SME COMPETITIVENESS OUTLOOK 2019

Executive Summary

Big money for small business

Financing the Sustainable Development Goals

International Trade Centre

TRADE IMPACT FOR GOOD

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

Street address:	ITC 54-56, rue de Montbrillant 1202 Geneva, Switzerland
Postal address:	ITC Palais des Nations 1211 Geneva 10, Switzerland
Telephone:	+41-22 730 0111
Fax:	+41-22 733 4439
E-mail:	itcreg@intracen.org
Internet:	http://www.intracen.org

Big money for small business

Financing the Sustainable Development Goals

Contents

Foreword ... 1
Executive Summary ... 3
- 1. Investing in small businesses for sustainable development ... 4
- 2. Investors interested in small businesses ... 6
- 3. Approaches to investing in small businesses ... 7
- 4. Getting small businesses investor-ready ... 8
- 5. Connecting investors with small businesses ... 9
- 6. Conclusions ... 11

Featured in 2019 SME Competitiveness Outlook ... 14
- Index of country profiles ... 14
- Thought leaders ... 15
- Case studies ... 15

Foreword

The United Nations Sustainable Development Goals (SDGs) remain an important ingredient in achieving the world we all want by 2030.

A key component of this is financing the SDGs – but for many of us, the world of global finance has been challenging to understand and difficult to navigate. Part of this stems from its sheer size: asset managers manage tens of trillions of dollars globally, and hundreds of billions of dollars are traded on stock exchanges daily. But another hindrance has been the sometimes impenetrable language used by its experts and the distance between the world of global finance and the daily life of most individuals and businesses.

The work of the International Trade Centre (ITC) often intersects with the world of finance – or rather the world of 'lack of finance'. It is not unusual for the small and medium-sized enterprises (SMEs) that we work with to have challenges accepting a large order, because they are unable to borrow a few thousand dollars to invest in scaling up production. We frequently work with start-ups that have excellent business ideas, yet are unable to find the funding required to turn these ideas into reality. For every such business that cannot secure the financing it needs, an opportunity is lost to make a contribution to the SDGs.

This is the case because SMEs have tremendous potential to make an impact on the SDGs through the employment they generate, the business practices they choose to adopt, the sectors in which they operate and their impact on innovation and diversification in the economy. Our analysis suggests that SMEs can make a positive impact on 60% of the individual SDG targets.

The United Nations Finance for Development agenda has the ambition to strengthen synergies between private and public finance, for the benefit of the SDGs. Finance for SMEs is therefore a key element of Finance for Development, which aims to 'leave no one behind'.

This report makes the case that drawing more financing into SMEs in developing countries would yield disproportionate dividends in terms of SDG progress, while delivering healthy returns for investors.

A prospective investor's most basic expectation is a reasonable return. While some SDG-related investments may deliver only social returns, there are incredible opportunities for private-sector development projects to deliver social as well as financial returns. The developing world is full of SMEs with commercially viable business ideas. One estimate puts this market for SME financing at $5.2 trillion.

Yet, investors typically consider SMEs to be risky, and even more so in the developing world. They perceive the macro environment as precarious, and investment processes as non-transparent and unpredictable.

What's more, the weakness of relevant financial intermediaries in most developing countries means international investors lack the business intelligence needed to identify promising opportunities and correctly assess risks.

In this report, we aim to disentangle what it would take to bring the world of global finance a little closer to the world of SMEs. And we describe what governments and multilateral agencies can do to close the information gap that separates foreign investors from local small and medium-sized businesses.

Local financial intermediaries – what the report calls ‘investment facilitators’ – are critical connectors between global finance and developing country SMEs. The stronger those facilitators are, the easier it is for foreign investors to assess the risks and opportunities of investing in local SMEs. This will not come as a surprise to finance specialists in the development community, who have long lamented the weakness of financial systems in the developing world.

Investing in strengthening investment facilitators like accelerators, investment promotion agencies or local financial institutions would have major multiplier effects.

