



WORLD ASSOCIATION FOR SMALL & MEDIUM ENTERPRISES

# WASME

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## READERS' REVIEW



“ Great insights on how SMEs can drive global advancements through technology transfer. This editorial really highlights the power of collaboration on the global stage! ”

**Dediu Gheorghe**  
Caras-Severin, Romania

“ I found this brief incredibly useful in understanding the importance of competition laws for SMEs. It offers practical advice on how to navigate complex policies to foster development. ”

**Oyah Aminata Bailor**  
Lagos, Nigeria

“ An eye-opening scan of the latest defense tech trends. It provides a clear picture of how breakthroughs are transforming the industry, even for smaller players. ”

**Ludovic Bigfarm**  
aoundé, Cameroon

“ Great read on Brazil's evolving SME landscape! It's fantastic to see how local SMEs are adapting to global challenges while fostering creative solutions. ”

**Narengiri Goswami**  
Rajkot, Gujarat

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# FROM THE DESK OF SECRETARY GENERAL



**Dr. Gyan Prakash Agarwal**

Dear Readers,

We are excited to begin 2025 with optimism and enthusiasm! Wishing you a year filled with happiness, health, and prosperity. May this year bring forth new opportunities, success in all your pursuits.

AS we reflect on 2024, we at WASME, renews our commitment to supporting SMEs across the globe by providing impactful programs and resources in 2025 and beyond. This newsletter reflects our ongoing efforts to drive growth and innovation within the SME sector. Filled with valuable insights and actionable strategies, it is crafted to help you succeed in the dynamic and constantly changing business environment.

Welcome to the December 2024 edition of the WASME newsletter! This month WASME hosted an interactive session with Ethiopian Ambassador H.E. Mr. Fesseha Shawel Gebre to strengthen India-Ethiopia collaboration in sectors like agriculture, ICT, and healthcare, paving the way for trade, investment, and technology exchange. The WASME International Conference on Advanced Manufacturing, AI, ML, and Innovation in Coimbatore brought together 250+ participants to discuss the transformative role of technology for MSMEs, alongside the launch of WASME's South India Chapter and the signing of strategic MoUs. At the 2024 UNESCO ICNGO, WASME championed MSME development, securing a position on the NGO-UNESCO Liaison Committee and advocating for digital skills, sustainability, and inclusive growth.

We also, invite our world MSME community to participate in INTEXT Expo from January 31 to February 3, 2025, in Ludhiana, Punjab India that offers great opportunity for business and technology exchange with Indian MSME in the Construction, Architecture, Construction & Décor industry. WASME is also planning a Business Delegation to Ethiopia and Rwanda from March 23-28, 2025, to explore opportunities across sectors like agriculture, ICT, healthcare, and more. Register now to secure your spot!

In this edition of "Country Focus", we explore the thriving business landscape of Argentina, examining its diverse industries and the growth opportunities for entrepreneurs. We delve into key sectors driving the economy and the factors contributing to its dynamic entrepreneurial ecosystem. In this edition of "Industry Scan," we delve into the transformative potential of smart infrastructure, exploring how technological advancements are reshaping urban planning and development. We examine the growing role of innovation in building sustainable, connected, and efficient infrastructure for the future.

In the "Editorial", we examine the rise of the gig economy and its transformative impact on SMEs. We highlight how SMEs can leverage this revolution to unlock new opportunities, enhance flexibility, and drive growth in an evolving workforce landscape. In this "Policy Brief", we delve into the key takeaways from COP 29, highlighting the vital insights and policy implications for SMEs. We focus on how SMEs can adapt to global sustainability goals and leverage climate action strategies to enhance resilience and drive innovation.

Happy reading!

# WASME EDITORIAL

## The Gig Economy Revolution: Unlocking New Opportunities for SMEs



### What is the Gig Economy?

The term "gig", borrowed from the music industry, refers to short-term or one-off jobs where workers are paid for completing specific tasks or working for a defined period. In the gig economy, this concept extends to platform-mediated jobs, where workers are not employees of the platform but are connected with clients through digital apps or websites. These platforms act as intermediaries, providing the infrastructure, rules, and algorithms for matching supply (gig workers) with demand (clients or businesses). Workers are typically compensated on a project, piece-rate, or hourly basis, depending on the nature of the work.

### Types of Platform-Based Gig Work:

#### 1. Location-Based Gig Jobs:

These involve tangible tasks delivered physically to clients, such as ride-hailing (e.g., Uber), food delivery, domestic care, or home services. The platform allocates tasks based on location, matching nearby workers with immediate client needs.

#### 2. Online Gig Jobs:

These involve digital tasks performed remotely and delivered online. They are further divided into two categories:

◆ **Online Freelancing (E-lancing):** Larger, more complex projects requiring intermediate to advanced skills, such as software development, graphic design, and e-marketing. These projects often span longer durations and are suited to skilled workers.

◆ **Microwork:** Small, repetitive tasks broken down into subtasks that can be completed in seconds or minutes. Examples include data entry, image tagging, and text transcription. Microwork has lower barriers to entry, requiring basic literacy and numeracy, making it accessible to unemployed or underemployed individuals without specialized skills.

Digital platforms facilitate these gig jobs by providing governance structures, tools, and

### Types of online gig work

Freelance

#### Design, multimedia, and creative work

*Logo design, website design, visualizations*

#### Business and professional management

*Legal or management consulting, architecture*

#### Business and professional support

*Research support, proofreading, bookkeeping*

#### Sales and marketing support

*Search engine optimization, social media marketing*

#### Data entry, administrative, and clerical

*Data entry tasks, virtual assistants*

#### IT, software development, and tech

*Data analyst, back-end or front-end developers*

#### Writing and translation

*Content writing, ghost writing, translation*

Microwork

#### Online microtasks

*Image tagging, surveys*



algorithm-based task allocation, enabling seamless interactions between workers and clients. This system has created opportunities across various skill levels, fostering both flexible work arrangements and new income streams<sup>1</sup>.

### The Gig Economy Boom

In 2024, the gig economy was valued at \$556.7 billion, and it is projected to surge to \$1,847 billion by 2032, more than tripling in size<sup>2</sup>. The gig economy is a rapidly growing global phenomenon, with the U.S. leading as the largest market, contributing 44% of the global gig economy's gross volume. While ride-sharing platforms like Uber and asset-sharing platforms such as Airbnb dominate, accounting for 88% of the gross volume, skilled freelance work, including computer programming, IT services, marketing, and counseling, makes up 50% of global freelancing.

Countries like India, Indonesia, Australia, and Brazil are emerging as strong contenders, showing significant growth in their freelance markets. Globally, the freelance market is projected to expand at a compound annual growth rate (CAGR) of 15% through 2026, driven by increasing demand for specialized skills. Notably, sales and business

development saw the highest year-over-year growth at 54%, followed closely by data entry (47%), accounting (45%), and 3D animation (44%).

The AI sector, particularly generative AI, witnessed exponential demand, with a 600% increase in job postings seeking related skills in 2023. In England and Wales, almost 15% of workers engage in gig work at least once weekly, while 20% of full-time U.S.-based independent workers serve international clients. With its expanding scope and skill diversity, the gig economy is poised to redefine the future of work on a global scale<sup>3</sup>.

### Key Insights into the Gig Workforce: Growth, Demographics, and Industry Trends

- ◆ **Gig Workforce Representation:** Gig workers make up about one in six employees in organisations, with some companies seeing as many as one in four workers in gig roles. However, many companies lack a systematic approach to managing gig workers, making it challenging to track their contributions and associated costs.
- ◆ **Continued Growth:** The share of gig workers has increased by 15% from 2010 to 2019, and the trend is expected to continue, especially with the growing demand for flexible labor in a tight talent market.
- ◆ **Industry Distribution:** Industries like recreation, construction, and business services utilise gig workers the most, with contractors typically earning more than short-term employees. The education and information sectors see lower pay for gig workers, particularly freelancers.
- ◆ **Two Distinct Gig Worker Groups:** There are two main groups within gig workers:
  - **Contractors:** Older, more educated, and higher-paid, often hired for specialized skills.
  - **Short-term employees:** Younger, less educated, and typically paid lower wages, often working seasonally or on-call.

1. <https://openknowledge.worldbank.org/bitstreams/81a1bf93-26b7-41e9-903f-4542687ad5db/download>

2. <https://www.weforum.org/stories/2024/11/what-gig-economy-workers/>

3. <https://velocityglobal.com/resources/blog/gig-economy-statistics/>

- ◆ **Generational Shifts in Gig Work:** Younger gig workers (Millennials and Gen Z) tend to see themselves as traditional employees, even if they are working gig jobs. Despite the potential for health benefits, many prefer the flexibility of gig work.

However, gig work is also popular among older workers (20% over 55), with many motivated by personal interest rather than financial necessity. These workers are more likely to continue gig work even without the benefits of traditional employment<sup>4</sup>.

### Advantages of Gig Economy for businesses:

- ◆ **Cost Efficiency:** Gig workers help businesses significantly reduce employment costs, especially during economic downturns as it lowers overhead costs. Additionally, companies don't need to provide office equipment, workspaces, or extensive payroll management, further cutting expenses.
- ◆ **Flexibility for Short-Term Projects:** Gig workers offer businesses the flexibility to tackle short-term projects or specific tasks without long-term commitments. This adaptability allows companies to bring in specialised skills for particular needs, making it ideal for businesses with fluctuating workloads.
- ◆ **Reduced Costs on Skill Development:** Many gig workers invest in their own education & certification, reducing the need for businesses to bear the cost of training or professional development. With gig workers often bringing pre-acquired skills, companies can quickly find experienced candidates who are ready to contribute immediately, minimizing onboarding time.
- ◆ **Continuity in Services:** By hiring gig workers from different time zones, companies can ensure that their services are available 24/7. This is particularly beneficial for businesses that require continuous support, as gig workers can often work non-



traditional hours or shift schedules, ensuring business continuity across global markets.

- ◆ **Rapid Scalability with a Global Talent Pool:** Gig workers enable businesses, particularly startups or smaller companies, to scale operations quickly without the financial burden of hiring full-time employees. With access to a broad and diverse range of professionals through online platforms, businesses can meet market demands and short-term goals efficiently. The ability to tap into a global workforce allows for flexibility and innovation in achieving business objectives.
- ◆ **Diversity in Skills and Perspectives:** The gig economy brings a wealth of diverse skills and perspectives, fostering creativity and innovation within companies. With gig workers coming from varied backgrounds and possessing specialized expertise, businesses gain access to fresh ideas and solutions, driving growth and competitive advantage<sup>5</sup>.

