

## ***Centre for Enterprise Development Inc.***

### **Section 1: Sector Overview**

St. Vincent and the Grenadines continue to face challenging economic times. Economic growth as we emerge from the protracted global economic recession, continue to be modest at best creating fiscal challenges for the government. Local and regional economic growth has not resulted in the type of impact on aggregate demand that will generate significant growth in the business sector and their earnings. In this context, the current period has been also very challenging for the local private sector.

The other contextual factors defining the business climate in St. Vincent and the Grenadines are as follows;

- The deepening regional and sub-regional economic integration processes and its impact on competitiveness.
- The implementation of the EPA.
- The fallout from Brexit

Although these are confronted as challenges, there are significant opportunities in the mix. It is therefore imperative that the opportunities are identified and successfully pursued to facilitate economic growth and development.

In the above scenario, the challenges for the local business sector are many. A general down turn in the volume of business has been reported by many local business operators. There is however a steady flow of individuals who are expressing interest in starting a new business or develop an existing one. A number of enterprises are taking the opportunity to build their capacity to facilitate increased competitiveness.

#### **2017 Programme Context and Situational Analysis**

CED's mandate during the year under review continued to be the provision of non-financial business development assistance to all businesses in all sectors in St. Vincent and the Grenadines.

This period is also characterized by the continued movement towards the implementation of the OECS Single Economy and the finalization of the CARICOM Single Economy in the wider region. These initiatives were undertaken as part of the regions response to the forces of globalization. It is expected that as a result of the regional integration movement the business sector will have a larger platform for our domestic market which will assist in overcoming our

island limitation of small size and scale. It is seen as part of the remedy for increasing competitiveness in the region.

Some of the other issues that will be critical to improved competitiveness and sustainability are as follows:

- Improving the economic environment, inclusive of implementation of relevant policy and legislative frameworks to facilitate business development and to promote entrepreneurship.
- Providing the necessary support structures and institutions to assist with business start-up and development and to bridge the capacity gap between the regional businesses and the international competition.
- Improved access to credit.
- Improvement in information flows (timeliness and quality) including marketing intelligence data.
- Improved standards and quality in the production of goods and services.
- Development of the capital market in a way that will facilitate and support the development of entrepreneurship. (Particularly with seed and equity finance)

While the region is embarking on the regional integration initiatives, a number of international multilateral trade agreements are being pursued. We are well into the implementation of the EPA at this point. The Canada-CARICOM trade agreement appears to be in limbo at the moment. The update to the Caribbean Basin initiative is still pending. A new feature of these agreements is the reciprocity and the need to be WTO compliant. In all of these cases there is asymmetry in terms of the capacity of the private sectors (developing vs. developed country origins). This can also be observed in the level of sector organization.

This means that the parties to the agreement are not on a level playing field. In the EPA provision is made for the regions business to come up to par on an agreed timeline. ***The work to develop this capacity and to bridge the capacity gap will be mainly done by Business Development Support institutions within the region. The activities of these institutions are critical to the eventual successful participation of the respective national business sectors in the various trade agreements negotiated and being negotiated on their behalf.***

It not as if we have a choice in participating or not in the global economy. We do not dictate these terms. Even the developed economies are caught up in the swirl of globalization. It means that we have to find ways to participate competitively and meaningfully in order to survive as regional economies. The capacity issues must therefore be addressed urgently.

## 2.1 Mission Statement

To be a people-centered organisation with the professional competence and commitment to deliver timely, relevant, reliable services, information and advice to potential and existing entrepreneurs on all aspects of business resulting in increased competitiveness, higher levels of business success and sustainability in the local private sector.

## 2.2 Vision Statement

To be the focal point for the delivery of technical support, advisory and information services to the private sector, for the facilitation of an enabling environment which will encourage the growth and development of an entrepreneurial spirit in St. Vincent and the Grenadines.

## SECTION 2.3 Performance Review

### TRAINING

The Department this year kick-started its training programme by focusing on the development of business skills in rural communities, with a renewed thrust to extend services to the Grenadine Islands. Attention was also focused on Financial Management training.

