

**“Multi-Stakeholder Partnerships beyond Remittances:
Sustainable Entrepreneurship for Local Communities in the Post-2015”**

**A Side Event on the Margins of the High-Level Political Forum of the
ECOSOC**

Co-organized by

**The Permanent Missions of Armenia and the Kingdom of the
Netherlands to the United Nations**

in partnership with

The United Nations Development Programme (UNDP)

SUMMARY OF THE CHAIR

On July 8, the Permanent Missions of Armenia and the Kingdom of the Netherlands to the United Nations, in partnership with the UNDP, held a side event on the margins of ECOSOC High-Level Political Forum. The side event, titled “Multi-Stakeholder Partnerships beyond Remittances: Sustainable Entrepreneurship for Local Communities in the Post-2015”, featured interactive discussions of a wide range of programs, projects and initiatives that bring together communities, entrepreneurs, institutions, governments and development agencies to promote productive capacities and to help transform the local development landscapes.

Structured around three main panels, the side event was opened with the welcoming remarks delivered by the Ambassadors and Permanent Representatives of Armenia and the Kingdom of the Netherlands to the UN Zohrab Mnatsakanyan and Karel van Oosterom, who co-moderated the discussions.

Panel I focused on the global policies and strategies aimed at building sustainable multi-stakeholder partnerships to promote financial inclusion as a key driver for poverty reduction through its enabling capacity to transform a local investment landscape. Henri Dommel, Director of Inclusive Finance Practice Area at United Nations Capital Development Fund (UNCDF), provided an overview of how different financing instruments can be used to engage public sector and private sector partners. UNCDF works with the governments of Least Developed Countries through a diagnostic and programming tool - Making Access Possible (MAP). As a primary example indicative of the nature of the multi-stakeholder process, MAP serves as a diagnostic tool, which enables governments to have better data and analytics to design their own financial inclusion strategies.

To further promote mobile money and digital finance agenda, UNCDF has adopted an ecosystem approach encompassing several issues ranging from policy to infrastructure. The digital money platform is opening a whole new range of economic activities - one example being access to clean energy using the digital platform for the pay-as-you-go model.

CleanStart is another program to promote the use of clean energy by poor households but also to enable SME to access clean energy sources. Regarding YouthStart in sub-Saharan Africa, access to financial services such as micro leasing and especially savings accounts has been vastly improved.

In conclusion, the UNCDF representative briefly presented the *Better Than Cash Alliance (BTCA)* launched in September 2012 to provide more strategic advocacy, technical assistance and research to the public and private sectors. BTCA aims at catalyzing a global movement to help governments, private sector and development agencies to move away from cash to electronic payments, which can provide a pathway to a broader range of financial services and is generally safer, especially for women and girls and more efficient for low-income people. Additionally, electronic payments provide cost savings and transparency for governments, development organizations and private sector payers.

H.E. Ambassador Van Oosterom, Permanent Representative of the Kingdom of the Netherlands to the UN made a contribution to the panel by presenting the Queen of the Netherlands' work in financial inclusion (as a Special Envoy of the UN Secretary-General), revolving around three areas. First, it was underlined that by reducing the loss of money in remittances, it is possible to unlock billions of dollars for local development. Additionally, a system of micro-credits unlocks local potential. And lastly, mobile banking creates an enabling environment for financial inclusion and sustainable growth. Ambassador Van Oosterom emphasized the steps governments can take to make sustainable development possible, underlining that development is about real change on the ground, and it requires cooperation, connection and more involvement of the society.

Panel II featured entrepreneurs sharing practical examples of real-life business initiatives whereby profit-oriented ventures have been built around unique local expertise and craftsmanship. Discussions focused on the models of entrepreneurship that bring together communities and businesses through juxtaposition of local know-how's and external resources to increase their social impact and sustainability on a broader scale, contributing to structural changes at the local level.

The first speaker of the panel, Ms. Sylvia Tirakian, co-owner of the Harvest Song Ventures shared the experience of working on artisan products with local farmers in Armenia. Focusing on the social aspect of doing business, she reiterated the importance of creating a relationship with the farmers and forming an environment of cooperation, while cultivating the natural joy of taking pride to craftsmanship. Every person deserves happiness, pride and integrity and the freedom to create something that they are passionate about, and it is the responsibility of a good entrepreneur to keep it intact by respecting and honoring this work.