### Challenges Companies Face in the Gig Economy:

- ◆ **Legal Compliance Risks:** Navigating the complex and evolving legal landscape of gig work is one of the major challenges companies face. Misclassifying gig workers as independent contractors when they should be considered full-time employees can lead to significant legal complications and liabilities. Pay disputes and issues around worker classification, such as those seen with Amazon and its drivers, highlight the need for careful legal oversight. To mitigate

4. <https://www.adpresearch.com/wp-content/uploads/2020/07/Illuminating-the-Shadow-Workforce-Full-Report.pdf>

5. <https://www.positiveaccountant.com/gig-economy-pros-and-cons>

risks, companies must stay updated on labor laws and ensure compliance, particularly when dealing with multi-jurisdictional issues.

- ◆ **High Turnover Rates:** Gig workers are often attracted to freelance opportunities that offer flexibility, but this also means they may move on to other projects quickly, creating high turnover. Frequent worker changes can disrupt project continuity, cause delays, and require companies to continuously find replacements. Paying competitive rates and fostering positive working relationships can help retain skilled gig workers and reduce turnover.
- ◆ **Inconsistent Reliability:** Gig workers come in all skill levels, and businesses may face challenges with reliability and commitment. While some gig workers excel, others may not meet deadlines or consistently deliver quality work. The lack of long-term employee relationships means that workers may not always feel a strong sense of responsibility or ownership over the work. This can result in delays, unfinished projects, or poor-quality work, requiring businesses to invest extra time and resources into ensuring accountability.
- ◆ **Limited Commitment and Benefits:** Unlike full-time employees, gig workers are not entitled to traditional job benefits like health insurance, retirement plans, paid time off, or worker's compensation. This lack of benefits can reduce workers' loyalty and commitment, especially if the pay is low. As a result, gig workers may be less inclined to stay long-term or invest in long-term projects, which can be challenging for companies relying on consistent performance.
- ◆ **Limited Control Over Freelancers:** Since gig workers are typically off-site and not bound by the traditional office structure, companies have less control over their day-to-day activities. This can lead to communication issues, collaboration difficulties, and a lack of oversight on project progress. To mitigate these challenges, businesses must establish clear standard operating

procedures, ensure effective communication channels, and regularly check in on the work being done to ensure it meets the expected standards<sup>6</sup>.

## Unlocking Opportunities for Small and Medium-Sized Enterprises in the Gig Economy

The gig economy has become a game-changer for SMEs, offering them access to a dynamic, flexible, and skilled workforce without the hefty overhead costs associated with full-time employees. This provides SMEs the ability to scale their workforce on demand, adjusting to their immediate business needs without the long-term commitment. According to a study by the *McKinsey Global Institute* (2016), SMEs can leverage the gig economy to enhance productivity and expand their business capacity by connecting with global talent pools, thereby ensuring that their operations remain lean and efficient.

## Achieving Cost-Efficiency and Optimizing Resources

One of the key advantages of the gig economy for SMEs is the significant cost savings. Gig workers are typically hired on a short-term or project basis, which means that businesses only pay for the tasks they need completed. This reduces the financial strain on SMEs by minimising the need for full-time employment costs such as salaries, benefits, office supplies, and payroll management. *ADP Research* (2020) found that businesses can reduce overhead costs by 30% to 40% through the strategic use of gig workers. With fewer overheads, SMEs can remain agile and adaptable, ensuring that resources are allocated efficiently to meet the changing demands of the market.

## Enhanced Flexibility in Workforce Management

The gig economy offers unmatched flexibility, allowing SMEs to quickly adapt to fluctuations in demand, whether due to seasonal trends or temporary projects. By leveraging gig platforms,

6. <https://www.positiveaccountant.com/gig-economy-pros-and-cons>

businesses can scale their workforce up or down based on immediate requirements, all while avoiding the challenges of permanent staff contracts. According to *PwC's 2020 report*, 56% of SMEs use the gig economy to increase workforce flexibility and manage risks associated with market changes. This flexibility not only helps SMEs manage their budget but also ensures that they have access to a vast pool of global talent, enabling them to stay competitive in an ever-evolving marketplace.

### **Access to Global Talent & Specialized Skills**

Through gig platforms, SMEs can tap into a diverse range of specialized skills that may be difficult to source locally. Whether it's IT development, marketing expertise, or creative design, SMEs can access top-tier professionals from around the world. The *World Economic Forum (2021)* states that gig platforms are revolutionising access to high-skilled labor for SMEs, allowing businesses to compete with larger companies by offering competitive wages without geographical limitations. This allows SMEs to offer high-quality products and services without the geographic limitations that traditional hiring methods impose. By engaging gig workers, SMEs can boost their innovation and expand their capabilities without being constrained by their local talent pool or tight budget.

### **Staying Competitive with Gig Economy Platforms**

The gig economy levels the playing field for SMEs, enabling them to compete with larger corporations by accessing high-quality talent at lower costs. According to a *Harvard Business Review* study (2018), SMEs leveraging gig platforms reported a 35% increase in their competitive edge in their respective sectors. Unlike traditional hiring processes, gig platforms allow SMEs to maintain low overheads while delivering professional services that meet market demands. This is particularly beneficial for businesses that operate in specialized or niche

sectors, where access to a diverse set of skills is critical to meeting deadlines or staying ahead of competitors.

### **Navigating the Legal Landscape: Gig Economy Regulations**

As the gig economy expands, there is an ongoing debate surrounding the classification and regulation of gig workers. Questions about whether gig workers should be classified as independent contractors or full-time employees have raised concerns about labor protections and business fairness. A *2020 study by the National Employment Law Project (NELP)* suggests that improper classification of gig workers may lead to a lack of critical benefits and protections. For SMEs, the key challenge lies in balancing the flexibility and cost benefits of gig workers with the need to comply with evolving labor laws. While some advocate for greater worker protections, SMEs must carefully navigate these legal challenges to ensure they can continue to leverage the gig economy without facing unnecessary burdens or restrictions.

### **Balancing Regulation & Opportunity for SMEs**

For the gig economy to continue benefiting SMEs, policymakers must strike a balance between protecting gig workers and ensuring that businesses aren't overwhelmed by additional costs and regulations. While gig workers should be provided with appropriate rights and protections, SMEs need to maintain the flexibility and affordability that the gig economy offers. According to a (ILO), ensuring that gig workers are protected without overly burdening SMEs with regulation will be critical to sustaining growth in the sector. By creating policies that streamline regulations and reduce unnecessary burdens, governments can help SMEs fully capitalize on the opportunities presented by the gig economy, ultimately fostering growth, innovation, and entrepreneurship on a larger scale<sup>7</sup>.

7. [https://www.pacificresearch.org/wp-content/uploads/2021/02/Barriers4\\_GigEconomy\\_F\\_web.pdf](https://www.pacificresearch.org/wp-content/uploads/2021/02/Barriers4_GigEconomy_F_web.pdf)



# POLICY BRIEF

## Key Takeaways from Conference of Parties (COP) 29: Essential Insights for SMEs



### COP29: An Overview

The 29th UN Climate Change Conference (COP29) was held in Baku, Azerbaijan, from November 11 to 22, 2024. This annual gathering brought together governments, civil society, and businesses to advance international collaboration on climate action, with a special focus on financing climate initiatives in developing countries.

Azerbaijan's hosting of COP29 was contentious due to its heavy reliance on fossil fuels, a leading cause of climate change. As a petro-state, Azerbaijan faced scrutiny for its potential to obstruct progress on phasing out fossil fuel use. However, the urgency of addressing climate change was clear, as global climate action continued to lag behind promises and scientific recommendations.

### Understanding COPs

COP conferences, or "Conferences of the Parties," are annual summits where signatories of the UN Framework Convention on Climate Change, the Kyoto Protocol, and the Paris Agreement negotiate joint plans to combat climate change. COP29 marked the second of three consecutive conferences under the "Mission 1.5°C" roadmap, aiming to limit global temperature rise to 1.5°C above pre-industrial levels.

### Key Objectives of COP29

#### 1. Climate Finance and a New Goal

COP29 sought to secure a New Collective Quantified Goal (NCQG) for climate finance to support developing countries in updating and implementing

their climate action plans (NDCs) by 2025. This followed the symbolic yet insufficient \$100 billion annual target set for 2020–2025, which was only met in 2022 amid accusations of double-counting. The NCQG aimed to shift the scale of funding from billions to trillions, addressing contentious issues like the distribution of financial responsibility among nations, the balance of grants versus loans, and access mechanisms for funds.

#### 2. Loss, Damage, and Adaptation

Discussions centered on directing funds toward mitigating climate change, adapting to its effects, and managing loss and damage from unavoidable impacts. However, deep divisions remained over how these funds should be allocated and who should contribute, with debates about the role of higher-income developing nations like China and India.

#### 3. Enhanced Transparency Reports (BTRs)

COP29 was a significant milestone for transparency under the Paris Agreement, with the first Biennial Transparency Reports (BTRs) due by December 2024. These reports were intended to provide an evidence base for strong climate commitments, showcase progress, and attract funding for climate initiatives, particularly in developing countries<sup>8</sup>.

### COP29: Key Outcomes

#### New Finance Goal to Address Climate Challenges

The UN Climate Change Conference (COP29) concluded with a landmark agreement to

8. [https://www.chathamhouse.org/2024/10/what-cop29-and-why-it-important?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=Environment percent26 percent20Society percent20- percent20Content percent20- percent20Google percent20- percent20Grants&utm\\_content=COP29 percent20\(Oct percent2024\)&utm\\_id=953633444-167240353560&gad\\_source=1&gclid=CjwKCAiA34S7BhAtEiwACZzv4QWtyEdXtDXitJKIa8VT-BVUu48YIjgccISPEJ0UndDwJFmuQHG2ChoCO48QAVD\\_BwE](https://www.chathamhouse.org/2024/10/what-cop29-and-why-it-important?utm_source=google&utm_medium=cpc&utm_campaign=Environment%20percent26%20Society%20-20Content%20-20Google%20Grants&utm_content=COP29%20(Oct%202024)&utm_id=953633444-167240353560&gad_source=1&gclid=CjwKCAiA34S7BhAtEiwACZzv4QWtyEdXtDXitJKIa8VT-BVUu48YIjgccISPEJ0UndDwJFmuQHG2ChoCO48QAVD_BwE)

significantly increase climate finance. The New Collective Quantified Goal on Climate Finance (NCQG) aims to triple annual funding to developing countries from \$100 billion to \$300 billion by 2035. Additionally, all stakeholders committed to mobilising \$1.3 trillion annually from public and private sources by the same year to support global climate action.

Simon Stiell, Executive Secretary of UN Climate Change, emphasised the importance of timely fulfillment of these financial commitments to safeguard billions of lives and sustain the clean energy boom, which is projected to exceed \$2 trillion in investment in 2024.

