3 Export Consortia: Types and Characteristics

3.1 Export Consortia: An Overview

According to their differing objectives and scope, SMEs consortia may be of different types, such as research and development consortia, purchasing consortia, marketing consortia, production consortia, and export consortia.

An export consortium is '*a voluntary alliance of firms with the objective of promoting the goods and services of its members abroad and facilitating the export of these products through joint actions*' (UNIDO 2003). Export consortia therefore represent a particular form of inter-firm network dedicated to fostering the internationalization of SMEs. Forming horizontal ties with other domestic partners may enable small firms to solve a variety of internal export problems concerning the completeness and quality of the value proposition, organizational and financial issues, and the lack of information about foreign markets.

Export consortia are some of the least studied internationalization networks. However, they represent an attractive means of overcoming some barriers to export as they enable firms to pool resources that may be scarce at firm level and exploit economies of scale without losing firm flexibility. For this reason the consortium model is particularly advantageous for smaller firms, whether they are going international for the first time or trying to increase their existing degree of internationalization.

Compared to other kinds of networks, consortia are particularly helpful in the internationalization process of SMEs. They require relatively little financial investment, are not expensive in terms of human capital, are sufficiently loose (partners are still able to carry out many activities independently) and, finally, can be managed in such a way that partners need only participate in those initiatives which are of real interest to them.

The participation of SMEs in other types of business networks and cooperative agreements is often limited by financial constraints. For example, joint ventures may not be feasible for some SMEs as the money required to start up a new company and, more importantly, the investment in human capital necessary for

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initial development and subsequent control are frequently not available. Other types of agreement and network are often considered to be too rigid for SMEs as they greatly restrict member firms' freedom to change strategy or make alliances with other partners in order to achieve certain objectives. Consortia are organized loosely enough to allow partners to define strategies autonomously. Finally, participating in an export consortium does not usually involve taking part in all of its activities; partner firms can generally decide whether or not they wish to be involved in a particular project.

For all of these reasons, export consortia suit the needs of SMEs very well.

Export consortia support the internationalization process of their partners mainly by supplying specific services that help them increase sales abroad, become familiar with target markets, make their brands known and gather information about foreign customers and distribution channels. By pooling their resources, individual partners can better cope with the transaction costs associated with international marketing, most of which are related to collecting information.

The effective and efficient production of collective services to the partners is a crucial consortium activity for a variety of reasons.

First of all, if services provided by the consortium are insufficient in terms of effectiveness or efficiency, there is no reason for the partners to stay together. The quality and appropriateness of the services are therefore both key factors for success and potential sources of disruption.

Secondly, partners find it useful to be part of an export consortium if they are able to exploit economies of scale. However, if the number of partners is limited and they are free to decide whether or not to use a specific consortium service, there is a risk that the advantages deriving from economies of scale may not be exploited fully. This is particularly true in the case of multi-business consortia, where the partners come from different sectors and have very different needs. In order to avoid such a risk, the consortium's structure and management systems are crucial.

Although this kind of strategic network is focused specifically on export, internationalization is not the only benefit of such an alliance between SMEs. In many cases – for instance, the cases discussed in this book (see Chaps. 4 and 5) – joining an export consortium allows member firms to improve profitability, achieve productivity gains and accumulate knowledge through various types of joint action which are not directly related to export. Indeed, improvements in company management and organizational structure may be facilitated through cooperation between SMEs. The successful implementation of competitiveness-enhancing processes builds on investments in services (e.g. quality, traceability, certification, electronic accounting systems, innovative packaging, process improvements and production management), production equipment and technologies. Normally, these investments would not be affordable for individual SMEs, but may become possible through joint financial collaboration within a consortium.

Economies of scale may emerge when consortium members pool their resources for the joint acquisition of equipment, supplies and services (marketing, logistics, training, technical advice, etc.), thus achieving, as a group, increased bargaining power which allows them to obtain products and services under better conditions.

