

Compete Caribbean and Other CDB Support: Achievements and Challenges

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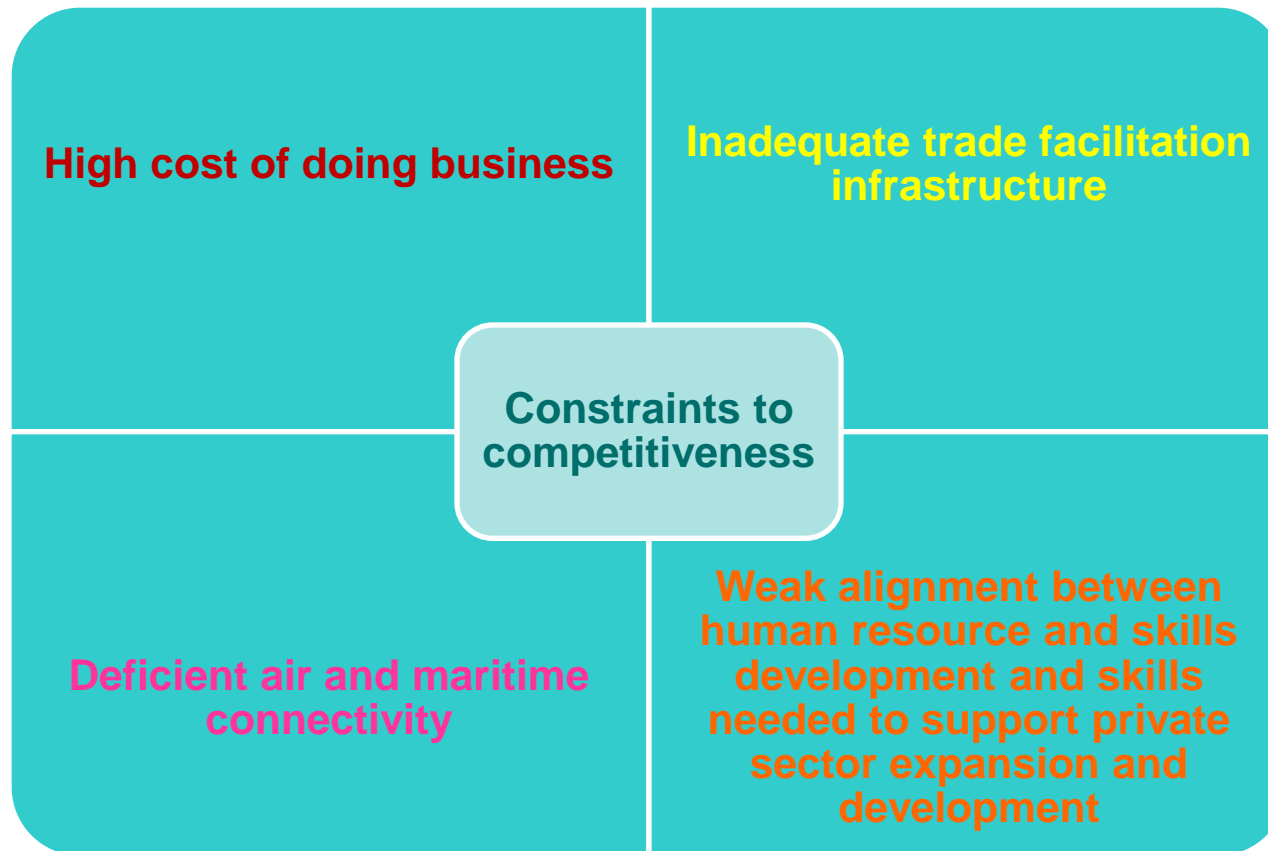


Presentation Outline

- Competitiveness challenges facing the regional Private Sector
- CDB's Response to challenges
 - CDB's Private Sector Strategic Focus
 - Initiatives aligned with Private Sector Strategy
 - Compete Caribbean
- Recommendations