According to our calculations, generating an additional $1 trillion annually of private investment for SMEs will make major inroads towards achieving the SDGs. This may sound astronomical but would correspond to closing one-fifth of the existing SME finance gap in the developing world. It is also an order of magnitude that is realistic for the global finance community.

At ITC, we have always worked with and through local partners to reach out to SMEs. Our partners, or multipliers as we call them, include trade promotion agencies, chambers of commerce and sector associations. As export-ready businesses are typically also investment-ready, we increasingly work with local accelerators and investment promotion agencies. By strengthening these partners and their networks with the knowledge of local SMEs, we contribute to making trade and investment happen.

Working through local investment facilitators is effective and contributes to national ownership. It represents the best mechanism for scaling up investment, which is necessary to transform the slogan ‘*Big Money for Small Business*’ into reality, and make a tangible contribution to achieving the Sustainable Development Goals.

Arancha González
Executive Director

Executive Summary

Big Money for Small Business: Financing the Sustainable Development Goals

$1 trillion per year would have major impacts on achieving Sustainable Development Goals while generating profits for investors.

Increasing annual investments in small and medium-sized enterprises (SMEs) in developing countries by $1 trillion would yield disproportionate dividends in terms of progress towards the Sustainable Development Goals (SDGs), while also delivering healthy returns for investors. Yet, less than 1% of the tens of trillions of dollars that global asset managers have under management is currently invested in developing country SMEs. *Big Money for Small Business* explains how best to scale up private sector investment in developing country SMEs for sustainable development impact.

SMEs contribute to the SDGs through the employment opportunities they generate, the business practices they choose to adopt, the sectors in which they operate and the impact they have on the broader economy.

Their relevance is underscored in the United Nation's (UN) 2030 Agenda for Sustainable Development, which calls on the international community to 'encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.'

According to the *SME Competitiveness Outlook 2019*, lack of scalable SME investment projects and knowledge about enterprise capacities, as well as challenges in matching SMEs and investors, are holding investors back from channelling more funding into otherwise profitable investment opportunities in developing countries.

The key questions addressed in this report include:

- How important is SME finance to achieving the 2030 Agenda for Sustainable Development?
- Why is finance for SMEs in developing countries considered a risky investment, and what can be done to reduce risk and risk perceptions?
- Who are the international investors financing start-ups and SMEs, and what are their approaches?
- What can policymakers do to bridge the gap between the supply of finance from international investors and the demand for finance from developing country SMEs?

1. Investing in small businesses for sustainable development

ITC analysis shows that investments in SMEs can contribute to 60% of the 169 SDG targets.

Small businesses in developing countries contribute to the SDGs through four main channels: employees; business practices; sectors; and national competitiveness. ITC analysis shows that through these channels, investments in SMEs can contribute to 60% of the 169 SDG targets. SDG 8 and 9 stand out among the multiple goals that can benefit from strengthened SMEs.

Link between competitive SMEs and achieving the SDGs

- **Employee impacts.** SMEs employ about 60%-70% of the workforce in many countries. Investment that increases their competitiveness can foster decent job creation and have a positive influence on wages, with significant effects for reducing poverty and inequality.
- **Business practice impacts.** How managers choose to run their firms affects environmental and social aspects of surrounding communities. Human resource policies can improve gender equality, for example, while energy-efficient production methods can reduce the environmental footprint.
- **Sectoral impacts.** Small businesses in the sanitation, water, health, education, manufacturing, agriculture and energy sectors deliver goods and services that can be crucial to providing the basic needs at the heart of the SDGs.
- **National economy impacts.** Value-creating SMEs stimulate backward and forward linkages that can foster competition, innovation, diversification, international trade and growth. Investments in human and physical capital improve productivity and hasten structural transformation.

How investing in competitive SMEs can help achieve the Sustainable Development Goals

Note: Analysis indicates that the SDGs impacted most by SMEs are SDG 8 and SDG 9.
Source: ITC.