Moreover, when it comes to the joint definition and elaboration of 'production regulations' (necessary for obtaining quality certifications which represent significant gains in terms of added value) collaboration offers clear advantages. Furthermore, continual information exchange between associated SMEs concerning, for instance, production and human resource management practices, contribute directly to greater firm competitiveness.

Export consortia make it possible to boost the results of conventional company upgrading programmes, since cost reductions, economies of scale and replication effects can significantly increase the number of SMEs which benefit from modernization initiatives.

The benefits of consortia, however, also derive from the links which may arise between the individual activities of the member firms. Export consortia represent a powerful tool to strengthen the connections between member companies' value chains and to increase competitiveness. Furthermore, in an export consortium, the reinforcement of competitive advantages in export markets often goes hand in hand with the expansion of the local market share.

The importance of networks for the growth and competitiveness of SMEs has led many countries to promote consortia and other forms of networks among SMEs. Public agencies can facilitate initial networking and the development of trust between members (Welch et al. 1998). A government trade promotion agency is legitimized to act as a facilitator in helping firms become aware that relationships may contribute to the achievement of their goals. However, external incentives to create a consortium cannot replace the commitment and active participation of its members; a positive perception of the outcomes that networking can produce is a necessary precondition for the emergence and development of effective networks.

3.2 Features, Strengths and Weaknesses of Export Consortia

Export consortia can be classified on the basis of various factors (Depperu 1996; UNIDO 2003): scope, objectives, sectors involved, kinds of relationships among partners, location of partners, size and number of partners, targeted region, and time-horizon of the alliance.

Table 3.1 shows the different kinds of export consortia, classified according to a number of factors. Objectives and scope are perhaps the most widely adopted classification criteria as they differentiate between promotional and sales consortia, which represent the two main types of consortia.

Basically, promotional consortia are created to promote the products of their partners, but do not engage in sales activity. For this reason, they are less complex than sales consortia, where the objective of the alliance is actually to sell the partner firms' products in foreign markets. Promotional consortia invest most of their financial and human resources in marketing, whereas sales consortia act as a distribution channel for the partners, and therefore require greater investment in order to set up a sales organization.

Table 3.1 Classifications of export consortia according to different factors

Factor	Different kinds of consortia
Scope and objectives	Promotional *vs* sales consortia
Sectors involved	Single-sector *vs* multi-sector consortia
Relationships among partners	Consortia of competitors *vs* non-competitors
Location of partners	Regional *vs* multiregional consortia
	Domestic *vs* International consortia
Size and number of partners	Simple *vs* complex consortia
Targeted region	Consortia targeting a specific region *vs* acting on a global scale
Time-horizon	Short-term *vs* long-term consortia
Ownership structure	Private *vs* public consortia

Table 3.2 The strategic characteristics of sales consortia and promotional consortia

	Sales consortia	Promotional consortia
Firms' commitment to the domestic market	High	Low or absent
Firms' commitment to cooperate in foreign markets	High	High
Areas for exploitation of economies of scale	Various	Various
Coordination costs	High	Low
Involvement of individual entrepreneurs	High	Medium-low
Need for common quality standards among partners	High	Low

Table 3.2 illustrates the main strategic characteristics of both sales and promotional consortia. A comparison of the two reveals a number of significant differences that affect how they are managed.

The first important difference between the two kinds of consortium concerns the *different commitment of partners when targeting domestic or foreign markets*. Usually, the partners in an export sales consortium may also be strongly committed to cooperating with each other in the domestic market, whereas promotional consortia are often set up by firms that compete with each other at the domestic level and only wish to cooperate in exploring new foreign markets. Consequently, promotional consortia invest much less in the development of personal and social relationships among partners than sales consortia, where the pursuit of a common goal is much stronger.

Differences between export sales and promotional consortia lie also in the *types of economies of scale they can exploit*. Sales consortia can exploit economies of scale in terms of distribution channels, sales force and brand names, whereas promotional consortia usually only benefit through sharing costs (fares and other travelling expenses), due to the narrow range of business activities shared by member firms. As a result, the potential for exploiting economies of scale is much smaller in promotional consortia. This explains the greater commitment of sales consortia to cooperation. For the same reason, *coordination costs* are generally much higher than those of promotional consortia.