### Progress on Carbon Markets

After years of negotiations, COP29 achieved a breakthrough on carbon markets under Article 6 of the Paris Agreement. Clear frameworks were established for country-to-country trading (Article 6.2) and a centralised carbon crediting mechanism (Article 6.4). These mechanisms aim to enhance transparency, ensure environmental integrity, and benefit developing countries through increased financial flows and capacity-building support. Safeguards were also included to protect the rights of Indigenous Peoples and ensure projects align with scientific recommendations.

### Advances in Climate Transparency

COP29 marked significant progress in transparent climate reporting, with 13 Parties submitting their first Biennial Transparency Reports (BTRs). These reports build an evidence base for stronger climate policies and help identify funding needs. The Baku Global Climate Transparency Platform was launched to support collaboration among governments, NGOs, and the private sector. A series of 42 events under the #Together4Transparency initiative highlighted the role of transparency in achieving net-zero goals.

### Adaptation and Resilience Initiatives

Adaptation was a central focus at COP29, with agreements to support the least developed countries (LDCs) in implementing National Adaptation Plans (NAPs). The Baku Adaptation Road Map was launched to accelerate efforts in addressing climate impacts and enhancing resilience. Ministers and donors convened to discuss innovative financing and technical support for adaptation initiatives. The inclusion of Indigenous Peoples' voices was prioritised, with the adoption of the Baku Workplan and the renewal of the Facilitative Working Group's mandate.

### Gender and Climate Action

The conference extended the Lima Work Programme on Gender and Climate Change for another decade,



Credit UN Climate Change Lucia Vasquez Tumi

reaffirming the importance of gender equality in climate efforts. A new gender action plan will be developed for adoption at COP30 to guide implementation.

### Civil Society and Youth Engagement

COP29 saw record participation from over 55,000 attendees, including civil society, youth, Indigenous Peoples, and businesses. Dedicated spaces for children, including the Youth-led Climate Forum, ensured intergenerational collaboration. The Global Climate Action space provided a platform to showcase real-world solutions and foster partnerships<sup>9</sup>.

### Financial Institutions at COP29

COP29 highlighted key outcomes that directly impact financial institutions, particularly around climate finance, carbon markets, and the role of the finance sector in driving decarbonisation.

#### ◆ United Nations Environment Programme

**Finance Initiative's Role:** UNEP FI showcased the leadership of the finance industry in advancing global decarbonisation. As the convener of the world's largest network of banks and insurers, UNEP FI emphasised the progress financial institutions have made in aligning their financing with 1.5°C climate goals. Through its net-zero alliances, hundreds of financial institutions have committed to carbon reduction targets and are reporting annual progress.

#### ◆ Net-Zero Export Credit Agencies Alliance

**(NZECA):** UNEP FI launched the NZECA's Target-Setting Protocol to guide export credit agencies and export-import banks in setting climate targets. This initiative helps align large-scale industrial and infrastructure financing with net-zero goals.

#### ◆ Forum for Insurance Transition to Net Zero

**(FIT):** The FIT launched a pioneering report at COP29, providing insurance companies with

guidance on developing transition plans for their portfolios. This report emphasises the role insurers play in managing risks and supporting the global transition to a net-zero economy.

#### ◆ Global Investor Statement on Climate Change:

Over 600 financial institutions, managing over USD 30 trillion in assets, signed a statement calling for stronger government action, including setting ambitious climate targets, carbon pricing, and reducing fossil fuel subsidies.

#### ◆ Adaptation Finance:

UNEP FI emphasised the need to scale adaptation finance, showcasing strategies for mobilising private capital to build resilience in vulnerable regions. This includes using concessional finance and creating metrics to attract investments<sup>10</sup>.

### Leveraging Private and Multilateral Finance to Bridge the Climate Funding Gap

Private and multilateral finance can play a pivotal role in meeting climate finance goals by addressing funding gaps through innovative strategies such as blended finance, where public capital is used to leverage private investment. For instance, the Singapore government has committed up to USD 500 million in concessional funding to the Financing Asia's Transition Partnership (FAST-P), which aims to pool capital from international public, multilateral, and philanthropic partners to attract commercial finance for Asia's green and transition projects.



9. <https://unfccc.int/news/cop29-un-climate-conference-agrees-to-triple-finance-to-developing-countries-protecting-lives-and>

10. <https://www.unepfi.org/themes/climate-change/cop29-outcomes-balancing-progress-and-challenges-on-the-road-to-climate-action/>

This approach aligns with the conclusions of the U.K.'s recent Transition Finance Market Review (TFMR), which emphasises the need for public finance measures to attract private capital and for financial institutions to take on a larger role in climate finance.

- ◆ **Role of Multilateral Banks and Funds:** Multilateral development banks (MDBs) were urged to align their models and instruments to effectively mobilise climate finance. Notable initiatives include the Asian Development Bank's (ADB) Innovative Finance Facility for Climate in Asia and the Pacific (IF-CAP), which aims to unlock billions for climate projects, and the European Bank for Reconstruction and Development's (EBRD) participation in the Climate Investment Funds' (CIF) Capital Markets Mechanism (CCMM), designed to raise private sector capital for climate projects in developing countries.
- ◆ **Types of Finance Instruments:** COP29 emphasised the need for non-debt-inducing instruments to avoid exacerbating the debt crisis in developing countries. While concessional finance and grants are crucial, a balance must be struck with private investments seeking economic returns.
- ◆ **Shift in Risk Appetites:** Financial institutions, including MDBs, were encouraged to adjust their risk profiles and develop innovative instruments. Examples include the European Investment Bank's flexible loan risk profile for a European battery production project, supported by InvestEU protection. Governments can help attract private investment by addressing key project risks, such as through first-loss guarantees and currency risk instruments.
- ◆ **Improved Accessibility:** Multilateral climate funds were called to simplify application processes and reporting requirements, with an emphasis on direct access to funds for developing countries. This approach aims to reduce the burden of intermediaries and make funding more accessible for climate projects<sup>11</sup>.

## COP29: A Turning Point for SMEs in the Green Transition

Small and medium-sized enterprises are often overlooked in global climate discussions, despite representing 90% of businesses worldwide and playing a crucial role in the global economy. With the ongoing climate crisis, COP29 provided an important opportunity to spotlight SMEs as critical contributors to climate action. While SMEs face several challenges in the transition to a low-carbon economy, their potential to drive change is undeniable. This highlights the need for tailored policies, initiatives, and support systems to empower SMEs to take meaningful action in the fight against climate change.

The importance of SMEs in climate action cannot be overstated. SMEs support up to 70% of global supply chains and play a vital role in the decarbonisation of industries. As a result, they are key players in achieving the goals set out in the Paris Agreement. Without their active involvement, meeting global climate targets and building resilience against climate impacts will be unattainable.

At COP29, several initiatives and commitments emerged that underscore the critical role of SMEs in building a sustainable, climate-resilient future. One such initiative was the "Climate-Proofing SMEs" campaign launched by Nigar Arpadarai, the UN Climate Change High-Level Champion for COP29. The campaign adopts a three-pronged approach to empower SMEs:

1. **Capacity Building:** Providing SMEs with the necessary resources, tools, and training to implement climate-friendly practices.
2. **Leadership Recognition:** Celebrating SMEs that are making ambitious climate commitments and leading by example.
3. **Collaboration:** Encouraging partnerships between SMEs and larger organizations to share expertise, resources, and innovative solutions.

11. <https://www.aoshearman.com/en/insights/the-finance-cop-what-does-cop29-mean-for-financing-parties>

This campaign, along with the Baku Coalition for SMEs' Green Transition, aims to create an ecosystem where SMEs are given the tools and resources they need to take bold climate actions. These initiatives seek to integrate SMEs into broader climate strategies and empower them to contribute to the global transition to a low-carbon economy.

## Including SMEs in Nationally Determined Contributions (NDCs)

A significant development at COP29 was the inclusion of SMEs in Nationally Determined Contributions (NDCs). The International Trade Centre (ITC), a joint agency of the World Trade Organisation and the United Nations, has developed NDC 3.0 guidelines that offer a practical framework for integrating SMEs into national climate strategies. These guidelines acknowledge that SMEs, which make up 50% of global employment and 40% of global GDP, are both contributors to and mitigators of climate change. As part of the new NDC framework, SMEs are empowered to contribute to emissions reduction plans, access green financing, and receive technical support from governments and financial institutions.

Incorporating SMEs into national climate strategies is not just a matter of reducing emissions but also of unlocking new opportunities for green innovation and economic growth. Access to government incentives, green financing, and tailored support will be crucial for SMEs to realise their full potential in advancing the low-carbon transition.

## The Baku Climate Coalition for SMEs' Green Transition

At COP29, the ITC, along with national small business agencies from Azerbaijan and Brazil, signed the Joint Declaration on the Baku Climate Coalition for SMEs' Green Transition. This coalition recognises SMEs as essential contributors to the green transition and aims to facilitate their integration into sustainable supply chains. Key objectives of the coalition include:

- ◆ **Capacity Building:** Providing training and mentorship to SMEs to help them adopt climate-friendly practices.
- ◆ **Climate Risk Management:** Helping SMEs measure and manage their environmental footprints.
- ◆ **Partnerships:** Promoting collaborations between SMEs and larger companies to integrate them into sustainable global supply chains.
- ◆ **Green SME Resource Centres:** Establishing centres to offer SMEs access to technology, expertise, and financing opportunities.

This initiative highlights the need for collective action and support from both public and private sectors to enable SMEs to transition to greener business models and participate actively in global climate efforts.

## New National and International Climate Targets

In line with global climate objectives, the UK announced its updated climate target at COP29, aiming for an 81% emissions reduction by 2035. This more ambitious target will likely result in stricter sustainability and emissions reporting requirements for SMEs, particularly in sectors such as industrial decarbonisation and transport electrification. While this presents a challenge for many SMEs, it also creates opportunities for them to innovate, improve their sustainability, and align their operations with the goals of the Paris Agreement.



Furthermore, COP29 underscored the urgency of climate action, with calls for accelerated net-zero targets. With the world on track for a 2.7°C rise in global temperatures, far above the Paris Agreement's target of 1.5°C, the conference highlighted the importance of fast-tracking climate action and involving all stakeholders, including SMEs, in this global effort.

### The New Collective Quantified Goal of Climate Finance

Another significant outcome of COP29 was the agreement on the New Collective Quantified Goal (NCQG) for climate finance, which aims to triple climate finance to \$300 billion annually by 2035. This expanded financing goal encourages both developed and developing nations to contribute to scaling up global climate finance, with the aim of mobilizing \$1.3 trillion annually by 2035. This commitment will provide greater financial support to climate-vulnerable economies and enable SMEs, especially those in emerging economies, to access the funding they need to transition to low-carbon business models<sup>12</sup>.

