSMEs to assure resiliency and progress towards a circular economy in sustainable resource management and critical raw material supply chain solutions. This will assist countries in developing and implementing standards and best practices in smart solutions on sustainable natural resource management, which could be flexible and transferable especially when building resiliency for the MSMEs for the future. UNECE is also developing guidelines and best practices for MSMEs in delivering energy efficient products and in providing renewable energy equipment. This will include recommendations on the necessary incentives by the Governments to encourage MSMEs to deliver energy efficient products and manufacture/install renewable energy equipment. Four countries of the UNECE region will be chosen as pilot countries, for which guidelines and best practices for MSMEs will be customized. Trainings on guidelines and best practices will be delivered on-line, in cooperation with Empretec centres, for MSMEs, Government officials, and other stakeholders. Georgia and North Macedonia will be pilot countries for customizing Guidelines and Best Practices for MSMEs in delivering energy efficient products and in providing renewable energy equipment. Tajikistan and Ukraine will be pilot countries for customizing Guidelines and Best Practices for MSMEs to assure resiliency and progress towards a circular economy in sustainable resource management and critical raw material supply chain solutions. These four pilot countries expressed interest in developing country-specific Guidelines based on the findings of the regional report. For these four countries Online training material (Business Management skills) based on the respective customized country-specific Guidelines.

Cluster 2: Business Registration and formalization



The Business Facilitation Programme proposes to extend or adapt existing - eGovernment systems to support MSMEs in their business activities during the COVID-19 crisis and/or to enable MSMEs to benefit from the relief measures (such as tax deferrals schemes, subsidies, loans) set up by Governments to kickstart the economy.

Under this component UNCTAD will implement an online communication system between the SME administration (CONAMYPE) and small businesses through which SMEs can:

1. Keep their personal data and administrative documents safely online,
2. Register with all mandatory registries (Business registry, Taxes, Social Security, etc.)
3. Apply for credit, insurance and technical assistance, and
4. Report on their need for assistance from the government in the context of the Covid19.

This cluster will implement UNCTAD Business Registration Programme in El Salvador as the country is at an advanced stage of using UNCTAD eRegistrations to support pervasive formalization campaigns. It is therefore uniquely equipped to showcase how such integrated online registration systems could rapidly deliver online service that could help SMEs overcome the crisis and take advantage of the opportunities that will accompany economies opening up and adapting to a different business environment.

Activities under this cluster will also include capacity building activities on MSMEs formalization led by UN DESA, with a view to strengthen the resilience of informal MSMEs to external shocks and to facilitate their formalization process. Considering the large number of vulnerable groups working in informal MSMEs, especially women and youth, these measures will also substantially contribute to inclusive post COVID 19 resurgence

With a focus on formalization, DESA will prepare policy toolkits for developing country governments on streamlining MSME formalization and digitized delivery of formalization services. It will also organize capacity building workshops for national government officials and informal MSME entrepreneurs, especially youth and women, on the use of information and communications technologies, particularly social media and Internet to enhance their business potential and improve their access to markets and national, regional and global value chains. This output will also contribute to the Cluster 5.

In particular, aligned with the niche area of DESA in the concept note on enterprise registration, DESA would work with partners, such as the UN Commission on International Trade Law (UNCITRAL), to provide legislative assistance to selected national governments in building legislative framework for coherent MSME formalization policies. This proposed activity will immediately support formalization of informal MSMEs in the countries, expanding their access to government support measures in the short term after the COVID-19 outbreak. An international expert would be engaged to work with the national governments and provide the legislative assistance, which would be followed by a virtual workshop with the countries to illustrate the findings and policy recommendations. This proposed activity will also improve MSME resilience towards external shocks, including COVID-19 in the medium and long terms by expanding access of informal MSMEs to financial resources and market opportunities. Policy workshops on MSMEs formalization will be



organized by DESA in cooperation with regional commissions targeting senior policymakers, MSME entrepreneurs, public-private institutions that support MSMEs and the academic community in developing countries. In a longer term, activities towards formulating national MSME development plans and strategies in developing countries, enhancing government support to resilience of informal MSMEs towards external shocks, including COVID-19, in the post-COVID-19 economic resurgence.

The Gambia and Kenya are pilot countries of the DESA MSME project and would therefore improve synergies of different work streams and enhance joint impacts. Most notably with ESCAP activities under cluster3 Access to Finance that will focus on Cambodia for the preparation of its Online Training Material on MSME finance.

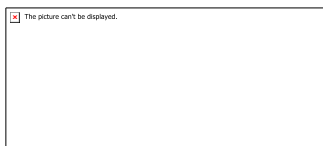
Cluster 3: Access to finance/Financial literacy

ESCAP will make available a series of seven MSME financing national studies, which are being finalized. ESCAP will also prepare training materials based on policies and instruments recommended in the studies to enhance the flow of finance to MSMEs. Among these, credit guarantees, digital financial services and agent networks, and credit information bureaus and data collection and reporting are particularly important. These training materials are aimed at policy makers and regulatory authorities. ESCAP will also produce a book publication on MSME financing in light of the COVID-19 pandemic. The book will assess the challenges SMEs face under the COVID-19 pandemic at the global and regional levels and propose policy options for immediate crisis responses on SMEs' enhanced access to finance and the Governments' relief, stimulus and support packages to protect MSMEs' businesses and employments effectively. The publication will also draw on lessons learned from ESCAP engagement and capacity building with member States in Asia and the Pacific and suggest approaches for long-term structural change in the MSME sector through capacity building, institutional support and networking. ESCAP publication on MSMEs Financing will be diffused in the beneficiary countries of ESCAP and other countries.

Access to finance is one of the dimension of the EPF of UNCTAD, therefore synergies with ESCAP will be exploited as a stepping stone for government interested to facilitate the MSMEs financial inclusion s as part of their policies towards the MSMEs resurgence.

