



Final Report of the Regional Meeting on innovation, competitiveness and productivity

*XLI Regular Meeting of the Latin American Council
Caracas, Venezuela
25 to 27 November 2015
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LATIN AMERICAN
AND CARIBBEAN
ECONOMIC SYSTEM



PERÚ

Ministerio
de la Producción



UNIVERSIDAD
DEL PACÍFICO

Final Report



Economic and Technical Cooperation

Regional Meeting on innovation, competitiveness and productivity
Lima, Peru
5 and 6 May 2015
SP/RRICP/IF-15

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RAPPORTEUR'S REPORT

1. The "Regional Meeting on innovation, competitiveness and productivity" was held in Lima on 5 and 6 May 2015 and organized by the Permanent Secretariat of SELA, through the Latin American and Caribbean Regional Programme for Small and Medium-sized Enterprises (SELA-SMEs Programme); the Vice-Ministry of SMEs and Industry of the Ministry of Production of Peru; the National Society of Industries (SNI); the Small Industry Committee of Peru (COPEI); and the University of the Pacific.
2. In compliance with Decision N° 546 of the Latin American Council, related to the Work Programme of the Latin American and Caribbean Economic System (SELA) for the year 2015, the objectives of this regional meeting are as follows: i) Review the concepts, strategies, mechanisms and tools to support the process of effective promotion of innovation within enterprises; ii) Identify and disseminate successful experiences and provide working methodologies to drive innovation and knowledge management processes in the areas of productivity, quality and competitiveness, in order to outline activities, programmes and workshops focused on the areas identified; iii) Train officials and entrepreneurs in the development of innovation processes and improvement of competitiveness and productivity in SMEs; iv) Present successful cases in promoting innovation processes in enterprises; v) Review public and private programmes to encourage and support innovation; and vi) Disseminate information about successful experiences in promoting innovation.
3. Participants in this meeting included representatives of governmental focal points, business associations and experts in the field of small and medium-sized enterprises from Colombia, Costa Rica, Chile, Mexico, Panama, Peru, Uruguay, as well as a wide range of representatives from the public, private and business sectors of Peru. In addition, the following international high-level experts participated: Fernando Machado, Gabriel Hidalgo and Santiago Macías. The meeting took place in the Auditorio Juan Julio Wicht of the University of the Pacific and was attended by about 250 people. The List of Participants is included in Annex IV.

I. DEVELOPMENT OF WORKS

4. The INTRODUCTORY SESSION of the meeting was headed by Eng. Antonio Leone Durante, Coordinator of the Regional Latin American and Caribbean Programme for Small and Medium-Sized Enterprises (SELA-SMEs Programme) of the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA), who presented the agenda and the working methodology.
5. The floor was taken by Mr Fernando Machado, SELA's Consultant, who presented the base document submitted by the Permanent Secretariat of SELA, entitled "Identification of successful experiences in implementing business innovation processes" (SP/RRICP/DT N° 2-15). His presentation (SP/RRICP/DT N° 2-15 Add) was a summary of this document, which makes a critical review of the policies and programmes on innovation in order to help increase the effectiveness of investments in innovation in SMEs of the region, particularly with reference to existing companies in the industrial sector. The document also reviews some successful cases in business innovation reported by countries of the region, most of them showing incremental innovations with low impact on competitiveness and growth of enterprises, attributable to the lack of appropriate business innovation strategies. In addition, the study proposes methodologies to support the definition of innovation strategies in enterprises as a possible initial solution to the current problems for effective innovation in industrial SMEs in the region, and intends to add value through the discussion of conceptual and methodological aspects of critical importance to the success of business innovation,

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which were not considered in previous analyses of innovation in SMEs of the region and in the context of government policies and instruments to support innovation.

6. SESSION I: SUCCESSFUL EXPERIENCES OF INNOVATION, COMPETITIVENESS AND PRODUCTIVITY – ANDEAN REGION was moderated by Mr Angel Hurtado, official of the Direction of Innovation of the Ministry of Production of Peru, who introduced the topic and presented the speakers for this working session.

7. Colombia: David Sierra, Special Projects Manager of Ruta N (Medellin), made the presentation "Ruta N: a place where innovation is enhanced" (SP/RRICP/Di 1-15). He noted that Medellin has gone from a traditional economy to a knowledge economy, with science and technology being considered a means to achieve innovations that generate welfare and development, and that knowledge should help overcome the most structural challenges, such as employment, new companies and equitable development. He added that public-private partnerships are the long-term sustainability hub and open innovation is a fundamental pillar of capacity building. Mr Sierra explained that innovation is the result of new ideas plus value added. Ruta N aims to promote world-class knowledge-based businesses through science, technology and innovation, thus increasing the competitiveness and sustainability of the region. The goal is to facilitate the economic development of the city towards science, technology and innovation-intensive businesses in an inclusive and sustainable way. He referred to the main milestones in the history of RutaN, created within the framework of the "Gran Pacto Medellíninnovation," which to date has more than 1,800 signatories, to increase investment, define an innovation ecosystem, and propose strategies for the densification and sprawl of the ecosystem with the help of emerging and consolidated innovators. He defined the 6 pillars of innovation: i) public institutions, coordinated and articulated among universities, companies and State; ii) (public and private) financing based on promotions, tax exemptions, seed capital and risk; iii) human talent leading projects for entrepreneurship, innovation and knowledge-generation processes; iv) transfer of scientific and technological advances; v) innovation culture that turns ideas into welfare and social development; and vi) competitive environment that promotes entrepreneurship and consolidation of companies.

8. Peru: Alejandro Cabrera Bernaola, Director-General of Innovation, Technology Transfer and Business Services of the Ministry of Production of Peru, made a presentation entitled "Innovation, competitiveness and productivity" (SP/RRICP/Di 2-15). He referred to the stages of development according to the Global Competitiveness Index 2014-2015, in which Peru ranks 65 out of 144. At the macroeconomic level, almost half of the differences among countries is based on the difference in productivity, which comes from technological development and innovation, with great influence of R&D. He pointed out that the objective of policies is to increase productivity and reduce heterogeneity and that innovation is key to increase the productivity of the economies and improve the competitiveness of countries. Peru ranks 117 in the GLOBAL COMPETITIVENESS REPORT - INNOVATION 2014-2015 and 73 in the GLOBAL INNOVATION INDEX 2014. He stressed that in order to solve the lack of innovation, instruments must be created to support businesses and the innovation ecosystem in the innovation process, and tax incentives must be created to innovate (for example, the Law for Scientific Research, Technological Development and Technological Innovation), as well as to redefine the way of thinking of business, academic and government leaders to generate a culture focused on growth and innovation.

9. After the presentations, the moderator invited delegates and participants to take the floor and hold a debate on the issues presented by the speakers.