### SEMINARS

- 1.) *Community Programme for Entrepreneurship Development (CPED)* – The first seminar for the year was executed in the South Windward constituency, based on the findings of the 2016 Needs Assessment and due to the opening of the Argyle International Airport. This training, conducted over a seven-day period – 3 hours each evening, was designed to help position residents of the constituency to tap into the benefits of the airport's operation and proximity.

A total of 33 persons participated in the seminar, which was conducted by Mrs. Simone Murray. Of these 24 completed 4 days of training to receive certificates of participation.

The second CPED Seminar targeted residents of South and Central Leeward from May 22-31. It saw 32 people spanning communities from Keartons to Campden Park participating. Twenty-three (23) attending 4 days or more. This session was conducted by Mr. Dougal James.

Overall the CPED Seminars were successful. We were facilitated by the Ministry of Education for use of the Stubbs Government School and the Adult & Continuing Education (ACE) at the Questelles Learning Resource Centre. Participants were engaged

in businesses such as farming, agro processing, vending, poultry farming, fish cooperative, retail, hospitality (bars, tuck shops, restaurant), craft (home décor). Several persons were at the business idea stage.

2. **Financial Management Module 1: Introduction to Recordkeeping** – In May, 24 participants successfully completed 15 hours training in Recordkeeping. Of the 24 participants, 4 were males. Participants were from a credit union, lawyer, Carnival Development Corporation, bars, BRAGSA, among others, including retail businesses.