The *need for common quality standards* is generally low in promotional consortia. When the objective is promotion, firms can easily cooperate even if their competitive positioning is different in terms of quality. This is the case, for example, when a large number of firms, from different industries and with different strategies, share the cost of visiting a foreign country to meet different customers or distribution agents. Common quality standards, however, are a key factor in sales consortia, as the partners are expected to aim their products (whether complementary or competing) at the same customers. A common quality standard becomes even more important if they decide to share a brand name and wish to invest in developing a specific consortium image.

As a result of the many differences discussed above, sales and promotional consortia face different managerial and market problems. Sales consortia may suffer from: an incomplete or heterogeneous range of products; a lack of sales competences; problems related to the skills and behaviour of the sales manager; insufficient quality of the products of one or more partners, which has a negative impact on the image of the other partners; inappropriate prices charged by one or more of the firms, which negatively affect the value proposition of the consortium. On the other hand, promotional consortia may face difficulties due to: an inconsistent image among partners and differences in product quality and pricing which prevent the promotion of the consortium as a whole; insufficient resources invested in consortium activities; differences in the interests and objectives of the partners in terms of geographical markets and target market segments.

The higher the number of partners, the more difficult it can be to identify a shared objective and manage the group (Barney and Griffin 1992), and the greater the differences between partners (mainly from a cultural point of view), the more complex it is to coordinate their activities within the consortium. Moreover, the less balanced the power of the partners, the more difficult it can be to avoid conflict: equal contributions from all partners are considered to be one of the critical factors for a successful alliance (Hoffman and Schlosser 2001). As Ghauri et al. (2003) point out, there is no agreement on the key success factors of interfirm networks. Research results underline the fact that trust and learning processes are crucial, but the development of effective networks is possible even if the entrepreneurs have had no previous relationships with each other.

The main weakness of export consortia compared to other forms of cooperation lies in the loose ties among member firms. As the start-up of an export consortium does not require major investments, there is a risk that the partners may not put in as much effort as they should when the results are lower than originally planned. Problems arise therefore because their strategic commitment is relatively limited. This is not the case with other types of cooperative agreements, such as joint ventures which, on the contrary, require much greater financial and organizational involvement. Table 3.3 compares export consortia with other modes of entering foreign markets, namely joint ventures, and foreign direct investments (FDIs).

Considering the strengths and weaknesses of consortia in relation to other entry modes, we note that their strengths are well aligned with the typical weaknesses of SMEs, which often have insufficient financial and human resources to participate in joint ventures effectively.

Table 3.3 Export consortia and other foreign market entry modes

	Export consortia	
	Strengths	Weaknesses
Compared to **"Direct/indirect exports"**	Shared financial resources	Less focus on what is relevant to the individual firm
	Access to partners' skills and know-how	Limited strategic autonomy of firms
	Risk sharing	Need to negotiate and 'compromise' with partners
	Exploitation of economies of scale (e.g. in advertising and promotional activities)	
	Greater bargaining power	
	Possibility to offer a full range of products	
Compared to **"Foreign direct investments"**	Less investment	Less focus on what is relevant to the individual firm
	Lower risk	Limited strategic autonomy of firms
		Need to negotiate and 'compromise' with partners
Compared to **"Joint ventures"**	Less investment	Lower commitment by partners
	Lower risk	
	Fewer constraints (in terms of strategic autonomy)	

Consortia give their member firms greater bargaining power when negotiating with international customers and suppliers, and enable them to share risks. On the other hand, even when they operate in a single sector, sometimes they are not sufficiently focused on the specific objectives of each individual partner.