10. In accordance with the agenda for the meeting, the OPENING SESSION included the following

authorities:

- a. Mr Román Mayorga, Director of Relations for Integration and Cooperation. Permanent Secretariat of the Latin American and Caribbean Economic System (SELA) (SP/RRICP/Di 3-15)
- b. Mr Miguel Vega Alvear, Vice-President of the National Society of Industries (SNI)
- c. Ambassador Hugo de Zela, Chief of Staff of the General Secretariat of the Organization of American States (OAS) (SP/RRICP/Di 4-15)
- d. His Excellency Mr Carlos Carrillo Mora, Vice-Minister of Production of the Republic of Peru
- e. Ms Vanina Farber Fuks, Dean of the Graduate Business School of the University of the Pacific

The speeches by the representatives of SELA and the OAS are included in Annexes II and III.

11. The CONFERENCE: INNOVATION AS STRATEGIC FACTOR FOR COMPETITIVENESS AND PRODUCTIVITY: MEXICAN EXPERIENCE (SP/RRICP/Di 5-15) was headed by Mr Santiago Macías, International Consultant. During the presentation, he made an overview of what is happening today and of the main trends: globalized society; globalization and competitiveness; sustainability; and emerging economy. He referred to globalization as an irreversible phenomenon with implications in the economic, social and political areas; and to some paradigms that affect competitiveness, such as technological change, consumption without barriers, sustainability, hypercompetition, relocation of manufactured products, and capitals without borders, explaining in detail each of these aspects. In hypercompetition, all companies compete in a global market. In the last three decades, the globalization of the manufacturing sector has impacted positively the generation of income of companies, countries and the population, more than in the previous 100 years. With the rise of offshoring, outsourcing, and the sophisticated supply chains, much of the manufacturing processes was transferred to emerging countries, which has significantly changed the competitive landscape of companies. The importance of SMEs in the economy of Mexico lies in the fact that 95% of companies in the country are micro-sized enterprises, which total more than 5.1 million businesses, provide 34.7% of GDP and employ more than 73% of the labour force. Mr Macías also referred to the analyses that have been made, particularly by the UNAM, to determine the main problems faced by Mexican MSMEs (86% include insufficiently trained staff, 80% are unaware of quality management principles, 77% show inconsistency in the quality of products and services, 75% accumulate inventories, 68% face communication problems between the management and the work teams, 40% make inefficient use of physical space). Finally, he expounded the issue of innovation and competitiveness and its importance for SMEs.

12. SESSION II: SUCCESSFUL EXPERIENCES OF INNOVATION, COMPETITIVENESS AND PRODUCTIVITY – CENTRAL AMERICA AND MEXICO was moderated by Mr Francisco Martinotti, representative of the Small Industry Committee of Peru (COPEI), who gave the floor to the speakers to start the working session.

13. Costa Rica: Adelita Arce, Secretariat of Incentives of the Ministry of Science and Technology, made a presentation on "Successful experiences of innovation, competitiveness and productivity in Costa Rica" (SP/RRICP/Di 6-15). After referring to the organizational and functional structure of the Ministry of Science and Technology (MICITT), she pointed out that this entity supports SMEs through the PROPYME Fund, which provides financial resources to SMEs and SME associations in the country. This programme contributes to the financing of activities and the improvement of the management capacity and competitiveness through innovation and technological development projects, as well as to the promotion of technological innovation as an essential element for strengthening the productive capacity of Costa Rica. The fundamental purpose is to support innovation projects in early stages and encourage technological leaps and internationalization in SMEs through the

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development of specific high-level projects that increase the value of products, processes or services by means of research and design of technology, in order to increase profitability and exports. She explained the extent of Law 8262 "Law for the strengthening of SMEs" and mentioned some public institutions that provide support to these companies, such as development banks, FODEMPYME and the Business Incubation Centre (CIE). In addition, she mentioned three successful cases of innovation, competitiveness and productivity, namely: Natural Sins, Gluten Free Factory and Morpho Animation Studio.

14. Panama: Liriola Pitti, Vice-President for Corporate Services of the City of Knowledge Foundation (FCS), presented a video on the City of Knowledge and the activities that are developed in the field of technology and innovation. The City of Knowledge is just five minutes from the centre of Panama City and is home to more than 120 hectares of land, where business, academic, scientific and humanistic communities expect a more humane and sustainable development based on knowledge, creating a favourable environment for research, learning, innovation, creativity and interaction. The City of Knowledge Foundation is a private and non-profit entity, which has strived to attract innovative companies, prestigious research centres, advanced academic programmes and major international organizations. The fields of action include information technologies, international services, business management and entrepreneurial culture, environmental management and human development. URL link to the video:

<https://www.youtube.com/watch?v=fWdB7cq3Yrs>

15. Mexico: Norma Mondragón Flores, Director of Innovation of the General Direction of Business Development Programmes of the National Institute of the Entrepreneur (INADEM), Ministry of Economy, made a presentation entitled "Importance of innovation as a public policy in Mexico" (SP/RRICP/Di 7-15), in which she presented an overview of the economy, productivity and ecosystem of entrepreneurship in Mexico, as well as the background in the field of innovation and entrepreneurship, the evolution of policies of the National Fund for Entrepreneurship (FNE) and the Fund for Technological Innovation (FIT), and the Entrepreneur Support Network. She noted that Mexico is the second largest economy in Latin America and ranks 14 in the world. It is more competitive than China in the manufacturing sector, the fourth exporter of vehicles and one of the most open economies in the world, but the challenge is productivity, since the GDP has grown only 2% to 2.5% in the past 10 years. She referred to the creation of the INADEM and its goal of ensuring support for entrepreneurs and small businesses with reforms to consolidate the ecosystem of entrepreneurs and small businesses. She explained the operation of the National Fund for Entrepreneurship, the announcement process and some of the results obtained in 2014, when 37 projects were approved in the amount of almost US\$ 100 million. In addition, she explained the operation of the Fund for Technological Innovation, its various methods, and some results obtained, particularly in 2014, when 40 projects were approved. She also mentioned the Entrepreneur Support Network, which is a strategy designed to articulate and link policies and programmes of different government authorities and the private sector to support entrepreneurs and MSMEs, and explained its operation, noting that this national network supports and directs its knowledge and experiences towards MSMEs in the country according to their area of specialty. She also referred to the Network of Collaborators, entrepreneurs with a business idea who can connect with college students through a technological platform, so that they can support and guide them with their academic knowledge.

