

# EMPRETEC AND BUSINESS LINKAGES

## HELPING SMALL ENTERPRISES TO GROW SUSTAINABLY



### GLOBAL CONTEXT

Small to medium-sized enterprises (SMEs) are key engines of economic growth. They are dynamic, adaptable and flexible and have an innovative capacity that makes them a cornerstone of ongoing economic reforms in developed and developing countries alike. SMEs make significant economic contributions through outputs, employment, new job creation and innovation. In most countries, they account for over half of the total share of gross domestic product. Their share in the number of registered companies is typically much higher, reaching 90–95 per cent in nearly all countries. The importance of SMEs for large companies, both as subcontractors and sellers of their products, has been constantly increasing. For SMEs to benefit more from globalization, though, they need assistance to realize trade and investment opportunities and to become internationally competitive.

Empretec – the UNCTAD Entrepreneurial Development Programme – is a capacity-building programme that promotes the creation of a one-stop-centre for enterprise creation and development, particularly for SMEs in developing countries and countries with economies in transition. Since 1988, the Empretec programme has helped to foster entrepreneurship capabilities and the growth of internationally competitive SMEs in developing countries and countries with economies in transition. Empretec centres, located in 36 countries, receive support from UNCTAD in Geneva (Switzerland). The programme is focused on promoting public–private partnerships and aims at developing sustainable mechanisms to release entrepreneurial potential and provide business development services for local SMEs. The UNCTAD Business Linkage Programme, as a multi-stakeholder initiative that grew out of Empretec, goes a step further for SMEs by transforming linkages between SMEs and transnational corporations into sustainable business relationships.

### HOW DOES IT WORK?

The UNCTAD Empretec programme operates through a network of centres in 36 countries. Certified local trainers ensure that training is delivered on the ground in Arabic, English, French, Portuguese, Romanian, Spanish and Swahili. The programme encompasses four elements:

- Entrepreneurship reviews and advisory reports;
- Intergovernmental peer review;
- Installation of Empretec centres and follow-up technical assistance;
- Follow-up services to entrepreneurs.

Entrepreneurs benefit from follow-up services provided by established Empretec centres that involve assistance with business health checks, business plan formulation, public–private sector partnerships and business linkages with transnational corporations through the UNCTAD Business Linkage Programme.

By means of the Business Linkage Programme, UNCTAD plays not only the role of intermediary, it also improves the productivity

### PROGRAMME FACTS AND FIGURES

Programme scope: all regions

Programme start date: 1988

Number of countries assisted  
to date: 36

Number of entrepreneurs  
trained: 342,000

Number of Empretec trainers:  
600 (1988–2014)

Programme website:  
[unctad.org/empretec](http://unctad.org/empretec)



and efficiency of local suppliers through training, mentoring, information exchange, quality improvements, innovation and technology transfer. In addition, UNCTAD assists Governments and other stakeholders in building an enabling policy environment and supports networks of business development and other service providers.

## RESULTS AND IMPACT AT A GLANCE

- Business performance indicators measured on some beneficiaries in Jordan and South Africa, one year after an Empretec workshop, showed improvements in several areas. For instance, sales increased respectively by 78 per cent and 36 per cent; employment grew by 53 per cent and 50 per cent; and profitability, by 82 per cent and 40 per cent.
- A training assessment conducted in 2014 by the Brazilian Empretec centre, Sebrae, of 3,000 participants who attended the workshop the previous year showed positive ratings for the Empretec training in satisfaction and usefulness (the average score was 9 out of 10 points). The assessment also found that:
  - 96 per cent of participants had applied what they learned during the workshop in their professional life;
  - Attending the workshop influenced the decision to start a business in almost two-thirds of those who were not entrepreneurs when they started the training;
  - 72 per cent of participants stated that the workshop helped them with planning and goal setting;
  - 60 per cent of those who had a business before the workshop reported an increase in their monthly turnovers after attending the training and working on the competencies learned.

## Results in-depth

### Moving to another level of development:

#### Linking up businesses

UNCTAD assists host countries that request development of national programmes on transnational corporation and SME linkages.

**Uganda.** The country's business linkage programme, run in cooperation with the Uganda Investment Authority and the Ugandan Empretec centre (Enterprise Uganda), involved 6 large domestic and foreign companies and 26 local SMEs. The objective was to streamline their supply chains. From 2006 to 2008, the sales values of SME-transnational corporations increased on average by 15 per cent; for SMEs, average net margins more than doubled. SMEs recorded an impressive 100 per cent growth in employment.

**Mozambique.** The national business linkage programme, in cooperation with the National Centro de Promoção de Investimentos and Enterprise Mozambique Foundation as its main local counterparts, benefited 43 farmers who were supplying barley to Cervejas de Moçambique Breweries, a subsidiary of SAB Miller of South Africa. As a result of the programme, farmers diversified their sources of income and learned how to run their farms as a business: their annual income increased from an average of US\$300 to US\$700.

*"[The bank] recommended me for training with the Empretec centre in Uganda, called Enterprise Uganda. I was trained in business and financial management. That changed the face of my business. It put me in order. I wish I had got this training before I started my business. The training in entrepreneurship helped me... define my ideas of what a practical and inspiring education would be, incorporating hands-on experiences that would be useful to life out of school. ... Empretec helped me to build my skills, gain knowledge of my rights as a businessperson and to make my business unique."*

Founder, Lira Integrated School in northern Uganda, and beneficiary of the UNCTAD Empretec programme, at the first TEDxPlaceDesNations event (Geneva, Switzerland, 2014), on overcoming numerous challenges to establish her school in an underserved rural community and provide quality education to young people, in particular girls, in an economically disadvantaged region

## DONORS/ FUNDING SOURCE

**Current:** Multi-donor/Cross-cluster Trust Fund on Capacity-building in Investment for Development

**Past:** Finland, Italy, Portugal, Spain, Sweden, Switzerland