An entrepreneurial culture is the foundation to any thriving economy and society. As a member of the Dutch Committee for Entrepreneurship, I am proud to say that in The Netherlands, achieving a sustainable growth of small and medium-sized enterprises—SMEs—is a key part of our economic agenda.

Also, as the UN Secretary-General's Special Advocate for Inclusive Finance for Development, my mandate is to support policies and business practices that advance universal access to affordable, effective, and safe financial services. Currently, 1.7 billion adults globally remain unable to access financial services such as savings, credit, insurance, and payments. And in terms of businesses, still today, around 40% of formal MSMEs worldwide lack the financing to expand, therefore hampering a robust inclusive economic growth.

Over the years, I have seen how essential entrepreneurship is in creating employment, value and innovation, while delivering products and services that people need around the world, both in developing and developed countries.

“Traditional” entrepreneurship has been the backbone of our local economies for centuries. But as technology advances, we are now witnessing the rapid emergence of innovative entrepreneurialships: the ‘startups’.

A combination of tech-led and innovative business models enables them to create new products and services that reach more people at a cheaper cost, utilize unused assets and build upon data information. Even things that were unthinkable before. Whole sectors have been transformed—from financial services to food and agriculture, connectivity, energy, water, and healthcare—making these services more efficient and more accessible for even greater portions of the world's population.

For any entrepreneur—startup or traditional—there are five key factors that can help a business fully thrive and make our world more inclusive.

- Access to finance—both for entrepreneurs and their customers.
- Technology—the need for fast digitization of all businesses.
- A customer-centric business model, which allows usage and access to markets.
- An enabling environment, including infrastructure.
- And more and more, leveraging strategic partnerships.

First: For businesses, access to finance is crucial.

However, an IFC study found that the financing gap for MSMEs in emerging markets amounts to over $8 trillion (dollars). A lack of collateral, credit history, or transaction records can make it difficult for traditional businesses to access affordable credit from lenders. In the Netherlands, Qredits was created specifically for smaller firms that didn't have access to normal banking credit.
Innovative startup entrepreneurs also face financing challenges but they are different from traditional MSMEs. Access to growth capital such as venture funds and angel investors can be limited in every phase.

**Second: Technology**

Technology and digitization can dramatically reduce cost and allow entrepreneurs to develop profitable low-value, big-volume business models. This is even more essential in emerging markets where infrastructure is less available, and the majority of the consumers have very limited purchasing power.

For example, fintech lenders such as Konfio in Mexico or Lidya in Nigeria use digital platforms and data analytics to lower customer acquisition and underwriting.

This means these companies can offer more affordable rates than traditional lenders at a much faster turnaround time. They also provide highly valued, non-financial services which really help clients grow. Lidya for example, offers clients digital methods to track invoices and receive payment reminders—giving these SMEs better insights in their business will help them increase productivity.

**Third: A customer-centric business model, which is key for usage, scale and impact.**

Last year, during a visit to Indonesia, I became acquainted with Go-Jek—a startup which began as a very needed ride-hailing app for the country's highly informal and traditional motorcycle taxi industry. Go-Jek is now a "super-app" that offers 18 on-demand services ranging from transportation to food services and logistics delivery, to in-home cleaning services. All provided by more that one million micro-entrepreneurs.

Customers needed to pay all of these services in an easy and fast way, so Go-Jek set up its own digital wallet—now one of the most used in Indonesia. Go-Jek is, today, one of Southeast Asia's most valuable unicorns.

**Fourth: Governments play an important role to foster entrepreneurship in an inclusive and responsible way.**

Fintech has huge potential to play a transformative role to combat exclusion. But the speed and complexity of new innovations can be a challenge for regulators. Regulation should not stifle innovation. But at the same time it should protect consumers and the stability of systems—quite a balancing act.

It is important to recognize the power of having regulators and fintech innovators find solutions together to tackle risks and accelerate progress. To support regulators, particularly from emerging and developing economies, my fintech working group recently released a report that provides insights into regulatory innovations and will hopefully help to foster new technologies without hampering stability and consumer protection.

One issue that is very important is to ensure a level playing field. This is very true to financial services as it is in other sectors. As new technologies appear, the likelihood of a winner-takes-all situation could be more pronounced in emerging markets—especially within the digital space.

Because of the absence of infrastructure, a new innovative player can build ecosystems to address the infrastructure challenges around their business model. This is needed to transform a market at the beginning but might lead to a monopolistic or oligopolistic market structure. It is therefore important for regulators to mitigate against excessive market concentration.

For all of these things to work in an inclusive and fair way we will need certain pre-requisites, as I like to call them. These key enabling factors include cybersecurity, digital ID systems, customer data protection, financial and digital literacy, data privacy, and connectivity for all segments of the population.

In terms of competition and giving everybody an opportunity, entrepreneurship itself should be inclusive, particularly for women. Ability and intelligence cut across gender, but opportunity—and access to capital—does not. A study in the US found that, on average, women receive less in early-stage capital than men; yet startups
founded by women generally deliver over two times per dollar invested more than those founded by men.

And in the Netherlands, only 8% of the companies that have attracted venture capital have women in the leading teams. It shows a big disconnect between female entrepreneurship and venture capital.

To address this issue and make finance work for women, FemNL has been launched in the NL. It encompasses the creation of the Borski Fund and a mentoring program, Fempower Your Growth.

This investment fund will hopefully allow more female talent to set up companies, and subsequently show others investors that women are worth investing in.

**And my fifth and final point is the growing importance of strategic partnerships.**

Businesses of course do not operate in isolation. Many depend on ecosystems to thrive. The Dutch company ASML, which produces machines that make semiconductors, works in an "Open Innovation" system together with its suppliers, partners, and customers. In this way, it expands the knowledge and skills of all the partners involved, and accelerates innovations, much faster, than any one partner could do alone.

Creative partnerships can also help entrepreneurs grow faster by reaching last-mile and previously unserved customers. Last year we convened the CEO Partnership for Economic Inclusion to create this sort of cooperation. For example: Telenor, a mobile services provider, partnered with Unilever and PepsiCo, to enable micro-merchants in Pakistan to digitize their payments. The digitized transaction data can then be used to assess their creditworthiness for working capital loans. This resulted in higher incomes for the micro-merchants, and of course was good for the involved companies. Of course, technology is vital in allowing more of this kind of cross-industry partnerships.

*Ladies and gentlemen,*

Before I conclude, I’d like to say how wonderful it is to have so many entrepreneurs and innovators from around the world gathered here. Also, because it gives me the perfect chance to share some of my wishes with you!

First, we need data and timely in-depth analysis on the whole entrepreneurship landscape. The dynamism is large and ever-increasing. By having insights on who is winning, who is treading slowly and who is losing and why, we can design better policies and really help entrepreneurs. We are trying to achieve this with our yearly State of the SMEs report in the Netherlands.

Second, given that digitization, management systems changes and investment in human resources are key to increase productivity, how can we help companies to invest in those processes? Today, one cannot secure or guarantee a loan that helps you re-school your people or buy a new software, making funding difficult to obtain. How can we “secure” the financing for these investments?

And lastly, we have so many challenges, from sustainability to energy and water provision, food security, women empowerment, maintaining healthy families. How can we create partnerships within the private sector, across industries and with the NGOs to design products that can improve lives of so many that need it? We are seeing many examples, certainly building on technology, but we need more and we need scale if we want to change the world and make it a more equitable one.

I look forward to learning more about all your endeavors and I hope that we can learn from each other and above all inspire each other to make a better world.

Thank you.