16. Mexico: Iván Ornelas Díaz, Coordinator of the International Area of the National Institute of the Entrepreneur (INADEM) of the Ministry of Economy, made a presentation entitled "Should there be a strategic support for micro and small traditional enterprises?" (SP/RRICP/Di 8-15), in which he referred to INADEM's strategy, which aims to increase the productivity of SMEs through financing; technology; business skills; information; access to global value chains; and regional and sectoral

development in the context of a close and modern government and the promotion of gender perspective. There is growing consensus about the importance of changing the current paradigm, which prioritizes support for small enterprises based on their size, for another that support young enterprises and start-ups. He pointed out that SMEs are important in all economies, because they significantly contribute to employment. The Government of Mexico has reinforced actions and strategies to support entrepreneurs and young, innovative, modern and high-growth companies, and continues to work to develop an environment in which entrepreneurs can emerge, compete and innovate. Mexico has 237 basic incubators, 18 high-tech incubators, 3 collaboration spaces, 23 accelerators, more than 33 technology parks, 427 offices of the "Network to boost Mexico." In addition, over 30 seed-capital and early-stage funds have been created in two years and the project i CLUSTER has been launched. The INADEM totally supports the vision of promoting innovation through start-ups and young companies. The Network to Support Entrepreneurship in Mexico reports annually 300,000 entrepreneurs and 180,000 SMEs and aims to support traditional MSMEs in their efforts to adopt new information and communications technologies.

17. The CONFERENCE: DYNAMIC ENTREPRENEURSHIP: REGIONAL EXPERIENCES was headed by Gabriel Hidalgo, International Consultant (SP/RRICP/Di 9-15). He made a presentation on P3 Ventures, which has evaluated more than 19,000 prospects; supported more than 6,500 initiatives; turned more than 980 ideas into companies; supported, evaluated and analyzed the corporate innovation capabilities of more than 210 companies; and developed and strengthened more than 18 ecosystems in the region. As for dynamic entrepreneurship, Mr Hidalgo said more than US\$ 100,000 are billed during the first year, with sustained growth rates of 35% during the first 5-6 years; a venture has up to 42 months of life from its first sales. The advantages of dynamic entrepreneurship are: creating better quality jobs, contributing to GDP growth, filling spaces of unsatisfied needs, and bringing renewal and growth to established companies. A dynamic entrepreneurship looks for solutions to make the work done and creates a value proposition for issues to be solved. SMEs can grow their businesses and generate new ideas, ensuring an increase of 100% in three years.

18. SESSION III: SUCCESSFUL EXPERIENCES OF INNOVATION, COMPETITIVENESS AND PRODUCTIVITY – SOUTH AMERICA was moderated by Norma Mondragón Flores, Director of Innovation of the General Direction of Business Development Programmes of the National Institute of the Entrepreneur (INADEM) of the Ministry of Economy. After introducing the subject, she passed the floor to the speakers.

19. Chile: Pedro Sierra B., Studies and Evaluation Manager of the Production Development Corporation (CORFO), made a presentation entitled "The role of CORFO in challenges of productivity and innovation" (SP/RRICP/Di 10-15). He noted that there are major differences in growth rates of countries and that additional productivity of the economy is related to the efforts made by countries in R&D and innovation. He added that, according to some studies, there are too many small companies in Latin America that want to stay small (World Bank) and most of them do not have growth prospects and generate very low and volatile revenues (CAF). In Chile, productivity in mining has decreased 8.2% in recent years, agriculture grew only 1.3%, and labour productivity is below the OECD average. As a result, only 42% of companies have the necessary capabilities to absorb new knowledge, while companies using the tools available to incorporate knowledge and skills amount to 28%. Therefore, it is necessary to develop policies leading to the improvement of existing companies, the entry and exit of enterprises, the promotion and attraction of investments and the development of new sectors. Some current programmes to promote innovation aim to: i) increase the competitiveness and productivity of smaller companies (extensionism centres; technology research, dissemination and absorption; capacity building to innovate; innovation voucher); ii)

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promote the development of innovation projects, strengthening the process of experimentation and learning (development of prototypes, innovation management, social innovation prototypes); iii) R&D and advanced human capital (company-university / R&D centre, inclusion of advanced human capital, high-tech innovation, tax incentive); iv) accelerate business development through the support to the provision of public goods and the strengthening of interaction between companies and the ecosystem (public goods for competitiveness, innovation culture). He finally referred to the agenda of CORFO in this matter and strengthening of policies and programmes to support innovation for SMEs.

20. Peru: Angel Hurtado, Director of Innovation of the Ministry of Production, made the presentation "STARTUP Perú" (SP/RRICP/Di 11-15), as one of the instruments of the programme Innóvate Perú (www.innovateperu.pe). START-UP Perú (www.start-up.pe) is an initiative of the Peruvian Government, which aims to promote the emergence and consolidation of new companies offering innovative products and services, with high technological content and designed to compete in international markets and generate quality jobs. This initiative envisages two forms of competition for innovative entrepreneurs and high-impact dynamic entrepreneurs through an online system, where they must register, submit an application and wait the preselection and selection of applications to know the projects that were allocated resources. Selected projects receive up to US\$ 50,000 if they are innovative entrepreneurs, and up to US\$ 137,000 if they are dynamic entrepreneurs, and have 12 to 18 months to implement the projects. There are also incubators, where applications are submitted after a second call for funding of projects.

21. Uruguay: Analía Semblat, Sectoral Coordinator of the National Direction of Handicrafts, Micro and Small-sized Enterprises (DINAPYME) of the Ministry of Industry, Energy and Mining, made a presentation entitled "Sectoral Councils, an instrument for the formulation and implementation of sustainable promotion policies in knowledge-intensive sectors" (SP/RRICP/Di 12-15). She referred to the productive structure of Uruguay on three pillars (agro-industry, services and new sectors), showing that the transformation of the productive matrix means sustainable growth with social justice. She also analyzed the historical evolution of productive policies in Uruguay (Productive Uruguay), which include more than 70 horizontal instruments to support competitiveness, industrial strategy guidelines, laws, the creation of sectoral councils, the construction of a roadmap for industrial strategy and implementation. In addition, she analyzed the historical evolution of innovation (Innovative Uruguay), considering various instruments, the creation of an innovation council, the R+D+i indicator, various instruments for the promotion of research and innovation, the Industrial Fund, the sectoral intensity indicator and the new instruments for the promotion of innovation. She referred to four levels of knowledge-intensive sectors: i) agro-industry and the simple medium-low technology manufacturing; ii) support industries with inadequate national technology; iii) use of technology with capacity to produce quality goods; and iv) capacity for innovation and design of products, global leaders. Technological convergence and development are possible through three main aspects: technological convergence, impact on market and impact on development. She explained the methodology of sectoral councils that operate by consensus of companies, workers, State, technology and research centres, and academia. Sectoral councils represent a space for discussion, analysis and proposal of solutions for the development of value chains and are focused on adapting or creating standards, coordinating public-private relations and developing a sectoral strategic plan. Among the main guidelines for 2015-2020 are: i) capacity building for the industry of the future; ii) sectoral growth focused on knowledge-intensive sectors; and iii) in the short term, launch of the energy sectoral committee and the artificial intelligence committee.

