## **United Nations Conference on Trade and Development**

## Report

## Business Linkages and the Role of IPAs in Enhancing Local Productive Capacities

Seminar held parallel to the 2<sup>nd</sup> session of UNCTAD's Investment, Enterprise and Development Commission



29 April 2010 Geneva, Switzerland



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#### I. Seminar

The seminar Business Linkages and the Role of Investment Promotion Agencies (IPAs) in Enhancing Local Productive Capacities was held on 29 April 2010, parallel to the 2<sup>nd</sup> session of UNCTAD's Investment, Enterprise and Development Commission. It was organized jointly by the Investment Promotion and Entrepreneurship Sections of UNCTAD's Division on Investment and Enterprise, with the objective of presenting best practices in promoting business linkages between transnational corporations (TNCs) and local small and medium-sized enterprises (SMEs). The seminar had over 30 participants, representing 17 countries.

Mr. Paul Wessendorp, Chief of the Investment Promotion Section, and Ms. Fiorina Mugione, Chief of the Entrepreneurship Section, opened the seminar and welcomed the participants. In their opening remarks, both noted the important role of IPAs in forging linkages between TNCs and the local business community. Mr Wessendorp and Ms. Mugione further outlined UNCTAD activities conducive to promoting such linkages, including the Empretec and Business Linkage programmes.

Four guest speakers gave presentations during the seminar. With complementary backgrounds in business linkages from IPAs, the private sector, and national Empretec programmes, the speakers approached the subject from different perspectives and thus gave the participants a comprehensive overview. The sessions were moderated by Ms. Natalia Guerra from the Investment Promotion Section, and by Ms. Fulvia Farinelli from the Entrepreneurship Section.

Mr. David Lovegrove, Director of International Development Ireland Ltd., gave a presentation on best practices in business linkages. He presented some generic benefits of business linkage programmes - e.g. facilitating import substitution, and promoting corporate social responsibility - and explained through examples how such programmes have worked in practice. Drawing on Ireland's successful experiences, Mr. Lovegrove emphasized the importance of including business linkage programmes in national investment promotion strategies. He concluded on a practical note, presenting ten key elements that should be borne in mind when drawing up programmes to facilitate business linkages. In this context, he emphasized elements such as voluntariness and the need to add value for the target companies.

Ms. Prosie Kikabi from the Uganda Investment Agency (UIA) outlined how the country has succeeded in combining SME support and FDI attraction policies through a new business linkage programme, implemented jointly by Enterprise Uganda and the UIA. This programme mainly concentrates on the agribusiness sector, which employs approximately 80% of the labour force. Ms. Kikabi described policy instruments, such as tax reductions for breweries acquiring the raw material, barley, locally, and awareness-raising programmes to sensitize TNCs on business linkages. Ms. Kikabi concluded that although much remains to be done, the programme has already entailed a notable shift in attitude from short- to more long-term planning among local businesses, including farmers.

Mr. Antonio Macamo from Mozambique's Investment Promotion Center explained how the Center promotes business linkages through policy advocacy, coordination, facilitation of data collection, and SME development. He outlined some of the results achieved to date, and as a case in point, referenced "Mozlink", a collaboration scheme between TNCs located in Mozambique, the national Investment Promotion Center, and the International Finance Corporation from the World Bank. "Mozlink" began with the Mozal Aluminium Smelter and was subsequently expanded to other industries, currently including fields as varied as breweries, ports, and mining.

Mr. Ricardo Finkelsztein, Executive Director of Empretec Argentina - in which UNCTAD Empretec is a lead partner - explained in considerable detail the institutional structure and financing of the Argentine business linkage programme. Mr. Finkelsztein outlined the lessons learned from a pilot launched in the automotive sector, and highlighted in this regard steps such as identifying key programme partners, and developing a clear communication strategy. Concluding, Mr. Finkelsztein noted that Empretec Argentina will build on its pilot experience, and aim to expand the programme to other sectors and business partners.

The seminar was concluded by a short video clip on business linkages in Malaysia.