### Conclusion

By including SMEs in the global climate conversation and supporting them with financial and technical resources, the world can unlock their potential to drive innovation, build resilience, and stimulate sustainable economic growth. COP29 marked a critical turning point in recognising SMEs as integral players in the fight against climate change. Moving forward, continued collaboration and tailored support for SMEs will be key to ensuring a just and sustainable transition to a net-zero economy.



12. <https://theheartofthecity.com/news/cop29-elevating-smes-in-the-climate-conversation/>

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# GLOBAL INDUSTRY SECTOR



## Building Tomorrow: The Potential of Smart Infrastructure

### Introduction

The World Economic Forum predicts that rapid advancements in technologies like robotics, artificial intelligence, and 3D printing will drive a fourth industrial revolution, reshaping industries worldwide. Smart Infrastructure, a fusion of physical and digital systems, will play a pivotal role in this transformation, revolutionising how infrastructure is designed, managed, and automated.

By maximising the potential of existing assets, Smart Infrastructure boosts capacity, efficiency, and resilience while improving services. It offers better performance at lower costs, enabling infrastructure owners and operators to overcome financial and resource constraints. Unlike traditional physical upgrades that simply add "more of the same," digital enhancements transform existing infrastructure, unlocking greater value and functionality.

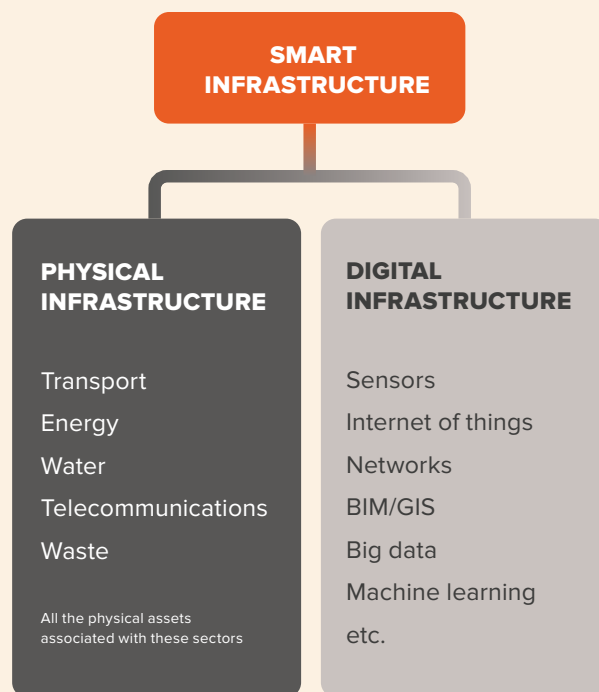
This shift will disrupt traditional roles, business models, and value metrics in the infrastructure sector, necessitating a recalibration to adapt to new realities. Other industries, such as finance, retail, health, education, and media, have already faced disruption from digital technologies, leading to new ways of working. Specific sectors, like taxi operations, manufacturing, and even professions like law and medicine, have seen machines taking on roles once reserved for humans. Digital air traffic control systems are enhancing aviation capacity, smart motorways are optimising road networks, and innovations in the water sector are improving supply

efficiency. Similarly, the development of the digital railway aims to increase rail traffic capacity by 40% on existing tracks.

As a key component of this digital evolution, Smart Infrastructure offers transformative potential to maximise the efficiency of existing assets and drive innovation in new projects—a market opportunity valued at up to £4.8 trillion<sup>13</sup>.

### Smart Infrastructure: Transforming the Global Market Landscape

The global Smart Infrastructure market is experiencing significant growth, driven by rapid technological advancements and increased investments in smart city projects. Fortune Business Insights projects the market to expand from \$187.46 billion in 2024 to \$986.25 billion by 2032, with a



13. <https://www-smartinfrastucture.eng.cam.ac.uk/system/files/documents/the-smart-infrastructure-paper.pdf>

compound annual growth rate (CAGR) of 23.07% during this period.

North America holds a significant market share due to early technology adoption and substantial investments in smart infrastructure projects. Asia-Pacific is expected to witness rapid growth, driven by urbanisation, economic development, and government initiatives promoting smart city projects<sup>14</sup>.

## Advantages of Smart Infrastructure

### 1. Enhanced Decision-Making

- ◆ Provides improved intelligence and better information to users and operators.
- ◆ Enables faster, cheaper, and more informed decisions for managing infrastructure.

### 2. Cost-Effective Value Addition

- ◆ Digital enhancements to existing infrastructure are more cost-effective than physical upgrades, offering higher returns on investment.

### 3. Improved Customer Experience

- ◆ Delivers better outcomes for customers, enhancing service quality and value for money.

### 4. Information as a Valuable Asset

- ◆ Increases connectivity and integration, reducing information loss and creating value through the network effect.

### 5. Cross-Sector Integration

- ◆ Enhances value through data sharing and collaboration across sectors like transport, energy, water, waste, health, and education.

### 6. Process Optimisation

- ◆ Integrates the entire infrastructure lifecycle, from design and manufacture to operation, maintenance, and investment planning.

## 7. Disruption and Opportunity

- ◆ Challenges traditional business models, shifting data control to infrastructure owners who foster collaboration with diverse stakeholders.

## 8. Future-Oriented Industry

- ◆ Creates opportunities for new skills and roles while driving high-value performance from infrastructure assets<sup>15</sup>.

## Key Challenges in Implementing Smart Infrastructure

### 1. Localisation of Solutions

- ◆ Smart infrastructure concepts cannot be directly transferred from one region to another. They must be adapted to local contexts, considering cultural, economic, and urban challenges. Solutions that work in developed countries may not be suitable for developing regions, requiring simplified, localized approaches.

### 2. Innovation System Integration

- ◆ Successfully localising smart infrastructure requires harnessing the local innovation system, which includes collaboration between entrepreneurs, universities, and research centers. Without these local partnerships, tailoring solutions to meet specific urban needs becomes difficult.



14. <https://www.fortunebusinessinsights.com/smart-infrastructure-market-106346>

15. <https://www-smartinfrastucture.eng.cam.ac.uk/system/files/documents/the-smart-infrastructure-paper.pdf>



### 3. Data Access and Integration

- ◆ Access to open data and effective data sharing is essential for smart infrastructure, yet many cities face challenges in promoting open data initiatives. Insufficient data access hinders the creation and implementation of innovative solutions.

### 4. Skills Gaps

- ◆ There is a significant shortage of skilled professionals capable of handling the complexities of smart infrastructure, including digital planning, data literacy, and the integration of various technological systems. Cities need to assess and bridge these gaps to ensure the successful deployment of smart infrastructure.

### 5. Coordination and Collaboration

- ◆ Implementing smart infrastructure often requires collaboration across multiple sectors and industries. However, coordination between various stakeholders—such as government agencies, technology providers, and local communities—can be a challenge, slowing down the adoption of integrated solutions.

### 6. Financial Constraints

- ◆ Despite the potential long-term benefits, the high upfront costs of implementing smart infrastructure can deter investment, particularly in developing countries with limited financial resources. The challenge lies in securing funding and making smart infrastructure a priority within constrained budgets.

### 7. Technological Compatibility

- ◆ Integrating new technologies into existing infrastructure can be complex. Many cities struggle with the challenge of ensuring that modern smart infrastructure technologies are compatible with their current systems, which may be outdated or incompatible with newer solutions.

### 8. Lack of a Unified Approach

- ◆ Smart infrastructure projects often face fragmented efforts with no cohesive, city-wide strategy. Without a unified approach to policy, planning, and implementation, cities risk inefficiency and inconsistency in their smart infrastructure initiatives<sup>16</sup>.

## Game-Changing Smart Infrastructure Trends Shaping the Future of Cities

### Smart Buildings

Smart buildings are equipped with sensors and integrated systems that allow for intelligent monitoring and control of various functions, from temperature and humidity to energy consumption. These buildings focus on improving efficiency, reducing energy waste, and enhancing occupant comfort. For example, indoor environmental quality (IEQ) systems monitor factors like noise levels, air quality, and temperature, adjusting these based on occupancy and weather conditions. Smart buildings also leverage **Building Management Systems (BMS)** for proactive fault detection and predictive maintenance, helping to avoid costly repairs and ensuring long-term sustainability.

### Public Safety & Security

Smart infrastructure enhances urban safety with predictive surveillance systems, which use a combination of **IoT** sensors, cameras, and data analytics to detect suspicious behavior in real-time, such as unauthorized access or shoplifting. These systems can alert law enforcement and emergency responders instantly. Additionally, smart smoke detectors integrated with IoT technology can notify fire departments directly, speeding up emergency response times. As cities become increasingly digital, protecting these infrastructures from cyber threats becomes critical, leading to the adoption of **advanced security tools**, such as firewalls and DDoS protection, to secure sensitive data and systems.

16. [https://unctad.org/system/files/official-document/ecn162016d2\\_en.pdf](https://unctad.org/system/files/official-document/ecn162016d2_en.pdf)

### Efficient Government Services

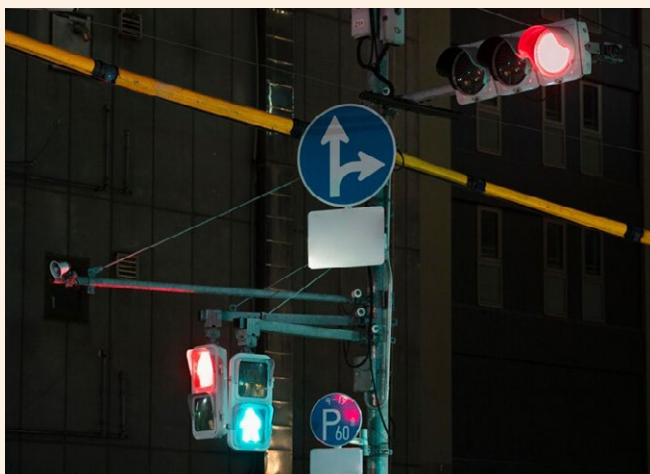
Smart cities aim to improve local government services by automating processes like service proofing, inspections, and record-keeping. For example, in Phoenix, the **Public Works and Water Departments** implemented a smart fleet management system that provides real-time tracking of vehicles and workforce performance, helping to optimize routes and improve safety. These systems also integrate data from multiple sources to streamline operations and improve overall efficiency, reducing time and costs while improving service delivery to citizens.

### Waste Management

Efficient waste management is crucial for sustainable cities. Smart cities are increasingly using **IoT-connected waste bins** that automatically categorize waste, reducing human error and making waste disposal more efficient. Sensors also track waste levels and environmental parameters (e.g., air quality, water contamination) around waste facilities, alerting city officials to potential issues before they escalate. Furthermore, by monitoring consumption habits and offering guidelines, smart cities can reduce waste generation at the source, ultimately promoting sustainability and reducing landfill use.