$1 trillion to generate decent jobs, support sustainable business

How much additional funding is required to enable SMEs to contribute fully to Agenda 2030? Analysis conducted by ITC indicates that $1 trillion of additional investments in SMEs annually would unleash the potential of SMEs to deliver on the Sustainable Development Goals.

This figure was calculated by benchmarking SME credit supply with respect to SDG performance for key SDGs in developing countries. Analysis indicates that the SDGs impacted most by SMEs are those related to sustainable economic growth and decent work for all (SDG 8) and innovation and sustainable industrialization (SDG 9). Such an increase in financing could help developing countries see a 15-20 percentage point increase in their SDG 8 and 9 index score, with positive ripple effects on other SDGs.

Challenges in mobilizing private sector investment

In 2018 global funds held $1 trillion of cash-in-hand private equity capital that was seeking investment opportunities.

Attracting $1 trillion of additional financing for SMEs in developing countries will be challenging, but it is feasible. This sum is about a fifth of the $5.2 trillion SME finance gap estimated by the International Finance Corporation (IFC) that has the potential to generate positive returns. Moreover, in a world of low interest rates, investors are eager to find investment opportunities with higher returns. In 2017, asset managers had a stock of nearly $80 trillion under management, of which trillions were held by institutions around the world and not yet invested. In 2018, global funds held $1 trillion of cash-in-hand private equity capital that was seeking investment opportunities.

Yet, SMEs across the globe appear to find it increasingly difficult to access finance. Additional challenges exist when it comes to deploying cross-border private investment in SMEs in the developing world.

Part of the problem is the risk private investors face when investing in developing country SMEs. Firstly, investing abroad can entail complex risks linked to foreign transactions and legal procedures. Secondly, investing in developing countries can involve specific macroeconomic, regulatory and political risks. And thirdly, investing in SMEs or start-ups is often riskier than investing in large firms.

Improved investment facilitation can make cross-border investment processes more efficient and thus address the first point. A group of World Trade Organization Members are engaged in discussions to craft international rules in this area, and there are numerous regional and bilateral initiatives to enhance the transparency and predictability of investment procedures.

The need for developing countries to effectively address macroeconomic, regulatory and political risks – highlighted in the second point – is well established. International agencies, such as the Organisation for Economic Cooperation and Development and the UN Conference on Trade and Development, offer countries advice on regulatory reform and relevant macroeconomic policies to attract investment.

This report instead focuses on the practical side of investing. Which investors invest in SMEs, and why? How do investors invest in SMEs, and how do they assess risk? What support do investors need, and who should provide that support? These aspects of investing in SMEs have thus far received little attention at the global policy level. This report seeks to plug that gap and provide policymakers with a strong understanding of what investing in SMEs looks like in practice, and what can be done to scale up investments in SMEs.

2. Investors interested in small businesses

There are three types of foreign investors that commonly invest in SMEs in developing countries: start-up investors; foreign direct investors; and specialized investment funds. Each type approaches investing in developing countries differently.

Start-up investors

Family abroad and foreign wealthy individuals are significant sources of start-up financing.

A broad range of investors invest in start-ups. Finance for these enterprises comes from family and friends, public funds, business angels and venture capitalists over the course of their start-up phase.

Business angels are affluent investors looking to put part of their wealth in promising start-ups. As they tend not to focus solely on making money, the vision an entrepreneur presents can be as important as the prospect of large returns. Business angels sometimes club together into networks to screen start-ups more efficiently. A promising way to increase the amount of capital available to start-ups is to support the creation of these networks in developing countries.

Venture capitalists tend to look for projects with three qualities: a rapidly scalable business model, a sizeable market, and a product that is considerably better than the competition. The dearth of venture capital in developing countries hinders the development of exciting entrepreneurial ideas.

Foreign direct investors

Mature SMEs do not have access to start-up finance, but they may be able to benefit from the $600 billion of foreign direct investment (FDI) that flows into developing countries every year. There are two main types of FDI.

