

## **16th Session of the Committee of Experts on Public Administration (CEPA)**

24 to 28 April 2017

### **Written Statement by World Union of Small and Medium Enterprises**

*Agenda item 3: Ensuring effective implementation of the Sustainable Development Goals through leadership, action and means, (a) Understanding the needs of local authorities and communities and supporting and equipping them for the implementation of the Sustainable Development Goals*

#### **The Contributions of Small and Medium Enterprises (SMES) to the Implementation of the Sustainable Development Goals**

##### **Purpose of this contribution**

There are nowadays no doubts that SMEs and Crafts together with national and international organizations decisively contribute to the effective implementation of the Development Goals (SDGs). However, WUSME in recently held International SME Conferences has been made aware by Delegates from more than 70 Countries, among them Representatives from less developed Countries, that public administrations on national level are still been dominated by bureaucracy, mechanisms and procedural paths, unnecessarily too complicated, and thus unable to respond to the real and contingent needs of the population and the economy. WUSME has been requested by the Country Representatives to appeal on the national and international level that public administrations shall be filled with a new mentality and to find suitable ways to support and not to constitute an impediment to the economic social development achievable by SMEs and Crafts.

We attempt with this contribution to demonstrating that Civil Society Organizations with a lean staff and modest budgets can effectively cooperate with local authorities for the implementation of the Sustainable Development Goals. Our main focus will, therefore, be understanding the needs of local authorities and communities and supporting and equipping them for the implementation of the Sustainable Development Goals (sub-issue 1.) and Institutional arrangements for the Sustainable Development Goals (sub-issue 3.).

##### **Community Capacity Development – the Role of SMEs Supporting Associations and the Private Sector**

WUSME full heartedly agrees with UNDP's "Strategic Plan for Development" to integrate the capacity building system into its work on reaching the Millennium Development Goals (MDGs). The UNDP focuses on building capacity at the institutional level because it believes that "institutions are at the heart of human development, and that when they are able to perform better, sustain that performance over time, and manage 'shocks' to the system, they can contribute more meaningfully to the achievement of national human development goals."

A capacity building response must be created based on four core issues:

Institutional arrangements: Assessments often find that institutions are inefficient because of bad or weak policies, procedures, resource management, organization, leadership, frameworks, and communication.

Leadership: by either an individual or an organization can catalyze the achievement of development objectives.

Knowledge: is the foundation of capacity. Greater investments should be made in establishing strong education systems and opportunities for continued learning and the development of professional skills.

Accountability: the implementation of accountability measures facilitates better performance and efficiency. A lack of accountability measures in institutions allows for the proliferation of corruption.

WUSME Statements at UN Conferences related to the implementation of actions

Attendees to this Session might be interested in being informed about the conclusions of these statements related to the main issues.

UNDG Side Event during the UN General Assembly - 23 September 2016, 9:30-11:00 am  
WUSME's Verbal Intervention

Conclusion:

WUSME's Representatives worldwide already started discussions on the National level, aiming at the implementation of an innovative approach to raising funds for SMEs and Crafts. National SME Foundations for Crises Prevention and Development shall among other services assist entrepreneurs to work out acceptable business plans for their projects and offer them to private investors for financing.

United Nations E/CN.9/2017/NGO/9 - Economic and Social Council - Commission on Population and Development - Fiftieth session 3-7 April 2017

Conclusion:

Demographic structural changes can present an economic opportunity. Regional economies could reap the benefits of the experience and wisdom of the older generation and the energy and creativity of the younger generation, always provided that international organizations, governments, and SMEs supporting civil society organization continue to reform those institutions which are responsible for social and economic development.

54th Session of the United Nations - Commission for Social Development (CSocD54)

Conclusion:

A way forward. Expectations, specific recommendations: National and International Institutional reforms should aim at removing constraints of development, such as corruption, lack of access to land and electricity and enhance e.g. better access to finance and more favorable tax rates and custom and trade regulations, being aware that SMEs and Crafts are the engines for successful social developments.

Conclusion:

WUSME believes that now it is time for UN initiatives focused on the empowerment of women and true gender equality to review and redefine how women, with and through the understanding and support of the opposite gender, build a mutually beneficial and all-inclusive common-sense approach to promoting, creating and maintaining full gender equality at work and at home. WUSME actively promote the elimination of gender bias and the adoption of the implementation of a gender intelligence approach to global commerce and, of greater importance, the creation of an all new, inclusive gender dynamic blueprint.

SMEs competitiveness and institutional leadership

Institutional leadership is closely related to sustainable development.

The SMEs competitiveness will be impacted in the face of the ASEAN Economic Community (AEC) by 2015. Goals of AEC which are to improve the competitiveness of the regio as a whole in the world market, stimulate economic growth, reduce poverty and improve the living standard of the ASEAN countries. (Indonesia Ministry of Trade, 2010)

SMEs are still faced with the problem of lack of competitiveness against imported products. Governments should help SMEs that have market potential and have comparative and competitive advantages as well as SMEs which are "weak" competitiveness must be supported to include categories of technology and innovation as well as the provision of credit and financial assistance to SMEs with also effective coordination among government agencies and fully support SMEs for their the need for financial training, marketing, technical production, finance, incentives for product diversification, fiscal and non - fiscal incentives , the promotion of entrepreneurship , to facilitate the international market needs to be improved as well as supporting SMEs to be able to get involved to in institution like WUSME for cooperation and networking.

WUSME's Agenda 2016 to 2021: The basic approach to a sustainable development of SMEs and Crafts

The Approach: Better access to finance: Standing alone even a wider range of financial instruments would be not enough to achieve in the long run economic growth and sufficient employment. Micro-loans without bankable securities should have priority.

Reforms of National Institutions and removing of development obstacles: Since more than 10 years the World Banks's "Ease of Doing Business Reports" and the "Companies Surveys". Enable Governments and entrepreneurs to find out and compare in which Countries it is easy to do business and where it is rather difficult. Institutions needing reforms are: Starting a Business; Dealing with Construction Permits; Getting Electricity; Registering Property; Getting Credit; Protecting Minority Investors; Paying Taxes; Enforcing Contracts; Trading across Boarder; Resolving Insolvency. Top business environment obstacles SMEs are facing are:/ Electricity; Access to Finance; Political Instability; Practices of the Informal Sector; Corruption, Crime, and disorder; Tax Administration and Tax Rates; Access to Land; Custom and Trade Regulations.

WUSME's Ambassadors and Representatives will in future carefully monitor the development of National Institutions and recommend measures to reduce constraints for SMEs doing business.

SMEs Development by and Training Education: The purpose of the WUSME's Permanent Commission for SMEs Development is to support the establishing a framework to develop and deliver strategic resources for SMEs and CRAFTS. New Business Opportunities: New emerging markets for SMEs and Crafts are "Green Technologies" (e.g. Cleaning techniques, waste to energy, organic fertilizers, protection of the environment.) Examples for new Business Opportunities are, to mention some: Automotive Auto Repair & Maintenance Services, Business Services Advertising/Marketing Services, Children's Businesses- Personalized Children's Products, Food Delivery Services, Health-Care Services

Outlook: WUSME's AGENDA 2016 to 2021 shall be a "Staircase to Success" to lay the foundation for an environment where SMEs and Crafts can grow to their full potential for creating jobs, particularly for women and younger people in less developed economies, reducing poverty, protect the environment and improving living standards.