



# Director's Meeting 2006

This year, UNCTAD welcomed old and new friends alike to Geneva, at the 13<sup>th</sup> EMPRETEC Directors' meeting held on 1-3 November 2006. Our family of Directors is growing – this year we greeted our newest country Director from Mexico. The meeting was attended by 22 Directors, business counsellors and advisers, representing 19 EMPRETEC Centres.

The sessions were lively: many Directors gave presentations on relevant issues, sharing their own experiences and best practices with their fellow Directors.

The meeting was opened by [Mr. Dirk J. Bruinsma, Deputy Secretary-General of UNCTAD](#), who welcomed the EMPRETEC Directors to UNCTAD. He noted that the EMPRETEC Programme has successfully trained over 110,000 entrepreneurs to date. In addition, it has been instrumental in fostering entrepreneurship by building



*"You are those who implement the ideas of the United Nations on the ground"*

institutional capacity at the country level. It also encourages employment-creating investment and linkages both among SMEs and between small and large enterprises and transnational corporations (TNCs). It is a fine example of successful South-South cooperation that should be replicated and expanded.

Mr. Bruinsma also stressed that entrepreneurship development was essential and should therefore be a key element of the Aid-for-Trade initiative.

This is an initiative launched by WTO to help developing countries, particularly LDCs, build the supply-side capacity and trade-related infrastructure they need to expand their trade.

Ms. Krylova, Head of the Enterprise Development Branch, along with Mr. Stefunko, International Entrepreneurship Coordinator, reported on the successful accomplishments of the Programme since last year's meeting. Mr. Hamdani, Director of the Division on Investment, Technology and Enterprise Development, closed the session, reiterating his support to the EMPRETEC Programme and calling on Directors to work with UNCTAD to prepare the upcoming UNCTAD XII Conference, to be held in Ghana in April 2008.

## EMPRETEC Africa Forum Created

The African EMPRETEC representatives launched a regional networking initiative, "[EMPRETEC Africa Forum](#)", to reinvigorate the EMPRETEC Programme in Africa. EMPRETEC assists mainly small and medium size enterprises (SMEs) in Africa. SMEs, the products they sell, and the employment they generate are considered vital to broad-based economic growth and

higher living standards in the continent. This network will serve two main functions. First, it will help Centres in Africa think strategically and act operationally by giving the entire network a vision and a directional focus. Secondly, it will initiate partnerships with the private sector and donors to implement regional programmes. UNCTAD is striving to strengthen and

expand the Global EMPRETEC Network. At this year's Directors' meeting, the International Trade Centre (ITC) presented its programmes on [International Purchasing and Supply Management](#), [Enterprise Management Development](#) and [Business Advisory Services](#) with a view to establishing cooperation ties with EMPRETEC Centres.

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# Cooperation: International Trade Centre

Mr. Osman Ataç, Chief, Enterprise Management Development (EMD), gave an overview of ITC resources. ITC endeavours to develop the competencies of SMEs in Management, Export and E-Trade at the micro level. ITC provides support services and technical assistance through local trade services institutions and government bodies, by facilitating ITC tools, methodologies and networks. Ms. Stefania Casappa, Mrs. Margareta Funder and Mr. Bruce Shepherd also presented relevant ITC programmes.



## International Trade Centre



## Business Linkages

The EMPRETEC Directors' meeting was organized back to back with the Expert Group Meeting on *Best Practices and Policy Options in the Promotion of TNC-SME Linkages*. EMPRETEC Centres from Argentina, Botswana, Uganda, Ethiopia, Chile and Uruguay participated actively in the sessions.

Experts identified ways for enterprises in developing countries to expand their businesses by promoting closer ties between small companies and transnational corporations. They also identified ways of addressing the constraints faced by developing countries, particularly LDCs.

No two linkage programmes are the same. But a series of best practices and [key success factors](#) for business linkages programmes can be identified:

- A [systemic policy approach](#) to improve the general business and investment climate;
- Strengthened [public-private partnerships](#);
- [Inter-firm cooperation and networking](#) to develop clusters and supply chain management to improve business links.

**Aid for Trade.** To help build supply capacity, the initiative should integrate investment.

**Corporate social responsibility**, as launched in new business linkage initiatives ([BASF](#), [Timberland](#)).

**Business models.** Value chain and innovative "bottom-of-the-pyramid" business models have proven successful in promoting sustainable development.

### UNCTAD Field Projects:

In **Uganda**, the project is being implemented by the local EMPRETEC Centre (Enterprise Uganda), in collaboration with the Uganda Investment Authority and local financial institutions. Results to date include:

- Uganda Breweries is assisting 2,000 barley growers' in Eastern Uganda;
- Kinyara Sugar Works Limited under Booker Tate signed an agreement to strengthen its links with 2,500 local farmers;
- Two telephone companies have signed up to upgrade their distributor network, thereby assisting 15 SMEs;
- The country's biggest real estate developer has signed an agreement to support eight local suppliers;
- One linkage has been created in the manufacturing of building materials.