3.3 Export Consortia from a Dynamic Perspective: The Lifecycle of the Firm-Consortium Relationship

Export consortia are networks of firms that can last for long periods of time, though not necessarily with the same partners. Observation of export consortia shows that, although they are started up by a particular set of partners, they usually evolve over time. In very few cases do all the partners stay in the consortium (growing as the consortium grows) for the whole of the consortium's life. In most cases, some partners leave while other new partners join at various stages of the network's life-cycle.

Although, at first glance, a firm's departure could be seen as a failure on the part of the consortium, this is not always strictly true. Firms change over time, and so do their needs: this is normal. For example, after a certain period, a member firm may have developed such a strong internationalization strategy that it no longer feels the need to be part of the consortium. On other occasions, firms also leave when they realize they are too different from the other partners. This is a fairly frequent problem among export consortia. It usually occurs when most consortium members are very small and one member is medium-sized or when the reverse is true: when the majority are medium-sized and only one is small. In the latter case – which is more common – it often happens that the small firm cannot afford those investments which appear reasonable to the other members. And the end result is usually that the small firm leaves the network.

The framework proposed by Renart (2002) about the lifecycle of a firm's involvement in an export consortium is a useful tool to better understand and manage the dynamics of change that affect the relationship between the firms and the network and, ultimately, the end of the consortium.

Building on his empirical observation of Spanish export consortia, Renart (2002) maintains that, in Spain, most export consortia are estimated to have a total life cycle of between 6 and 10 years, the first 2 years being dedicated to the consortium's gestation and the rest to effective operations. In Spain, it is common practice for member firms to use the consortium as an 'export launch ramp', that is, as a time-limited subsidized cooperation mechanism. This mechanism is dissolved or abandoned as soon as the firms perceive that they have established a strategic platform which allows them to continue exporting independently.

Figure 3.1 illustrates how the involvement of a member firm can change over time. The framework assumes that a firm's decision whether or not to join the consortium basically depends (over time) on the difference between the total benefits it perceives from belonging to the consortium (Total Motivation to Belong, TMB) and the value of advantages that at any given moment the firm attributes to other alternative modes of internationalization (Total Motivation to Alternatives, TMAs). At any moment the TMB to a consortium is equal to the differences between *advantages and the costs of participation*. Both advantages and costs

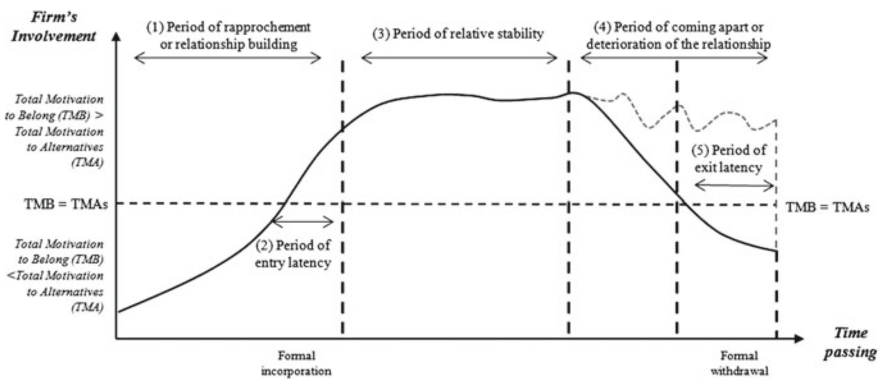

Fig. 3.1 The lifecycle of a firm's involvement in an export consortium (*Source*: Adapted from Renart 2002)

need to be understood in their broad sense, i.e., not only economic costs and advantages. Alternatives to participating in a consortium may be represented, for example, by the autonomous internationalization that firms can achieve by hiring an export manager or setting up a joint venture with a foreign partner. TMAs therefore represent the highest among alternative motivations when there is more than one alternative. This explains why consortia are unstable networks and why it is so important that a consortium partner has the perception of receiving from the consortium benefits that are higher than the costs and disadvantages associated with participation, as well as compared to other alternatives for internationalization.

The basic idea behind Renart's model is that *the motivation to belong* to a consortium is the key variable in explaining why a member firm decides to enter, stay, or leave a consortium.