ESCAP will implement the online material for policy makers on MSME finance in Samoa, Bangladesh, Nepal, Cambodia and Kazakhstan. These focus countries have participated in ESCAP in-depth country assessments and synergies will be created with UNCTAD Entrepreneurship Strategy expertise in Samoa, Kazakhstan and Georgia. These countries have expressed interest in support in this area.

UNCTAD will develop online training materials for practitioners and deliver training course on accounting for MSMEs based on out Guidance on accounting for SMEs (SMEGA). UNCTAD will also develop on line training tools on environmental and social reporting for the MSMEs based on its Guidance on the SDG reporting for companies (GCI) and the Training manual developed to support the GCI implementation. Based on case studies on GCI application for SMEs in Tanzania that are being prepared, the GCI and the Training manual will be adapted to the MSME needs, and online training courses will be developed and delivered in all UN languages with support of national institutions and Empretec centers.



Cluster 4: Access to technology and innovation

UNECA will lead this component and will aim at supporting Micro, Small and Medium Scale Enterprises (MSMEs) in Southern Africa to use technology to address the impact of Covid-19 and build resilience to future shocks.¹³ In this cluster, UNECA will delivered the following activities:

1. Mapping of existing technologies that are being deployed in Africa and elsewhere to help curb the spread of the virus and mitigate economic shocks that will be reflected in its regional SME needs assessment report detailed below;
2. An assessment of SME needs in the Southern African region, based on results of the ECA and IEC Ltd online SME survey and on interviews with relevant national authorities and entrepreneurs, including mapping of existing measures deployed to assist SMEs in the region along with an evaluation of effectiveness and anticipated bottlenecks (including information for each country).
3. On the *supply side*: Identification of a set of areas where technologies can be deployed to help SMEs address some of the above covid-19 related challenges and constraints (e.g. e-registrations, digitally delivered market information, e-payments, e-trade options, direct marketing to consumers, direct delivery to consumers, digital financial transfers to SMEs, apps to facilitate just-in time production and tracking of supply delivery etc); this will be done through two short thematic reports;
4. On the *demand side*: advice through its online training course to SMEs on how to harness technology and innovation to address the impact of Covid-19 as it evolves;
5. Creation of a digital platform to form a digital Community of Practice where MSMEs, government, technology specialists, start-ups and STI institutions can exchange and share ideas on how to leverage technology to better assist SMEs address the impact of the shock in the medium term and build resilience to shocks in the long-term;

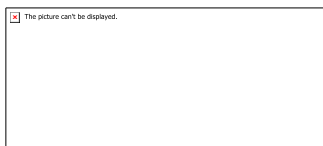
These activities will be implemented in close collaboration with National Chambers of Commerce and Industry, Ministries of Industry and Trade and local and regional business associations and in partnership with other UN agencies involved in this project proposal.

ECA SRO SA will implement these activities targeting the countries such as Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe.

Cluster 5: Access to markets

The activities of this cluster will aim at enhancing capacities of policy makers and MSMEs to facilitate the MSMEs access to markets which is one of key challenges for MSMEs post-COVID 19 resurgence due to decreased demand, damaged supply and disruption of value chains..

UNECE is conducting impact assessments on the novel COVID-19 pandemic on end to end supply chain activities, with a view to supporting national and regional recovery and long-term development efforts. The focus of these assessments, which are conducted under UNDA 10 “Strengthening the national capacities of selected UNECE countries for evidence-based regulatory and procedural trade



policies to achieve SDGs”, is on capturing the impact of COVID 19 on production and trade activities of MSMEs and the implications on recovery and long-term development prospects. ²⁶ Drawing on the experience gained from these assessments, two national assessments will be conducted under phase II of this project, focusing on female-owned enterprises, drawing on UNECE evaluation methodology of non-tariff measures (NTMs). The assessments, focusing on Armenia and Moldova, will be conducted over a period of 3 months and will feature action oriented recommendations grounded in flexible approaches for supporting enterprises' recovery while consolidating their productive capacity to achieve increased specialization in innovative activities and products with high value added. The approaches will involve a coherent framework that capture the interplay between trade, enterprise development, investment, labor and other policy tools; highlight areas for joint cooperation at the regional and global levels; and, highlight the impact on the achievement of SDGs.

UNECE will also develop online training courses, that also will contribute to the Cluster 1, on agricultural quality and food loss issues, with a special focus on MSMEs recovery and reset of more inclusive supply chains. Drawing on the recommendations and findings emerging from UNECE, studies on regulatory and procedural barriers to trade²⁷ and capacity building activities by the Working Party on Agricultural Quality Standards,²⁸ Central Asia region has been selected for these interventions

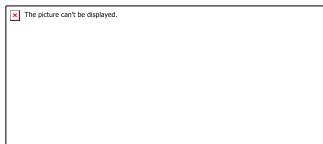
In the area of competition and consumer protection policies UNCTAD will implement the following activities by the end of 2020 :

1. Organize three launching events of the report on competition and on consumer protection policies measures impacting market access of SMEs and SMEs competitiveness in the post-covid19 era. The launch event will allow to establish synergies with regional commissions' projects in the field – UNECE, UNESCWA, ESCAP, UNECA and ECLAC)
2. Organize 3 regional webinars, based on the report prepared under the component 1 mentioned above, and also relevant information for each region to provide the regional context as appropriate. This will build capacity of policy makers and other stakeholder on market access and competitiveness' challenges for MSMEs in key economic sectors (collaboration with national EMPRETEC centers) in the light of competition and consumer protection policies, including policy recommendations.
3. Develop training modules/case studies as a component of the above-mentioned national reports. This work will be supported by national consultants in 3 selected developing countries. At the end of phase 2, the training workshops will be organized based on the following training materials:

²⁶ As of July 2020, UNECE has launched the assessments in Armenia, Belarus, Georgia, Moldova and Serbia.