UNCTAD has joined forces in **Brazil** with the German Technical Cooperation Agency (GTZ), Instituto Ethos and Fun-

dacao Dom Cabral (FDC) to develop a new concept for promoting business linkages with financial and operational support by the Government of Germany. Institutional agreements have been signed with both the Brazilian Ministry of Industry and Development and SEBRAE Nacional.

Ten TNCs and one Brazilian company (including BASF, Philips, Bosch, Veracel, Lyondel, Sofitel, Iberostar, Praia do Forte Ecoresort, Superclubs Breezes, Sauípe S.A and Vila Galé) are cooperating with the project by upgrading their local supplier SMEs.

Advisory services are provided, including the formulation of policy advice on how to promote a linkage-friendly environment.

A new undertaking has been initiated in **Viet Nam** between the Royal Melbourne Institute of Technology-International University Viet Nam (RMIT Viet Nam), the Investment Promotion Centre of North Viet Nam under the Foreign Investment Agency of Viet Nam (IPCN) and UNCTAD to jointly implement a business linkages promotion programme. This collaboration is aimed at facilitating the creation and strengthening of business linkages between foreign affiliates and domestic SMEs in Viet Nam.

# Entrepreneurship Training Workshops: How to measure results?

The Entrepreneurship Training Workshop (ETW), with its behavioural training approach, is based on the principle of strengthening key entrepreneurial competencies that influence the way entrepreneurs manage and run their businesses. Over a period of almost 20 years, there has been overwhelming evidence from EMPRETEC Centres around the world of positive impacts on entrepreneurship development. The core ETW receives extremely positive feedback from former participants, which praise its "eye-opening" approach. Despite this positive feedback, no comprehensive and standardized evaluation across Centres has yet been conducted to demonstrate the many advantages and benefits of the EMPRETEC concept.

To address this deficit, a standardized "impact assessment" approach has been developed in cooperation with the University of Oxford, which fo-



EMPRETEC Jordan

"before-after" comparison of key variables, including changes in scores for Personal Entrepreneurial Competencies (PECs) and a variety of indicators on business characteristics and business performance.

These indicators are measured before the training and at two reassessments four and eight months after the training. More than 10 EMPRETEC Centres have already signed up to participate in the impact assessment, and more are expected to

join. The assessment is open to all Centres, with the possibility of joining at any time. The assessment will be conducted by Centres on a continuous basis and will allow sufficient flexibility for adaptation to centre-specific needs and training schedules.

focuses on measuring ETW impacts in two areas:

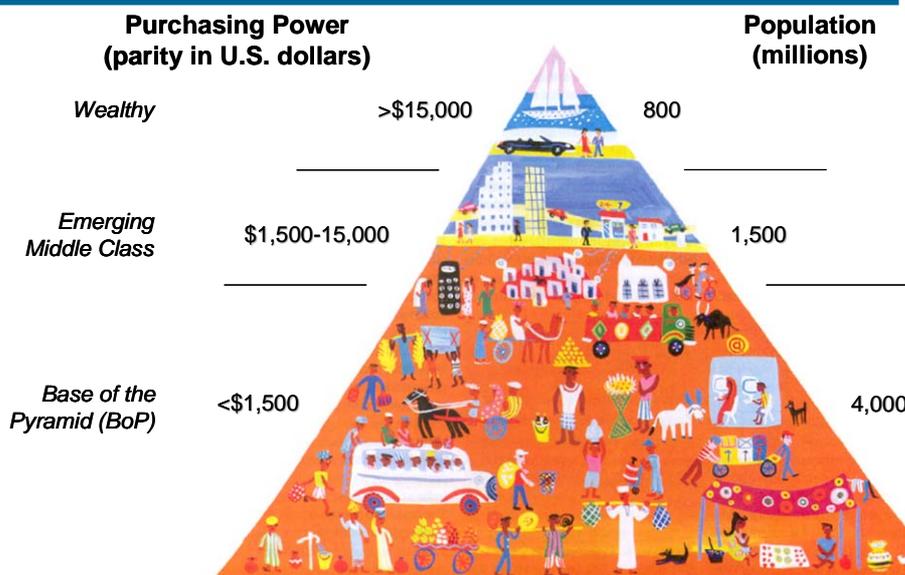
- Changes in participants' entrepreneurial competencies; and
- Changes in participants' business performance.

The methodology is based on a

## Bottom of the Pyramid

At the Directors' meeting, **Mr. Martin H. Klein** of Erasmus University gave a presentation on the preliminary results of the survey on business challenges firms face, in particular in developing countries. Mr. Klein conducted the survey using EMPRETEC Centres as resources to identify small business (Empretecocos).