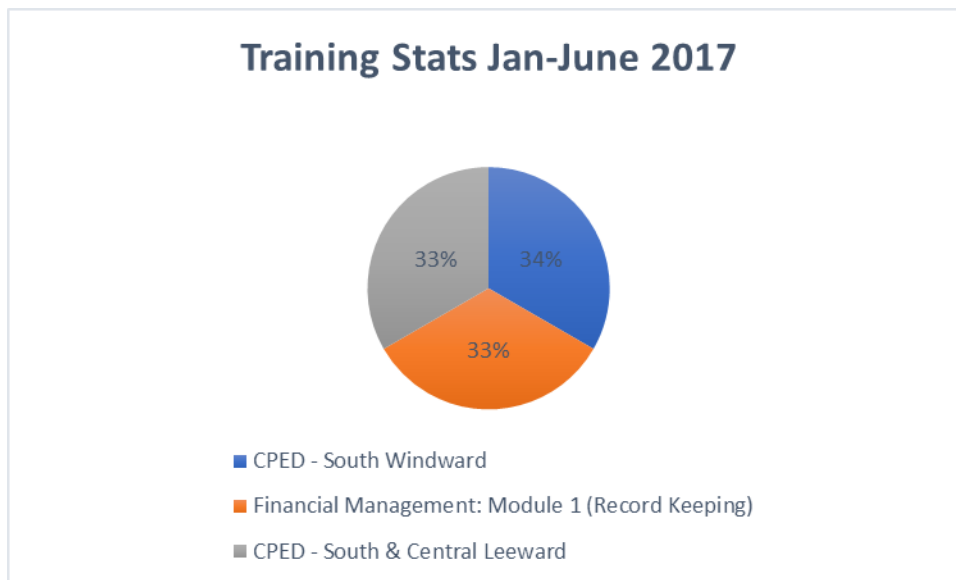
## OTHER TRAINING

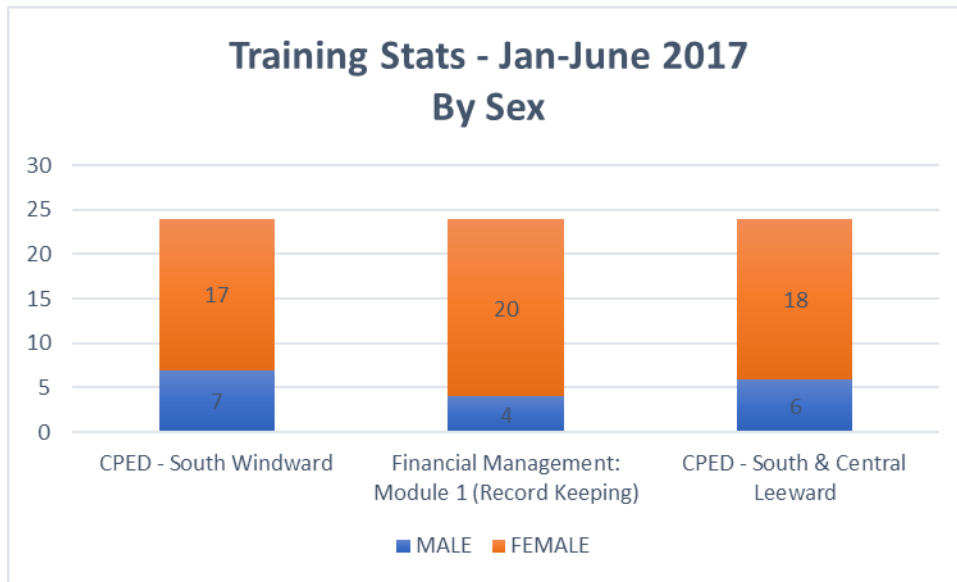
1. **BIMAP** - The CED/BIMAP relationship continues. Discussions were held in March renewed commitment to offering the accredited programmes to the Vincentian community, including online.

Unfortunately the planned Events Planning and Management Seminar for April was postponed to September due to low registration. Promotions are continuing on this seminar; however registration is slow. Both parties must now work on the relaunch of the BIMAP programmes in St Vincent and the online services.

2. **Business Awareness Start-up Seminar** – Low registration contributed to the postponement of this seminar. It is now scheduled for August 8, with several individuals and organizations expressing interest.

A total of 72 persons benefitted from seminars and training sessions conducted under this period. The following reflects the training seminars conducted during this period:-





## **BUSINESS SUPPORT**

During the period, the Department worked closely with students from the Technical College (*see report from Business Development Field Officer*), and provided consultation and assistance to clients seeking help with marketing/exporting/launching their businesses.

One such business – Bagga Bread Basket, owned by Mrs. Beverley Stapleton and her husband. After initial business consultation, CED intervened with a site visit to the bakery, liaised with the Bureau of Standards, and assisted with the development of all marketing adverts and flyers, job descriptions, recruitment/interviewing exercise leading up to the opening of the bakery on June 2, 2017. A follow up visit will be planned.

CED is also working closely with 10 youths who are winners of the NTRC I-Squared Competition to help them develop their ideas into viable businesses. This is being done as CED's commitment as a partner in the Competition. Hence, the winners are receiving Business Counselling and Advice and will also be involved in business training, namely the Business Awareness Start-up Seminar in August.

The relationships/partnerships continue with the ECCB, GEF National Steering Committee, VincyKlus, Adult and Continuing Education (ACE), the Gender Affairs Division, Youth Affairs Department, Community Development Division and the YABT.

New partnerships include Invest SVG and the SVG Motorsports Association for the Everything Vincy Expo in October. The long-term goal of this expo is to create another popular/significant festival for local, regional and international consumption, which focuses on highlighting other

non-carnival aspects of Vincentian heritage; with an aim to leverage the opening of more transit routes to island. This event will feature a 3-day expo at the E.T. Joshua Airport Tarmac.

CED has also partnered with the Ministry of Culture for this country's participation in CARIFESTA XIII Barbados, which takes place August 17-17. Fourteen clients have embraced this opportunity and preparations are now underway, with the Ministry of Culture securing registration.

Activities such as these help to boost CED's efforts at getting export ready clients on the regional market and network. To this end, clients are being exposed to regional trade shows as well as local events.

The second half will see more seminars and training being held. We will continue to try to re-engage the BNTF so that the planned contractors training can be done and look to see what other areas can be facilitated.