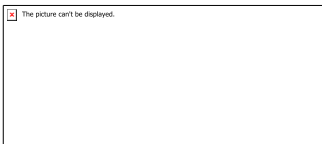
²⁷ <https://www.unece.org/tradewelcome/studies-on-regulatory-and-procedural-barriers-to-trade.html>

²⁸ <https://www.unece.org/trade/agr/unece-foodlosschallenge.html>



1. Preliminary findings of the relevant country study in each region (Latin America, Asia or Africa).
2. Full report of Phase 1
3. Relevant summary of the discussion reports of the regional seminars undertaken so far (Latin America, Asia or Africa)
4. Presentations provided by the trainers (UNCTAD resource persons, REC and external experts)
5. Other materials as appropriate

ECLAC will analyze the policies implemented by the Latin American governments to face MSMEs crisis generated by COVID-19. Experiences in countries having MSMEs fostering institutions will be prioritized. Good practices will be systematized and shared among public institutions in charge of MSMEs policies. According to the interest and availability of governments we will organize virtual meetings to share implementation experiences about MSMEs helping measures. It will also promote dialogue between competition and SMEs authorities, in order to enhance the coordination of public policies for economic recovery. Competition policy can help address some of the challenges posed by the recovery of the economy, for example, by tracking and dismantling collusive agreements that keep prices high and promoting competition in specific economic sectors that help boost the competitiveness of micro, small, and medium-sized companies. Moreover, it incorporates in the analysis the topics that are part of the regional digital agenda to promote the recovery of SMEs through the digitalization programs along the region.



Intervention logic	Indicators of achievement ²⁹	Means of verification
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The objective of the project is to develop and implement capacity building mechanisms tools for governments and MSMEs to facilitate resurgence and strengthen resilience of micro, small and medium enterprises (MSMEs) in developing countries and economies in transition to mitigate the economic and social impact of the global Covid-19 crisis and enhance their contribution to the SDGs implementation, including with a focus on vulnerable groups such as women and informal workers.

OC 1A: To improve national capacities on formulating and implementing enabling policies on green, resilient and inclusive entrepreneurship MSME promotion in post COVID 19 resurgence

IA 1.1. Number of countries which have adopted and/or implemented a revised/improved policies aimed at building resilient and competitive MSME sector 1. in post COVID 19 resurgence

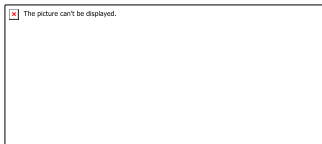
IA 1.2. At least 70% of policy makers participated in the interventions of this 2. component indicated their enhanced capacity on entrepreneurship/MSMEs policies 3. design and implementation in the context of post COVID 19 recovery

IA 1.3. Improved ecosystem and mechanisms for MSMEs access to government support measures for post COVID 19 recovery

IA 1.4. Improved access of policy makers and MSMEs to knowledge hub on issues on the MSME post COVID 19 resurgence

Data collected by UNCTAD, ESCAP, ECLAC and ESCWA Assessment Surveys And point evaluation

²⁹ Outcomes are expected to be achieved at the end of phase 3. They remain the same in the phase 2 and phase 3 table.



OC 1B: To improve resilience and competitiveness of MSMEs in post COVID 19 resurgence

IA 1.4. % of Empretec trainees starting a new business venture, disaggregated by country and gender, including by people with low literacy

IA 1.5. % of Empretec supported MSMEs able to increase sales in one year, disaggregated by country and gender

IA 1.6. Number of new jobs created by MSMEs, participated in the Empretec programme, disaggregated by country and gender

IA.1.7. At least 70 percent of participants to the training on cross-border trade and entrepreneurship targeting small-scale and informal women traders indicated their increased awareness of trade rules and procedures, rights and obligations, and their increased entrepreneurship and business skills.

IA 1.8. Improved capacity of at least 20 Empretec centers to deliver training to people with low literacy and course on Farming as Business

1. UNCTAD data on impact assessment
2. Empretec centers data and reports
3. Endpoint evaluation

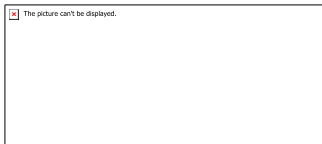
OC2: To facilitate MSME registration and formalization

IA 2.1. Increased number of new businesses registering, disaggregated by country and gender of business owner

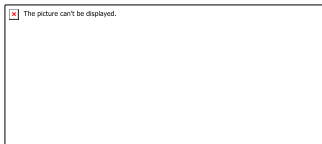
IA 2.2. Decreased administrative costs to start a business, disaggregated by country

IA 2.3. At least 70% of participants of the workshops on policy guidelines for MSME formalization stated their increased capacity to facilitate MSMEs formalization