At the very beginning the TMB is either totally absent or very low. Its gradual increase characterizes the initial stage of rapprochement or building a relationship (1) with the consortium. When TMB finally exceeds TMAs, the firm decides on formal incorporation, usually after an initial period of entry latency (2). Once it has joined consortium, the firm experiences day to day the advantages of being a part of the network and, if all goes well, a period of relative stability (3) follows. As the dotted line shows, the high level of satisfaction of a firm (with a very high TMB) may last for a long period if there is a strategic alignment among member firms and the consortium provides effective results for all. Sometimes, however, events produce a different scenario: this happens when the firm begins to come apart or when there is a deterioration in the relationships within the consortium (4). At this point, for the firm, TMB begins to appear less appealing than other alternatives (TMAs). This may cause the firm to head gradually towards final withdrawal from the consortium, possibly preceded by a period of exit latency (5).

Therefore, the decision to be part of the consortium is always continuously assessed by the entrepreneurs. The balance between benefits/costs and the perception of benefits and costs are the most significant issues for the development and stability of consortia. This must also be an important concern for a consortium's management team as well as for the network facilitator.

3.4 The Diffusion of Export Consortia in Developed Countries

Despite the fact that participation in export consortia can bring many benefits to SMEs, export consortia are not very widespread globally and it is difficult to obtain relevant data. In this section we attempt to illustrate how export consortia are distributed.

As far as Europe is concerned, export consortia seem to be mainly concentrated in the southern part of the continent. Indeed, they are fairly widespread in Italy and Spain, where they have been popular for many years. Both Italy and Spain are considered pioneers in the field. Export consortia also exist in Portugal and France, but they are not popular in other European countries (such as the United Kingdom and Germany) where there is an abundance of R&D and purchasing consortia, but no substantial evidence for the existence of export consortia.

The diffusion of export consortia depends on the presence of public policies or institutions promoting and supporting them and often they are also protected by national associations or organizations which represent their interest at the political level.

In Italy, for instance, many export consortia are associated with *Federexport*, which is the association of export consortia within *Confindustria*, the leading business association in the country. According to the 2008 Report on export consortia activities (Federexport 2009), there are around 120 export consortia associated with Federexport, with a total number of 3,778 member firms. The number of export consortia has not increased in recent years, but the number of firms has. Over the last few years there have been no financial measures or specific programmes to support the creation and development of new export consortia, as there were in the past. This is one of the main reasons why Italy has a long history of cooperation in the form of export consortia. Sometimes export consortia in Italy also develop without the support of public administration, as they are traditionally seen as an effective way of overcoming weaknesses deriving from the small size of firms.

In Spain, a national programme of the Spanish Institute for Export (ICEX – Instituto Español de Comercio Exterior) favoured the creation of 95 export consortia in the period 1985–1992. Up to 2000, the total number of consortia supported by ICEX was 330. Subsequently, another 60–70 consortia were supported during the 2001–2004 period (ICEX 2005). The same programme was still in operation in 2008, providing financial support aimed at the creation of export consortia or associations of new exporters.

In France there are also measures in place to support the international development of small enterprises if they are artisans. These measures are related to the certification procedure to obtain a specific label and, in some cases, lead to the development of consortia.

On the basis of the experience of export consortia in Southern Europe, we can summarize the main factors for the success of cooperation as follows:

- the *very small size of firms in these countries* and the subsequent lack of resources and other weaknesses associated with small size, which may be overcome through participation in export consortia;
- a strong, general and increasing *orientation towards export* of the national economies of the countries, particularly in the manufacturing industries, also because of the integration of the European market;
- the presence of *specific supporting programmes* adopted and financed by local and national governments or local chambers of commerce;
- the existence of *specific laws establishing special advantages* for firms when aggregating in the consortium mode.