Throughout the seminar, presentations were followed by lively discussions. The participants noted the importance of SME-TNC business linkage programmes and the role that IPAs could play in helping to create such linkages. At the end of the seminar, the participants completed an evaluation questionnaire. The results showed high levels of satisfaction: 59% rated the seminar overall as "excellent", 41% as "very good". Some participants noted that the seminar could have been longer given the importance of the subject and the seminar's extensive coverage.

#### II. Programme

#### Business linkages and the role of IPAs in enhancing local productive capacities

#### Geneva, Palais des Nations, Room XXVII, 29 April 2010

09:30 - 09:50	Introduction by UNCTAD
07.50	indivated by Citcian

- Paul Wessendorp, Chief, Investment Promotion Section
- Fiorina Mugione, Chief, Entrepreneurship Section

#### 09:50 – 10:40 **Best Practices in Promoting Business Linkages**

- David Lovegrove, International Development Ireland
- Discussion

Moderator: Fulvia Farinelli, Entrepreneurship Section

## 10:40 – 11: 40 The role of IPAs in promoting business linkages: The experience of Uganda and Mozambique

- Prosie Kikabi, Uganda Investment Agency
- Antonio Macamo, Mozambique Investment Promotion Center
- Discussion

Moderator: Natalia Guerra, Investment Promotion Section

# 11:40-12:30 The role of other support institutions in promoting business linkages:

- Ricardo Finkelsztein, Executive Director, Empretec, Argentina
- Video presentation
- Discussion

Moderator: Fulvia Farinelli

12:30 – 13:00 **General discussion, wrap up, evaluation and closure** UNCTAD team

### III. List of participants (having signed the list at the event)

1.	Mr. Ricardo Jaime Finkelsztein	Executive Director, Empretec Argentina  Argentina
2.	Mr. Loknath Chapagai	Chief Industry Officer, Ministry of
3.	Mr. Issaka Zoungrana	Economic Affairs, Department of Industry <i>Bhutan</i> Chef Service Assistance et Suivi des Entreprises, Ministry of Commerce
4.	Mr. Carlos Manuel Da Luz Delgado Rocha	Burkina Faso Executive Director, Cabo Verde Investimentos
5.	Ms. Leida Santos	Cape Verde Advisor of Investment Department, Cabo Verde Investimentos
6.	Mr. Ahmed Ismail	Cape Verde Economic Researcher, General Authority for Investment and Free Zones (GAFI)
7.	Ms. Eman Gamal Said	Egypt Under Secretary of State, Head of Int'l Cooperation Dept., General Authority for Investment and Free Zones (GAFI)
8.	Mr. Abi Woldemeskel Bayou	Egypt Director General, Ethiopian Investment Agency
9.	Mr. Yaya Pito Kassama	Ethiopia Acting Chief Executive Officer, Gambia Investment Promotion and Free Zones Agency (GIPFZA)
10.	Ms. Sabine Falke	Gambia Engineering Capacity Building Program, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
11.	Mr. Ulrich Plein	Germany Component Manager, Sequa Germany
12.	Ms. Leonor Von Limburg	Managing Director, Evtrade  Germany
13.	Mr. Guy G. Lamothe	Director, Centre de Facilitation des Investissements of Haiti Haiti
14.	Mr. Jean Erick Belinette	Director of Economic Studies, Centre de Facilitation des Investissements of Haiti
15.	Mr. David John Lovegrove	Haiti Director, International Development Ireland Ltd.
16.	Ms. Catherine Waweru	Ireland Principal Industrial Officer, Ministry of Industrialization