Context



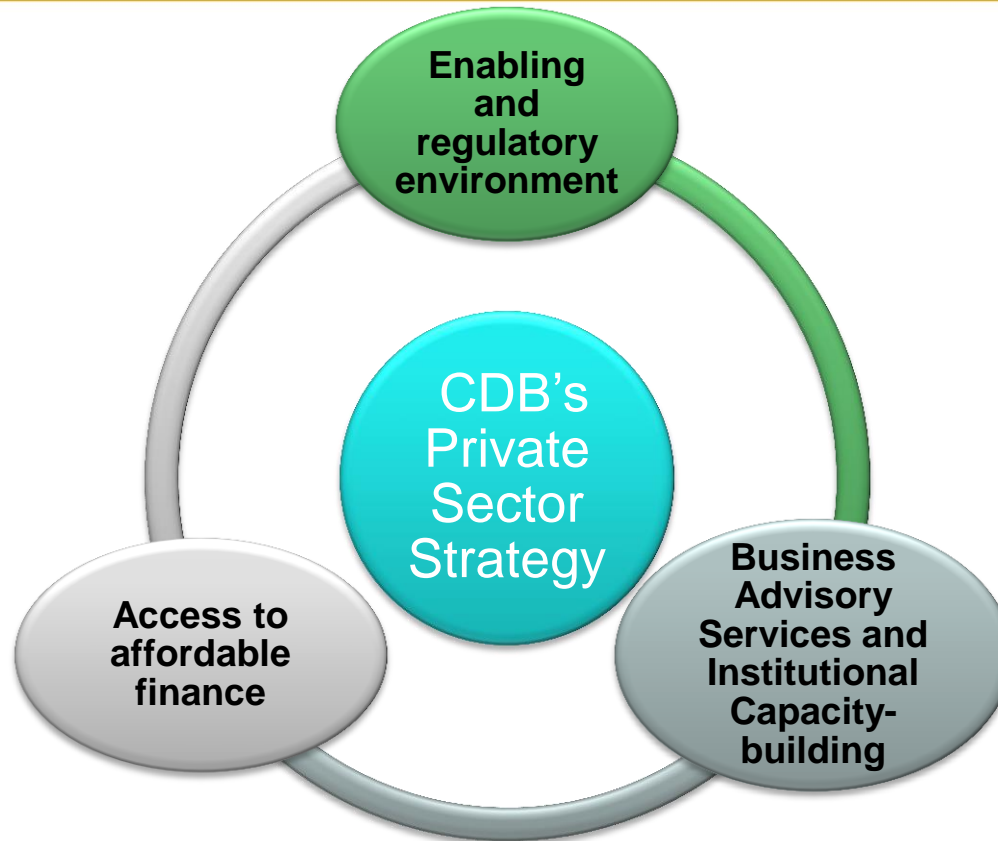


Additional Issues

- Loss of protected markets for traditional products
- Inadequate inter-sectoral linkages: agriculture, agro-processing, tourism,
- Inefficient tax systems
- Ineffective delivery of public services
- Quality and diversity of entrepreneurship
- Inadequate physical infrastructure
- Limited investment in R & D
- BMC's inherent small size and vulnerability to natural hazards
- High levels of public debt
- The absence of a focused, coordinated and systematic approach to private sector development by government, private sector, donors



CDB's Private Sector Strategy Framework



Region's vulnerability to impacts of climate change requires focus on assisting the private sector with adaptation and resilience



Execution of the Strategy

- Promoting partnerships as a vehicle for private sector development :
 - IDB
 - World Bank
 - DFID
 - CIDA
 - EU





CDB Response to Challenges

Improved policy, legislative, regulatory and institutional frameworks

- **CARTFund** (USD 15m) (UKAid/CDB)
 - model legislation at regional level to support EPA implementation
 - development of service sector policies (Saint Lucia, Belize and Dominica)

Capacity development/Improving competitiveness at the enterprise level

- **CARTFund** – reducing supply side constraints at sector level (specialty food, spa and wellness, nutmeg processors)
- **CTCS programme**- technical assistance to MSMEs

Access to Affordable Finance

- Indirect lending to MSMEs through financial intermediaries with capacity to be sustainable and where appropriate, TA for capacity-building.
- Strengthening of MFIs. (**CARIB-CAP**)
- Financial sector development, including capital markets.



CDB Response to Challenges

High Energy Cost

- US\$2mn **funded project to DFIs** being designed to on-lend to MSMEs for financing viable energy efficiency projects in the agriculture, industry, service and tourism sectors. Objectives: To reduce cost of production- energy conservation and support energy efficiency investments- part of response to climate change.