- Direct investment (brownfield investments) can help SMEs get the financing they need to upgrade and expand their activities and diversify their markets.
- Greenfield FDI that is not specifically targeted at SMEs but may source goods and services from local businesses through backward linkages.

These investments – often associated with global value chains – can have positive spillover effects regarding knowledge and technology transfer, support for certification to international standards and access to finance.

Specialized investment funds

A typical SME in a developing country is often seeking early-phase or growth capital of a few thousand to a few million dollars; sums too small for a large international investment fund to manage directly. These funds therefore invest in local financial institutions that have a strong presence in developing countries. In this context, local financial institutions include traditional banks, SME banks, insurance providers, and microfinance institutions.

International funds extend loans or buy equity stakes when they invest in local banks, non-bank financial institutions or local funds that serve SMEs in the target developing country.

Local financial institutions can bundle thousands of small loans into larger sums, to build a portfolio big enough to entice investors.

These local financial institutions have the ability to bundle thousands of small loans into larger sums, building a portfolio of sufficient size to entice large institutional investors. However, to produce competitive returns, these financial intermediaries rely on accurate performance assessments of their SMEs.

Providing high-quality credit information, through increased coverage of public registries for example, can help improve the efficiency of local financial institutions, encouraging more funds to invest in SMEs. New technologies, such as blockchain technology, can play an important role. In addition, creating SME stock exchanges, where feasible, can enable global funds to allocate resources to small businesses in need of capital.

Early challenges in securing investment

All types of investors analyse opportunities by determining whether the expected reward justifies the risk profile. Regardless of whether they prefer to invest in developing country SMEs through debt or equity stakes, investors follow a similar process. This consists of five stages: identifying opportunities; screening pre-selected investment projects; negotiating the final investment deal; managing the investment; and exiting the investment.

In developing countries, many investment opportunities fail due to challenges encountered during the first two stages. In the first instance, investors seeking to invest in developing countries struggle to identify good opportunities. This problem is more acute for the SME sector, where there is a lack of information on which countries and sectors host investment grade businesses.

The screening stage can entail a detailed analysis of an enterprise's market position, supply capacity, use of technology, cost base and potential for growth. Only well-prepared businesses and investment projects are able to pass this stage.

3. Approaches to investing in small businesses

Investing in SMEs is an increasingly attractive proposition to many asset holders. But investors often do not know the best way to engage with SMEs. How should investment funds be channelled into smaller businesses to maximize the sustainable development dividend?

Impact investing is expanding and can benefit small firms

Impact investing is an approach that targets financial and social returns simultaneously. Principles for responsible investment, which can be aligned to SDG targets, increasingly guide investment funds and multinational firms with investment arms. Many start-up investors and a growing number of private equity and investment funds go further by seeking opportunities with a significant impact in addressing societal change.

Recent estimates suggest that the global impact investment market has $502 billion in total assets, with most of these in developed countries. While growing rapidly, this currently only represents a fraction of the yearly estimated shortfall in developing countries' SDG finance for SMEs.

Blended finance for SMEs

Private funds often consider investing in developing countries to be a risky endeavour. One way to mitigate this is through participation of the public sector in the form of concessional capital, technical assistance, risk insurance or design-stage grants.

Known as blended finance, this type of structure combines public and private capital into a single fund where the public investor takes the first loss if an investment fails. Proponents of this type of financing argue that it is a way to attract private capital for assets that investors may have incorrectly judged as too risky. As a form of subsidy to private investors, the economic justification stems from the correction of this market failure. It is still unclear whether blended finance is working as intended.

Sustainable development bonds

SDG bonds are a relatively new financial instrument created in response to two factors. Investors are struggling to identify opportunities that meaningfully contribute to the SDGs. And many firms are operating in sectors with SDG impacts, and/or incorporating sustainability into their business models.

