



BUSINESS LINKAGE PROGRAMME



OBJECTIVE:

The Business Linkage Programme aims to connect large companies with dependable business partners in developing countries. Empirical evidence shows that strong business linkages can be one of the most effective ways for businesses to integrate, grow and secure footholds in emerging markets. The Business Linkage Programmes currently operational in Brazil, Uganda and Viet Nam build on UNCTAD's research and practical experience in the area of small and medium-sized enterprise (SME) development and entrepreneurship. Based on a unique behavioural change methodology, UNCTAD, together with its EMPRETEC¹ network, provides policy advice and business training in the countries where it operates linkage programmes. The key activities of the programme include:

- ◆ Upgrading local businesses to meet international standards;
- ◆ Strengthening small businesses to become dependable partners for large companies;
- ◆ Providing policy advice on improving the environment for sustainable business linkages;
- ◆ Sharing effective international business linkage strategies with the various stakeholders;
- ◆ Involving companies in cost-sharing with a view to operational sustainability.

PARTNERS:

- ◆ Brazil: GTZ, Ethos, Fundacao Dom Cabral, SEBRAE;
- ◆ Uganda: Enterprise Uganda, Uganda Investment Authority, United Nations Development Programme (UNDP);
- ◆ Viet Nam: Royal Melbourne Institute of Technology University in Viet Nam (RMIT Viet Nam), Investment Promotion Centre of North Viet Nam (IPCN).

FIELD RESULTS:

Examples of successful UNCTAD Business Linkage Programmes can be found in three countries that host the UNCTAD pilot programme:

- ◆ Viet Nam: Unilever Viet Nam will increase domestic sourcing by 59 per cent, an increase that will account for 86 per cent of its entire operation. Unilever Viet Nam supports the training and development of small and medium-sized enterprises in total productive maintenance (TPM), in order to improve their manufacturing sustainability and other areas

¹ EMPRETEC: UNCTAD's integrated capacity-building programme that helps promising entrepreneurs build innovative and internationally competitive small and medium-sized enterprises. There are 27 EMPRETEC Centres in operation.

of management such as safety, hygiene, performance monitoring (KPI) and a manufacturing sustainability improvement programme (MSIP).

- ◆ Brazil: Projeto Vinculos: 11 large corporations are assisting in upgrading over 80 local partners to meet SHE and ISO 14001 standards. For example, after a successful pilot phase with the project, BASF has decided to extend its supplier upgrading programme developed with the project to all its Brazilian operations, carrying 100 per cent of the costs.
- ◆ Uganda: six firms have linked with 26 local businesses to streamline their supply chains. The linkages will support a host of local farmers, manufactures and distributors. For example, Uganda Breweries will assist in upgrading over 2,000 farmers. In Western Uganda, Kinyara Sugar Works Limited strengthened its link with Kinyara Sugarcane Growers Limited, thereby benefiting about 2,500 local farmers.

ADDITIONAL INFORMATION:

World Investment Report 2001 – http://www.unctad.org/en/docs/wir2001_en.pdf;

Business Linkage – <http://www.unctad.org/Templates/Page.asp?intItemID=2750&lang=1>.

PROGRAMME PARTNERS:



FEEDBACK FROM SME PARTNERS:

“Projeto Vinculos has been a success, both in terms of methodology and quality of the team, towards achieving our objective of being ISO 14001 certified.” *Elisabete Ambrosio, CEO, Plasticos Maunus Ltd. (Brazil)*

“The partnership established between *Projeto Vinculos* and *Wofran* bore great fruits for the company, as it motivated significant changes in terms of entrepreneurial spirit and company structure.” *Lilian Gleig, Managing Director, Wofran (Brazil)*

“I saw results already before finishing the workshop. I reorganized my office and recruited four more staff... I started a radio programme and I set a budget for advertising. Beforehand, I used to put ads in newspapers only.” *Mr. Charles Mulamata, Managing Director, Uganda Electronics & Comp. Ind. Ltd. (UECI – Uganda)*

“The TPM programme has brought considerable changes at our factories, such as a clean factory environment. In addition, the most important thing is to create a new mindset in the workers. They now feel more closely bound to their factory because they believe more in the success of the company.” *Mr. Phan Quang Hoa, General Director, Net Detergent Company, (Viet Nam)*