22. SESSION IV: FINAL REFLECTIONS AND LESSONS LEARNED ABOUT INNOVATION,

COMPETITIVENESS AND PRODUCTIVITY. REQUIRED ACTIONS – EXPERT PANEL. This session was moderated by Mr. Román Mayorga, Director of Relations for Integration and Cooperation of the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA). The main speakers in this working session included SELA's Consultant Fernando Machado and International Consultants Gabriel Hidalgo and Santiago Macías. Following is a summary of the main reflections and lessons learned:

FERNANDO MACHADO:

- The importance of innovation is essentially crucial to counteract the challenges faced by humankind.
- There are risks of all kinds that can be solved through innovation.
- It is necessary to develop innovations for survival.
- General crises can emerge: Economic, environmental, policy, government, etc. Therefore, it is necessary to anticipate the risks ahead.
- There can be financial bubbles, for instance buying and selling of bonds in very large quantities.
- Sixty percent of the gains are the result from innovation.
- We must rethink the opportunities that may arise with the creation of new jobs and strengthen those innovations that promote the recovery of employment.
- SELA, OAS and other institutions may help determine how to rethink the mental paradigm.

SANTIAGO MACÍAS:

- The development of innovation is mostly associated with economic development rather than science and technology (S&T).
- Innovation can be replicated at the local level. Innovation is not linked to originality, but to the possibility to take it to another context.
- A plan, a strategy, a policy on innovation is not good until it is not well implemented in the same country at the international level. The ability to execute should be developed.
- The "timing" of enterprises is different from that of the political sector; businesses require quick answers and cannot wait for calls from the public sector.
- The role of international organizations:
 - a. Evaluate the programmes, results, indicators, compared to other things that are occurring outside the region (benchmarking).
 - b. Contribute to making comparisons with other regions, and provide such information to the governments of the region.
 - c. Conduct joint projects among the countries of the region.
- Whatever generates value is fundamental for society; this is the responsibility or role of public and private enterprises.

GABRIEL HIDALGO:

- Talents do not necessarily develop in our countries; therefore, it is necessary to develop and strengthen ecosystems.
- Talent can emerge anywhere. It is important to have "inclusive" institutions in order to promote ecosystems that contribute to generating opportunities.
- It is necessary to achieve a social mixture that offers equal conditions.

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- Some successful examples are: Google, Facebook, LinkedIn and Tesla, which are based on alliances and groups of people with common interests.
- It is important to understand that among people there are givers and takers. This also applies to countries and cities.
- Metrics: They are incremental and refer to indicators. It is necessary to define clear and specific goals of what one wants to achieve.
- Ecosystem, software, discovery, anchor companies.
- It is advisable to work with migration ventures (for people living abroad).

23. The main Conclusions and Recommendations were presented by Antonio Leone Durante, Coordinator of the Regional Latin American and Caribbean Programme for Small and Medium-sized Enterprises (SELA-SME Programme) and Fernando Machado, SELA's Consultant.

II. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. Technological innovation is the most important instrument under the control of companies that enables them to increase and sustain their competitiveness and embark on new businesses. Adequate innovation represents a significant investment of resources, attention, effort and risk for companies. Therefore, their priority in the short term is to identify the most appropriate innovations to increase and sustain their competitiveness and growth strategies and to embark on new businesses, taking into account particularly the current technological revolution and the multiple global crises.
2. Existing SMEs are responsible for most of the employment in the region, and their inability to innovate with the effectiveness required for their growth and survival prevents an increase in overall productivity of the economy.
3. Innovation in SMEs is vital for the economic, social and environmental development of the region. Thus, public policies are fundamental and necessary to promote innovation in SMEs. In view of the low capacity of these enterprises to define their critical innovation projects for their competitiveness, new businesses and growth, these policies should attach priority to the appropriate strategies for capacity building at the level of enterprises, chains and clusters.
4. Among the obstacles faced by companies when innovating is their ability to effectively define its strategic innovations. Other difficulties are related to the successful management of projects through the building of capacities to comprehensively manage innovation in enterprises and business associations; the financing of innovation; and the lack of funds for micro and small-sized enterprises to cover this process.
5. As for investment in the public sector, both the amount and the destination are very important. However, not only financial resources are required, but also other mechanisms, such as social savings. It should be noted that the provision of resources for the private sector contributes to the creation of jobs.
6. Some SMEs have raised funds, but whatever they invest in innovation is still far from being satisfactory. Thus, a new strategy for the public promotion of innovation is required, being focused on training SMEs to define innovation strategies and creating a new innovation management model for these companies.

7. A partial effort has been made to identify best practices, as was seen in the presentations made by participants, concerning other aspects that should be included, such as public policies. In addition, it is necessary to organize bilateral meetings for the exchange and transfer of best practices.
8. Countries and companies in the region have recognized the critical importance of innovation for competitiveness, growth and survival of production units, as well as for the economic and social development of Latin American and Caribbean countries.
9. Despite the increased funding for these programmes, most of it coming from public sources, there have been few and ephemeral results, with rare exceptions. Companies in the region that implement effective innovation strategies are still very few, which raises doubts concerning the high public investment in innovation of enterprises.
10. However, some countries, stimulated by the political acceptance of innovation as a social value, continue scaling up such programmes with increasingly significant resources. Other countries report greater demand for evaluation of the effectiveness of such programmes and policies and of the return on investment of resources from taxpayers. Therefore, there is an increased risk of less public support for innovation in the region at a time when this is more urgently needed to resolve the current multiple crises.

Recommendations

1. It is essential to carry out a critical review of policies and programmes, in order to conceptualize a contribution for the increased effectiveness of investment in innovation of SMEs in the region, particularly the existing companies of the industrial sector. This emphasis is justified, considering the critical process of deindustrialization that has been verified in the region during the last five years, their relative importance in terms of value-added potential through innovation, and the preservation of best-paying jobs, which is crucial to reduce the growing income inequality that now threatens social stability.
2. Since there is evidence that companies, and particularly SMEs, lack capacity to identify innovations that significantly impact the competitiveness of their businesses, it is recommended to define new businesses based on new technologies to manage them effectively. This leads to the need to correlate their competitive strategies and strategic objectives with innovation.
3. Participants recommended to promote the SME' s commitment to innovation processes, in order to stimulate greater use and business response to government policies and programmes for the promotion of business innovation in the region.
4. As a possible initial solution to current obstacles to effective innovation in SMEs, a proposal was made to build capacities for the proper definition of innovation strategies, as a short-term measure to offset the current process of deindustrialization and loss of differently paid jobs, which increases the levels of social inequality.
5. It is necessary to stimulate innovation processes within companies and manage effectively human capital in these processes, in order to generate the culture of business change demanded by innovation management.
6. ICT-based innovations should be implemented as a tool to learn the innovation process and generate resources for other innovations, of a more strategic nature leading to the creation of new jobs, such as the entry into new businesses thanks to the current technological revolution. All this demands a strategic innovation management capacity.
7. We must promote all types of innovation, such as continuous improvement, incremental improvement and disruptive innovation, since they may represent major advances within the framework of an effective strategy for business innovation.