1. Data collected by UNCTAD via its e-regulation and e-registration portal
2. Data collected by DESA

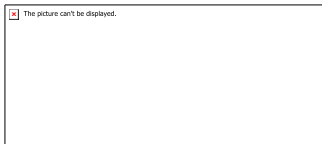


<i>OC 3: To improve MSMEs access to finance</i>	OP 3.1. Number of participating MSMEs with improved financial literacy and ability to prepare financial statements, disaggregated by country, and gender	1.	UNCTAD and ESCAP data
	OP 3.2. At least 70% of participants of online training courses state their improved financial literacy in accounting and reporting, including on the SDG reporting, and improved capacity to manage financial resources	2.	Survey report/assessment questionnaires
	OP 3.3. At least 70% of policy makers participated in the workshop state their increased capacity to facilitate financial inclusion and MSMEs access to finance	3.	End point evaluation
<i>OC4: To increase MSMEs access to Innovation and technology</i>	IA 4.1. Number and type of new/improved measures to increase MSMEs access to technology	1.	Data collected by ECA
	IA 4.2 Digital community of practice on use of technology and innovation to build resilience to shocks is created with at least 100 members	2. 3.	Assessment questionnaires/Survey reports Endpoint evaluation
<i>OC5: To enhance MSMEs access to markets</i>	IA 5.1 Number and type of new/improved measures on consumer protection and competition disaggregated by country	Data collected by UNCTAD, ECE, ECA, ECLAC, ESCAP	
	IA 5.2 Number and type of new/improved measures on agricultural quality and food loss disaggregated by country		
	IA 5.3. Increased number of MSMEs in regions targeted by interventions with increased access to markets, including export and integration into value chains, disaggregated by country and gender		
	IA 5.4. At least 70% of policy makers participated in the workshops indicated their increased capacity to improve MSMEs access to markets, including by integration into the value chains		

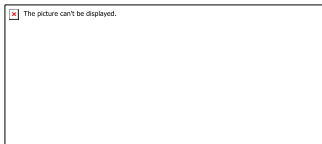


4.2. Outputs for phase 2

Outcome	Output	Implementing entity
<i>OC 1 A: enhanced capacity of policy makers to provide policy response and support measures on MSMEs post COVID 19 resurgence and develop longer term strategies on resilient and competitive MSME sector</i>	OP 1.1. Development of the on line EPF platform in English, French and Spanish for policy makers and other stakeholders to enhance capacity of policy makers capacity of policy makers to provide policy response and support measures on MSMEs post COVID 19 resurgence and develop longer term strategies on enhanced resilient and competitive of the MSME sector	UNCTAD
	OP 1.2. Conducting three webinars to raise awareness of the platform in English, French and Spanish	UNCTAD
	OP 1.3. Creation of Asia-Pacific MSME capacity building network for policy makers to exchange best practices on entrepreneurship and MSME development in post COVID 19 resurgence	ESCAP
	OP 1.4. Increased access to knowledge hub on MSMEs resurgence	ESCWA
<i>OC 1.B: Enhanced MSMEs resilience and capacity for recovery, and gainful use of available support measures through facilitation of entrepreneurship and business skills</i>	OP 1.5. Conducting at least 10 Empretec webinars on entrepreneurship skills facilitation for entrepreneurs with support of 10 Empretec national centers reaching out about at least 5000 MSMEs with a focus on skills such as opportunity seeking, goal setting, risk taking, networking, persistency, self-confidence, resilience, negotiation skills, investment/finance pitching, and motivation	UNCTAD
	OP 1.6. Organization of at least 5 empretec online workshops on training the trainers on modernized Empretec methodology for about 100 trainers from at least 20 countries in Africa, Asia, Latin America and Middle East	UNCTAD
	PO 1.7.Organization at least 3 online TOTs for the Empretec centers on Empretec for low literate people for about 50 trainers (in English, French and Spanish)	
	OP 1.8. Organization of at least 3 workshops on cross-border trade and entrepreneurship	UNCTAD

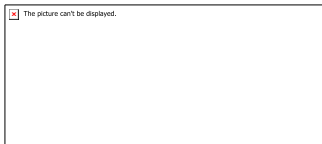


	targeting women small-scale and informal traders	(Trade)
	OP 1.9. Development on line training course on Farming and Business in English, French and Spanish	UNCTAD
	OP 1.10. Organization of at least 3 TOTs to facilitate the outreach and dissemination (in English, French and Spanish) reaching out to at least 100 trainers from at least 20 countries in Africa, Asia, Latin America and Middle East	UNCTAD
	OP 1.11. Development of at least 10 modules of a full 50 hours online Empretec training course based on a presential course on behavior approach to entrepreneurship with the use of innovative IT based tools	UNCTAD
	OP 1.12. Development of customized Guidelines and best practices for MSMEs in delivering energy efficient products and in providing renewable energy equipment in selected countries in the region and online training course based on customized Guidelines and best practices	ECE
	OP 1.13. Development of customized Guidelines and best practices for MSMEs on resilience and progress towards a circular economy in sustainable resource management and critical raw material supply chain solutions in selected countries in the region and online training courses based on customized Guidelines and best practices	ECE
<i>OC 2: Enhanced institutional and technical capacity for MSMEs e-registration and formalization</i>	OP 2.1 Implementation of e-registration programme in one selected country	UNCTAD (Business facilitation)
	OP 2.2 Prepare policy toolkits for developing country governments on streamlining MSME formalization and inclusive delivery of formalization services	DESA
	OP 2.3. Deliver at least 2 virtual workshop on policy guidelines for MSME formalization in selected countries	DESA
<i>OC 3: Enhanced capacity of policy makers and MSMEs on improved MSMEs access to finance</i>	OP 3.1. Development on line training material for policy makers on MSME access to finance	ESCAP
	OP 3.2. Publication of book on MSMEs finance	ESCAP
	OP 3.3. Development online training course on accounting and reporting on the SDG related performance to facilitate access of MSMEs to green finance	UNCTAD

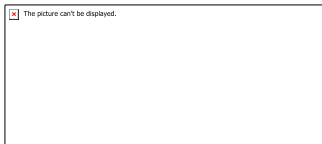


OP 3.4. Development of Guidance on SDG reporting by SME companies (GCI) in French, Russian, Arabic and Chinese to facilitate the outreach	UNCTAD
OP 3.5. Delivery of at least 6 online GCI workshops for MSMEs in 6 languages (English, Spanish, French, Russian, Arabic and Chinese)	UNCTAD
OP 3.6. Development of an online training course on accounting and reporting for MSMEs to improve their financial literacy and financial management skills, including in English, Spanish and French	UNCTAD
OP 3.7. Organization of at least 3 on line TOT training courses on accounting and reporting for MSMEs to improve their financial literacy and financial management skills, including in English, Spanish and French	UNCTAD