It is not easy to find similar experiences outside Europe. In the USA, for example, consortia are mainly formed in the education sector or are oriented towards R&D activities. American firms tend to go international through direct export or foreign direct investments rather than through interfirm collaborations. This is consistent with the fact that US firms have a more individualistic approach to business. Moreover, as firms have a large domestic market, they are not motivated to become international if they do not believe they have the pre-requisites to do so successfully (as may be the case for smaller firms). Conversely, in most European countries, domestic markets are too small for the survival and development of firms. This forces them to search for sales opportunities abroad and rely on cooperation to achieve the goal of moving onto the international market.

3.5 Export Consortia in Developing Countries

Firms from developing and emerging countries are often small, lack financial resources, and do not have specific international competences, experience and knowledge of foreign markets. Participating in a consortium may therefore be a means of starting the internationalization process and acquiring the skills and know-how necessary to operate successfully abroad. As consortia foster learning and the acquisition of internationalization competences, the number of consortia can be expected to increase.

There is little data concerning the diffusion of consortia in developing countries, but they seem to be relatively rare. This is true not only for export consortia, but also for other types of consortia.

In Argentina, due to the combined effect of a specific law plus support programmes, export consortia have existed since the 1980s. In 2008, according to UNIDO (2008), there were at least 55 export consortia, which is a relatively high number compared to other countries from the same area.

According to Scherer et al. (2009), for example, consortia are not unusual in the heavy construction industry in Brazil, though they are not export-oriented. Some export consortia do exist, supported mainly by APEX – Brazil (Trade and Investment promotion agency). As shown in a report by Rodrigues Silva (2005), 70 export consortia were created with the support of APEX – Brazil in the period 1998–2005. In 2005, the same agency supported the creation of 13 export consortia.

There are also several export consortia in other Latin American countries, though they are neither very numerous nor particulary active. For Peru, the export of goods is a strategic priority, and this explains the existence of at least 30 export consortia which are considered crucial for the international growth of SMEs (Lima Chamber of Commerce 2005). Uruguay represents a similar situation; (Saegaert 2005) where the role of cooperation aimed at the development of exports is recognized, even though no specific corporate designation exists for consortia.

In East European countries and some Middle Eastern countries, export consortia have not developed at all. In 2005, for example, there were no export consortia in Croatia (Mesic 2005) Romania (Ionescu and Bratu 2005) or Lebanon (Oueini and Ladki 2005), all of which are countries where there are many small firms which could benefit from the possibility of cooperation in the form of consortia. Exceptions to this include Turkey where, in 2005, the existence of 30 export consortia was reported as a result of support programmes implemented by different bodies (Kunt 2005) and Jordan, where there are three consortia, which formed following several years of UNIDO support (Al-Hindawi 2007).

Export consortia are relatively well-developed in some North African countries, such as Tunisia and Morocco. There are at least 20 export consortia in Tunisia and, including those in the development phase, more than 30 in Morocco. In both cases the consortia have benefited from support programmes where UNIDO was a key player in the development of these export networks. Some are included in our empirical analysis and described in detail in Chap. 4.

3.6 The Experience of the United Nations Industrial Development Organization in Promoting SME Export Consortia

Creating the conditions for consortia development is a demanding task. Owing to a lack of knowledge and weak institutional and regulatory frameworks, attempts to establish export groups of SMEs in developing countries often fail. As a result, external assistance may be critical for developing a sound export consortia programme.

Capitalizing on its long experience in SME cluster and network development, in 2005 UNIDO developed a comprehensive programme to assist developing countries and transition economies in establishing export consortia. The various initiatives of UNIDO in the field of SME network development, including export consortia, are ongoing in many countries. These include Ecuador, Colombia, Peru, Uruguay, Nicaragua, Morocco, Tunisia, Senegal, Nigeria, Ethiopia, Jordan, The Lebanon, Iran, Pakistan and India. Despite the recentness of the UNIDO export consortia programme, it has already given rise to a wide range of initiatives around the world.

