

Regional Strategic Dialogue on Private Sector Development Closing Remarks (From the Perspective of the Compete Caribbean Program)

Is the Compete Caribbean Program aligned with the priorities of the region?

The response is a resounding yes.

With respect to Compete Caribbean's work in supporting the public sector:

Representatives of the regional organizations and keynote speaker Compton Bourne underscored the importance of working with government to improve the business climate.

Professor Compton Bourne's conclusion in his keynote address is that the single most pervasive obstacle to development in CARICOM countries are government regulations that pose high costs to doing business. CDB, CARICOM, OECS expressed an enabling environment for private sector development as one of their own lines of work and/or priorities, and CDB in particular suggested particular regulations related to the doing business indicators in which Compete Caribbean should continue to work.

Areas of work suggested explicitly by CDB, during discussion, and also by Professor Bourne were:

- Facilitating access to finance. Credit bureaus/secured transactions.
- Reducing Import costs and improving doing business indicators in general (resolving insolvency, contract enforcement, property registration legislation)

Working with governments to produce an improved business climate is a major component of the Compete Caribbean Program. We can allude to the Secured Transactions' Framework in Jamaica, the SME policy in Bahamas, and streamlining Deeds Registry' procedures in Guyana as examples of legislative and/or policy reforms that CC is supporting to support an enabling environment for firms of all sizes. The NCCs and their TUs are all focused on areas of work related to DB indicators, so is the CGF with a specific working group on investment climate.

With respect to Compete Caribbean's work in the private sector:

There is also alignment with respect to what CCP is doing directly with the private sector. Some regional organizations pointed out that for private sector development to take off in the region, there is a crucial need to help businesses a) get access to finance (CDB, Caribbean Exports, CCfC); b) engage in R&D or innovate (UWI); c) expand their economic space, by either opening new markets (OECS) or fostering alliances between them so that they can overcome the disadvantage of small size (CDB).

Through its Enterprise Innovation Challenge Fund, Compete Caribbean provides grant-money directly to firms or to groups of firms or clusters, to:

- Support risk-taking and innovation, and through it, export diversification. Our definition of innovation is ample, as it includes developing new products, but also adopting new technologies or entering new markets.
- Collective action or alliances to overcome the disadvantage of size. CC does this through its work on clusters. Some of the support that clusters have asked of CC involves the desired regional brand building that the Caribbean Export Development Agency has alluded to.

With respect to the working group sessions:

Logistics and connectivity: On this topic, and in the spirit of the Compete Caribbean Program, which supports new, untried models of development, we hope to support the OECS Secretariat in organizing the locally owned shipping fleets of those countries and developing a privately managed information sharing mechanism to increase the efficiency with which their cargo capacity is used. The expectation is to reduce the cost of transport to the importer/exporter and to increase the volume that is actually carried.

Logistics and connectivity is also a working group of the CGF, and we hope that as an outcome of the Public-Private Dialogue process, there will be concrete action plans or policies that CC can support the different national governments to implement, such as streamlining processes and/or developing e-government applications to reduce the time to clear customs.

Skills and productivity: a lot of the discussion centered on primary and secondary schooling, which is not an area of work for the Compete Caribbean Program. However, the importance of **mentorship** was mentioned as a powerful tool to support ambitious young entrepreneurs transitioning from his/her idea or start-up business to a growing venture. There was talk about how difficult it had been for dynamic collective entrepreneurship support initiatives to get mentors in the region. CCP is currently working to support a non-government organization in a pan-Caribbean initiative strongly focused on mentorship. The innovation here is that this mentorship would come from very successful businesses outside the region, thus serving the dual role of mentorship plus potentially creating access to new markets.

Resuming growth in traditional industries and stimulating new sectors:

Even though CCP's private sector assistance work is thematic, and not sector specific, it can include criteria discussed in the sector group into our Enterprise Innovation Challenge Fund.

- Criteria about linkages to tourism – could perhaps be part of the design of a competition, for example, the innovation in services competition.

Because CC is a program centered on stimulating innovation, Intellectual property protection, as well as how to translate inventive ideas and patents into working businesses, and how to link academia with the private sector in its knowledge creation role are areas of work that CCP is interested in supporting – perhaps through a technology transfer office at UWI or at one of the region's universities.

Takeaways and lessons for the Compete Caribbean Program:

- To hold closer consultations with the private sector on CCP workplans and strategies (Caribbean Exports): completely agree on the idea of a private sector advisory group
- In the Caribbean Growth Forum, to bring in the private sector that generally does not participate at these events – truly that is the idea of the Caribbean Growth Forum, to bring in groups that are not normally represented at PPD discussions, the numbers of private sector participation have been relatively high but we'll place more attention to composition.
- To create more awareness of the Program within the private sector: completely agree and we are working on that.
- Strengthening private sector advocacy groups: it is not really part of the mandate of the program. The program can however provide funding for existing private sector associations that submit an eligible sector-wide improvement proposal (through a competitive mechanism).

Answers to the questions asked:

What is the most important impact of the program?

- Given that almost everybody cited the difficulties of the business environment, it seems that CC's work with national governments on regulations related to the Doing Business indicators is very valuable.
- New development models in the private sector (Caribbean Exports – doing things differently): if the 20 innovative business plans and 15 cluster improvement plans that CC will support demonstrate what doing differently means for the Caribbean private sector and the success that can come with it, it will have a big impact on the region.

Who will take the issues of competitiveness that Compete Caribbean is grappling with when the program ends? → no direct answer, but it is heartening to see that we are all working on issues of competitiveness at many levels. No single regional organization aside from Compete Caribbean is working necessarily on DB indicators in particular, despite the shared agreement that a difficult business environment inhibits growth. I see this as an area of opportunity where an institution such as the CCfC within UWI could make great strides, both in advocacy work with governments, researching what has worked in small states and what has not, what has worked in the Caribbean and what has not, and advisory services to both the government and the private sector.

Appreciation and thanks:

Professor Compton Bourne, for graciously accepting to attend, and delivering a very thoughtful keynote address

Heads and representatives of the regional organizations, for your presence, willingness to present their strategies and to engage in this exercise.

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