### Low-Power Sensors & Networks

One of the key enablers of smart infrastructure is the use of low-power sensors and networks, which can operate with minimal energy consumption



and provide continuous, real-time data collection across a city. These sensors are installed in various locations such as streetlights, traffic signals, and public buildings, collecting data on everything from traffic patterns to air quality. The **MetTel Single SIM** solution ensures these sensors maintain connectivity by automatically connecting to the strongest network, reducing downtime and enabling more efficient data transfer.

### Smart Home Networks

Smart homes are becoming integral to the smart infrastructure ecosystem. IoT-enabled appliances and devices, such as smart thermostats, security cameras, and lighting systems, allow homeowners to automate and monitor their homes remotely. These homes can share data with the wider smart city infrastructure, promoting security and optimizing city-wide services. For instance, homes can share data with neighbors to enhance community safety or integrate with city services for better resource management (e.g., energy use, waste disposal). Peer-to-peer networks will also make it possible for citizens to collectively manage and improve their neighborhoods.

### Smart Supply Chain & Logistics

**IoT technology** is revolutionising supply chain management by giving companies real-time visibility into the movement of goods and inventory. Products are tagged with **RFID** or **QR codes**, allowing businesses to track their movement and prevent loss or theft. Smart infrastructure also optimizes delivery routes by integrating data on traffic conditions, fuel consumption, and driver behavior, improving delivery efficiency. For example, in Phoenix, sensors monitored fleet performance, helping reduce fuel costs and improve delivery schedules. This integration ultimately leads to faster fulfillment and better customer satisfaction.

### Digital Citizen

**Digital citizen trends** focus on providing residents with greater access to local government services

and real-time information. By using smartphones, citizens can apply for permits, pay bills, and report issues directly to government authorities, significantly reducing bureaucracy and improving service efficiency. Additionally, smart infrastructure initiatives in areas like transportation, water management, and waste disposal are enhancing the quality of life for citizens, helping cities become more resource-efficient and sustainable. Digital platforms also empower citizens to engage in community-led initiatives, such as neighborhood projects or local activism.

### E-Governance

E-governance initiatives use technology to foster greater citizen participation in the democratic process. Through online platforms, citizens can vote on city ordinances, provide feedback on policies, and collaborate with officials on urban planning and development. These initiatives make governance more transparent and accountable, helping reduce

corruption and enhance public trust. Additionally, smart infrastructure data is increasingly integrated into these platforms to inform decision-making, ensuring that public services and policies are backed by real-time data and evidence.

### Intelligent Farming

Smart farming technologies are being used to revolutionize agriculture within cities, helping farmers make more data-driven decisions about irrigation, pest control, and crop management. IoT sensors monitor environmental factors like soil moisture, temperature, and nutrient levels, providing valuable insights that enable better resource management. By analyzing data from historical trends and weather patterns, farmers can optimize planting schedules and crop rotation. This intelligent farming approach not only increases crop yields and quality but also contributes to a city's sustainability by improving food security and reducing waste<sup>17</sup>.

## Innovative SMEs Driving the Future of Smart Infrastructure

### Ecoligo – Solar Solutions for SMEs in Emerging Markets

Ecoligo, a Germany-based SME, offers solar-as-a-service solutions for businesses in emerging markets. Ecoligo provides solar energy systems without upfront capital costs, allowing SMEs in countries like Kenya, Ghana, and Vietnam to transition to

renewable energy. Their smart energy management platform monitors and optimizes energy usage in real-time, reducing energy costs and environmental impact<sup>18</sup>.

### Sense – Smart Home and Energy Management

Sense, a US-based SME, developed a smart home energy management system that helps homeowners track energy usage and optimize appliances for cost and energy efficiency. The Sense system uses real-time monitoring and AI-

powered analytics to provide insights on energy consumption, identify inefficiencies, and help reduce energy bills. It's a great example of how SMEs can contribute to smart infrastructure in residential settings<sup>19</sup>.

17. <https://www.mettel.net/blog/smart-city-trends/>

18. <https://ecoligo.com/de>

19. <https://sense.com/utilities/>

### Smart Citizen – Citizen-Driven Air Quality Monitoring

Smart Citizen, an SME based in Barcelona, developed a community-driven smart infrastructure solution for air quality monitoring. Their platform uses IoT-enabled sensors installed by citizens to measure air quality in real time, providing valuable

environmental data for urban planning. The data is collected and shared openly, allowing residents to collaborate on improving urban air quality, demonstrating how SMEs can drive community-based smart infrastructure<sup>20</sup>.

### Sensity Systems – Smart City Lighting and Monitoring

Sensity Systems, an SME specializing in smart lighting, transformed traditional street lights into intelligent, connected devices. By integrating sensors, cameras, and communication technologies, they developed a smart city lighting system that adjusts

based on traffic and weather conditions while also providing real-time data for urban management. This technology has been implemented in various locations to enhance city safety, optimize energy use, and monitor environmental conditions<sup>21</sup>.

### AeroFarms – Smart Urban Farming Technology

AeroFarms, a US-based SME, revolutionizes urban farming by creating vertical farms that use IoT sensors to monitor and control environmental variables such as temperature, humidity, and light. AeroFarms' technology allows cities to grow food

locally in a sustainable and resource-efficient manner. Their systems use data to optimize crop yields while minimizing water usage, a critical smart infrastructure application in addressing food security in urban areas<sup>22</sup>.

## Conclusion

Smart infrastructure is driving transformative change across sectors, enabling smarter cities, energy efficiency, and enhanced quality of life. SMEs are leading innovation in optimising resources for

sustainable solutions. With increased collaboration and technology integration, the future of urban infrastructure is brighter, smarter, and more sustainable.



20. <https://smartzitizen.me/>

21. <https://www.sensity.com/>

22. <https://www.aerofarms.com/>

# COUNTRY FOCUS

## Argentina

### Population

Total – 45,538,401; Urban – 92.5%, Rural – 7.5%; (2023) (The World Factbook)

### Ethnic groups

- ◆ European (mostly Spanish and Italian descent) and Mestizo (mixed European and Indigenous ancestry) – 97.2%
- ◆ Indigenous – 2.4%
- ◆ African descent – 0.4% (2010) (The World Factbook)

### Youth unemployment rate (ages 15–24)

Total – 18%; Male – 16.9% , Female – 19.5%; (2023); (International Labour Organisation)

### GDP – composition, by sector of origin


- ◆ Agriculture – 6.1% ◆ Industry – 25.1%
- ◆ Services – 52.8% (2023) (The World Factbook)

### Industries

- ◆ Food Processing and Beverages Industry
- ◆ Appliances and Electronics Industry
- ◆ Textile Industry
- ◆ Oil Industry (2023) (World Atlas)

## Country profile

Argentina, a South American nation, spans a significant portion of the continent's southern region. As the world's eighth-largest country, its area surpasses the combined size of Mexico and the U.S. state of Texas. The country features diverse landscapes, including vast plains, deserts, tundras, forests, towering mountains, rivers, and an extensive ocean coastline stretching thousands of miles. Argentina also lays claim to a segment of Antarctica and several South Atlantic islands, including the Falkland Islands (Islas Malvinas), currently under British administration.



Argentina, shaped like an inverted triangle, spans 880 miles (1,420 km) at its widest and stretches 2,360 miles (3,800 km) from its subtropical north to the subantarctic south. It borders Chile to the west and south, Bolivia and Paraguay to the north, and Brazil, Uruguay, and the Atlantic Ocean to the east, with a 2,900-mile (4,700-km) Atlantic coastline<sup>23</sup>.

## Economic profile

Argentina, with a GDP of around \$640 billion, is one of Latin America's largest economies. Rich in natural resources, it boasts fertile lands, gas, lithium reserves, and significant potential for renewable energy. A global leader in agriculture and livestock, Argentina also has opportunities in manufacturing and high-tech services.

The economy contracted by 1.6% in 2023 due to macroeconomic imbalances and a severe drought, which slashed agricultural output by 26%. A stabilisation program launched in 2024 is projected to shrink GDP by 3.5% as it realigns prices and addresses fiscal imbalances. However, recovery is expected in 2025, with 5% growth driven by better weather, energy investments, and normalized agricultural production.

Initial stabilisation results include a fiscal surplus by September 2024 and reduced country risk, though inflation remains high, falling from 25.5% in December 2023 to 4.2% by August 2024. Social protection measures, such as increased child and food benefits, aim to support vulnerable populations<sup>24</sup>.

23. <https://www.britannica.com/place/Argentina>

24. <https://www.worldbank.org/en/country/argentina/overview>

## Employment profile

Argentina's employment profile demonstrates significant structural and compositional changes over the years, shaped by macroeconomic dynamics, evolving labor market institutions, and educational advancements.

### Employment Trends and Composition

Between 2003 and 2019, Argentina experienced notable shifts in its labor market. The workforce became more educated, with the proportion of workers possessing secondary and university education increasing by 14 percentage points. By 2019, only 4% of workers lacked primary education, and about a third of women and 20% of men had attained university degrees.

Significant changes were observed in employment composition. Elementary occupations, which dominated the labor market in 2003, declined substantially, losing 6 percentage points in employment share. Simultaneously, there was a growth in middle-skill jobs such as clerical roles, sales, services, and machine operators. This redistribution marks a departure from the polarization patterns seen in many high-income countries, indicating a trend toward middle-skill job growth in Argentina.

### Wage Inequality and Labor Informality

Argentina has made progress in reducing wage inequality, particularly during the period from 2003 to 2012. The Gini coefficient for earnings dropped by approximately 6 percentage points during this phase, attributed to economic growth, reduced informality, and stronger labor institutions. However, between 2012 and 2019, this trend partially reversed, reflecting a rise in inequality amid economic stagnation.

One driver of improved wage equality was the decline in informal labor, which dropped by 10 percentage points during the early 2000s. Labor policies,



including collective bargaining and minimum wage adjustments, also played a key role in improving wage distributions<sup>25</sup>.

### SME Classification in Argentina

Argentina's central bank (BCRA), through Circular OPRAC 1-912, updated the classification criteria for micro, small, and medium-sized enterprises (MSMEs). The regulations now require companies to present a certification of their MSME status, as outlined in Resolution 340-2017. The classification is based on average annual pre-tax sales over the previous three years, with export revenues exempted by up to 50%. Sector-specific monetary thresholds for annual sales define MSME categories: micro enterprises range from ARS 3 million to ARS 12.5 million, small enterprises from ARS 19 million to ARS 75 million, and medium enterprises (T1 and T2) from ARS 145 million to ARS 900 million, depending on the sector. For newer enterprises, sales are prorated based on completed tax periods, and multi-sector enterprises are categorized by their primary activity. Additionally, businesses engaged in specific activities must verify assets not exceeding ARS 100 million. The updated framework excludes companies controlled or affiliated with larger entities, defined by ownership stakes exceeding 50% (control) or 20% (affiliation)<sup>26</sup>.