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8. The diverse experiences presented at the meeting, focused on the policy and stimuli constantly promoting innovation and entrepreneurship, should be taken into account. It is necessary to have complementary policies that support SMEs, financing and innovation at the same time. The appropriate incentives to entrepreneurial culture should also be considered. In addition, in the long term, these policies should also include the commitment to develop skills and competences in secondary-education students through ongoing education programmes for entrepreneurship and innovation.

9. The "innovation ecosystem" approach is based on the fact that components (financial capital, human capital, knowledge, infrastructure, regulations, etc.) are not enough for an ecosystem to flourish. This depends on cultural and institutional conditions that promote collaboration among entities and people that are normally wary and not present (entrepreneurs, investors, government, universities, and large enterprises). It should not be forgotten that the main element of this ecosystem are the existing enterprises, which represent the demand for innovations. If companies are unaware of the critical innovations for competitiveness and growth, as usually is the case, the fact of not interacting with the other parties and the entire investment in such ecosystem is questioned.

10. It would be advisable for SELA to collect and evaluate public policies in the region, which can contribute to generating a policy model of innovation and competitiveness that includes the programmes and instruments presented. This should lead to the preparation of a manual of public policies for the promotion of business innovation, which would provide guidance to the respective authorities in the countries of the region.

11. SELA, in association with other relevant national and regional organizations, should start an experimental series of demonstration pilot programmes for the creation of the required business capacity to define innovation strategies in line with competitive strategies, at the level of companies, productive chains and specific clusters.

12. Entrepreneurs should be instrumental in disseminating the results of these pilot programmes, with the aim of spreading widely the methodologies used. This would enable the private sector to commit itself to investment in innovation and complement public investment, thereby reducing the risk of implementing this public investment and enrich public policies with proven best practices and instruments.

13. It is important to take into account the need to promote some strategic and support elements for the best performance of SMEs, such as associativity, the creation of laboratories, centres for inter-institutional cooperation and others. The technological resources are key and should be measured to know the progress of development of SMEs.

III. CLOSING SESSION

24. The CLOSING SESSION was headed by the following authorities:

- a. Román Mayorga, Director of Relations for Integration and Cooperation. Permanent Secretariat of the Latin American and Caribbean Economic System (SELA)
- b. Alejandro Bernal Cabrera, Director-General of Innovation, Technology Transfer and Business Services. National Programme of Innovation for Competitiveness and Productivity
- c. Jorge Sánchez Milla, President of the Small Industry Committee of Peru (COPEI)
- d. Gina Pípoli de Azambuja, Dean of the Business Science Faculty of the University of the Pacific

A N N E X I

AGENDA

REGIONAL MEETING ON INNOVATION, COMPETITIVENESS AND PRODUCTIVITY

Venue: University of the Pacific. Auditorio Juan Julio Wicht SJ.

Located in Jr. Sánchez, Cerro 212, Jesús María. Lima. Peru

Date: 5 and 6 May 2015

Background

It is a known fact that ongoing technological changes have contributed to a rapid transformation of economic activities, which leads to improved business productivity. SMEs should consider constant improvements in their products and services. Therefore, encouraging innovation processes is of the essence. In most cases, such processes involve the implementation of technological and organizational changes to meet the issues of competition and changing markets.

In order to meet the demands of entrepreneurs and governments on this issue, SELA has organized courses, seminars and other training activities, in an attempt to convey the concepts and methodologies to promote innovation and boost productivity and competitiveness, thus favouring a more efficient business management by SMEs.

In 2013, the Permanent Secretariat of SELA conducted the Seminar on Technology Transfer Mechanisms for SMEs in Lima, Peru. This activity was organized jointly with the Small Industry Committee of Peru (COPEI). During the activity, a review was made on the progress achieved, the strategies and tools to support the process of effective technology transfer. Representatives of the Andean Region shared their main successful experiences in promoting innovation as a strategic tool to support the improvement of SME competitiveness and productivity. In addition, Brazil, Chile and Mexico shared their experiences.

In mid-October 2014, a "Seminar on Innovation for SMEs" was conducted in Uruguay with the support of the National Direction of Handicrafts, Micro and Small-sized Enterprises of Uruguay (DINAPYME). The meeting evaluated the progress made in this matter in the region and presented the study "Identification of successful experiences for the implementation of innovation processes in companies" (SP/STGIP/DT N° 2), prepared by the Permanent Secretariat.

According to the results of this study, a recommendation was made to conduct a Regional Forum on innovation, competitiveness and productivity, focused on the new public policy instruments to foster innovation and improve productive business efficiency of SMEs.

Objectives

According to the Work Programme for 2015, as approved by the Latin American Council of SELA, the objectives of this activity are as follows: i) Review the concepts, strategies, mechanisms and tools to support the process of effective promotion of innovation within enterprises; ii) Identify and disseminate successful experiences and provide working methodologies to drive innovation and knowledge management processes in the areas of productivity, quality and competitiveness, in order to outline activities, programmes and workshops focused on the areas identified; iii) Train officials and entrepreneurs in the development of innovation processes and improvement of competitiveness and productivity in SMEs; iv) Present successful cases in promoting innovation processes in enterprises; v) Review public and private programmes to encourage and support innovation; and vi) Disseminate information about successful experiences in promoting innovation.

14**Participants**

This activity is aimed at the governmental focal points for small and medium-sized enterprises from SELA Member States, representatives from SMEs business associations and experts in this field.

AGENDA

Tuesday, 5 May 2015

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| Afternoon |
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14:30 - 15:00 REGISTRATION

15:00 - 15:10 **INTRODUCTORY SESSION**

Antonio Leone Durante, Coordinator of the Regional Latin American and Caribbean Programme for Small and Medium-Sized Enterprises (SELA-SMEs Programme).
Permanent Secretariat of the Latin American and Caribbean Economic System (SELA)

15:10 - 15:50 **Presentation of the study:**

"Identification of successful experiences in implementing business innovation processes" (SP/STGIP/DT N° 2-14)

Speaker: Fernando Machado, SELA's Consultant.