These bonds bring investors and firms together on global capital markets through fixed income SDG-themed bonds that are accompanied by governance mechanisms to ensure investments go towards SDG-related activities. While most SDG bonds are reserved for institutional investors operating at scale, innovations in the impact investing industry and retail banking are improving their accessibility to other actors and smaller asset classes.

Trade finance: An investment opportunity?

Trade finance facilitates the sale of goods to foreign customers. With an average default rate of just 0.02%, a short duration time and good returns, trade finance is seen by some investors as an appealing investment opportunity.

Institutional investors placed between $7 billion and $25 billion in trade finance in 2018, according to estimates. Approximately 90% of global trade in merchandise benefits from some form of trade financing. However, SMEs face the greatest barriers in accessing this kind of financing.

4. Getting small businesses investor-ready

Financial innovations such as microfinance, mobile money and online banking have helped millions of small businesses interact with the financial sector. However, many SMEs still struggle to get the financing they need to start and expand their businesses. Many SMEs are unaware of the factors that investors consider when deciding whether to invest in an SME. Being ready for investments is thus critical, but what should SMEs do to attract finance?

Strong business plans, quality signals and visibility

Presenting an exciting and enticing investment opportunity is crucial to drawing investors' attention. To do this effectively, smaller firms need to focus on writing an attractive business plan, signalling quality through adherence to standards and increasing their visibility.

Risks that concern investors

Understanding risk from the perspective of private investors can help start-ups and SMEs anticipate concerns that may arise when investors screen investment opportunities. The most important categories of risk include market, operational, financial, regulatory, catastrophe and cyber risks. Various combinations of these risks play a role when investors assess a particular investment. In virtually all cases, small businesses have to convince investors that they are able to assess market and operational risks. The team dynamic in the SME is likely to play an important role in how investors assess these risks.

Getting investor-ready with training programmes

Governments and business support organizations can help SMEs get investor-ready through capacity-building initiatives that bolster the knowledge of small enterprises.

Programmes designed to help managers and entrepreneurs gain the skills they need to assess and mitigate risk are some of the most effective ways to increase the number of investment-ready SMEs.

These initiatives are best provided by sector associations and trade and investment promotion agencies, as well as state and industry-supported programmes in partnership with educational institutions and development organizations.

5. Connecting investors with small businesses

Despite the best efforts of SMEs to find investors, and policymakers' interventions to foster a conducive business environment, all too often investors and SMEs do not find each other. The market regularly fails to match foreign investors with SMEs in developing countries, undermining the prospect of closing the $1 trillion SME-SDG investment gap.

Local investment facilitators exist to correct this matching failure. They connect potential investors with lucrative SME investment opportunities that can promote sustainable development.

Investment facilitators are key

Evidence suggests that SME participation in investment accelerators increases the chances of securing funding by 21% to 41%.

Four types of investment facilitators are discussed in this report: investment accelerators, online investment platforms, investment promotion agencies and local financial institutions.

Accelerators select a few start-ups for an intensive training and mentorship programme. They identify matching opportunities through careful screening of potential start-ups, assessing the entrepreneurs, business plans, and risks and payoffs of investing. They use this information to attract leading investors, including business angels and venture capitalists.

Accelerators in developing countries use a variety of business models. Many are private enterprises that will take equity in the start-up, typically in the 5%–20% range, in exchange for seed investment and participation in their programmes. Some accelerators are public agencies or are partly subsidized by public funding and development grants.

Despite their lower prevalence in developing countries, surveys indicate that accelerators are achieving positive results – for example through increased external investment in accelerated firms. A study of the Start-Up Chile acceleration programme found that participation in the accelerator increases the probability of securing additional financing by 21% to 41%.

Online investment matching is growing rapidly, but two out of three crowdfunding campaigns fail.

Accelerators generally focus on the most immediately profitable and scalable start-ups at the expense of other projects. They therefore only intervene in specific product segments and only during the start-up phase.

Online investment matching is growing rapidly and could deliver large benefits for developing country SMEs that suffer from financial exclusion because of their location. By aggregating money and bringing a bigger pool of investors to bear, crowdfunding sites broaden the investment landscape in developing countries and increase the opportunities to mobilize and match funds for SME business growth.