## **Business Development Services**

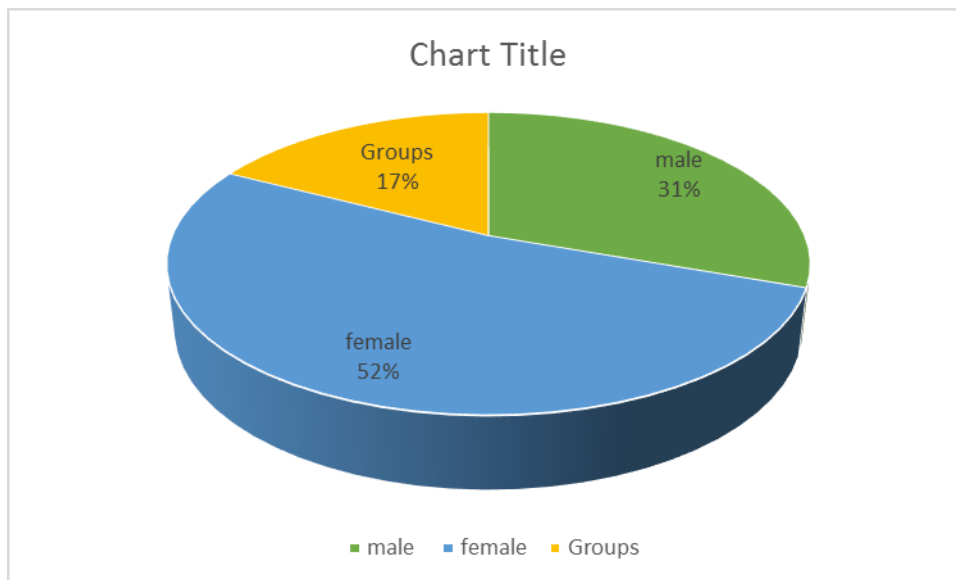


Figure 1. Showing gender of clients. 52% female, 31% male clients respectively and 17% groups covering business development services.

Figure 2: Displaying the ages of clients. The age range UNDER 25 years accounting for 43% of the clients that accessed business development services with 22% 25-30 years and 40-60 respectively. While 9% for age range 31-40 and 4% 60 and over.

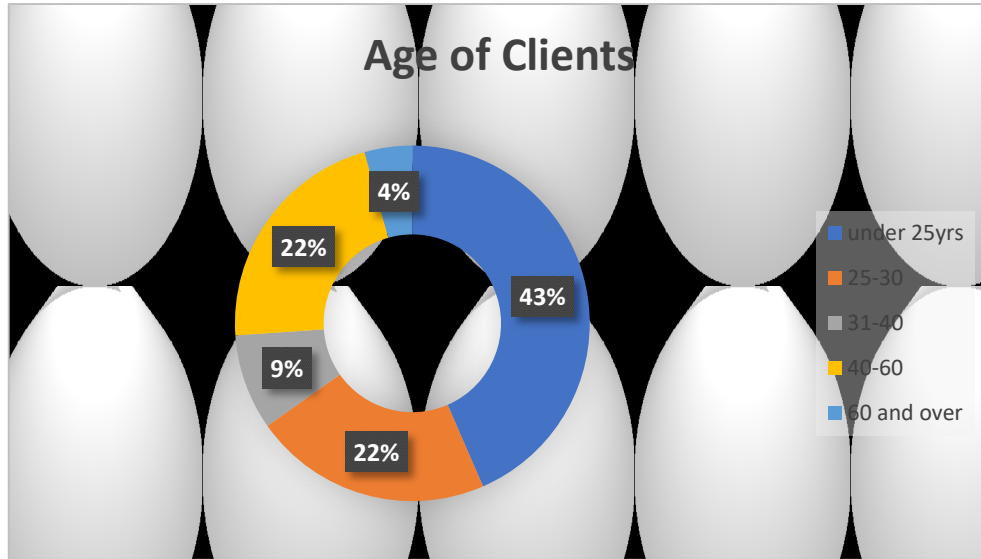


Figure 3: There were 4 clients accounting for new/ start-up businesses while 4 existing and Idea Stage accounting for 16%, the majority of clients for the period.