It was acknowledged that due to many clean air and health NGOs and advocacy groups, the society today is very much health conscientious, and consumers have been paying an increasingly growing attention to ingredients of products they acquire. Specialty stores are beginning to see the change of this consumer trend and large manufacturers invest more in local farming and artisans to meet the marginal expectation of society's awareness as well as to continue safeguarding consumer trust towards their brands by offering remittance to artisans and developing countries. The panelist revealed that in order for a small artisan company to be in the grocery section, it has to face two challenges: it is required to pay one time fee of 3k to 5k per SKU for a limited of few months as a probation period, and if the product moved slowly it would get discontinued without any refund. The bigger challenge is that next on the shelf is another product by a large company half the retail price and 1 /10 of the fruit and quality but having a label with farm pictures and the word "natural." Large companies also make best use of huge marketing funds for annual promotions within stores.

Focusing on the issues related to competition between mainstream products and genuine artisan products, it was acknowledged that large food companies are realizing the growing market demand of micro processed or artisan foods, however, entrepreneurs are discouraged to bring such work into the market due to the energy and finance that it will require in creating a product that conforms to demanding mainstream consumers needs while keeping the product pure and clean.

Among the essential needs for an entrepreneur to achieve success, Ms. Tirakian underlined the readiness of the governments, both originating and export, to work with entrepreneurs by facilitating the laws and regulations that protect both small and large businesses, a need for a better dialog between NGOs, aid programmes and entrepreneurs, as well as the importance of programs promoting artisan partnerships and advantage offerings for artisan foods on a retail business level to make sure the price is protected. The panelist further emphasized the importance of educating the consumer on the particular craft through their origin of the story as a vital part of changing consumer behavior of shopping from "price alone." She concluded by suggesting that entrepreneurship is the best diplomacy and education, and a successful business can bring more awareness about the country of origin than what can be achieved in any other way.

The second speaker of the panel, Mr. Vahe Kueshguerian, shared the experience of a winemaking business operating in Armenia. Involved in winemaking and wine business since 1990, Mr. Kueshguerian moved to Armenia in 2009 and founded Semina Consulting, currently a pioneer company in Armenia specializing in vertically integrated viticultural practices, working with most wineries in Armenia and offering services from agronomic consultation and provision of plantings from the nurseries, to branding, marketing and sales of wines. Semina Consulting has co-founded the EVN Wine Academy and Vineyards of Armenia, which is an association of quality wine producers in Armenia.

The panelist then provided a brief overview of the wine industry of Armenia during the Soviet Union years and after the collapse of the block. The collapse of the Soviet Union allowed private sectors to make investments in Armenia. Armenian wine industry bloomed 4-5 years ago and the government assigned winemaking as a target sector for not only agricultural but also economic

development of the country.

Mr. Keushguerian suggested that the ripple effect of growth, the wine industry, the engagement of farmers and knowledge effect, and the provision of the right equipment are the key areas that Armenia should focus on to achieve rural sustainability and inclusive growth in the post-2015.

Panel III involved experts from development agencies that deliver services in training and innovation at the national and international levels. The panelists focused on key drivers for entrepreneurship, identifying the tools and methodologies of training and innovation programs.

The first panelist, Ms. Shachar Re'em, Director of Courses and Projects at the Golda Meir Mount Carmel International Training Center, MASHAV (Israel's Agency for International Development Cooperation) compared entrepreneurship to leadership as something that many, but not all, are born with, yet, everybody can learn it. Ms. Re'em presented the experience of Israel in sharing entrepreneurship and innovation with the world through MASHAV founded in 1957. Israel is an example of development, as a young country with scarce natural resources. Entrepreneurship, knowledge transfer and capacity building have been instrumental in Israel's development, constituting the added value which it can export.

The Golda Meir Mount Carmel International Training Center (MCTC) has been providing training to thousands of participants. The areas of focus of MCTC's work include business laboratories, small business development centers, innovation, rural tourism, women's economic empowerment, agribusiness, and industrial parks. MCTC aims to train people who can then share the capacity and skills throughout their communities. An important aspect of the MCTC activities is the focus on entrepreneurship and innovation and mainstreaming gender policies through specific projects. All MCTC activities have a strong link to the Millennium Development Goals, and to the Post-2015 agenda, which has now embraced entrepreneurship and economic empowerment.