Despite their promise, online platforms have some shortcomings. Roughly two out of three crowdfunding campaigns fail to mobilize the target investment. Regulations for payments or equity deals conducted online are often absent. And crowdfunding requires consistent, reliable electricity and internet access, which are missing in many developing country contexts.

Effective legal and policy frameworks for data transfer and online payments could increase the volume of funds mobilized on crowdfunding sites for SMEs in the developing world. This is particularly the case for equity and loan-based crowdfunding that have significant potential for growth.

While 84% of investors say that high-quality investment promotion agencies are important, only 13% use their services.

Investment promotion agencies are publicly funded institutions that encourage FDI in the host country. Unlike other investment facilitators, they are active in all steps of an investment, from identification to aftercare services, and often try to provide investors with a one-stop investment shop.

Eighty-four per cent of investors surveyed for the IFC's 2017 Global Investment Competitiveness Survey said that high-quality investment promotion agencies are important, but only 13% of investors said that they had actually used such agency services. This suggests that investment promotion agencies are underperforming, despite strong investor demand.

Local financial institutions serving SMEs are unique among facilitators as they absorb the billions of dollars needed to close SDG funding gaps.

Local financial institutions serving SMEs vary in form. There are non-bank financial institutions that focus on SMEs, commercial banks with lending programmes for small firms, banks entirely focused on SMEs, microcredit organizations, local investment funds and insurance providers.

They turn international capital into SME financial services in the following way: overseas asset owners that have an interest in investing in SMEs entrust their money to a fund. The fund manager pools resources and selects local financial institutions serving SMEs in a developing country. These institutions identify matching opportunities by screening SMEs that approach them for financing. The financial services provided include loans, equity, factoring and insurance.

Multiple initiatives are under way to expand lending via local financial institutions, including creating local funds with a focus on SMEs. These local financial institutions are unique among investment facilitators in their ability to absorb the billions of dollars of capital that investment funds can channel towards SMEs and social impact in developing countries.

6. Conclusions

This report identifies four main streams through which investors, facilitators and enterprises can form partnerships for sustainable development. Scaling up funding for SMEs will be easier where such partnerships exist and are strong.

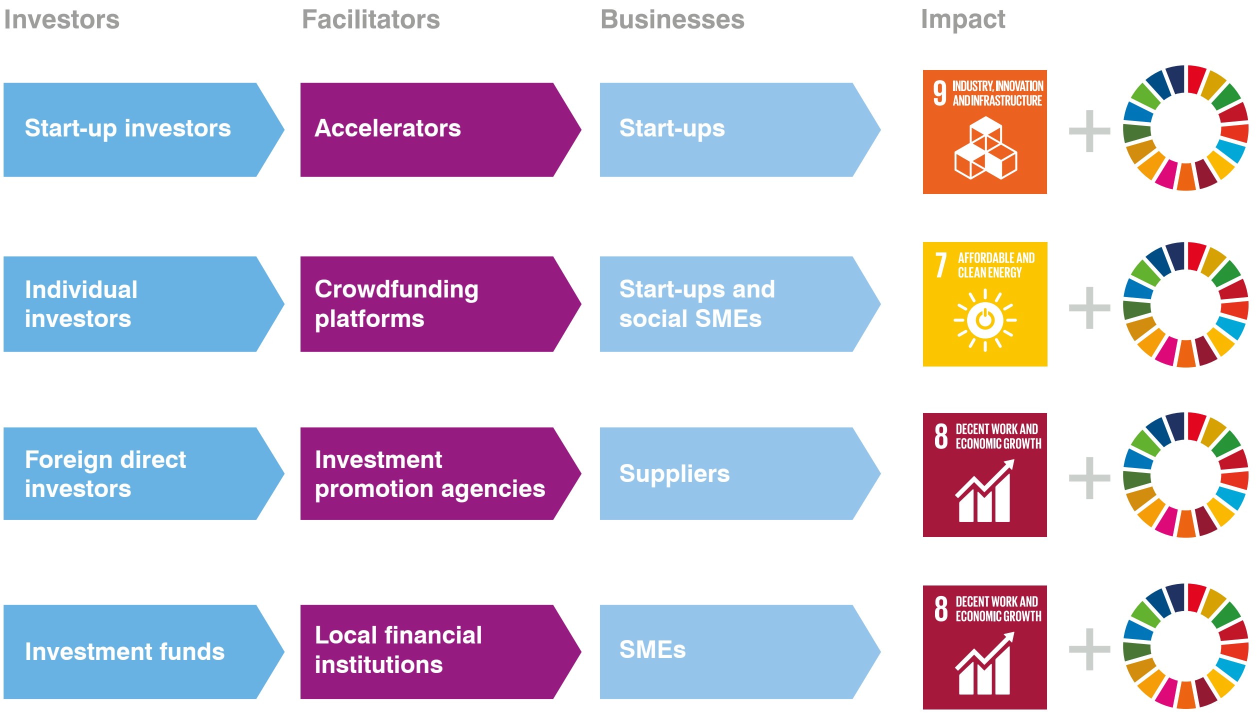
The first partnership centres on seed and venture capital for start-ups. The second partnership centres on the use of crowdfunding platforms, which can play a role for financing SMEs with innovative business models or SMEs in remote locations. The third partnership seeks to scale up foreign direct investment. The final partnership has the largest potential to scale up lending and insurance to SMEs because of its wide reach.