<i>OC 4: Strengthened capacity of policy makers and MSMEs on MSMEs access to technology</i>	OP 4.1. Prepare a regional -SME Needs assessment report assessing the impact of Covid-19 on SMEs in Southern Africa	ECA
	OP 4.2. Development of an online training course for entrepreneurs and policy-makers on role of technology and innovation in addressing impact of Covid-19 on SMEs in Southern Africa;	ECA
	OP 4.3. Development of a network “Digital community of practice” on use of technology and innovation by SMEs in Southern Africa;	ECA
<i>OC 5: Strengthened capacity of policy makers and MSMEs on MSMEs access to markets</i>	OP 5.1 Organizing at least 3 regional capacity building events in coordination with RECs, to raise awareness of policy makers of the role of competition related policies for access to markers in post COVID 19 resurgence of MSMEs	UNCTAD (Competition)
	OP 5.2. Organization of at least 2 regional webinars to disseminate the findings and recommendations of the report prepared in phase 1	UNCTAD (Competition)
	OP 5.3. Prepare 3 country case studies in different regions on the role of competition and consumer policies on MSMEs post COVID 19 resurgence	UNCTAD (competition)
	OP 5.4. Organizing at least 3 webinars based on the case studies developed in selected countries in each region	UNCTAD (Competition)
	OP 5.5. Development of two national gap analysis/policy reports on the impact of the COVID-19 induced economic crisis on female owned enterprises	ECE



OP 5.6. Development of an online training course on agricultural quality and food loss	ECE
OP 5.7. Information collection/Assessment in Latin American Region	ECLAC
OP 5.8. Development of policy recommendations to implement recovery policies oriented to foster the MSMEs cooperation and linkages between SMEs and large companies	ECLAC
OP 5.9. Creation of public policies coordination mechanisms between competition and SMEs authorities, in two countries of the ECLAC region	ECLAC
OP 5.10. Training workshops in the ESCAP region to enhance knowledge and skills to formulate and implement better policies to enhance the competitiveness of MSMEs and their access to markets by integration into regional and global value chains.	ESCAP
OP 5.11. Prepare report on how SMEs in Southern Africa and African SIDS can tap opportunities from the blue and green economies to build resilience and take advantage of the AfCFTA	ECA
OP 5.12. Prepare report on the role of digitalization in strengthening capacities of SMEs in Southern Africa to take advantage of the AfCFTA	ECA
OP 5.13. Two promotion videos for the two reports	ECA

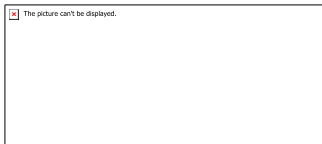


1. Tentative outputs for phase 3

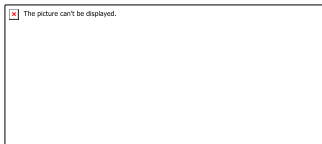
An output summary table should be included for each of the 2 scenarios in phase 3.

Phase 3 of the project is a continuation of phase 2 and build on lessons learned from phase 2. Interventions will focus on scaling up the implementation of the online outputs developed in the phases 1 and 2, progressing to delivery some of the activities in the field, and launch of new activities in selected countries based on demand and results in the previous phases. The output summary table below is based on scenario 1, in which travel and workshops are possible. Scenario 2 will continue the virtual work and travel funds will be allocated to scale up the deliverables envisaged in the Scenario 1.

<i>Outcomes</i>	<i>Outputs</i>	<i>Implementing entity</i>
<i>OC1: Entrepreneurship and business skills promotion</i>	OP 1.1. Organization of the online Empretec full workshop, training of trainers on new delivery methods	UNCTAD
	OP 1.2. Installation of new Empretec centers in at least 2 selected countries based on technical assistance requests with support of existing Empretec centers	UNCTAD
	OP1.3. Organization of follow-up training workshops for cross-border women entrepreneurs	UNCTAD
	OP 1.4. Organization of 1-2 online training courses on Guidelines and best practices for MSMEs in delivering energy efficient products and in providing renewable energy equipment and on Guidelines and best practices for MSMEs to assure resiliency and progress towards a circular economy in sustainable resource management and critical raw material supply chain solutions. 1-2 Regional Workshops	ECE
	OP 1.5. Expansion and strengthening of the regional network of SME policymakers and	ESCAP



	experts and training activities at national, sub regional and regional level	
	OP 1.6. Assistance for at least 2 selected countries in designing and implementation of the national entrepreneurship policies based on the EPF	UNCTAD
	OP 1.7. Development and delivery of a training programme for local suppliers to facilitate their integration in GVC	UNCTAD
	OP 1.8. Conducting impact assessment of the EPF implementation in selected countries to enhance the EPF with COVID 19 related lessons learned	UNCTAD
	OP 1.9. Development of customized Guidelines and best practices for MSMEs in delivering energy efficient products and in providing renewable energy equipment in additional selected countries in the region and online training course based on customized Guidelines and best practices	ECE
	OP 1.10. Development of customized Guidelines and best practices for MSMEs on resilience and progress towards a circular economy in sustainable resource management and critical raw material supply chain solutions in additional selected countries in the region and online training courses based on customized Guidelines and best practices	ECE
OC2: Business registration/formalization	OP 2.1. Installation of re-registration portals and capacity building in at least 3 further countries	UNCTAD.
	OP 2.2. Implementation of the policy guidelines for MSME formalization in selected countries	DESA
OC3: Access to finance	OP3.1. Country-level SME surveys to assess total impact of covid-19 on SMEs and effectiveness of policy responses follow -up to the regional SME needs assessment of Phase 2)	ECA
	OP 3.2. Development of case studies on accounting and reporting for MSMEs, including on environmental and social issues	UNCTAD
	OP 3.4. At least one national workshop as a follow-up of virtual training developed in	ESCAP