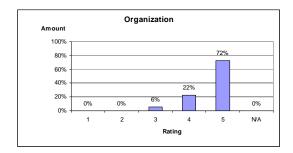
17.	Mr. Laban Mburu	Kenya Manager Regional Office, Kenya Investment Authority
18.	Ms. Ruphina Sakwa	Kenya Librarian, Kenya Investment Authority Kenya
19.	Ms. Souphaphone Saignaleuth	Technical Staff, Ministry of Planning and Investment, Investment Promotion Department Lao PDR
20.	Mr. Antonio Louis Macamo	Mozambique Investment Promotion Center Mozambique
21.	Ms. Sara Emilia Costley White Taibo	Director of Linkages, Mozambique Investment Promotion Center Mozambique
22.	Ms. Rita Araújo	Director Business Development, AICEP Portugal Global-Business Development Agency Portugal
23.	Ms. Carol Bickram	Ministry of Commerce and Industry  Trinidad and Tobago
24.	Mr. Chares Ocici	Executive Director, Empretec Uganda <i>Uganda</i>
25.	Ms. Hope Prosie Kikabi Nakawuki	Uganda Investment Agency Uganda

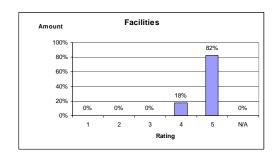
### Participants from Geneva-based Missions / UNCTAD

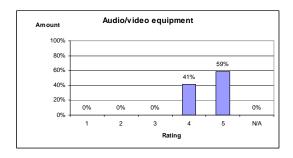
26.	Mr. Anthony Nyame-Baafi	Minister (commercial), Permanent
		Mission of Ghana
27.	Ms. Claudia Lorreia Sanga	Mission of Mozambique
28.	Mr. Jose Egidio Paulo	Mission of Mozambique
29.	Mr. Thomas Stoeber	Uganda Investment Consulting,
		Permanent Mission of Uganda to the UN
30.	Ms. Irene Kalibala	Public Relations, Permanent Mission of
		Uganda to the UN
31.	Mr. Lindani Ndlovu	Consultant, ALDC, UNCTAD

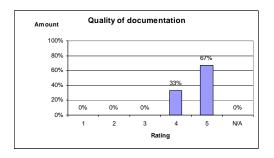
#### IV. Overall view of evaluation forms

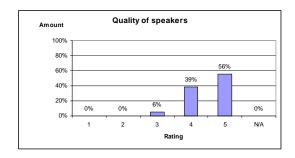
(5 - Excellent, 4 - Very good, 3 - Good, 2 - Poor, 1- Very poor)

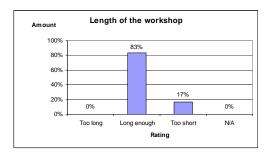


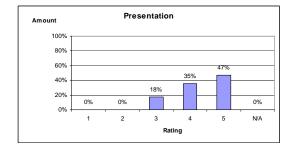


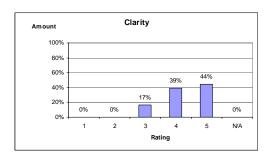


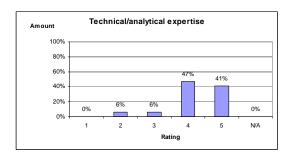


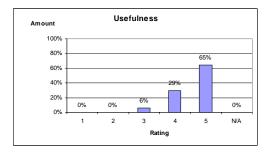


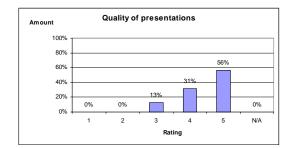


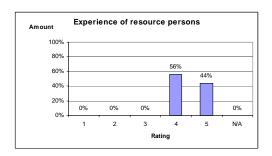


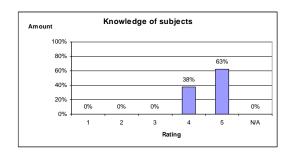


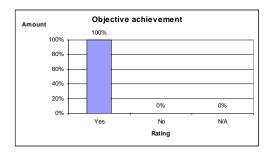


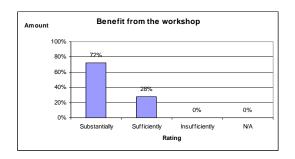


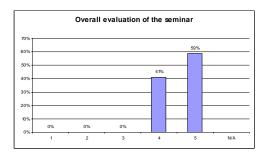












### V. Photo gallery