Trade Facilitation

- **CARTFund**
 - regional laboratory accreditation programme;
 - and provision of direct support to three demonstration laboratories which provide services to exporters
- support to Guyana and DR to establish **Single Window Systems (single electronic platform) to facilitate trade.**

Infrastructure

- CDB has committed resources in its current programming cycle to support efforts to improve intra-regional transportation for better movement of goods and persons



CDB Response to Challenges

Improved Access to Export Markets

- CARTFund
 - Funding to improve capacity of specialty food enterprises to meet food safety requirements in targeted export markets
 - Increased support) for private sector enterprises (goods and services) to participate in international trade shows and conduct trade missions to targeted export markets.
 - Technical assessment of export capacity and customised advice to specialty food producers to improve export readiness
 - Direct assistance provided to service providers to develop export development plans and export services to targeted markets (St. Lucia, Belize, Jamaica, Dominica)

Aligning Human Resource Development and Private Sector Development

- Implementation of projects aimed at increasing access to technical and vocational education and training (TVET)
- Provision of assistance to member countries to improve/reform the delivery of education including the quality and relevance to the development needs of member countries.
- Initiated a study on the alignment of the education system to needs of the private sector and member countries' growth objectives

Overview of the Program



Canadian
International
Development Agency
(US\$18.7 m)

UK Department for
International
Development
(US\$16 m)

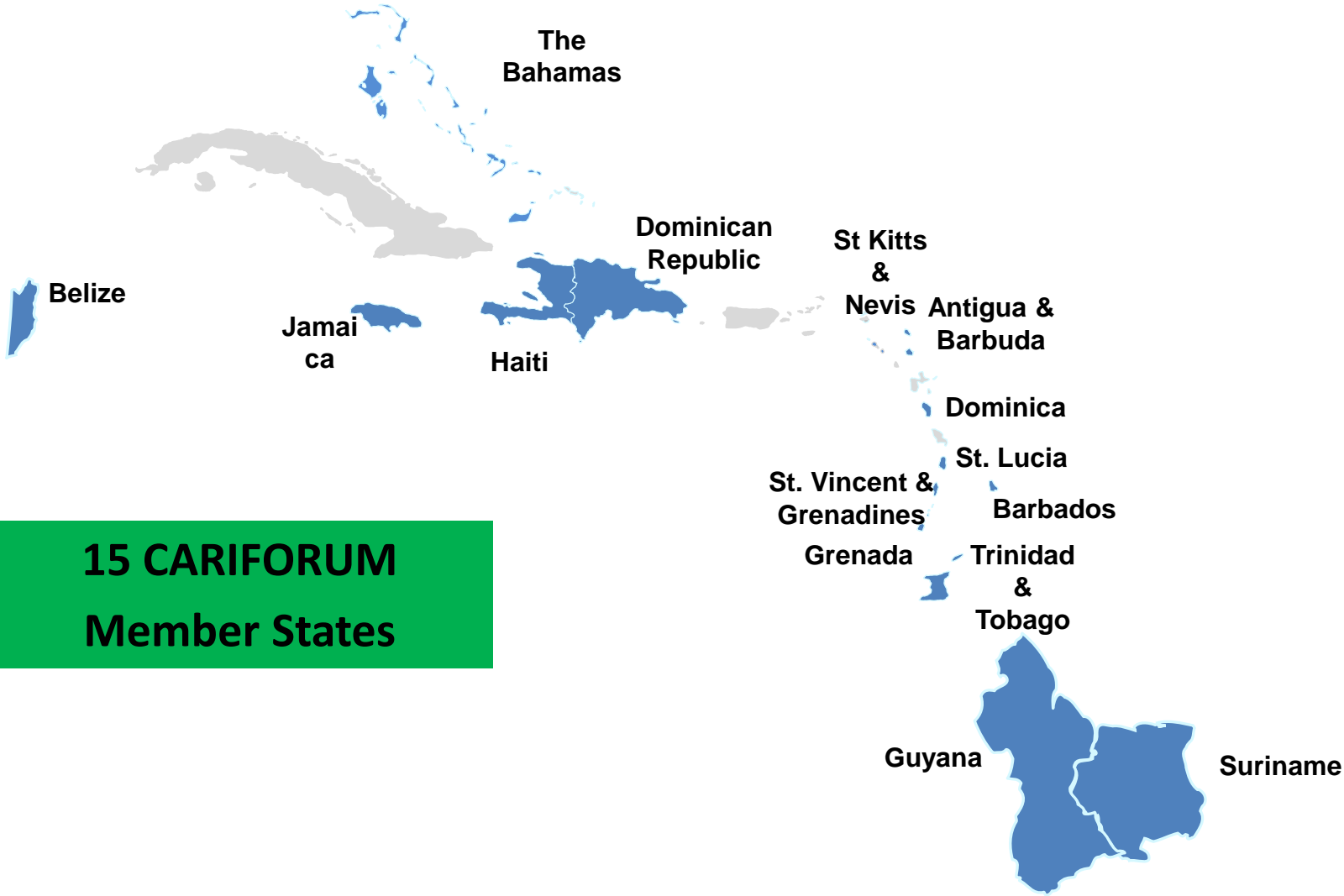
IDB
(US\$9.3 m,
largely in kind)