The panelist provided an overview of the training programmes offered at the MCTC, with a focus on pressing challenges and issues for local communities and women, as well as the relevant solutions as identified by the very participants of the training programmes. Ms. Re'em also highlighted a number of models and mechanisms ensuring sustainability and growth with a focus on small business development centers, municipal and regional programs for women orthodox and minority groups, occupational trainings and mentorship programmes for women entrepreneurs.

The second speaker, Ms. Marina Mkhitarian, the Lead of Innovations Laboratory at the Kolba Lab operating within the UNDP Armenia, noted that entrepreneurial thinking has become very human centered and very reactive to the human world. Human centered approach is becoming increasingly valid and linear planning is becoming obsolete. Ms. Mkhitarian emphasized the participatory nature of policy-making, including the process of formulation of the SDGs. She presented the pilot foresighting project implemented in Armenia to collect visions on the future of Armenia.

The panelist also identified the citizen-centric designs of the Lab, and the idea-incubator that collects citizens' ideas through crowdsourcing and turns those ideas into projects. She shared the experience of the newly launched Open Governance Center built on the success of the Open Government Partnership in Armenia, emphasizing the importance of the ecosystem between the public and the policy-makers to bring multiple stakeholders' vision to the UN and unlock larger capacities. In this regard, the UNDP cooperation with TEDex was presented, namely, the Time and Space event on Climate Change implemented by the UNDP Armenia. In conclusion, the panelist extended an invitation to the upcoming TEDex event in Yerevan, Armenia, on governance.

Attended by a large number of delegates representing member states, UN agencies, NGOs and civil society, the side event offered an opportunity to engage into an interactive discussion on sustainable entrepreneurship, innovation and social inclusion during the Q&A sessions that followed each panel. During these interactive debate sessions, the following interventions were made from the floor:

Ms. Nora Armani, the founder of the Socially Relevant Film Festival New York, noted that there is a need to develop trust; the government should give guarantees to small entrepreneurs that they will be able to thrive without interference. Ms. Armani also suggested that entrepreneurship should be viewed as a life-time activity, emphasizing the importance of focusing on the long-term effect of activities of entrepreneurs.

Mr. Daniel Naujoks from Bureau for Policy and Programme Support at the UNDP, mentioned the need to consider how financial services for immigrants and diasporas can be integrated into the mainstream. Mr. Naujoks also emphasized the role of Diasporas in promoting the products from the country of origin in the countries of export, referring to the examples of winemaking business in Armenia and Moldova.

Mr. Jeffrey Potent from Columbia University underlined the importance for UN to play a more active role in providing mechanisms to incentivize small and medium sized companies and local governments, suggesting that direct incentives should be provided for local farmers and governments. Mr. Potent also noted that environmental aspect is a strong underpinning of any economic activity, marking the transition from the MDGs to SDGs, and suggesting that environmental component should therefore be taken into consideration in developing entrepreneurial policies and training programmes.

The Founding President of the Women's World Banking (WWB) Michaela Walsh said WWB has extensive experience of building relationships between grassroots organizations and governments. She emphasized the importance of access to small technologies and trainings for local women.

Another commenter raised the issue of unfair advantages granted to larger corporations through the subsidies and tax kickbacks. She noted that double tax agreements are very defragmented because there is no universal tax framework that would apply to everyone. The importance of

developing a unified, cooperative approach to tax legislation was then emphasized, with proper consideration to smaller producers.

Ms. Tatiana Krylova from UNCTAD in Geneva identified the key six elements that need to be addressed by governments to achieve entrepreneurship for sustainable development. She also shared the UNCTAD's experience of running a very successful training programme for enhancing entrepreneurial skills based on the Harvard methodology.

Ms. Hadas Meitzad from the Permanent Mission of Israel to the UN noted that in Israel, entrepreneurship is the backbone of society. Entrepreneurship is also a powerful tool for social inclusiveness as entrepreneurs are problem-solvers and as such, contribute to addressing a number of issues, including the issue of environment. Israel is the main sponsor of two resolutions on Entrepreneurship and Development adopted by the UN GA in 2012 and 2014. The resolution captures the six pillars of entrepreneurship and aims to promote entrepreneurship at the national and global levels to make sure that everybody can fulfill the talent and become an entrepreneur.

H.E. Ambassador Mnatsakanyan concluded the side event with a wrap-up session, highlighting the key ideas and messages voiced during the panel discussions, and underlining, once again, that entrepreneurship and profit-based activities are key to sustainable development and, as such, cannot be overlooked in the formulation of a global development agenda.