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**Micro, Small and Medium Enterprises (MSME) Capacity Building Initiative in the
Pacific Region
Regional MSME Network Strategy Consultation
21st – 22nd July, 2009
Community Education and Training Centre
Secretariat of the Pacific Community,
Narere, Fiji**

Summary of Consultations

Objective:

To finalise a CETC regional strategy for Micro and Small Medium Enterprises (MSME) capacity building including business development services and network development for Pacific countries.

Output:

CETC regional strategy for MSME capacity building for Pacific countries

The meeting was attended by representatives of agencies who have been the Centre's focal points in their enterprise business training program. The following is a summary of the two days regional consultation

DAY ONE

Official comments from the Deputy Director General, SPC Suva, Fekita Utoikamanu and COMSEC adviser, Mr Watipaso Mkandawire, focused on respective work areas of SPC and COMSEC and highlights the need for a strategic approach to holding hands/networking and the importance of partnerships for effective coordination and pooling of resources.

The MSME strategy was explained in the context of CETC business enterprise development training of trainers program. This was followed by a presentation by consultant Mr Ansong who identified the following as key elements in a business development support strategy:

- MSME Policy framework
- Business Development plans/strategy
- Training
- Marketing services
- Business information
- Business to business linkages and promotion
- Gender inclusivity

- Business Development Services (BDS) providers/facilitators

As well as key elements for BDS providers and networking:

- Design
- Market
- Delivery
- Needs assessment
- Action Planning
- Networking
- Operational protocol
- capacity of organization

Key Messages from the presentation include:

- Need to hold hands from the beginning to end ..ongoing process from training, business start up, business development and business expansion
- Need to take a demand-driven approach
- Without a comprehensive MSME policy, BDS intervention will not be effective – process has to be comprehensive and includes all stakeholders
- Facilitators must work with institutions that have capacity, not just mandated
- Giving grants does not work, work outside the box

DAY TWO

Day 2 focused on specific MSME issues in countries and a possible regional network strategy for the CETC to adopt taking into consideration of the project focus on two pilot countries, Vanuatu and Tonga. The following were based on group work and country presentations:

Country	Issues
Tonga	<ul style="list-style-type: none"> - No funding for BDS (trying to revive) <p>Women in Business</p> <ul style="list-style-type: none"> - Lack focus on start up and small businesses (more on large businesses) - no business policy - no strong leadership – silo (ed) operations - vision - Weak/underdeveloped components - Microfinance - Start up - Access training - biz incentives
Kiribati	<ul style="list-style-type: none"> - Exploring niche market – export oriented - Cultural barrier – business oriented - Collaboration with education, youth, Kiribati Chamber of Commerce, Kiribati Institute of Technology and other stakeholders for skills development - Capacity building in skills etc - Limited microfinance services - Limited technical advice to grow
Tuvalu	<ul style="list-style-type: none"> - Lack of production tech-vocational skills - Copy cat attitude - Small market, little demand, no export market - Cumbersome registration process - Lack of structured, ongoing training - ad hoc only - No ongoing support mechanism...Chamber inactive - Poor or nil microfinance services

VANUATU/ PNG/ SOLOMONS	<ul style="list-style-type: none"> - Very little government assistance - Strong cultural mentalities - Irrelevant/inadequate education - Very strong wantok system (extended communal type) influencing processes - No BDS –fragmented BDS primarily on training, not coaching, mentoring etc. - Drugs affecting productivity - No coordination of training - No policy to safeguard interest of BDS - Lengthy cumbersome registration process - Lack of support from Chamber of Commerce/private sector... - Low capacity of BDS - Lack of follow up - Lack of confidence to start businesses
SAMOA & COOK IS	<ul style="list-style-type: none"> - Issue of access from outer islands and issue of de-population due to outmigration - High infrastructure costs - transportation - Cultural influence on work attitude - Skills - Skills drain/shortages, Need more skills
FIJI	<ul style="list-style-type: none"> - No Drive, discipline and initiative to sustain - Finance (start up, upgrading and management) - Network - Support mechanism - support team for networking and backup - Technical knowhow – packaging, quality control, information –sharing - Markets – know and identify - Marketing - Branding – product development - identity - Culture

The following is a summary of Issues and Challenges from the countries:

Sector	Issues/Challenges
Policy Environment	<ul style="list-style-type: none"> - No Business Policy - No Funding -Very little government assistance - No policy to safeguard interest of BDS especially MSME - Lengthy cumbersome registration process - No Business Incentive
Skills Training	<ul style="list-style-type: none"> - No coordination of training - Lack of marketable skills - Irrelevant/inadequate education - Lack of progressive ongoing training - Ad hoc training only - Skills - Skills Drain/Lack, Need more skills
Culture	<ul style="list-style-type: none"> - Strong cultural mentalities - Very strong wantok system (extended communal type) influencing processes - Poor work ethics
Networking/ Partnership	<ul style="list-style-type: none"> - Collaboration with stakeholders: Youth. Stakeholders - Departmentalised...no sharing, territorial - Limited networking
Microfinance	<ul style="list-style-type: none"> - None or Limited
Business	<ul style="list-style-type: none"> - Technical Advice (To grow businesses) – Marketing, Branding, Product Development, Packaging, Quality Control

Development Services	<ul style="list-style-type: none"> - No funding. Very little government assistance - Lack of Capacity- Technical Advice (to grow businesses) - No ongoing business support - Focus on Big businesses
Markets	<ul style="list-style-type: none"> - Exploring Niche Market – Export Oriented - Lack of support from Chamber of Commerce/private sector... - Lack of follow up - Small Market – Low/No demand, No export Market
Structural	<ul style="list-style-type: none"> - De-population (Outmigration – to outer islands) –Access - High infrastructure costs - transport
Personal	<ul style="list-style-type: none"> - Lack of confidence to start businesses - Copy cat attitude – Trade secrets - No Drive - No Discipline, work ethic - No strong leadership/ownership - Drugs affecting productivity

The meeting agreed on the following way forward - CETC, Tonga, Vanuatu

NETWORK STRATEGY

- i) Updating/upgrading BDS (training) inclusive of skills development
- ii) Establish a protocol for participating BDS (Guideline/Standards)
Capacity assessment (SWOT)
(Templates to be developed)
- iii) Partnership and Collaboration – Expand existing network to incorporate SIYB Trainers, UNDP BDS - currently email listserv
- iv) Website (expanding) – information and knowledge sharing/best practices, products/services/links (e.g. Tonga MSME website)
- v) Marketing – advocacy for CETC
- vi) Linking graduates to BDS
- vii) Advocate for national level MSME policy/strategy where required (esp in Tonga & Vanuatu)
(Link with Pacific Island Private Sector Organisation(PIPSO), Forum Secretariat Trade and Investment Unit, National Agencies)

The meeting also agreed on the following scheduled follow ups for CETC and COMSEC and to keep participants informed of progress.

AGREED STEPS

- Disseminate proposed strategy to stakeholders
 - Include SIYB trainers, other BDS into cefe existing network
 - Establishing a network protocol (Based initially on Vanuatu and Tonga but to include others)
 - Redevelop CETC website to include a specific MSME section
 - Training/Upgrading training – BDS and skills
 - Marketing and Promotion – Info sharing CETC
 - Linking graduates to BDS and other stakeholders/Private sectors
- Immediately
 - Immediately
 - By October 2009
 - By September 2009
 - September 2009 and ongoing (national/regional)
 - By Dec 2009
 - Dec 2009

Annex

LIST OF PARTICIPANTS

Country	Name
Cook Islands	<p>Mrs. Vaine Wichman Economist Cook Islands Chamber of Commerce PO Box 242 Rarotonga Tel.: (682) 27007 Fax: (682) 27009 E-mail: chamber@commerce.com.ck; arama@oyster.net.cki</p>
Kiribati	<p>Mr. Ierivita Biriti Business Advisor Ministry of Commerce, Industry and Cooperatives PO Box 510 Betio, Tarawa Tel.: (686) 261572/26158 Fax: (686) 26233 E-mail: commerce@tski.net.ki ierivita@hotmail.com</p>
Papua New Guinea	<p>Mr. Bruce Alexander President, ENBCCI PNG Chamber of Commerce and Industry PO Box 1621 Rabaul, Port Moresby Tel. (675) 321 3057/320 1988 Fax: (675) 321 0566/320 1989 E-mail: pngcci@global.net.pg; rabaul@global.net.pg</p>
Samoa	<p>Ms. Bernadette Margaret. Malua President, Women in Business Development Inc. Small Business Enterprise Centre P O Box 870 Apia Tel. (685) 31090/22770 Fax: (685) 31089/22769 E-mail: chamber@samoa.ws</p> <p>Mr. David Oliver Vaai Executive Council Member Samoa Chamber of Commerce Vaitele Complex, P O Box 2278. Apia E-mail: ovai@digicelpacific.blackberry.com</p>
Solomon Islands	<p>Mr. Alfred Maelea SMEC Officer (Clients Relations) Small & Medium Enterprises Council P O Box 1764 Honiara, Solomon Is, Telephone 677 26789 E-mail: enterprises@solomon.com.sb</p>