The survey found that firms in developing countries that cater to predominantly low-income customers face a different set of challenges than their counterparts in developed countries, mostly with respect to financial and human resources. However, environmental sustainability and market research were also mentioned as a business challenge by many firms from developing countries.



Source: Prahalad & Hammond (HBR, 2002)

*Of the 80.6 million people with which the world population grows each year, 79.5 million are born in less developed countries.*

(Population Reference Bureau, 2006)

*2.6 billion people – more than half of the world population have a purchasing power of \$2 or less per day* (World Bank, 2006)

## Upcoming Events

- Launching of EMPRETEC Guyana (16 - 20 January 2007) - Georgetown, Guyana
- EMPRETEC Ghana Steering Committee (1-2Feb) - Accra, Ghana
- Commission on Enterprise, Business Facilitation and Development, 11<sup>th</sup> Session (19 – 23 Feb. ) - Geneva, Switzerland

## The 2007 EMPRETEC Action Plan

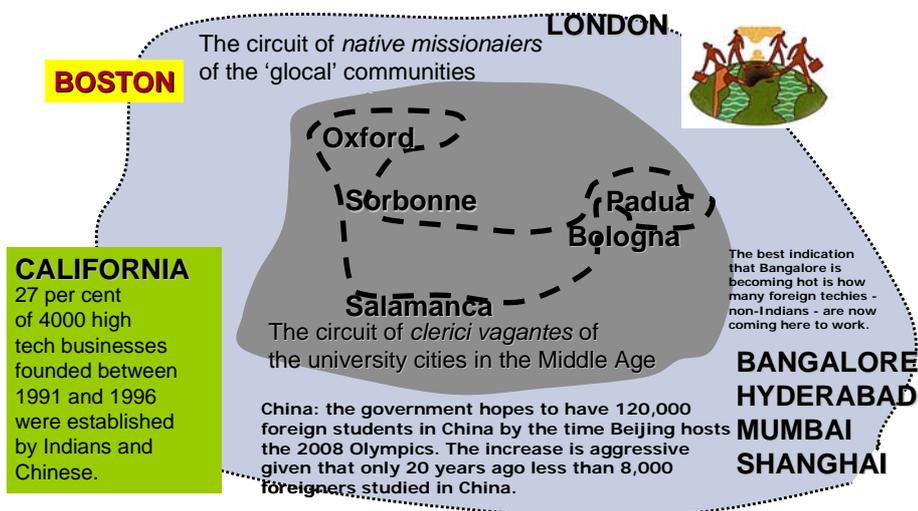
EMPRETEC Directors agreed to take on ambitious plans and to work closely with the UNCTAD secretariat on a more proactive strategy to achieve the vision of developing EMPRETEC Centres into focal points for entrepreneurship, enterprise development, and spreading an entrepreneurial culture in their countries. This includes:

- Branding of the EMPRETEC Programme;
- Strengthening the core product: the Entrepreneurship Training Workshop;
- Improving EMPRETEC Centres' financial sustainability;
- Facilitating network communication with the collaborative workspace;
- Carrying out impact assessment;
- Strengthening the coordination and facilitation capacity of UNCTAD-EMPRETEC at headquarters.

## The International Entrepreneurship Academy: spotting the next generation of entrepreneurs

### Brain circulation: Knowledge nomads and boundary-less knowledge entrepreneurs

*The International Circuit of Clerici Vagantes (Wandering Students) in the Middle Age and Today*



**Piero Formica**, Professor of Knowledge Economics and Entrepreneurship, Dean, International Entrepreneurship Academy, Jonkoping University, Sweden, introduced the main features of the International Entrepreneurship Academy, which was also presented at the EMPRETEC Directors' meeting. This institution provides an integrated, multi-level, commercial model of private education based on best practices in teaching and learning to train knowledge entrepreneurs. Knowledge entrepreneurs are those who create value in the "boundaryless" knowledge markets through the infinite resource of knowledge that they put into action with the purpose of furthering progress in society, the economy and the environment.

The Academy operates in many countries, including the United States of America, United Kingdom, India, China, Spain and Italy, to encourage "brain circulation" and entrepreneurship.

## 2006 Highlights: The XV EMPRETEC Latin American Meeting

The XV Latin American Meeting of the EMPRETEC Programme was held 11-12 October 2006 in Cuiaba (Mato Grosso), Brasil. Eleven EMPRETEC Directors met to assess the different situations of EMPRETEC Centres in Latin America and to discuss ways and means for further regional cooperation. Directors debated ways of streamlining communication and marketing efforts with a view to consolidating the EMPRETEC Programme in the region following the experiences and realities of each country.



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