In Morocco, since 2004, UNIDO has supported the Moroccan Ministry of Foreign Trade and the Moroccan Exporters Association (ASMEX) in setting up an export consortia development programme in the country. As a result, 20 export consortia have been legally formalized so far and 11 are under development. In 2009, 156 SMEs were actively involved in the project, accounting for more than 15,800 jobs across 11 industries in as many cities.

In Tunisia, in a matter of just a few years, UNIDO has promoted 20 export consortia in the sectors of engineering and consulting, processed food, car components, textile-garment, furniture and ICT. The intervention of UNIDO – in partnership with the Ministry of Industry, FAMEX (World Bank) and CEPEX (Export Promotion Agency) – has contributed to the introduction of a new culture of networking among small businesses.

In 2006, in response to a request from the Peruvian authorities, UNIDO set up a project in Peru with the objective of tackling the problems faced by SMEs when trying to export. The results of this project are 30 export consortia, created in eight different regions of Peru representing a wide range of industries including jewellery, information technologies and tourism, textiles and garment-making, processed food, metal-mechanics, ICT, natural products, furniture, tourism and ceramics.

UNIDO's assistance in promoting export consortia in developing countries focuses on:

- *Supporting the creation of export consortia*. Groups of SMEs are identified and coached throughout the process of consortium development: identification of common objectives and consortium services to be provided, choice of corporate designation, development of the business plan and implementation of pilot promotional activities. UNIDO support is temporary and therefore includes the identification of technical and financial programmes that can support the development of export consortia in the long term, and assistance in preparing firms' requests for access to these programmes.
- *Capacity building for public institutions that promote or regulate export consortia*. This includes workshops and study tours, introducing the concept to policy-makers, improving legislative and policy frameworks and developing an incentive system.
- *Capacity building for private sector institutions that provide assistance for the establishment and operation of export consortia*. Organizations such as business associations, chambers of commerce, regional agencies and export consultants are made aware of the benefits of consortia and learn how to support their establishment and operation through training, presentations by experts, study tours and benchmarking exercises.
- *Skills development for export consortium managers*. This activity includes the provision of information, workshops, discussion forums, best practice demonstrations, meetings with consortium promoters and demonstration projects showing how consortium participants can overcome misgivings and undertake cooperative projects.

Since the start of its programme in developing countries, UNIDO has established a strategic alliance with Federexport (the Italian Federation of Export Consortia) and ICEX (the Spanish Institute for Foreign Trade) in order to strengthen the learning opportunities deriving from the two countries with the greatest expertise among developed economies in the field of export consortia.

In addition to country-specific support, UNIDO offers global and regional training courses (including distance learning) and organizes study tours and expert group meetings to disseminate good practices. Through the organization of such events, UNIDO makes its expertise available to public and private institutions around the world and shares the benefits of its experience in export consortia development.[1]

In constructing a picture of export consortia throughout the world, we have to recognize that UNIDO, since 2010, has been the main contributor to the

[1] Additional information is available at www.unido.org/exportconsortia.

Table 3.4 Export consortia supported by UNIDO in 2010

Countries	No. of export consortia supported by UNIDO
Jordan	3
Morocco	20 + 11 under development
Peru	30
Senegal	3
Tunisia	20
Uruguay	3
Total	90

Source: UNIDO (www.unido.org)

development of export consortia in developing countries in partnership with local authorities and bodies. Table 3.4 illustrates how many export consortia are supported by UNIDO and their location: they number around 90. If we consider five to be the average number of firms belonging to any given export consortium, we can estimate that around 450 firms are involved in UNIDO programmes.

The cooperation between UNIDO and local institutions, such as governments, export associations and chambers of commerce, is an important factor for success, as different kinds of support are necessary for the international development of SMEs and each of the institutions mentioned can supply one or more types of support. These include money, contracts, business contacts and managerial assistance.

In such a context, UNIDO (through its officers and consultants) plays the role of network facilitator, as defined in Chap. 2: it promotes the partnership among the firms, but also builds the relationships with the other national stakeholders (including public institutions) and promotes the collection of tangible and intangible resources for developing the consortium.

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