25. [https://www.researchgate.net/publication/372531064\\_Argentina\\_Employment\\_and\\_Inequality\\_Trends](https://www.researchgate.net/publication/372531064_Argentina_Employment_and_Inequality_Trends)

26. <https://www.fundacionmicrofinanzasbbva.org/revistaprogreso/en/defining-msme-categories/>

## SME composition and contribution in Argentina's economy

In 2017, SMEs played a vital role in Argentina's economy, representing 99% of the 609,393 firms registered as employers in the country's social security system. These businesses contributed significantly to formal employment, accounting for 70% of the total workforce. Employment within SMEs was evenly distributed across micro, small, and medium-sized enterprises, reflecting their collective importance. Microenterprises alone constituted 85% of all registered firms and provided jobs to 11.2% of employees, underscoring their prevalence despite their smaller individual scale. This data highlights the substantial economic footprint of SMEs, which not only dominate the business landscape but also serve as key drivers of employment and economic activity in Argentina<sup>27</sup>.

## Challenges faced by SME sector in Argentina

- ◆ **Unclear Strategic Directions and Policy Continuity:** Persistent issues in the SME policy framework, exacerbated by the COVID-19 pandemic and the deteriorating macroeconomic environment.
- ◆ **Complex Regulatory System:** SMEs face a complex and high administrative burden due to slow reforms and complicated registration and tax filing procedures.
- ◆ Lack of streamlined processes & regulatory reforms, although efforts to simplify are underway.
- ◆ **High Tax Burden:** Tax rates are a major concern, especially for SMEs, which face higher pressures compared to large enterprises.
- ◆ **Limited Access to Finance:** Despite improvements, many SMEs struggle to access financial resources, especially with collateral requirements and a complex financial regulatory environment.

- ◆ Alternative financing options like asset-based lending and crowdfunding are underdeveloped.
- ◆ **Involvement in the Informal Economy:** A significant portion of businesses remain informal, which limits their access to resources, markets, and financing.
- ◆ Informality distorts competition, and SMEs face barriers due to labor and tax regulations.
- ◆ **Lack of a Cohesive SME Development Strategy:** The absence of a clear, medium-term SME development strategy and insufficient integration of SMEs into national development plans.
- ◆ **Political and Economic Instability:** Frequent changes in political and economic priorities impact policy consistency, with a shift towards laissez-faire approaches expected to change interventionist SME support strategies.
- ◆ **Challenges in Exporting:** Despite efforts to promote exports, SMEs still face barriers in accessing international markets, particularly with complex export procedures and the need for better integration with supply chains.
- ◆ **Digital Transformation Challenges:** Slow adoption of digital tools among SMEs, though initiatives like digital transformation contests aim to support technological advancement<sup>28</sup>.

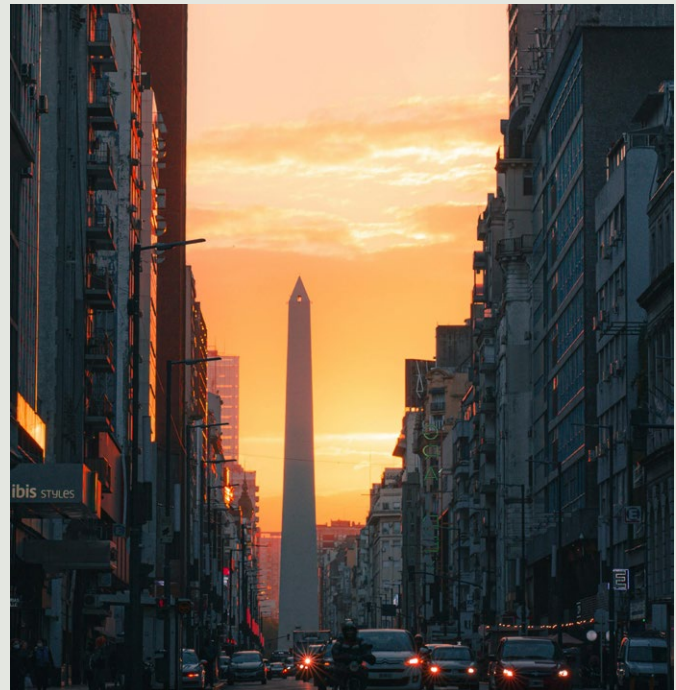
## Government Initiatives to Strengthen Argentina's SME Sector

- ◆ **Institutional Framework:** Establishment of the Secretariat of Small and Medium Enterprises (SePyME) in the late 1990s to promote SME financing, internationalization, and streamlined administrative processes.
- ◆ **Legislative Support: Law 25300 (2000):** Strengthened SME competitiveness with initiatives like:
  - ➔ **National Fund for SME Development:** Offers equity injections and medium- to long-term financing for productive investments.

27. <https://mneguidelines.oecd.org/responsible-business-conduct-country-fact-sheet-argentina.pdf>

28. [https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/07/sme-policy-index-latin-america-and-the-caribbean-2024\\_d0ab1c40/ba028c1d-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/07/sme-policy-index-latin-america-and-the-caribbean-2024_d0ab1c40/ba028c1d-en.pdf)

- ➔ **Guarantee Fund:** Provides direct guarantees to financial institutions lending to SMEs.
- ◆ **Procurement Preferences:** Public entities must grant a 5% preference to domestically produced goods/services by MSMEs and reserve 10% of competitive bidding for MSMEs.
- ◆ **Innovation and R&D:** National Agency for Research, Technological Development, and Innovation (Agencia I+D+i) supports R&D through the Argentine Technological Fund, offering credits, tax incentives, and grants.
- ◆ **Export Promotion:** Exporta Simple Program: Simplifies export procedures and reduces administrative barriers for SMEs to access new markets.
  - ➔ **Competitiveness Support Programme:** Provides non-reimbursable contributions to enhance productivity and market entry.
  - ➔ National Agency for Export and Investment Promotion aids SMEs in identifying opportunities and complying with trade regulations.
- ◆ **Financial Assistance:** Institutions like Banco de Inversión y Comercio Exterior offer financial support tailored to exporting SMEs<sup>29</sup>.
- ◆ **Strategic Plans and Policy Frameworks:** Implementation of the Argentina Productiva 2030 Plan, focusing on industrial modernisation, digital transformation, green economy, and export development.
- ◆ Integration of SMEs into larger supply chains through tools like the SMEs Electronic Credit Invoice (RFCEM) to enhance financial support.
- ◆ **Streamlined SME Registration and Incentives:** Managed by the Ministry of Economy, the SME Register allows businesses to access incentives with automatic renewals for ease of administration.
- ◆ **Reducing Labor Informality:** Creation of the Public Registry of Employers to ensure compliance with labor regulations.
- ◆ Reduction in social contributions for micro-enterprises and individual entrepreneurs to encourage formal employment.
- ◆ **Public-Private Collaboration:** Formation of the National SME Confederation in 2021 to foster public-private partnerships (PPPs) and increase SME participation in policy dialogues.
- ◆ Frequent government consultations with industry bodies and private sector organizations when introducing new legislation.
- ◆ **Focus on Financial and Market Access:** Introduction of RFCEM, providing financial support akin to factoring for SMEs to facilitate integration into value chains.
- ◆ **Good regional & international market access** through trade agreements with partners like the Southern African Customs Union, India, and Israel.
- ◆ **Efforts to Promote Formalisation and Compliance**
  - ◆ Enhanced measures to formalise labor and reduce informality in the SME sector.
  - ◆ Increased enforcement through labor regulations and reduced social contributions for compliance.



29. <https://www.intracen.org/file/promotingsmecompetitivenessinargentinapdf>



- ◆ **Administrative Reorganisation**
- ◆ Consolidation of ministries in 2022, transforming the Ministry of Productive Development into the Secretariat of Industry and Productive Development under the Ministry of Economy for streamlined governance<sup>30</sup>.

## Conclusion

Argentina's SME sector plays a vital role in its economy, representing a significant portion of

businesses and employment. While the sector faces challenges such as high tax burdens, regulatory inefficiencies, and limited access to finance, ongoing government initiatives, including strategic plans, financial support mechanisms, and public-private collaborations, are paving the way for growth and innovation. By addressing these barriers, Argentina is positioning its SMEs for a more competitive, inclusive, and sustainable future in both domestic and global markets.

## SME resources for entrepreneurs in Argentina

MSME finance providers	Details
<b>Incubators</b>	<ul style="list-style-type: none"> <li>◆ Incubadora de Empresas de Base Tecnológica (IET); headquarters - Buenos Aires</li> <li>◆ INCUBAR (Incubadora de Empresas de la Universidad Nacional de San Martín); headquarters - Buenos Aires</li> <li>◆ NodoTech; headquarters - Buenos Aires</li> </ul>
<b>Banks</b>	<ul style="list-style-type: none"> <li>◆ Banco de la Nación Argentina (BNA); headquarters - Buenos Aires</li> <li>◆ Banco de Inversión y Comercio Exterior (BICE); headquarters - Buenos Aires</li> <li>◆ Banco Córdoba; headquarters - Córdoba</li> </ul>
<b>MFI</b>	<ul style="list-style-type: none"> <li>◆ Fundación Microfinanzas BBVA; headquarters - Buenos Aires</li> <li>◆ ProMujer Argentina; headquarters - Buenos Aires</li> <li>◆ Instituto de Fomento de la Actividad Productiva (IFAP); headquarters - Buenos Aires</li> </ul>
<b>PE/VC</b>	<ul style="list-style-type: none"> <li>◆ Kaszek Ventures; headquarters - Buenos Aires</li> <li>◆ NXTP Labs; headquarters - Buenos Aires</li> <li>◆ CVC (Citi Venture Capital International); headquarters - Buenos Aires</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>◆ Ministerio de Desarrollo Productivo (Ministry of Productive Development); headquarters - Buenos Aires</li> <li>◆ Secretaría de la Pequeña y Mediana Empresa y los Emprendedores (Secretary of Small and Medium Enterprises and Entrepreneurs); headquarters - Buenos Aires</li> <li>◆ Fondo Nacional de Desarrollo para la Micro, Pequeña y Mediana Empresa (National Fund for the Development of Micro, Small, and Medium Enterprises - FONAPYME); headquarters - Buenos Aires</li> </ul>

30. <https://www.oecd-ilibrary.org/docserver/56ed6f3f-en.pdf?expires=1734086755&id=id&accname=guest&checksum=A3997525260C672D7CA28EA705816D44>

# WASME CORNER

From global to local, unleashing potential of SMEs in Africa and other countries by nominating **WASME Permanent Representatives**

WASME is extending its extensive experience and expertise in the key areas such as technology transfer, skill development, quality control, packaging, market access, export, research and development to enhance the sustainability, competitiveness, and growth of SMEs in different countries in technical trades like aerospace, mechanical, electrical, electronics, chemical, textile, food processing, ceramic, and wooden industries etc.