These four investment partnerships rely on having a strong investment facilitator in the local economy. The existence and quality of these actors will determine whether the Finance for Development agenda will work for SMEs. The following are a number of measures that are crucial to ensuring investment facilitators can play their full role.

Embed accelerators in innovation hubs: The best start-up ecosystems provide a steady supply of highly innovative start-ups, professionals with business management skills, experienced entrepreneurs who can serve as mentors, and networks of investors. Accelerators work best when they are embedded in such start-up ecosystems.

In many developing countries, however, accelerators fail to connect with candidate start-ups. In such instances, raising awareness of existing accelerator programmes would help. In addition, many developing countries have a paucity of domestic business angels and venture capitalists. Efforts to support the creation of such networks could help mobilize domestic as well as foreign financing, often from the diaspora.

Four investments partnership for sustainable development



Source: ITC.

Online investment platforms need regulatory clarity: Online investment platforms have the potential to link up thousands of individual investors and SMEs. They do this by making it easier to search and connect via the internet in pursuit of tailored investment opportunities.

In developing countries, there is a lack of clarity regarding the regulatory frameworks that apply to crowdfunded investments. Efforts to provide regulatory clarity regarding the rules around crowdfunding as an investment (as opposite to a donation) would help scale up this form of financing.

Connecting investment promotion agencies to SMEs: Every year $600 billion of foreign direct investment (FDI) flows into developing countries. For these flows to increase and to benefit SMEs, there is need to strengthen the link between FDI and SMEs.

Support for investment promotion agencies can entail benchmarking that assesses the strengths and weaknesses of the agency while identifying opportunities for improvement. Furthermore, fostering access to high-quality data on investment-ready SMEs is essential to match SMEs and investors at the volume and quality required to boost flows of FDI. Finally, ensuring that investment promotion agencies coordinate with complementary organizations, such as credit bureaus, land registries and entrepreneurial finance organizations, is also essential to their work.

Local financial institutions – bundling small business investments: Financial institutions have historically struggled to reach SMEs, especially in developing countries. Despite these challenges, large international private investors are increasingly placing their money into investment funds with a mandate to invest in developing country SMEs. However, these funds find it challenging to invest directly in SMEs in developing countries, given the high transaction costs of searching for and serving thousands of small firms.