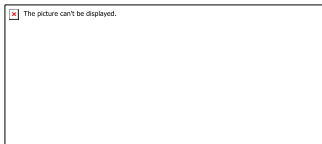
	phase II	
<i>OC4: Access to technology and Innovation</i>	OP4.1. Case studies on role of technology and innovation in assisting MSMEs in Southern Africa address Covid-19 and lessons learnt	UNECA
	OP 4.2. Virtual or physical seminar on the impact of Covid-19 on MSMEs in Southern Africa and response strategies, intended to lay a roadmap for technical assistance at a regional level	UNECA
	OP4.3 Case studies on innovative finance for SMEs in Southern Africa	UNECA
	OP 4.4. Development of an online course on access to IT as additional component of the Empretec programme	UNCTAD
<i>OC5: Access to markets</i>	OP 5.1. Organize training workshops on competition and on consumer protection policies measures based on country reports prepared in the phase II	UNCTAD
	OP 5.2 Online training course on dematerialization of documents for SMEs and Integrated Services for micro, small and medium sized enterprises (MSMEs) in international trade	
	OP 5.3. Scaling up, through regional workshops, delivery of the training workshops on dematerialization of documents for SMEs and Integrated Services for micro, small and medium sized enterprises (MSMEs) in international trade indicated increased understanding of dematerialization of trade documents, cooperation with Empretec centers in other regions on training the trainers on these issues	ECE/UNCTAD
	OP 5.3. Scaling up, through regional workshops, delivery of the workshops on agricultural quality and food loss found it useful and one advisory mission, cooperation with Empretec centers in other regions on training the trainers on these issues	
	OP 5.4. Online training course on gearing NTMs towards supporting SMEs recovery from the COVID-19 induced crisis and long-term development	ECE



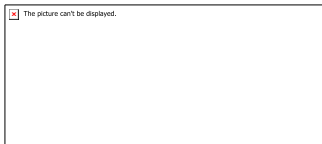
2. Risks and mitigation actions

The following table presents some risks in the implementation of the project and possible mitigation strategies.

Risks	Likelihood of Risks	Mitigating actions
Covid 19 related risks		
Prepared assessment and reports may not correspond to the contextual challenges MSMEs face in post-COVID 19 recovery	Very unlikely is this is addressed if this is addressed with the adequate feedback mechanisms between the project and end-beneficiaries	Leverage synergies with other agencies to exploit information, analysis and reports to ensure digital solution correspond to a need
COVID19 situation get worst leading to closing services, institutions and/or borders are closed	Medium	Continued delivering online training material for relevant training events, particular focusing on training local trainers
Country, organizations, MSMES or people participation is lower than expected due to COVID19 and/or other urgent national priorities	Very unlikely	Information about activities schedule and dates, send with anticipation, and followed up to confirm participation status to have enough time to reach out to other organizations
Risks related to the nature of the project		



As a large project with many partners and components, there is a risk to miss synergies and produce duplication if clusters and components do not coordinate their activities	Very unlikely if this is addressed with right management and governance mechanisms	Implement good management practices and ensure flow of information between different agencies and within agencies. The project plans to establish a unique website dedicated to entrepreneurship and MSMEs development
Targeted government may not allocate adequate resources to cooperate with the project	Medium	Reach out to involved governments, preferably at the highest level, through appropriate channels to secure local cooperation; select a few potential local counterparts at the beginning of the project implementation.
The government and the private sector may not wish to collaborate with each other	Medium	As an UN agency, take a role to be a moderator and facilitate between the key sectors for the smooth implementation of the project.
Issue with access to internet in remote areas	Medium	Work closely with local counterparts to identify solutions



5. Monitoring and evaluation

To be completed in September

6. Management, partnership and coordination agreements

As the programme will be implemented by several DA agencies, it will require an efficient governance mechanism to facilitate coordination and synergies of expertise and comparative advantages of participating agencies. Delivery of country level activities will take place in close cooperation and coordination not only with country teams but even more so with non-UN bilateral agencies. As such the DA funds can be used as a catalyst for wider programmes. For some activities, other agencies involved in entrepreneurship, MSMEs and private sector development will be consulted and as appropriate invited to join activities, including United Nations Industrial Development Organization (UNIDO), International Labor Organization, (ILO), International Trade Center, (ITC), UNITAR, UN Women. Close cooperation and partnerships should also be sought with World Bank, IFC.

Task Force comprised of experts from the partner entities will be established as below which will be providing on going coordination of work of five clusters. Regular on line meetings of TF to discuss the progress will be organized on a monthly basis, to share lesson learned and adjust activities accordingly to facilitate synergies.

1. Lead agencies

Project cluster/workstream	Lead agency
Overall coordination	UNCTAD
Project cluster/workstream 1 Entrepreneurship and business skills promotion	UNCTAD
Project cluster/workstream 2 Business facilitation/formalization	UNCTAD/DESA
Project cluster/workstream 3 Access to finance/financial literacy	ESCAP
Project cluster/workstream 4 Access to technology and innovation	UNECA
Project cluster/workstream 5 Access to markets	UNECE

2. Project Design Team



Representatives from UNCTAD, DESA, ECA, ECE, ECLAC, ESCAP and ESCWA participate in the project design and its adjustments as needed in accordance with the COVID 19 situation,

3. Project Steering Committee

Representatives from UNCTAD, DESA, ECA, ECE, ECLAC, ESCAP and ESCWA will have online meetings once in two months to monitor project delivery to ensure smooth and steady implementation. Representatives from all seven entities will meet on an as-need basis for important decisions that affect all seven entities.