Tonga	<p>Dr. Taniela L. Fusimalohi Chief Executive Officer and Director Ministry of Training, Employment, Youth and Sports PO Box 2395 Nuku'alofa Tel.: (676) 28 976/28 977 Fax: (676) 24585 E-mail: Taniela_fusimalohi@hotmail.com</p> <p>Mr. Carlos Rodriguez MSME Development Adviser Ministry of Labour, Commerce & Industry P O Box 1901 TONGA Telephone 23688 E-mail: carlos2182@gmail.com; carlosr@mlci.gov.to</p> <p>Mrs. Fuiva Kavaliku Technical Adviser (former Secretary General) Langafonua 'a Fafine Tonga P O Box 356 Nuku'alofa, Tonga Tel 29102, Mob 49509 Fuiva.kavaliku@yahoo.com</p> <p>Mrs. Temaleti Faka'osi Managing Director Pasifika Employment & Training Agency P O Box 1322 Nuku'alofa, Tonga Tel: 24 933 Mob 8872199 Pet.info100@gmail.com; tem2u@hotmail.com</p>
Tuvalu	<p>Mr. Halo Tuavai Tuvalu National Chamber of Commerce Funafuti</p> <p>Tel.: (688) 20 887 E-mail: tncc@tuvalu.tv; halo.tuavai@gmail.com</p>
Vanuatu	<p>Mr. Ridley Manassah Head, Training Division Dept. of Cooperatives & Ni-Vanuatu Business Development Ministry of Trade, Investment and Business Development P O Box 260 Vanuatu Tel: 5449373, email, riderjose@gmail.com</p> <p>Mr. Toco Mara Managing Director Vanuatu Enterprises Development Services P O Box 1179 Port Vila, Vanuatu Tel 678 5448856, email: maratoco@yahoo.com</p>
DONOR/GOVT. ORGANIZATIONS	
ILO	<p>Ms. Ofelia Eugenio (Confirmed) Chief Technical Adviser ILO, 8th Floor, Victoria Parade Bldg E-mail: eugeni@ilo.org</p>

	<p>Mr. Abdul Hafiz Coordinator, SYB Training ILO E-mail: abdulhafiz@ilo.org</p>
<p>Department of Cooperatives Ministry of Cooperatives Fiji</p>	<p>Ms. Vaciseva Baivatu Senior Cooperative Officer, Training Department of Cooperatives P O Box 2356 Government Building, Suva, Tel 3361552, fax 3361313</p>
ENTERPRISES AND PRIVATE SECTOR	
<p>Pacific Herbal Products</p>	<p>Ashok Chand Manager Pacific Herbal Products Valelevu Fijivitalitynoni@yahoo.com</p>
<p>Handicrafts Operator FDB Best business woman of the year 2009</p>	<p>Makereta Matemosi c/- Nemani Rokobuli P O Box 932 Suva, Fiji Tel 9234991</p>
<p>Foundation for Rural Integrated Enterprise & Development (FRIEND) LAUTOKA</p>	<p>Ms. Sandhya Narayan Marketing and Promotion Manager P O Box D623 Lautoka Tel.: 6663 181/9950627 Fax 6669181 email admin@fijifriends.com</p>
<p>Bible Society of the South Pacific</p>	<p>Solomone B Duru General Secretary Bible Society South Pacific P O Box 5173, Raiwaqa, Suva Tel 3383988, fax 3370219 sbduru@biblesocieties.org or sbduru@connect.com.fj</p>
FACILITATORS	
<p>Commonwealth Secretariat</p>	<p>Adviser (Enterprise Development) Special Advisory Services Division SASD Commonwealth Secretariat Marlborough House Pall Mall London SW1Y 5HX United Kingdom Tel: +4... Fax: Direct +44 (0) 20 7004 3717 email – w.mkandawire@commonwealth.int</p> <p>Mr Stanley Ansong Commonwealth Consultant</p>

Secretariat of the Pacific Community	<p>Dr Lia Maka Head, CETC Human Development Programme SPC, Suva, Fiji Tel : 679 3341654/3391033 ext 702 fax: 679 3391324; email: liam@spc.int</p> <p>Emily Hazelman Elliot PATVET Coordinator Private Mailbag Suva, Fiji Tel : 679 3341654/3391033 ext 714 fax: 679 339132; email: emilyh@spc.int</p>
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