Caribbean
Development Bank
(Waived admin fee
for projects in OECS)

Eligible for Disbursement: August 2010
5-year execution period

With a total value of over US\$40 million, Compete Caribbean is the largest technical assistance program targeting private sector development in the region

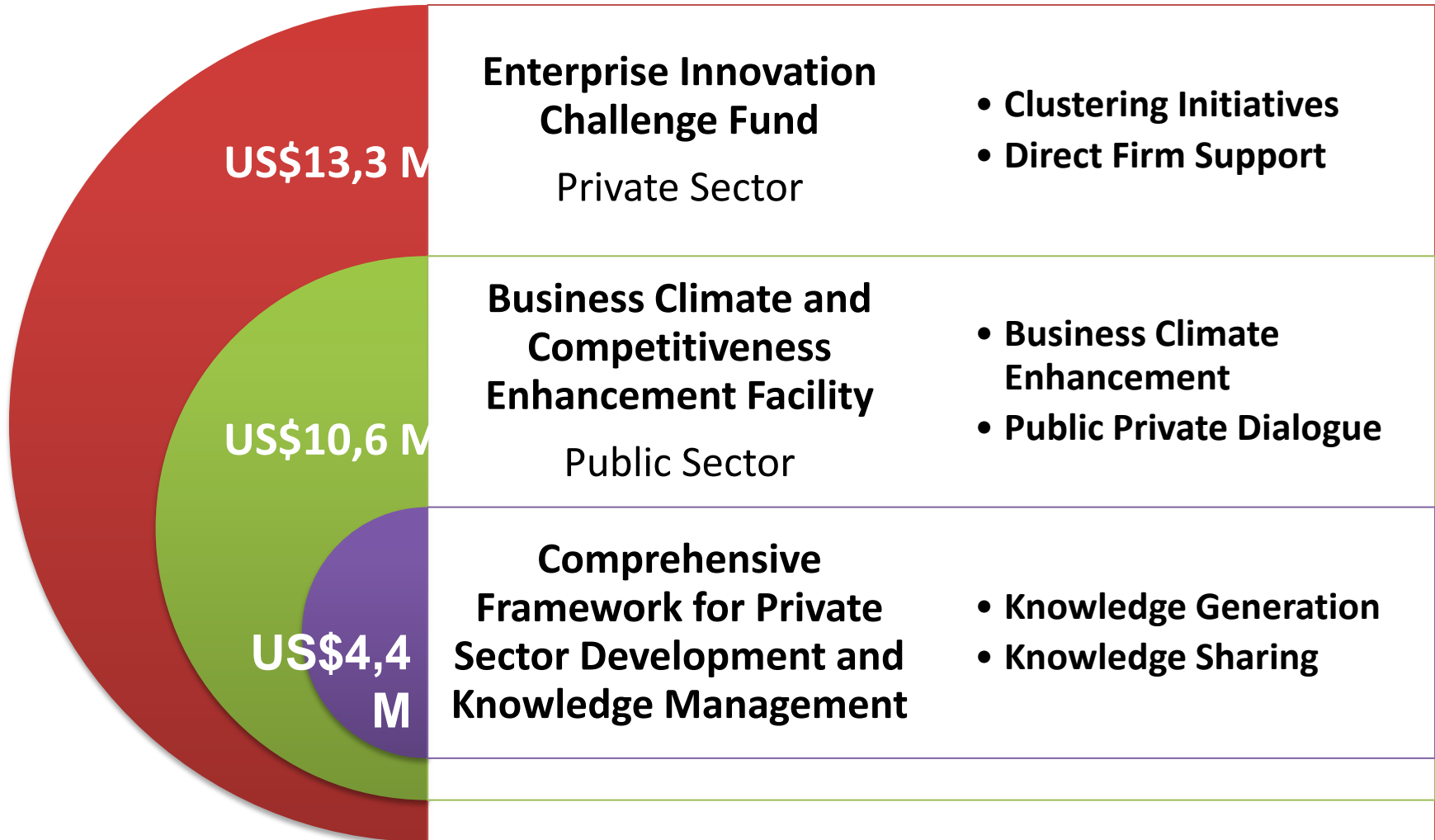
Participating Countries



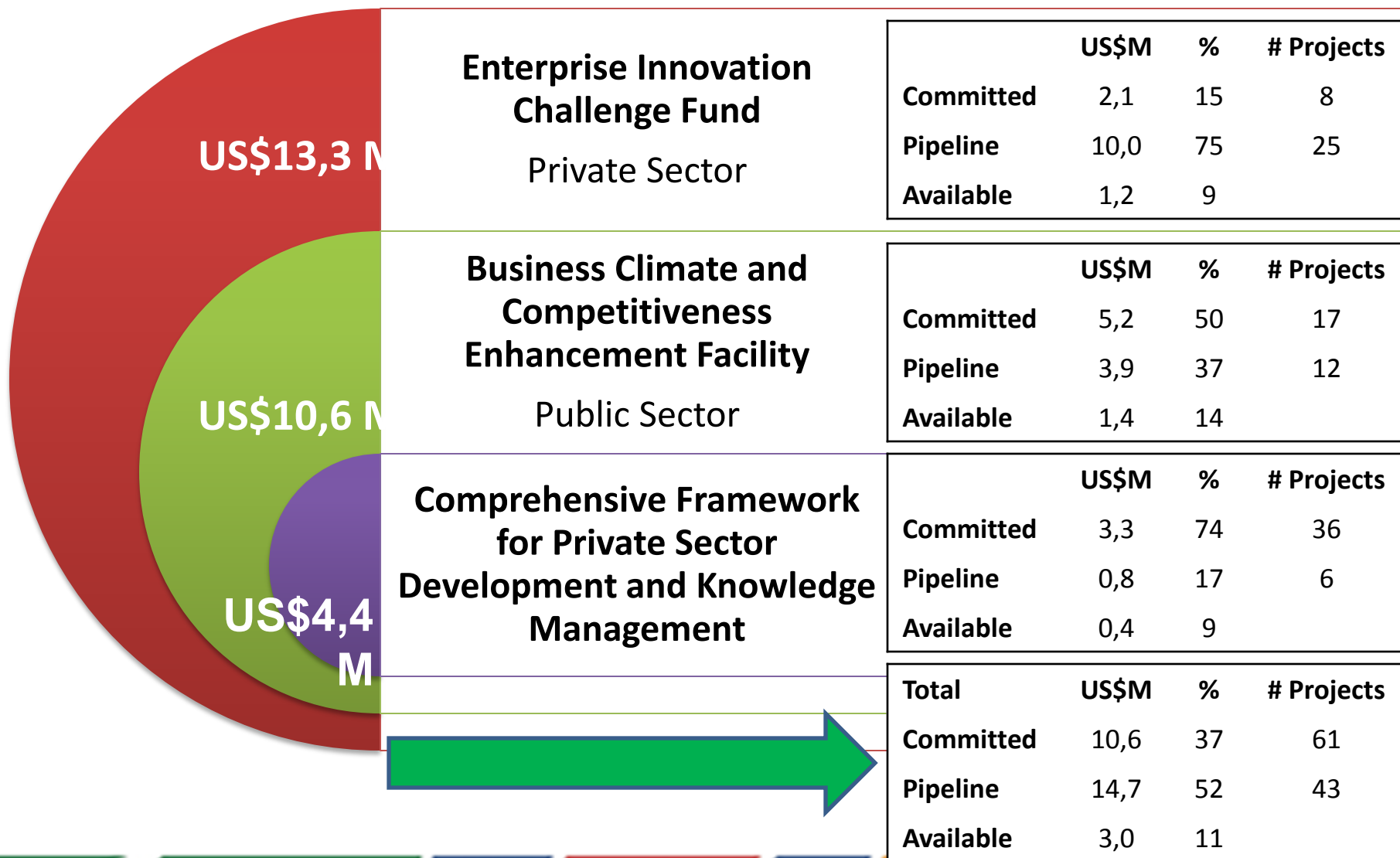
**15 CARIFORUM
Member States**



What does Compete Caribbean fund?



Portfolio Overview @Q2 2013





Chronic and persistent issues

- Capacity issues related to implementation of agreed action plans at all levels
- Who's responsibility is it to lead change?
Government or the private sector?
- Are PPP's viable investment options?
- Need for a greater focus on regional cooperation
- Access to finance
- Need for greater focus on innovation



Actions for the Private Sector

- Responsiveness to Liberalization, De-regulation and Competition
- International Benchmarking
- A Focus on Innovation, Marketing, Quality and Technology
- Investment in human resources
- Effective Risk Management
- Adroit Corporate Leadership



Actions for Government

- Enabling environment:
 - Trade negotiation strategies
 - Strategies aimed at improving macro-economic stability and infrastructure
 - Policies focused on the development of standards
 - Policies aimed at enhancing workplace flexibility
 - Regional Program for Human Resource Development
 - Business Development Support
 - Public sector modernization



Partnership Approach Recommended





Strengthened Partnerships

- Mechanism for Cooperation between Government and the Private Sector
 - Public-private dialogue to determine priorities

Thank you

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