Local financial institutions, such as local banks, insurance providers, specialized funds and microcredit agencies, have a role to play. They are well placed to gather, and if necessary provide, information on SMEs that is necessary to accurately assess performance risk. They are also ideally placed to bundle SME investment opportunities into financial instruments that attract international investment funds to invest at scale. This can include the transformation of debt – still the form of financing in highest demand by SMEs – into equity or insurance instruments that may be more attractive for international investors.

Blended finance is also playing a role. Many private investment funds benefit from public-sector guarantees, mostly in the form of first-loss financing, under which public funds take the first losses. The intention is to provide incentives for investments that may have lower or unproven commercial returns compared to alternatives in the short-run, but that encourage developing new markets most conducive to meeting the SDGs.

While this form of financing can help bring private-sector capital to SMEs, it is necessary to ensure that such arrangements do not become an entrenched subsidy to large investors. Stronger financial actors in the developing world would be able to take advantage of blended finance in its intended role.

Towards 2030: This report has made a strong case for investing in small businesses to achieve the Sustainable Development Goals. Private sector investment can be at the heart of this process, but success will depend on partnerships with local investment facilitators. Actors that connect SMEs and investors are crucial to getting big money where it should be – in the hands of the small firms that can turn it into sustainable development.

Index of country profiles

1. Albania
2. Angola
3. Argentina (new data)
4. Armenia
5. Azerbaijan
6. Bangladesh
7. Benin
8. Bhutan
9. Bolivia (new data)
10. Bosnia and Herzegovina
11. Botswana
12. Bulgaria
13. Burundi
14. Cambodia
15. Cameroon
16. Chad (new data)
17. Chile
18. Colombia (new data)
19. Croatia
20. Côte d'Ivoire
21. Czechia
22. Democratic Republic of the Congo
23. Dominican Republic
24. Ecuador (new data)
25. Egypt
26. El Salvador
27. Estonia
28. Eswatini
29. Ethiopia
30. Gambia (new data)
31. Georgia
32. Ghana
33. Guatemala (new data)
34. Guinea
35. Honduras
36. Hungary
37. Indonesia
38. Kazakhstan
39. Kenya
40. Kyrgyzstan
41. Lao People's Democratic Republic
42. Latvia
43. Lesotho
44. Liberia (new data)
45. Lithuania
46. Madagascar
47. Malawi
48. Mali
49. Mauritania
50. Mexico
51. Mongolia
52. Montenegro
53. Myanmar
54. Namibia
55. Nepal
56. Nicaragua
57. Nigeria
58. North Macedonia
59. Pakistan
60. Panama
61. Paraguay (new data)
62. Peru (new data)
63. Philippines
64. Poland
65. Republic of Moldova
66. Romania
67. Russian Federation
68. Rwanda
69. Senegal
70. Serbia
71. Sierra Leone (new data)
72. Slovakia
73. Slovenia
74. Tajikistan
75. Timor-Leste
76. Turkey
77. Uganda
78. Ukraine
79. United Republic of Tanzania
80. Uruguay (new data)
81. Venezuela
82. Viet Nam
83. Yemen
84. Zambia
85. Zimbabwe

Thought leaders

Amina J. Mohammed
Small size, big impact: MSMEs further sustainable development

Coimbatore Ramaswamy Anandakrishnan
India to Africa: A first step to going global

John W.H. Denton
Technology is key to closing the trade finance gap

Clare Akamanzi
Small business is the backbone of Rwanda's economic journey

Stefano Manservisi
Using European funds to leverage private finance for sustainable development

Case studies

Catalysing financing for women-owned businesses

Encouraging technology investment in Uganda and Senegal

Facilitating Indian investment in Ugandan leather

Preparing SMEs in Africa for outside investment

Reducing waste and empowering women through green financing in Côte d'Ivoire

Sharing experience to strengthen investment promotion

Investment guides: Catering to investor needs

Printed by ITC Digital Printing Service.

A free pdf is available on ITC's website at:
www.intracen.org/publications.org

International
Trade
Centre