4. Resident Coordinator system and the UN Country Teams

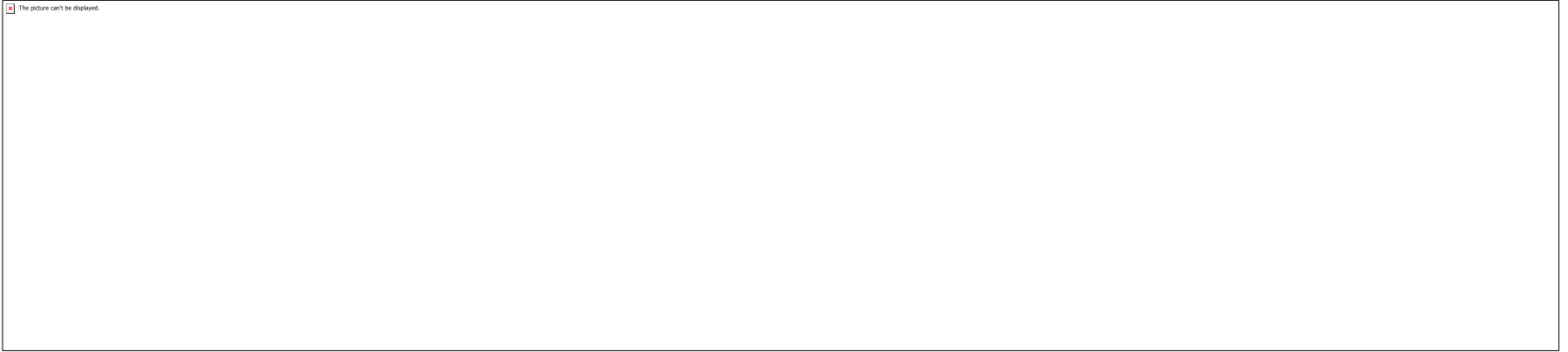
In-country activities will be delivered in partnership with UN Resident Coordinators and Country Teams to ensure coherence with the national frameworks for socio-economic response to COVID-19.

Resident Coordinators will be involved as catalysts and facilitators for the implementation of the outputs of the project in their concrete countries. They also will help to facilitate outreach and coordination with national agencies and stakeholders dealing with issues of entrepreneurship and MSMEs promotion, women empowerment, financial inclusion, access to markets and export promotion, and other areas related to MSMEs development. The project documents will be sent to the target countries, a launching briefing will be organized. When the activities start regular updates will be prepared. UN Country teams will also help to facilitate the visibility of results and raising awareness of activities and their impact on MSMEs post COVID 19 resurgence.





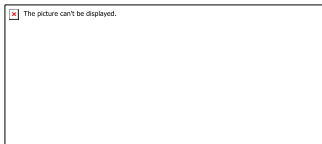
ANNEX 2: BUDGET FOR PHASE II WITH BUDGET CLASS AND COST CENTER





ANNEX 3: REQUESTS FROM COUNTRIES AND REGIONS

<u>Outcome</u>	<u>Output</u>	<u>Requesting Countries or Regions</u>
<i>OC 1 A: enhanced capacity of policy makers to provide policy response and support measures on MSMEs post COVID 19 resurgence and develop longer term strategies on enhanced resilience of the MSME sector</i>	OP 1.1. Developing on line EPF platform in English, French and Spanish for policy makers and other stakeholders to enhance coherence and impacts of post CVD 19 resurgence of MSMEs	UNCTAD EPF list of request Dominican Republic, Ecuador, Gambia, Iraq, Morroco, Mozambique, Seychelles, South Africa,
	OP 1.2. Conducting three webinars to raise awareness of the platform in English, French and Spanish	
	OP 1.3. Asia-Pacific MSME capacity building network for policy makers to exchange best practices on entrepreneurship and MSME development in post COVID 19 resurgence	Asia-Pacific : List of requesting countries contained and implied in resolution and committee documents
	OP 1.4. Survey/report on tapping opportunities from the blue and green economies in Southern Africa useful in assisting them address needs of MSMEs	South African Sub Region: List of requesting countries contained and implied in resolution and committee documents
	OP 1.5 Information collection/Assessment in Latin American Region	Latin America: List of requesting countries contained and implied in resolution and committee documents
<i>OC 1.B: MSMEs enhanced resilience and capacity for recovery, and gainful use of available support measures through facilitation of entrepreneurship and business skills</i>	OP 1.6. At least 10 Empretec webinars on entrepreneurship skills facilitation for entrepreneurs with support of 10 Empretec national centers reaching out about at least 5000 MSMEs with a focus on skills such as opportunity seeking, goal setting, risk taking, networking, persistency, self-confidence, resilience, negotiation skills, investment/finance pitching, and motivation	UNCTAD Empretec list of request : Albania, Algeria, Angola, Burkina Faso, Burundi, Cameroon, China, DRC, Costa Rica, Cote d'Ivoire, Djibouti, Dominican Republic, Egypt, Gabon, Georgia, Guinea,- Bissau, Haïti, Honduras, Indonesia, Iran, Kenya, Kyrgyz Republic, Lebanon, Lesotho, Madagascar, Malaysia, Maldives, Mexico, Moldova, Mongolia, Mozambique, Myanmar, Namibia, Nigeria, Niger, Oman, Palestine, Pakistan, Peru, Qata, Russia, Rwanda, Saudi Arabia, Senegal, Seychelles,
	OP 1.7. Deliver at least 5 empretec online workshops on training the trainers on modernized Empretec methodology for about 100 trainers from at least 20 countries in Africa, Asia, Latin America and Middle East	
	PO 1.8.Deliver at least 3 online TOTs for the Empretec centers on Empretec for low literate people for about 50 trainers (in	



English, French and Spanish)