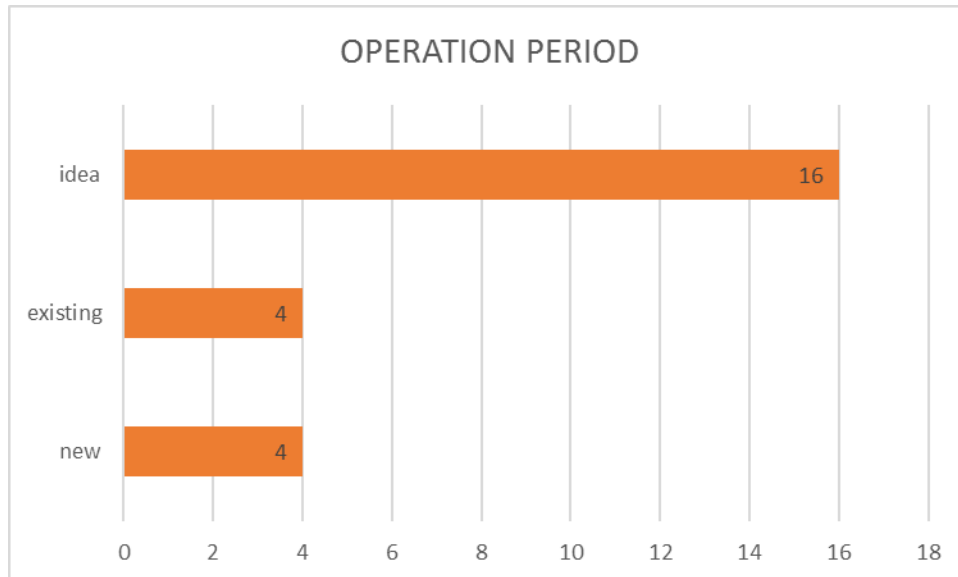


Figure 4: This figure shows the sectors that the clients for the period falls in. The period saw Services accounts for 58% of the clients a decrease from the last quarter report with manufacturing 13% a decrease from last reporting stats and there was an increase in the other category of 29%.

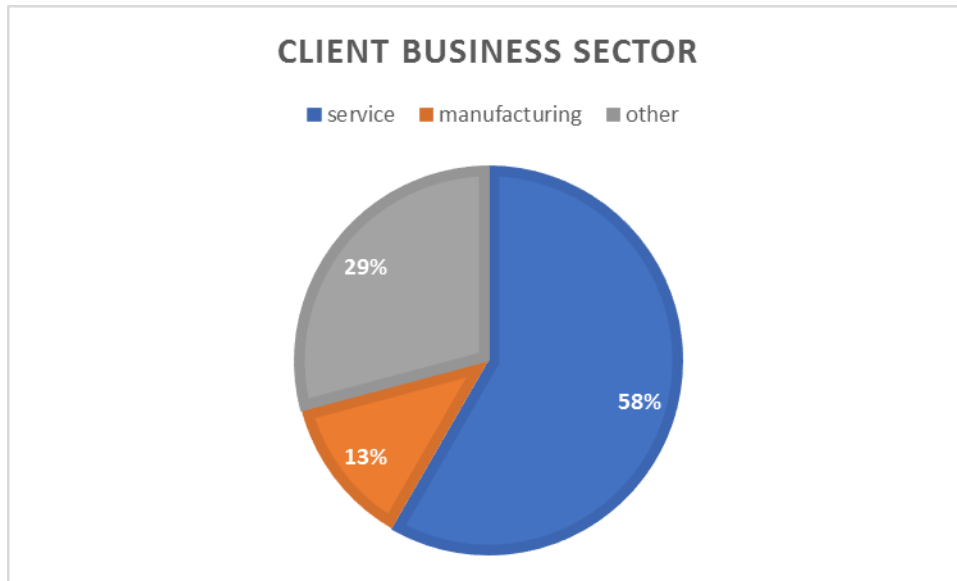


Figure 5: This period 25% of the clients were at the stage where business guidance was relevant while 42% needed access to business planning for further development of businesses. Business plan review constituted a percentage of 33%.

