



Sistema Económico
Latinoamericano y del Caribe

Latin American and Caribbean
Economic System

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Latino-Americano e do Caribe

Système Economique
Latinoaméricain et Caribéen

Proposal for the establishment and development of the SELA-SMEs Programme

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I. BACKGROUND

Since its inception, SELA has fostered the creation and strengthening of small and medium-sized enterprises (SMEs) in Latin America and the Caribbean. During the Regional Conference on industrialization, held in October 1991, the Permanent Secretariat of SELA underscored the advisability of creating a mechanism for reflection, consultation and exchange of views in the area of industrial policy, i.e. a "Regional Forum on Industrial Policy", with special emphasis on the need to support and promote small and medium-sized enterprises. Later on, in October 1996, in São Paulo, a seminar on SMEs was held upon an initiative of the Directors of International Technical Cooperation of the Member States of SELA, with the support of the United Nations Development Programme (UNDP), with the purpose of identifying the constraints faced by SMEs and the necessary cooperation actions to support and promote them at the regional level.

Then, during the VII Ibero-American Summit held on Margarita Island in November 1997, a decision was made to propose the creation of the Ibero-American Programme of Institutional Cooperation for the Development of Small and Medium-sized Enterprises (IBERPyme), which was enshrined in the Final Declaration of the VIII Ibero-American Summit of Oporto through the decision to establish a Management Unit to be coordinated and administered by the Permanent Secretariat of SELA.

Throughout its 13 years of operation, the IBERPYME Programme conducted activities that contributed to develop organizations and institutions supporting SMEs in Ibero-American countries. It provided information to more than 16,000 people about the strategies and public policies applied in the countries of the region to support SMEs, by organizing seminars, business meetings and training workshops. The topics covered included partnerships, coordination and productive integration, clusters, business networks, export consortiums, innovation and productivity, productive chains, as well as guarantee and financing systems for SMEs.

As a result of these activities a number of networks of public and private entities were instituted with the purpose of representing or promoting SMEs in their countries, and became SELA's national counterparts in conducting the aforementioned activities.

In addition, SELA has organized a special programme for the Caribbean countries in order to meet their particular needs in terms of promotion of financing, credit guarantees, entrepreneurship, as well as local and sectoral tourism consortiums.

Nevertheless, due to financial constraints, the IBERPYME Programme discontinued its activities in 2011. In view of this, the Permanent Secretariat of SELA has deemed it necessary to take advantage of the successful experiences gained with that programme and carry out the activities already agreed to with its counterparts.

For SELA, the adoption of a programme to support SMEs is an essential element to foster a productive integration process, contribute to economic and social development, and create quality jobs.

In this connection, the implementation of a programme to complement national and subregional initiatives in order to strengthen and develop SMEs can contribute to forge closer links among the countries of the region, its government agencies, public and private institutions and social organizations. Similarly, it would favour integration and governance, as well as companies and individuals, by democratizing the opportunities to

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create enterprises and jobs, access to technology, markets and financing, while contributing to economic growth and social welfare.

II. SELA-SMEs PROGRAMME

The following lines of action are proposed for such programme:

1. Objectives

Contribute to developing the public and private business structures in the Member States of SELA through institutional capacity building of governmental and business focal points, as well as other bodies interested in promoting and implementing programmes to support SMEs. Thus, the purpose is to outline projects to encourage the creation of new productive units, the expansion of existing ones, partnerships, technological transformation and productive coordination of SMEs, among other objectives.

2. Thematic areas

The thematic areas dealt with thus far, which provide the baseline to continue with SELA's activities aimed at developing and promoting SMEs, are as follows:

Public policies: Strengthen government institutions and identify and disseminate best practices in outlining and applying public policies.

Productive articulation: Contribute to developing and strengthening capacities at government and business institutions so as to develop productive integration projects, such as clusters and productive consortiums.

Internationalization: Foster strategies for productive development, partnerships and internationalization of SMEs for their insertion into international markets. Similarly, the programme is expected to organize business missions and encourage participation in business fairs and events.

Innovation, ICTs and Competitiveness: Promote the use of technological breakthroughs so as to allow for overcoming deficiencies of SMEs in terms of productivity, quality and competitiveness.

Financing: Promote the adoption of new financial instruments and guarantees for SMEs in the region, and disseminate information about progresses in this area.

Entrepreneurship: Encourage business organisations in sectors offering economic and social opportunities, and promote the creation of national business incubation systems, among others.

Gender equality: Provide women entrepreneurs with programmes and instruments that allow them to improve their training and entrepreneurship, through institutions supporting them.

Corporate Social Responsibility: Encourage good personnel policies, fair play with consumers, environmental protection, commercial and fiscal accountability, and support for social needs.

Bilateral technical assistance: The Permanent Secretariat of SELA has been requested to support national programmes, including those of CARICOM and some of its member countries.

Dissemination: Establish a site on SELA's Web page that contains the presentations and reports of all the events of the SELA-SMEs Programme; including videos.

3. Organization

The SELA-SMEs Programme will count on the active participation of national, public and private partners responsible for promoting and supporting SMEs. As part of this process, regular consultations will be made to evaluate the achievements of the programme and define the specific needs to be addressed in the Work Programme of the Permanent Secretariat, taking advantage of cooperation offers from national counterparts and international cooperation sources.

For this purpose, contacts will be made with international, subregional, bilateral and local sources of technical and financial cooperation, in order to join efforts and avoid duplications.

III. FINANCING

The SELA-SMEs Programme shall be financed with limited resources from the regular budget of the Permanent Secretariat, as well as funds from international and regional cooperation sources and from national counterparts where events and activities are being organized.

Thus, the budget to conduct the activities foreseen for 2013 is estimated at approximately US\$ 200,000. SELA would provide a portion of that amount and the rest would come from international and regional cooperation sources, as well as contributions in kind to cover local costs in those countries where events are being held.

Once the countries propose new initiatives and define the need or desirability of developing specific projects, as part of the activities of the SELA-SMEs Programme, or upon national or subregional requests, the Permanent Secretariat of SELA would ask for assistance from other financial sources, such as regional development banks, cooperation programmes that are offered by several countries in the region, and international cooperation agencies.