

ENTREPRENEURSHIP DEVELOPMENT

HELPING SMALL ENTERPRISES TO GROW SUSTAINABLY



GLOBAL CONTEXT

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, however, 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, in particular 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. The Programme is focused on promoting public–private partnerships and aims to develop sustainable mechanisms to release entrepreneurial potential and provide business development services for local SMEs. The UNCTAD Business Linkages 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.

UNCTAD also provides technical assistance and capacity-building support to a number of developing economies, including advice and training, to inform and guide the development and implementation of national entrepreneurship policies, strategies and action plans, based on the Entrepreneurship Policy Framework of UNCTAD.



HOW DOES THE EMPRETEC PROGRAMME WORK?

The Empretec Programme operates through a network of centres in 40 countries. Certified local trainers ensure that training is delivered on the ground in Arabic, English, French, Portuguese, Romanian, Spanish and Swahili. The Programme encompasses the following four elements:

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

Entrepreneurs benefit from follow-up services provided by established



PROGRAMME FACTS AND FIGURES

Scope: All regions

Start date: 1988

Countries assisted: 40

Entrepreneurs trained: 422,000

Empretec trainers: 600 (1988–2017)

Website: unctad.org/empretec



**Sustainable Development
Goals addressed:**

Directly: 4 and 8

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 Linkages Programme.

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

The Entrepreneurship Policy Framework identifies policy objectives and options in the form of recommended actions designed to aid Governments in the practical formulation and targeting of national entrepreneurship strategies and action plans. Beneficiaries have included Cameroon, the Dominican Republic, Ecuador, El Salvador, the Gambia and the United Republic of Tanzania. Advisory services are delivered to facilitate Entrepreneurship Policy Framework implementation efforts. To date, 10 countries have successfully utilized the Entrepreneurship Policy Framework in the implementation of national entrepreneurship policies.



RESULTS AND IMPACT AT A GLANCE

- Business performance indicators measured in some beneficiaries in Jordan showed that 72 per cent of participants started a business within the eight months following attendance at an Empretec training course and, within the same timeframe, the number of jobs created by participants in the survey was on average 2.6 per business.
- A training assessment conducted in 2016 by the Brazilian Empretec centre, Sebrae, of 3,000 participants who attended a workshop in the previous year showed positive ratings for the Empretec training in satisfaction and usefulness (the average score was 9.1 out of 10 points).
- Mechanisms to promote public–private sector dialogues have been established in six countries, namely Cameroon, the Dominican Republic, Ecuador, El Salvador, the Gambia and the United Republic of Tanzania.
- A sustainable institutional framework to monitor the implementation of an action plan has been developed in Ecuador with an online tool; core indicators show that 300 new firms have been established, 1,000 jobs have been created and \$9 billion in exports has been generated.
- In the United Republic of Tanzania, the national business linkages programme, implemented in cooperation with the Investment Centre, has assisted 565 farmers in tomato, coffee and dairy value

chains. An assessment carried out on tomato growers showed that 75 per cent of trained farmers adopted improved tomato breeds, which translated into an increase in average productivity per acre from 16,000 kg (local breeds) to 40,000 kg (improved breeds). Another assessment showed that, following UNCTAD assistance, milk suppliers were able to reduce the fluctuation in production volumes between dry and rainy seasons, and became more attentive to quality control protocols.

- In Mozambique, the national business linkages programme, in cooperation with the National Centro de Promoção de Investimentos and Enterprise Mozambique Foundation as its main local counterparts, benefited 43 farmers who diversified their sources of income and learned how to run their farms as a business; their annual income increased from an average of \$300 to \$700.

“Under the framework [of] Entrepreneurship Policy Framework implementation, two important elements have been identified as best practice. First, the involvement of the private sector in implementing entrepreneurship policy. Secondly, the creation of a venture capital fund aimed at strengthening the competitiveness of SMEs and their participation into value chains.”

Mr. Eduardo Egas, Minister of Industry and Productivity, Ecuador

“From what I have learnt from the Empretec workshop, I have managed to get more customers, improved on diversity and moved on a number of projects that previously I could not attempt. I was very motivated when I won the first prize at the Empretec workshop, having the highest profits in the business creation exercise.”

Mr. Davies Mendulo Sinyinza, Empretec graduate, Zambia



DONORS/ FUNDING SOURCE

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

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