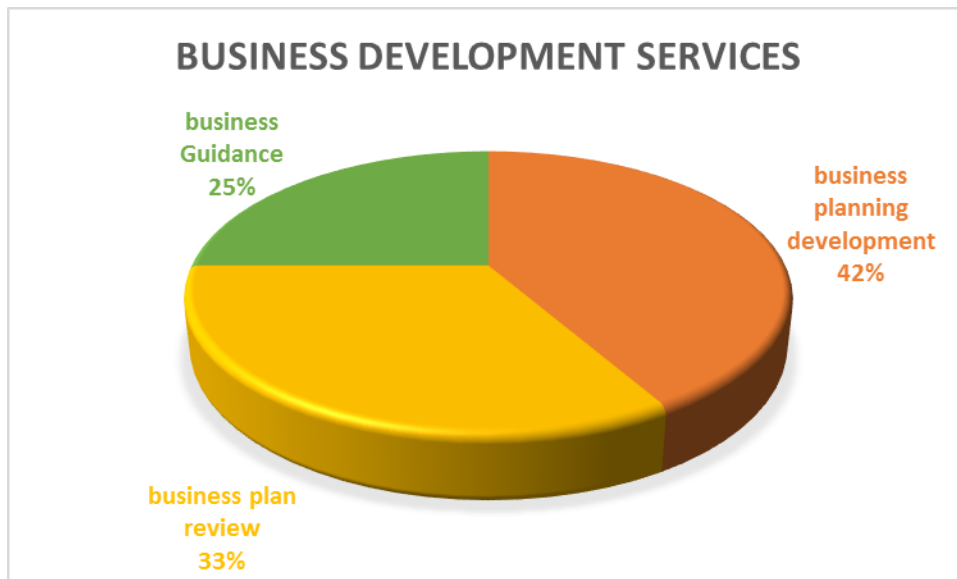
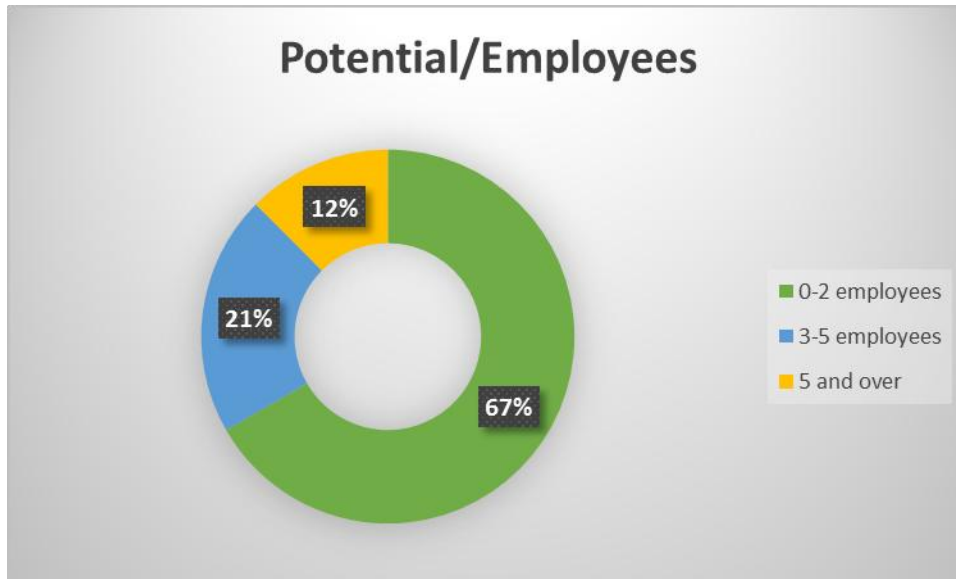


Figure 6: outlines the number of employees and potential employees the companies projected.