15:50 – 16:55 **SESSION I: SUCCESSFUL EXPERIENCES OF INNOVATION, COMPETITIVENESS AND PRODUCTIVITY – ANDEAN REGION**

Moderator: Ángel Hurtado, Direction of Innovation of the Ministry of Production of Peru

- Colombia: David Sierra, Special Projects Manager of RutaN (Medellin)
- Peru: Alejandro Bernaola Cabrera, Director-General of Innovation, Technology Transfer and Business Services. National Programme of Innovation for Competitiveness and Productivity

16:55 – 17:15 GENERAL DEBATE

17:15 – 17:45 **OPENING SESSION**

Mr Román Mayorga, Director of Relations for Integration and Cooperation.
Permanent Secretariat of the Latin American and Caribbean Economic System (SELA)

Mr Miguel Vega Alvear, Vice-President of the National Society of Industries (SNI)

Ambassador Hugo de Zela, Chief of Staff of the General Secretariat of the Organization of American States (OAS)

His Excellency Mr Carlos Carrillo Mora, Vice-Minister of Production of the Republic of Peru

Ms Vanina Farber Fuks, Dean of the Graduate Business School of the University of the Pacific

17:45 – 18:00 COFFEE BREAK

18:00 – 19:00 **CONFERENCE: INNOVATION AS STRATEGIC FACTOR FOR COMPETITIVENESS AND PRODUCTIVITY: MEXICAN EXPERIENCE.** Santiago Macías, International Consultant

19:00 – 20:00 **SESSION II: SUCCESSFUL EXPERIENCES OF INNOVATION, COMPETITIVENESS AND PRODUCTIVITY – CENTRAL AMERICA AND MEXICO**
Moderator: Francisco Martinotti, Small Industry Committee of Peru (COPEI)

- Costa Rica: Adelita Arce, Secretariat of Incentives of the Ministry of Science and Technology
- Panama: Liriola Pitti, Vice-President for Corporate Services of the City of Knowledge Foundation
- Mexico: Norma Mondragón Flores, Director of Innovation of the General Direction of Business Development Programmes of the National Institute of the Entrepreneur (INADEM). Ministry of Economy
- Mexico: Iván Ornelas Díaz, Coordinador of the International Area of the National Institute of the Entrepreneur (INADEM). Ministry of Economy

20:00 – 20:30 GENERAL DEBATE

Wednesday, 6 May 2015

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| Morning |
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08:30 - 09:00 REGISTRATION

09:00 - 09:45 **CONFERENCE: DYNAMIC ENTREPRENEURSHIP: REGIONAL EXPERIENCES.** Gabriel Hidalgo, International Consultant

09:45 – 10:45 **SESSION III: SUCCESSFUL EXPERIENCES OF INNOVATION, COMPETITIVENESS AND PRODUCTIVITY – SOUTH AMERICA**

Moderator: Norma Mondragón Flores, Director of Innovation of the General Direction of Business Development Programmes of the National Institute of the Entrepreneur (INADEM). Ministry of Economy

- Chile: Pedro Sierra B., Studies and Evaluation Manager of the Production Development Corporation (CORFO)
- Peru: Angel Hurtado, Direction of Innovation of the Ministry of Production of Peru
- Uruguay: Analía Semblat, Sectoral Coordinator of the National Direction of Handicrafts, Micro and Small-sized Enterprises (DINAPYME) of the Ministry of Industry, Energy and Mining

10:45 – 11:00 GENERAL DEBATE

11:00 – 11:15 COFFEE BREAK

16**11:15 – 12:15 SESSION IV: FINAL REFLECTIONS AND LESSONS LEARNED ABOUT INNOVATION, COMPETITIVENESS AND PRODUCTIVITY. REQUIRED ACTIONS – EXPERT PANEL**

Moderator: Román Mayorga, Director of Relations for Integration and Cooperation. Permanent Secretariat of the Latin American and Caribbean Economic System (SELA)

- Fernando Machado, SELA's Consultant
- Gabriel Hidalgo, International Consultant
- Santiago Macías, International Consultant

12:15 – 12:30 GENERAL DEBATE

12:30 – 13:00 SESSION V: CONCLUSIONS AND RECOMMENDATIONS

Antonio Leone Durante, Coordinator of the Regional Latin American and Caribbean Programme for Small and Medium-Sized Enterprises (SELA-SMEs Programme), and Fernando Machado, SELA's Consultant

13:00 – 13:30 CLOSING SESSION

Mr Román Mayorga, Director of Relations for Integration and Cooperation. Permanent Secretariat of the Latin American and Caribbean Economic System (SELA)

Mr Alejandro Bernaola Cabrera, Director-General of Innovation, Technology Transfer and Business Services. National Programme of Innovation for Competitiveness and Productivity

Mr Jorge Sánchez Milla, President of the Small Industry Committee of Peru (COPEI)

Ms Gina Pípoli de Azambuja, Dean of the Business Science Faculty of the University of the Pacific

A N N E X I I

**SPEECH BY MR ROMÁN MAYORGA, DIRECTOR OF RELATIONS
FOR INTEGRATION AND COOPERATION OF THE PERMANENT SECRETARIAT
OF THE LATIN AMERICAN AND CARIBBEAN ECONOMIC SYSTEM (SELA)**

First of all, let me convey cordial greetings from Ambassador Roberto Guarnieri, Permanent Secretary of SELA, and express our satisfaction for the opportunity to join you in this opening session of the **Regional Meeting on innovation, competitiveness and productivity of small and medium-sized enterprises (SMEs)** in Latin America and the Caribbean.

We highly appreciate the collaboration of the Peruvian Ministry of Production and the Small Industry Committee of the National Society of Industries to carry out this meeting. In addition, we express our gratitude to this prestigious University of the Pacific for welcoming us in its excellent facilities, and other institutions and companies that supported the organization and development of the activities scheduled for this event.

The main objective of this activity is to review concepts, methodologies and tools used for the promotion and development of innovation, as a fundamental factor for the improvement of productivity and competitiveness of SMEs. In addition, we aim to disseminate successful experiences in this matter implemented in various countries of the region, and provide officials and entrepreneurs with useful information to promote innovative business processes.

I wish to refer briefly to the three basic aspects to be analyzed in this event: innovation, competitiveness and productivity.

A large number of studies, which began in the 1950s with the papers by Robert Solow, Nobel Prize laureate in Economics, demonstrate that technological changes have contributed to a rapid transformation of economic activities, generating a continuous rise in productivity of enterprises, which is the main driving force behind contemporary economic growth.

Technological change entails basically innovation, defined briefly by the Inter-American Development Bank (IDB) as “the implementation of new or significantly improved products, processes, services or organizational methods.” While innovation is often associated with the development of productive technologies, it also refers to progress in terms of marketing, logistics, and other management processes leading to greater operational efficiency of enterprises. Innovation ranges from subtle progress, which results in modest gains in productivity of individual companies, to more radical technological changes that redefine the dynamics of international markets. Thus, continuous innovation encourages enterprises to produce more and better and compete more effectively in national and international markets.

SMEs should consider constant improvements in their products, whether they are goods or services, and methods of production, for which stimulus to innovation processes is essential. Usually, these processes involve the implementation of technological and organizational changes that respond to modifications resulting from competition in markets.

To meet the demands of employers and governments on this subject, SELA has organized courses, seminars, workshops and other activities to provide concepts and methodologies for the promotion of innovation, with a view to encouraging productivity and competitiveness through the promotion of a more efficient management of SMEs in our region, on which, as we all know, a significant part of employment in Latin America and the Caribbean depends.

The first topic to be addressed in this event focuses on the relevance and priority of attention to the innovation efforts. Entrepreneurs should be alert to the evolution of technology and generate in their companies and environment an innovative culture that contributes to greater productivity and continued competitiveness, meeting the market demand. In addition to technological and

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organizational changes that it implies within companies, the use of information technologies speeds up and facilitates the marketing of products required by customers anywhere in the world.