Sri Lanka, Tanzania, Thailand, Togo,
Tunisia, Zambia

OP 1. 9 Training on cross-border trade and entrepreneurship
targeting women small-scale and informal traders in 3 countries

Requests from Malawi, Tanzania and Zambia

OP 1.10. Development and piloting of a full 50 hours online
Empretec training course based on a presential course on
behavior approach to entrepreneurship with the use of
innovative IT based tools

Requests by the Empretec centers at the
Empretec Directors meeting on 24 April
2020

OP 1.11 Develop on line training course on Farming and
Business and deliver at least 3 TOTs to facilitate the outreach
and dissemination (in English, French and Spanish) reaching out
to at least 100 trainers from at least 20 countries in Africa, Asia,
Latin America and Middle East

Requests from the Empretec centers

OP 1.12. Development of an online training course on energy
use, OP 1.13. Development of an online training course on
circular management

Georgia and North Macedonia for the energy
efficiency/renewable energy part and
Tajikistan and Ukraine for the circular
economy part.

*OC 2: Enhanced institutional
and technical capacity for
MSME e-registration and
formalization*

OP 2.1 Implementation of e-registration programme in one
selected countries

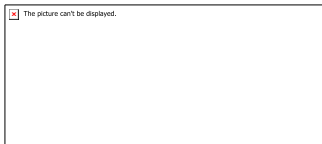
UNCTAD: Benin, Burkina Faso, Mali,
Kenya Rwanda, Iraq, Uzbekistan, Bhutan,
Argentina, Cuba, El Salvador, Ecuador,
Guatemala

DESA: TO BE COMPLETED

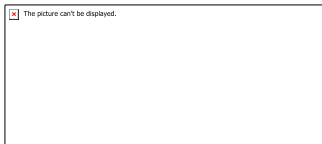
OP 2.2 Prepare policy toolkits for developing country
governments on streamlining MSME formalization and
inclusive delivery of formalization services

OP 2.3. At least 2 virtual workshop on policy guidelines for
MSME formalization in selected countries

DESA: TO BE COMPLETED



OC 3: Improved and increased MSMEs access to finance	<p>OP 3.1. Development on line training material for policy makers on MSME access to finance</p> <p>OP 3.2. Publication of book on MSMEs finance</p> <p>OP 3.3. Online training course on accounting and reporting on the SDG related performance to facilitate access of MSMEs to green finance</p> <p>OP 3.4. Development of Guidance on SDG reporting by SME companies (GCI) in French, Russian, Arabic and Chinese</p> <p>OP 3.5. Delivery of 6 online GCI workshops for MSMEs in 6 languages (English, Spanish, French, Russian, Arabic and Chinese)</p> <p>OP 3.6. Development of an on line training course of accounting for MSMEs</p> <p>OP 3.7. Development and delivery of at least 3 online TOT training course on accounting and reporting for MSMEs to improve their financial literacy and financial management skills, including in English, Spanish and French</p>	<p>Asia-Pacific : List of requesting countries contained and implied in resolution and committee documents</p> <p>ISAR 36th session agreed conclusions, requests by professional bodies from Russia, Saudi Arabia, China; Cameroon and Cote d'Ivoire, requests from the Empretec centers</p>
<i>OC 4: strengthened capacity of policy makers and MSMEs on access to technology</i>	<p>OP 4.1. A regional -SME Needs assessment report assessing the impact of Covid-19 on SMEs in Southern Africa</p> <p>OP4.2. Online training course for entrepreneurs and policy-makers on role of technology and innovation in addressing impact of Covid-19 on SMEs in Southern Africa;</p> <p>OP 4.3. Development of a Digital community of practice on use of technology and innovation by SMEs in Southern Africa;</p>	<p>South African Sub Region: List of requesting countries contained and implied in resolution and committee documents, in addition</p> <p>Zambian Development Agency and the Youth Revolving Enterprise Fund from Eswatini recently expressed their interest</p>
<i>OC 5: improved MSMEs</i>	<p>OP 5.1-5.4 Launching events (3) for the diffusion of case studies in selected countries in each region on competition and on consumer protection policies measures impacting market</p>	UNCTAD: TO BE COMPLETED



capacity on access to markets

access of MSMEs in the post-covid19, webinars and case studies

OP 5.5 -5.6. Development of two national gap analysis/policy reports on the impact of the COVID-19 induced economic crisis on female owned enterprises. Development of an online training course on agricultural quality and food loss.

OP 5.7- 5.9. Development of policy recommendations to implement recovery policies oriented to foster the MSMEs cooperation and linkages between SMEs and large companies, PO 5.10. Training workshops in the ESCAP region to enhance knowledge and skills to formulate and implement better policies to enhance the competitiveness of MSMEs and their access to markets by integration into regional and global value chains.

OP5.11- 5.13. A report on how SMEs in Southern Africa and African SIDS can tap opportunities from the blue and green economies to build resilience and take advantage of the AfCFTA; with a promotional video; report on the role of digitalization in strengthening capacities of SMEs in Southern Africa to take advantage of the AfCFTA ; with a promotional video

Armenia and Moldova (gap analysis). 30
Central Asia, Caucasus and Eastern Europe

Latin America: List of requesting countries contained and implied in resolution and committee documents

Asia-Pacific: List of requesting countries contained and implied in resolution and committee documents

South African Sub Region: List of requesting countries contained and implied in resolution and committee documents

30 Armenia and Moldova are beneficiary countries of UNECE led UNDA 10 project “Strengthening the national capacities of selected UNECE countries for evidence-based regulatory and procedural trade policies to achieve SDGs”. As of July 2020, an assessment of the impact of COVID-19 on MSMEs is underway in the two countries in consultation with the Governments. The focus on female-owned enterprises will allow for ensuring due diligence in mainstreaming gender.