Most companies will only employ between 0-2 employees this accounted for 67% of the clients.



## Other Activities and Strategic Alliances

### SECTION 3: ENVIRONMENTAL ANALYSIS OF THE PORTFOLIO PRIORITIES: 2017 PROGRAMME CONTEXT

As a matter of policy, the government of St. Vincent and the Grenadines has targeted the Tourism and Agricultural sectors to drive economic recovery. The issue of food security is also getting increased attention especially in the context of food prices increasing globally.

It is also clear that the Agricultural sector presents significant economic opportunity yet untapped at both the primary and value added levels. The value added level however presents the widest possible opportunities. In order for us to take advantage of these opportunities we will have to work on building the capacities of the entrepreneurs involved in these sectors as well as improving their overall competitiveness to ensure sustainability of the business. These issues will continue to be targeted by the CED in the budget year 2018 as it was in 2015 to 2017 (market expansion consolidation will be a focus) essentially laying the foundation for a return to robust economic growth. This posture will be valid at least for the medium term given the continued economic challenges in the global economy.

With this in mind, the CED will increase its emphasis on supporting the Agri-Business Cluster, 'Vincy Klus' in building the capacity of the members to become export ready, to continue the efforts in securing markets for their produce and to assist them in increasing their

competitiveness. This group source all of their main raw materials locally and therefore have a big impact on the local farming sector and by extension the rural communities. Their success will therefore translate into great economic benefits for rural communities and the national economy generally.

## **SWOT ANALYSIS**

### **3.1 Strengths**

- Local, regional and International reputation for excellent business development service delivery.
- Institutional experience in private sector development and project management.
- Good relations with the local private sector.

### **Weaknesses**

- Lack of human and financial resources.
- Limited institutional operational space.

### **3.2 Opportunities**

- A market ripe for exploitation due to progress on the OECS Economic Union, CSME, EPA and WTO.
- Availability of donor funds for enterprise development.
- Increasing regional and international demand for business development services.
- The anticipated impact of the Argyle International Airport.
- Increasing prices of imported food.

### **Threats**

- Regional and international service providers with greater economic resources entering the local market.
- Vulnerability of the local economy to external shocks.

- The current global economic recession could be more protracted dampening the prospect of economic recovery.

## **SECTION 4: CRITICAL ISSUES/ RISK ANALYSIS**

Global economic recovery continues to be generally sluggish and the fact that there is a lag in between the time of recovery of the developed economies and recovery in the Caribbean means that we will have to wait even longer to feel the effects of any recovery.

The CED is currently under resourced (both human & financial) and this limits its ability to effectively deliver on the full range of its mandate.

The role of private sector expansion in the economic recovery process and economic development in general needs a stronger policy priority. It provides the only sustainable path for economic development in St. Vincent and the Grenadines.

The ecosystem required for entrepreneurship to flourish must be characterized by a holistic comprehensive approach which both encourage and support entrepreneurial development. Some the areas that this will include are as follows;

- Policy (private sector development, entrepreneurship and innovation)
- Legislation (Small Business Development Bill)
- Incentives (private sector development, entrepreneurship and innovation)
- Access to finance
- Business development support
- Training
- Capital market development

## **SECTION 5: ANNUAL PRIORITIES AND OBJECTIVES**

### **5.1 PRIORITY**

- Building the capacity of the Agri-business entrepreneurs.
- Youth Entrepreneurship and Innovation: Preparing the next generation of entrepreneurs.
- Increasing rural access to business development support.
- Training, capacity building and institutional development: improving competitiveness and sustainability in the local business community.

## 5.2 OBJECTIVES

- Developing the Agri-business Cluster and building the capacity of the members to access local, regional and international markets.
- Developing youth entrepreneurship in St. Vincent and the Grenadines in partnership with the SVG Community College and other private and public sector partners.
- Increasing rural access to business development support through increased focus on CED outreach programme. (With a youth bias)
- Capacity building and institutional development for the improvement of competitiveness in the local economy in the context of market integration regionally and internationally.