With special focus on SME development in African Sub-continent along with other countries across the globe, WASME has identified and nominated Permanent Representative (PR) that will partner with WASME in implementing SME development and promotion activities. It includes:



**Skill Development & EDP** programmes, end to end support for business/ enterprise development by facilitating through consultancy, technology transfer, trade facilitation, incubation support, market, export development and research & development activities to SMEs.



**Training of the Trainers (TOT)** programme for Skill Development project in all technical trades.



Extending support to SMEs in the area of Digital Infrastructure, E-Commerce, Artificial Intelligence, Machine Learning, Robotics, Electric Vehicle (EV), Renewable Energy (RE), Software Development & Hardware etc.



**GAP study** in various fields and expert consultations for incubation including programmes on enhancing export and marketing.



**Access to credit and market** by preparing sample Detailed Project Report (DPR) by including cost effective & right technology.



**Exposure of the global expertise and experience** of WASME to SMEs, through B2B meetings, exhibitions/trade fairs, outreach programmes, buyer-seller meetings and activities with other member countries of WASME.



**Advising, formulating and implementing** schemes and programmes for enterprises at regional and national level.

WASME is open for collaborating with organizations in different countries and work closely to identify critical issues and problems faced by SMEs and draft an action plan to empower and nurture the growth of SMEs in respective country. Please send your interest or query at [dg@wasmeinfo.org](mailto:dg@wasmeinfo.org) and [directorpnd@wasmeinfo.org](mailto:directorpnd@wasmeinfo.org).

## Strengthening India-Ethiopia MSME Collaboration: Key Outcomes from WASME's Interactive Session



On December 6, 2024, the World Association for Small and Medium Enterprises (WASME) organised an interactive session with H.E. Ambassador Mr. Fesseha Shawel Gebre, Ambassador Extraordinary and Plenipotentiary of Ethiopia to India. The event served as a platform to explore opportunities for collaboration between Indian and Ethiopian MSMEs, focusing on sectors such as agriculture, ICT, energy, healthcare, and infrastructure. Attended by dignitaries like WASME President H.E. Prof. (Dr.) K.C. Jankee and various industry leaders, the session emphasised strengthening MSME ecosystems and fostering bilateral relations.

Dr. Sanjiv Layek, Executive Secretary of WASME, welcomed participants and outlined the organisation's commitment to global MSME empowerment. H.E. Prof. (Dr.) K.C. Jankee emphasised MSMEs' critical role in sustainable development and their alignment with the UN Sustainable Development Goals (SDGs). H.E. Mr. Fesseha highlighted Ethiopia's interest in deepening ties with Indian MSMEs, encouraging collaboration in trade, investment, and technology transfer.

The session included key agreements and initiatives, such as Ethiopia's participation in WASME events

in December 2024 and January 2025 and the organisation of a WASME delegation visit to Ethiopia in March 2025. This visit will feature high-level meetings with Ethiopian officials, an international event in Addis Ababa, and recognition of Ethiopian SMEs. Plans were also discussed for an International Ambassadors' Meet at the Ethiopian Embassy in New Delhi in February 2025, focusing on priority sectors and facilitating B2B and B2G engagements.

The open house discussion provided a platform for participants to seek clarifications about Ethiopia's business environment and MSME policies. H.E. Mr. Fesseha addressed queries and encouraged Indian industries to explore opportunities in Ethiopia, particularly in healthcare and education. The Ethiopian government committed to supporting MSMEs through policy frameworks, logistics, and infrastructure development.

This session marked a significant step toward enhancing India-Ethiopia relations, fostering innovation, and advancing mutual economic growth. WASME reaffirmed its role as a catalyst for MSME development and expressed gratitude to all participants for their contributions, paving the way for impactful initiatives and enduring partnerships.

## Empowering MSMEs Through Innovation: Highlights from WASME's International Conference on Advanced Manufacturing, AI, and ML



The International Conference on Advanced Manufacturing, AI, ML, and Innovation Summit, organised by the World Association for Small and Medium Enterprises (WASME), took place on December 12–13, 2024, at Taj Vivanta, Coimbatore, Tamil Nadu. With over 250 participants, including 12 international dignitaries from countries like the USA, Germany, Ethiopia, and the UAE, the conference aimed to explore the transformative potential of artificial intelligence (AI), machine learning (ML), and advanced manufacturing for MSME empowerment. The event, supported by the Ministry of MSME, Government of India, and strategic partnerships with organisations such as CODISSIA and the Indian

Chamber of Commerce and Industry (Coimbatore), highlighted the importance of leveraging technology to drive innovation, sustainability, and global competitiveness for MSMEs.

The summit commenced with a networking dinner on December 11, offering an informal setting for government representatives, business leaders, and industry experts to exchange ideas and forge connections. The opening ceremony on December 12 featured a traditional lamp-lighting ceremony and addresses from prominent dignitaries, including H.E. Ambassador Mr. Fesseha Shawel Gebre of Ethiopia and WASME President H.E. Prof. (Dr.) K.C. Jankee. The





speeches emphasised the critical role of AI and ML in shaping the future of MSMEs and fostering global collaboration. Dr. G.P. Agarwal, Secretary General of WASME, and Dr. Sanjiv Layek articulated the need for technological adoption to enhance MSME productivity and innovation.

Keynote sessions featured insights from renowned speakers such as Dr. Jairam Varadaraj, who discussed sustainability and technology applications in manufacturing, and Probir Roy, who highlighted the transformative role of AI/ML in financial services for MSMEs. Panel discussions covered critical topics like global trends in advanced manufacturing, the shift toward automation and IoT, and overcoming challenges in AI/ML adoption for MSMEs. Practical solutions, including government support, training programs, and partnerships with technology providers, were discussed to address barriers like high costs and limited technical expertise.

The conference also showcased inspiring case studies. Roots Group presented its innovative use of AI to optimise supply chain management, reducing operational costs and improving efficiency, while Bull Machines highlighted AI-driven precision and automated quality control in manufacturing. Over 150 B2B meetings facilitated meaningful

collaborations between businesses, diplomats, and international dignitaries. Key participants included embassies from Ethiopia, Ecuador, and Panama, along with technology innovators from the USA, Germany, and Hungary.

A significant highlight was the inauguration of WASME's South India Chapter, a strategic initiative to provide focused support for MSMEs in the region. Additionally, two critical Memoranda of Understanding (MoUs) were signed—one with CODISSIA and the Indian Chamber of Commerce and another with the European Global Institute of Innovation & Technology. These agreements aim to enhance global partnerships, drive technology adoption, and strengthen MSME ecosystems.

Day two included visits to leading manufacturing units in Coimbatore, such as Roots Group, Aquasub Group, and Lakshaka Tex LLP, offering delegates a firsthand look at the integration of AI and ML into traditional industries. These visits provided concrete examples of how technology can drive efficiency and innovation in real-world settings. The summit concluded with reflections from WASME leaders, emphasising the importance of global knowledge exchange, collaboration, and the adoption of cutting-edge technologies to empower MSMEs.

## Advancing Global Collaboration and MSME Empowerment: WASME's Key Role at the 2024 UNESCO ICNGO



The 2024 International Conference of NGOs (ICNGO) at UNESCO Headquarters, from 16 - 22 December, 2024, held under the theme "Building Capacity for Action," brought together NGOs worldwide to foster innovation, sustainability, and international collaboration. Among the notable participants was the World Association for Small and Medium Enterprises (WASME), a global leader in MSME empowerment, led by its

Executive Secretary, Dr. Sanjiv Layek, along with representatives from the World Development Corporation (WDC): Mr. Zeeshaan Pathan, Mr. Ayub Sheikh, and Mr. Heval Mehta.

This year the election of NGO-UNESCO Liaison Committee for 2024-26 was scheduled in which WASME has been elected in the Liaison Committee. On behalf of WASME Dr. Sanjiv Layek's represented



the organisation that promotes the MSME development mandate globally and has secured 66 votes against other competing organisations.

WASME and WDC representatives participated in various panel discussions, networked with UNESCO officials, and attended meetings with key organisations such as the International Chamber of Commerce (ICC) and the Franco-British Chamber of Commerce to further promote the agenda of MSME development in the coming years through collaborative efforts with WASME.

The ICNGO's agenda included plenary sessions, workshops, and discussions centered around key themes such as digital transformation, public-private partnerships, climate resilience, and inclusive policies. WASME contributed significantly by advocating for the integration of MSMEs into global development strategies, emphasising the importance of innovation, financial inclusion, and sustainability. Specific focus areas included enhancing digital competencies, promoting eco-friendly business practices, and addressing challenges posed by climate change and economic disparities.

In addition to its active participation in the ICNGO, WASME engaged with two prominent organisations during its visit. On December 17, Dr. Layek met with Ms. Catherine Foster of the ICC Centre of Entrepreneurship, discussing potential collaborations in international trade, technology transfer, digitisation, and skill development for SMEs. On December 20, discussions with Ms. Catherine Le Yaouanc of the Franco-British Chamber focused on cross-border trade, innovation, and sustainable practices, further strengthening WASME's global partnerships.

Strategic recommendations from WASME emphasised capacity-building for MSMEs through tailored training programs in digital skills, financial management, and marketing. The organisation also highlighted the importance of mentorship networks, inclusive policies addressing gender disparities, and support for marginalised communities. Additionally, WASME proposed frameworks to help MSMEs adopt sustainable practices, transition to renewable energy, and integrate green technologies into their operations.





## Driving Growth for Ghana's MSMEs: A Comprehensive Approach to Digital Transformation

**On December 2, 2024, the UN in Ghana launched a new programme to boost financial access, digital skills, and e-commerce support for MSMEs.**

The circa USD3 million three-year programme (2024-2027), is supported by the European Union and other key UN Member States through the United Nations Joint SDG Fund's Digital High-Impact Track. It is expected to boost the productivity of approximately 25,000 Micro, Small, and Medium Enterprises (MSMEs), primarily those led by youth and women. The programme is being implemented jointly by the UN Capital Development Fund (UNCDF), the United Nations Development Programme (UNDP) and the UN Trade and Development under the auspices of the UN Resident Coordinator and the Ministry of Trade and Industry and in collaboration with key stakeholders.