From a business perspective, a significant part of the required changes lies in innovation of leadership models, management processes and the organizational structure. The objective is to promote an agile organization, able to adapt to continuous changes and attract the talent that companies need to compete successfully.

Without prejudice to the role of entrepreneurs, it is also true that innovation has important implications for public policy. For example, to acquire and maintain technological capacity, any country needs an institutional system that includes universities; research and development (RD) centres of companies; information and extension agencies; institutions for financing, standardization and quality control; consulting firms; technical service laboratories; governmental regulation agencies; and other institutions that interact in a wide range of activities, from the conception of an idea to its widespread use in the society. If that system does not exist or is too weak, the country will be not able to select, absorb and properly handle foreign technology, let alone to make efforts for technological generation or adaptation. The weakness of these entities and their interactions, which has been called the ***national innovation system (SNI)***, explains largely why our region has not reached yet a degree of endogenization and speed of technological change.

The second topic addresses the need to strengthen the productivity of SMEs. This is the relationship between the production obtained by a production system and the resources used for this production, which is also linked with the time and opportunity in which the results are generated. Thus, productivity refers to the input-output relationship and is a measure of the efficiency of the production process. As we have just said, improving that efficiency significantly depends on innovation of production units; i.e. public and private, small, medium and large companies.

The third topic, the competitiveness of a company, is the ability to maintain comparative advantages that enable it to achieve, sustain, and improve a certain position on the socio-economic environment. Obviously, the more innovative and productive a company is, the better are its chances of being competitive on its national and international environment. Consideration of competitiveness has impact on how to raise and develop any business initiative, implying, of course, a necessary evolution in the traditional model of enterprise and entrepreneur in our region.

To conduct discussions competently on these issues of innovation, productivity and competitiveness, SELA entrusted the expert Fernando Machado with the task of preparing a document entitled "Identification of successful experiences in implementing business innovation processes." We express our gratitude to Dr Machado for his valuable contribution to the knowledge of this subject matter.

Finally, I would like also to reiterate the gratitude of the Permanent Secretariat of SELA to the organizations that have contributed to the development of this activity, the specialists who will make their presentations during the event and all participants. We are sure that this opportunity will be of great benefit for all.

Thank you very much.

A N N E X I I I

**SPEECH BY AMBASSADOR HUGO DE ZELA, CHIEF OF CABINET
OF THE GENERAL SECRETARIAT OF THE ORGANIZATION OF AMERICAN STATES (OAS)**

I would like to start by conveying the greetings of the Secretary-General of the OAS, José Miguel Insulza, who regrets not to join you on this occasion. As his representative, I express to you his best wishes for success at this meeting.

I take this opportunity to thank the Ministry of Production of Peru, the Committee of Small Enterprises (COPEI), the University of the Pacific and the Latin American and Caribbean Economic System (SELA), for their invitation to participate in this *Regional Meeting on Innovation, Competitiveness and Productivity*.

In view of the global and regional economic scenario and the publication last month of the main prospective studies drafted by international financial organizations, the conduction of this meeting comes at the right time.

The countries of the region face a complex economic situation due to the slow and weak growth of the international economy. The lower dynamism of external demand and the volatility in commodity prices continue to hinder a greater and better economic growth. The latest *"Economic Outlook"* report of the IMF predicts a growth rate for Latin America and the Caribbean of 0.9% in 2015, lower than the already meagre 1.3% posted in 2014.

If such trend persists, the unprecedented economic and social progress achieved by our region over the past decade will be at stake, including the fight against poverty and inequality, thanks to which almost 70 million people overcame poverty and 50 million people could join a fledgling "middle class".

Such achievements were largely due to the structural reforms undertaken by our countries in the past 10 years, which have made emphasis on diversifying the economy, increasing productive coordination and reducing scientific and technological gaps. But, particularly, another factor was recognizing that SMEs are strategic actors to increase potential growth in the region, as they are the "backbone" of the productive structure in the Americas. The percentage share of SMEs in the regional productive fabric accounts for approximately 99% of the total number of enterprises, and they employ nearly 67% of the labour force.¹

The potential of SMEs as agents for economic structural change is unquestionable. However, in order to make full use of such potential, it is necessary to confront a series of obstacles that are common to the countries of the region as a whole, and which are due to a shift in the production paradigm resulting from the technological advances that have changed economic and productive patterns, communication systems and the very dynamics of learning and information. All the aforementioned elements have led to an unprecedented increase in global economic competitiveness.

In general, our region is lagging behind developed countries and other emerging economies in the fields of innovation, science and technology. In the Global Competitiveness Index 2014-2015 of the World Economic Forum, out of 144 economies, Latin America and the Caribbean as a whole ranks 85th in the Pillar of Innovation. *(The case of Peru calls attention, because even though the country has made progress in the general ranking of the Index of Global Competitiveness, moving ahead from position No. 74 during the period 2006-2007 to No. 65 in 2014-2015 (out of 144 economies), in the Pillar of Innovation it ranks 117th, a downturn compared to the period 2011-2012, when it reached position No. 113).*

¹ *Perspectivas Económicas de América Latina 2013: Políticas de PYMES para el Cambio Estructural*. OECD / ECLAC.
http://repositorio.cepal.org/bitstream/handle/11362/1463/S2012083_es.pdf?sequence=1

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The capacity for innovation of enterprises within each country is conditioned by a number of factors. The main challenges to be confronted are: Low investment levels – particularly private investment – in research and development (R&D); the heterogeneity of investments in one type of business and productive sector; the extent of institutional dedication and support to the “national innovation systems” and their stakeholders (companies, universities, technology research centres, governments, NGOs and civil society); and their level of coordination, cooperation and linkage, to name a few.

In the case of SMEs – considered as potential agents for structural change in the domestic economies – the challenges are found both externally (relative backwardness of the region as regards its technological capabilities, which prevents undertaking innovations in a timely manner on the basis of the best international practices) and internally (differences in terms of productivity among and within economic sectors, and between companies in the same country). This so-called “structural heterogeneity” is aggravated with the concentration of employment in very low relative productivity levels. Both external and internal challenges negatively affect one another, thus generating a vicious circle in which the low-productivity sectors have less capacity for innovation, adaptation to technology, transfer of knowledge, and therefore weak structural change, all of which consolidates pockets of poverty and low growth.

Specifically, the lack of the necessary resources to invest in research and the limited capacity for establishing links with other stakeholders in the innovation system create a disadvantageous situation, which reduces the chances to develop skills and the capacity to innovate and interact with companies and agents, and increases in exponential terms the disadvantages as regards capabilities to compete in markets conditioned by rapid technological progress.

This makes us wonder and discuss about which are the necessary public policies to take advantage of technological advances, which are the adequate suitable tools to reverse this trend, and how can the public, private, academic sectors contribute to creating an ecosystem suitable for entrepreneurship and innovation.