## 5.3 STATUS OF RESULT INDICATORS FOR 2017

<b>CED RESULT INDICATORS FOR 2016</b>	<b>STATUS TO DATE</b>
<ul style="list-style-type: none"> <li>➤ Work will also continue with the development of the Agribusiness Cluster and building the capacity of its members. 40 members will be targeted. Vincy Klus is hoping to begin servicing orders for members products in New York on a regular basis.</li> </ul>	<p>One member is now shipping to Canada and the USA, another is preparing to do so. Five attended a trade fair in St. Lucia and all have orders to fulfil in St. Lucia. The products that are to be going to St. Lucia include; pepper sauce, seasonings, handmade bags, flavoured coconut oil and a variety of health and wellness products. The cluster members will attend 4 other trade fairs before the end of the year including CARIFESTA 2017 and Everything Vincy 2017. All are expected to have impact on sales.</p>
<ul style="list-style-type: none"> <li>➤ A rural focused outreach programme in business development will be implemented with a youth bias. 80 individuals are targeted for 2017. This is expected to expose unemployed and underemployed persons in the rural districts to opportunities for</li> </ul>	<p>So far 178 individuals have benefited from the rural focused programmes. We expect to have more before the end of the year.</p>

<p>entrepreneurship and economic empowerment.</p>	
<p>➤ An entrepreneurship mentorship programme will be re-established in 2017. We are targeting 10 individuals initially.</p>	<p>There are currently 6 mentors on board. We are hoping to begin the operations of the programme before the end of the year.</p>
<p>➤ CED will partner with the Community College and the local private sector in implementing a programme in the development of entrepreneurship and innovation targeting the youth. This will ensure that the next generation of local entrepreneurs is innovative and competitive and capable of taking advantage business opportunities that will present themselves in the future. A group of 25 will be targeted for most of the programme but it is expected to impact most if not all of the students interested in entrepreneurship.</p>	<p>This programme is expected to begin in October with the first year cohort for the 2017 academic year. We will begin with the formation of the entrepreneurship club and the training programme.</p>
<p>➤ Continue to provide training to the general business sector aimed at developing capacity and competitiveness of local businesses. 200 clients will be targeted.</p>	<p>As at August 2017, 53 individuals benefitted from the training programme (Record keeping &amp; Business awareness start-up seminar). There were some challenges with two of the scheduled programmes that experienced very low registration. We anticipate at least two more programmes before the end of 2017.</p>
<p>➤ Business development services will be targeting 50 clients in 2017 focusing mainly on new business start-up and expanding existing businesses.</p>	<p>As at June 2017, 24 clients were seen individually for a range of services as follows; 25% business counseling, 42% business plan development &amp; 33% business plan review. The sectors represented are as follows; 58% services, 13% manufacturing &amp; 29% in the 'other' category.</p>

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#### **5.4 RESULT INDICATORS FOR 2018**

- Work will also continue with the development of the Agribusiness Cluster and building the capacity of its members. The emphasis will be on consolidating and leveraging the new local and regional market opportunities. 40 members will be targeted. The strategic plan for Vincyklus will be updated.
- A rural focused outreach programme in business development will be implemented with a youth bias. 60 individuals are targeted for 2018. This is expected to expose unemployed and underemployed persons in the rural districts and the Grenadines to opportunities for entrepreneurship and economic empowerment. This is a continuation from 2017.
- CED will work to expand the entrepreneurship mentorship programme in 2018. 5 more entrepreneurs will be targeted.
- CED will continue to partner with the Community College in implementing a programme in the development of entrepreneurship and innovation targeting the youth. In 2018 we will attempt to secure at least two private sector sponsors for the programme.
- Continue to provide training to the general business sector aimed at developing capacity and competitiveness of local businesses. 150 clients will be targeted.
- Business development services will be targeting 50 clients in 2018 focusing mainly on new business start-up and expanding existing businesses.

**Section 6:**                      *Organisational Structure*