This joint programme also aims to crowd-in additional capital to support sustainable growth and address key barriers facing MSMEs, such as limited access to capital and financial services, low levels of digital literacy and skills to meet market demands, fragmented access to reliable business information and a lack of supportive policy frameworks for e-commerce. With MSMEs comprising an impressive 92 percent of businesses in Ghana, fostering a financial ecosystem that is more attuned to their needs, enhancing financial literacy, providing access to business tools, and creating clear market opportunities, is critical for driving sustainability and growth in the sector. This intervention will be bolstered by an enabling policy environment for e-commerce, alongside a strengthened capacity of the Government to develop, implement, and monitor reforms, which will, in turn, drive MSME productivity.

"This initiative is a timely boost for Ghana's digital journey, especially for the MSMEs that form the backbone of our economy. By expanding access to financial services, strengthening digital skills, and creating a supportive policy environment, we are equipping our MSMEs to thrive and compete in an increasingly digital world. This intervention is therefore an investment in our businesses for a sustainable growth and resilience of our national economy."

Patrick Yaw Nimo, Chief Director at the Ministry of Trade and Industry said at the inaugural project steering committee meeting held in Accra recently.

The United Nations recently leveraged key platforms within the MSME and digital ecosystem to boost visibility and raise awareness of this new programme. For instance, at the Ghana Digital Innovation Week held in October 2024 the UN Resident Coordinator in Ghana, Charles Abani, noted that, "This project reflects the United Nations' commitment to supporting Ghana's digital transformation and promoting inclusive, sustainable development. By focusing on MSMEs, particularly those led by women and youth, we are helping to unlock their potential, ensuring they have the financial and digital tools to thrive in a rapidly evolving economy. The UN is proud to work alongside the government and key stakeholders to drive progress that not only advances Ghana's economic goals but also contributes to the achievement of the SDGs, particularly gender equality, decent work, and economic growth."

During the "Fintech for Inclusion Summit 2024", the joint programme team further amplified the project's objectives to a wide range of audience including market players as well as MSMEs.

The inaugural project steering committee meeting was convened to illustrate the ambitions of the project to key stakeholders. Under the leadership of the Ministry of Trade and Industry and the UN Resident Coordinator, the meeting gathered key representatives from the Ministry of Finance, Ghana Enterprise Agency, Private Enterprises Federation, Civil Society Platform on SDGs as well as the European Union Delegation, representing the pool of contributors and funders.

This project aligns with the European Union's broader development goals across the continent. With its support, the EU is reinforcing its commitment to



Africa's digital transformation and inclusive growth, particularly empowering youth and women-led MSMEs in Ghana.

During the meeting, it was clear that this project goes beyond traditional development aid by helping to reinforce Ghana's Agenda 2030 financing ecosystem and catalyzing strategic investments that unlock public and private capital towards the Global Goals. "UN Capital Development Fund (UNCDF) is in the driving seat for this joint programme to take advantage of its unique mandate of the UN's catalytic finance entity for developing countries. Such a role is very much in line with the goals of the JSDGF and its contributors as it intends to provide de-risking capital that can unblock additional finance towards SDG-aligned targeted investments with potential for replication and scaling up" said Arianna GASPARRI, Technical Specialist, UNCDF.

By the end of the implementation period, the project is set to create a transformative and sustainable impact in Ghana's MSME landscape by building enduring resilience and growth for 25,000 MSMEs.

Alongside providing access to financial services, the initiative will strengthen government-led business support infrastructure through the Digital Gateway, a one-stop resource for MSMEs. The initiative will also strengthen the capacity of policy makers to implement and monitor policy reforms, through the use of the UNCTAD eTrade Reform Tracker, which will enhance long-term sustainability of government actions. Additionally, MSMEs will gain critical digital skills, encompassing both financial and business-oriented expertise.

This joint programme is made possible thanks to the generous contributions to the Joint SDG Fund from the European Union and the Governments of Belgium, Denmark, Germany, Ireland, Italy, Luxembourg, Monaco, the Netherlands, Norway, Poland, Portugal, Republic of Korea, Saudi Arabia, Spain, Sweden, and Switzerland. Their support is driving a transformative movement towards achieving the Sustainable Development Goals (SDGs) by 2030.

**Source:** <https://ghana.un.org/en/284927-driving-growth-ghana%E2%80%99s-msmes-comprehensive-approach-digital-transformation>

## MSME Financing Gateway launched in Rwanda

MSMEs contribute to more than 50% of Rwanda's GDP and account for over 70% of employment. However, these businesses often face significant hurdles in accessing the finance they need to grow and innovate. The MSME Financing Gateway addresses the issue of information asymmetry by providing a centralized platform that connects MSMEs with relevant financial institutions and service providers. This initiative will enable financial players to increase their market reach and propose suitable solutions for MSMEs growth.

Private Sector Federation Rwanda (PSF) in partnership with International Trade Center (ITC), through the second phase of the European Union (EU) funded, EU-East African Community (EAC) Market Access Upgrade Programme (MARKUP II), officially launched the MSME Financing Gateway in Kigali City on December 16, 2024.

The launch of MSME Financing Gateway in Rwanda is a significant milestone to MSMEs contribution to the economic development of their communities.

It will enable beneficiaries to access a large range of financial instruments, business and sustainable development services available in Rwanda; analyze, and match their requirements, and then connect directly to providers at no cost.

Mumbi Maina, Access to finance lead at ITC said during her remarks "The International Trade Centre is committed to partnering with Rwanda in achieving targets set in the National Transformation Strategy, within which SMEs are a critical driver to boosting exports and creating decent work opportunities. The free to use financing gateway that we launch today is a powerful tool to strengthen visibility and access of financial solutions and business support for MSMEs, supporting their resilience and growth ambitions."

In line with the NST2 Strategy, the platform is expected to increase the number of MSMEs accessing financial services in Rwanda by the end of 2027.

**Source:** <https://www.intracen.org/news-and-events/news/msme-financing-gateway-launched-in-rwanda>

# ABOUT WASME

WASME is an International Non-Governmental Organization that has observer and consultative status with many UN agencies, such as UNIDO, UNCTAD, UNICITRAL, WIPO, ILO, ECOSOC, UNESCAP, ITC, and UNESCO. Additionally, WASME has several inter-governmental and international organization affiliations. It has been striving to stimulate, foster, promote, and coordinate international cooperation for the growth & development of MSMEs.

WASME was founded in 1980 with the goal of supporting MSMEs in member countries. We have achieved this through our strong association with local government bodies, regional authorities, international linkages, civil societies, SMEs, etc. We are continuously working to improve our innovative and sustainable framework so that we can better serve MSMEs around the world.

WASME's vision is further realized and advanced with the consistent support of its large base of member representatives in over 100 countries.



WASME's focus is on MSMEs by providing technology transfer and trade promotion through international/regional conferences/workshops/seminars. WASME also organizes programs on various important issues for the growth of MSMEs such as IPRs, Skill Development, Certification & Accreditation, ICT, Marketing, Global Supply Chain, Technology Transfer, Entrepreneurship development, quality control, AI, Machine learning, robotics, etc.

WASME also publishes monthly "World SME News" which features developments in the MSME sector from around the world, as well as a fortnightly e-newsletter called the "SME e-Bulletin". These two organs act as a way to disseminate information among members and advocate for sustainable and regenerative MSME development and growth.

## CORE ACTIVITIES



Articulating concerns and interests of MSMEs at various national and international level.



Developing relationship between MSMEs in developed and developing countries by encouraging enterprise-to-enterprise cooperation in the area of skill development, technology transfer and export;



International cooperation by networking with MSME promotion organisation at national and international level.



Enlarging collaboration with UN agencies and international organisations.



Capacity building of MSMEs through seminar, EDP and skill development programmes.



Information dissemination on technology, export, marketing, match making etc. in MSME sector.



Carrying out research and studies on national/international issues confronting MSMEs.

# MEMBERSHIP SERVICES

WASME has members in different countries across the world. Member constituents represent industrial promotional organizations of various types and come from highly industrialized, developing and transition economies, as well as least developed countries. WASME has a broad membership spectrum that includes:

## Categories

### General Members

- ◆ Ministries/ Government Departments
- ◆ Public Sector Undertakings/Semi Government Organization
- ◆ Export Promotion Councils/ Trade Councils
- ◆ Financial Institutions/ Banks/ NBFCs
- ◆ SME Promotion Organization/Enterprise Development Organization

**Chambers/ Industry Associations/ SME Associations**

**International & Regional Federations/ Associations**

### Associate Members

- ◆ Corporations, Consulting Firms
- ◆ Partnership/ Proprietorship/ LLP etc
- ◆ Research Institutes/ Technical Institutes/ Universities
- ◆ Individual Consultants/ Experts/ Students
- ◆ NGOs/ SMEs etc.

### Associate Membership-Indian Chapter

Any General Member or Associate Member who is willing to be Permanent Member of WASME

## Benefits to Members

**Collaborating with other members on issues of common interest to enable local SMEs gain access to a variety of advantages, such as:**

- ◆ Making advantage of a vast network of WASME to create new alliances
- ◆ Building a global network and making your voice heard
- ◆ Globally promoting your company using WASME marketing platforms
- ◆ Possessing the chance to organise or present at WASME Global Conferences, Seminars, Exhibitions, events, and programmes
- ◆ Having your interests represented at multilateral organizations including UN organizations, national and international forums etc.
- ◆ Sharing your opinions and ideas in WASME publications
- ◆ Get access to WASME Resource Centre of Knowledge, Experts, Technology, Trade Facilitation, Financial Assistance, Market Linkage etc.
- ◆ Get tailor made services and support

**For more information visit our**

**Website:** [www.wasmeinfo.org](http://www.wasmeinfo.org)

**Contact:** [membership@wasmeinfo.org](mailto:membership@wasmeinfo.org)

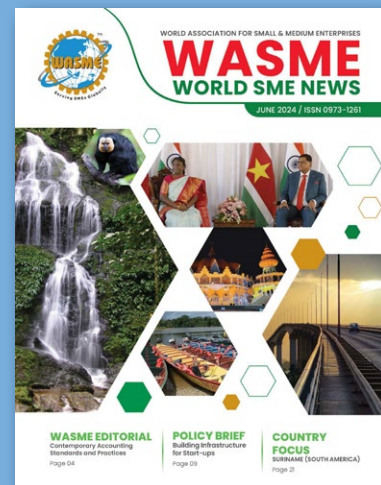
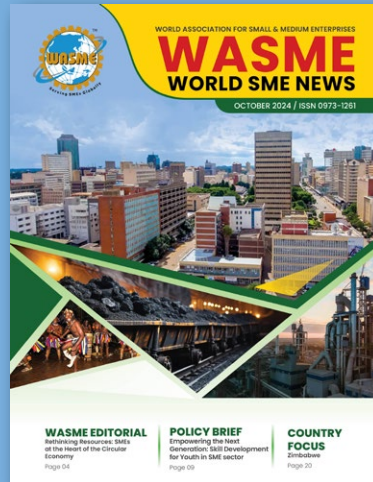
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