The need to support our Member States in promoting an ecosystem favourable to innovation and entrepreneurship has led the OAS to co-organize regional dialogues with high-level authorities in charge of SMEs, which have included exchanges of experiences and lessons learned as regards successful policies and programmes that have allowed for generating valuable horizontal, triangular and regional cooperation initiatives. A few weeks ago, on 16 and 17 April, we held the IV Inter-American Dialogue of High-Level Authorities on SMEs, in Washington DC. On that occasion, Central American and Caribbean countries gained knowledge about the U.S. model of “business development centres” and with the support of that country, they have been adapting that model to their own realities.

In the same vein, we have the initiative called “InnovaNet Network”, which promotes collaboration among science and technology authorities, competitiveness, SMEs and Technology Transfer Offices (TTOs), universities and innovation centres in Central America, with the support of institutions, networks and experts from Chile, Colombia, Brazil, Argentina, Mexico and the United States. The purpose of this initiative is to generate interconnections and joint work within the framework of a network to connect numerous technologies and innovations being developed in our countries with dynamic markets, based on intellectual property strategies, knowledge management and incubation of technological enterprises. Within this context, there are also the training programmes for TTOs that we have developed since 2011 with the “Licensing Academy” of the University of California at Davis and the Technology Transfer and Commercialization Academy for the Americas (2013-2014), in coordination with Mexico’s CONACYT, CIBNOR and the TTO Network of Mexico.

And I would like to conclude with another example of concrete initiatives for horizontal cooperation, which I think is very relevant for the exchanges that you will have in this meeting. The General Secretariat of the OAS recently conducted the Third Americas Competitiveness Exchange on Innovation and Entrepreneurship (ACE), co-organized by the OAS, the United States Department of Commerce, through the International Trade Administration (ITA) and the Economic Development Administration (EDA); the United States Department of State; the Government of Guatemala, in its capacity as Pro Tempore Chair of the Inter-American Competitiveness Network (RIAC) for 2015, with the financial support of the governments of the United States and Canada. The week-long Exchange consisted of visits to innovation and entrepreneurship centres in the Midwest of the United States, with the participation of 47 Ministers, Vice-Ministers and High-Level Officials working in the area of economics, private sector leaders, and scholars from 27 countries in the Americas. The objective was to deepen collaboration in the region, based on the successful experiences that the member countries of the OAS have shared within the context of the Inter-American Dialogue of High-Level Authorities on SMEs and the Inter-American Competitiveness Network (RIAC), all of which have been documented in the "Signs of Competitiveness in the Americas Reports", drafted by this network between 2012 and 2014 (www.riacreport.org).

Participants in the Exchange had the opportunity to share experiences as regards public-private partnerships in areas such as manufacturing, water supply, agriculture, energy, and information and communication technologies; forging long-lasting partnerships, and generating collaboration and cooperation initiatives for mutual benefit between the private and public leaders of our region responsible for supporting high-impact, innovative SMEs.

Precisely therein lies the importance of this seminar and the initiatives carried out by SELA and the OAS: We can create spaces in which we can work together to share knowledge, experiences and best practices; we can generate a virtuous circle to link the stakeholders of national innovation systems at the regional level that we need, and thus strengthen the social and economic role that SMEs should play as the cornerstones to build an equitable and inclusive economic development for the benefit of our citizens.

Thank you very much.

A N N E X I V

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Note: [List of participants \(PRODUCE\): http://www.sela.org/attach/258/default/Lista_Asistencia_05-06_MAYO_2015_\(PRODUCE\)_Asistio.pdf](http://www.sela.org/attach/258/default/Lista_Asistencia_05-06_MAYO_2015_(PRODUCE)_Asistio.pdf)

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| SP/RRICP/DT 1-15 | Agenda |
| SP/STGIP/DT N° 2-15 | Identification of successful experiences in implementing business innovation processes SELA's Consultant, Fernando Machado |
| SP/STGIP/DT N° 2-15 Add | Identification of successful experiences in implementing business innovation processes SELA's Consultant, Fernando Machado |
| SP/RRICP/Di 1-15 | Ruta N: a place where innovation is enhanced Colombia: David Sierra, Special Projects Manager of RutaN (Medellin) |
| SP/RRICP/Di 2-15 | Innovation, competitiveness and productivity Peru: Alejandro Bernaola Cabrera, Director-General of Innovation, Technology Transfer and Business Services. National Programme of Innovation for Competitiveness and Productivity of the Ministry of Production |
| SP/RRICP/Di 3-15 | Speech by Mr Román Mayorga, Director of Relations for Integration and Cooperation. Permanent Secretariat of the Latin American and Caribbean Economic System (SELA) at the Opening Session |
| SP/RRICP/Di 4-15 | Speech by Ambassador Hugo de Zela, Chief of Staff of the General Secretariat of the Organization of American States (OAS) at the Opening Session |
| SP/RRICP/Di 5-15 | Innovation as strategic factor for competitiveness and productivity: Mexican experience Santiago Macías, International Consultant |
| SP/RRICP/Di 6-15 | Successful experiences of innovation, competitiveness and productivity in Costa Rica Costa Rica: Adelita Arce, Secretariat of Incentives of the Ministry of Science and Technology |

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| SP/RRICP/Di 7-15 | <p>Importance of innovation as a public policy in Mexico</p> <p>Mexico: Norma Mondragón Flores, Director of Innovation of the General Direction of Business Development Programmes of the National Institute of the Entrepreneur (INADEM). Ministry of Economy</p> |
| SP/RRICP/Di 8-15 | <p>Should there be a strategic support for micro and small traditional enterprises?</p> <p>Mexico: Iván Ornelas Díaz, Coordinador of the International Area of the National Institute of the Entrepreneur (INADEM). Ministry of Economy</p> |
| SP/RRICP/Di 9-15 | <p>Dynamic entrepreneurship: regional experiences</p> <p>Gabriel Hidalgo, International Consultant</p> |
| SP/RRICP/Di 10-15 | <p>The role of CORFO in challenges of productivity and innovation</p> <p>Chile: Pedro Sierra B., Studies and Evaluation Manager of the Production Development Corporation (CORFO)</p> |
| SP/RRICP/Di 11-15 | <p>STARTUP Perú</p> <p>Peru: Angel Hurtado, Direction of Innovation of the Ministry of Production</p> |
| SP/RRICP/Di 12-15 | <p>Sectoral Councils, an instrument for the formulation and implementation of sustainable promotion policies in knowledge-intensive sectors</p> <p>Uruguay: Analía Semblat, Sectoral Coordinator of the National Direction of Handicrafts, Micro and Small-sized Enterprises (DINAPYME) of the Ministry of Industry, Energy and Mining</p> |
| SP/RRICP/Di 13-15 | List of Participants |
| SP/RRICP/IF 15 | Final Report |