



MINISTRY OF LABOUR AND  
SMALL ENTERPRISE DEVELOPMENT  
ENTERPRISE DEVELOPMENT DIVISION

**ENTREPRENEURSHIP and MSE  
DEVELOPMENT  
IN TRINIDAD AND TOBAGO  
2014 and Beyond**



# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

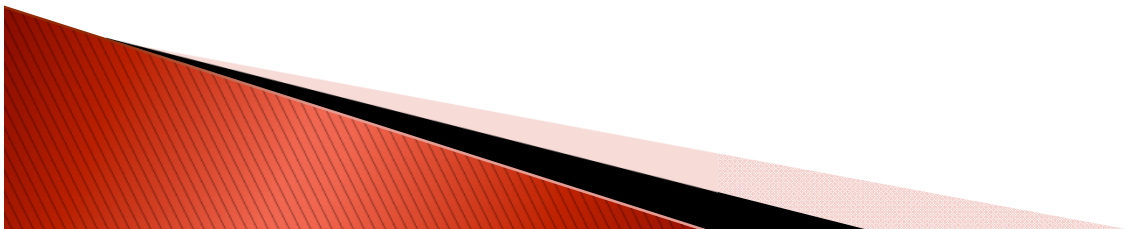
## ENTERPRISE DEVELOPMENT DIVISION

### ▶ OVERVIEW AND MANDATE

- Develop policy, coordinate its implementation and perform an advisory role on behalf of the Minister

### ▶ ROLE OF THE EDD

- Develop and implement policies and programmes to promote micro and small enterprise (MSE) growth
- Mitigate adverse conditions for smaller businesses
- Create a more favourable environment for entrepreneurship (and MSEs in particular)





# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

## ENTERPRISE DEVELOPMENT DIVISION

Goal: To create a facilitative environment for MSEs so that they can contribute significantly to economic diversification and wealth creation.

### Objectives:

- To accurately define the sector
- To create and expand opportunities and reduce obstacles for MSE entrepreneurship.
- To reduce the barriers between formal and informal sectors.
- To apportion equitable treatment to MSEs as to that of medium and large enterprises.
- To improve MSE access to finance and to business development support.
- To improve the national and international market network for MSEs.
- To encourage productive and innovative MSEs in the interest of economic diversification and wealth creation.



# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT ENTERPRISE DEVELOPMENT DIVISION

## Small Business Development and Entrepreneurship

Institutional Strengthening

Enhanced legislation

A new and enhanced suite of tax incentives

More in-depth small business training

Expanded and customised funding facilities

The establishment of new business clusters

Actualising the “fair share” programme



# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

## ENTERPRISE DEVELOPMENT DIVISION

### Policy Initiatives

Inclusion of entrepreneurship and innovation in school curriculum	Strengthening of state institutions	A new regime of fiscal incentives, preferential tax rates and concessions specifically to develop small enterprises
Comprehensive targeted training with loans	Small business windows in all public and private financial institutions	Grant funding, start-up capital and seed money where required
Creation of business clusters within communities	Protection for local manufacturers against unfair competition from foreign manufacturers and imported goods	Active monitoring of contracts by government agencies to ensure that smaller enterprises are included (FairShare Programme)



# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

## ENTERPRISE DEVELOPMENT DIVISION

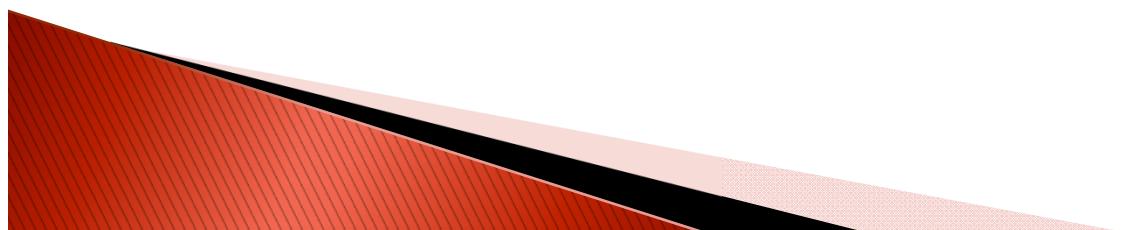
- ▶ Programmes specific to the Ministry for supporting entrepreneurs and small businesses:
  - **National Entrepreneurship Development Company Limited (NEDCO):**
    - MSE Lending and business advisory services.
    - Operating in all sectors except primary agriculture.
  - **FairShare Programme:**
    - Established in 2012
    - Set-aside programme giving MSEs access to government contracts up to \$1 Million
    - Over 1,200 enterprises are certified.
    - 242 officers from 74 Government Ministries and State Agencies (GMAs)
  - **National Integrated Business Incubator System (IBIS):**
    - Established in September 2011
    - A facility that supports existing and new small businesses
    - Provision of entrepreneurship training, mentorship, seed capital and business facilities
    - 240 MSEs accepted
    - 134 completed pre-incubator training
    - 89 incubator clients (on site and off site)
      - 64 revenue generating clients
      - 91% credited IBIS for sales growth
    - Partnerships with two (2) commercial incubators (CARIRI CED and ALJGSB BizBooster)



# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

## ENTERPRISE DEVELOPMENT DIVISION

- **Enterprise Investment Fund (EIF):**
  - Support for public-private partnership initiatives related to strengthening the ecosystem that supports micro and small enterprise development.
  - Board established in 2015.
  - EIF is affected by limited funding
- **National Baseline Survey:**
  - Partnership to have periodic surveys of the sector in general and specific areas (e.g. NEDCO-CSO-ALJGSB baseline survey, on-going)
  - Collaboration with MTI to provide \$2 Million to CSO to assist with improving data collection capacity through funding of technology based system





# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

## ENTERPRISE DEVELOPMENT DIVISION

### SITUATIONAL ANALYSIS

- Micro and small enterprises
  - Represent approx 90% of the total number of registered businesses in Trinidad and Tobago (CSO)
  - Employ up to 25% of the labour force.
  - Comprise of a large number of informal enterprises (approx twice the number of registered businesses)
  - Are often disadvantaged due to:
    - Size
    - Challenges accessing finance
    - Challenges accessing markets
    - Limited management skills
- Entrepreneurship is essential to successful economic diversification.
- Most new companies start small; therefore supporting small business growth is important for entrepreneurship development.





# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

## ENTERPRISE DEVELOPMENT DIVISION

### ▶ Main players in MSE Development

#### a. Business training and development

- NEDCO–ETIIC, Business Development Unit (BDU – Tobago House of Assembly)
- National Integrated Business Incubator System (IBIS)
- Youth Business Trinidad and Tobago (YBTT)
- Academia: University of the West Indies; University of Trinidad and Tobago; Arthur Lok Jack Graduate School of Business; COSTAATT

#### b. Financing

- BDU, 8 commercial banks; 17 non–bank financial institutions; EXIM Bank
- Credit unions (a large number of diverse institutions)
- Venture Capital Incentive Programme (VCIP)
- Development lending institutions: Agricultural Development Bank (ADB); MicroFin; Development Finance Limited; NEDCO–ETIIC
- Grant funding: Ideas to Innovation (i2i, Ministry of Planning and Development), REACH (Tobago), among others from the Ministry of Community Development, Ministry of Social Development, NIHERST



# MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

## ENTERPRISE DEVELOPMENT DIVISION

### c. Marketing Networks

- Eximbank
- ExporTT

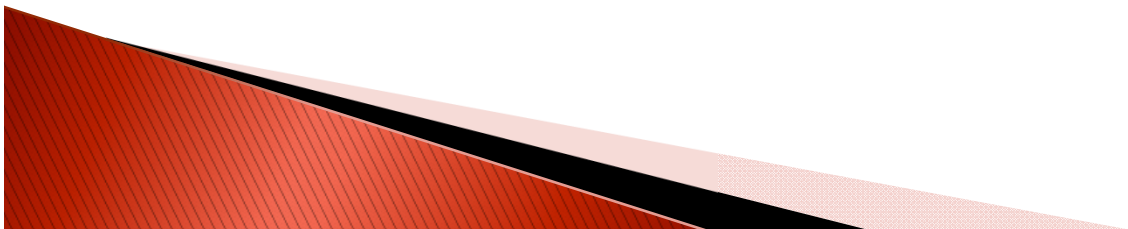
### d. Other

#### *Ratings agency*

- Caribbean Information and Credit Rating Services Ltd (CariCRIS)

#### *Research and Development*

- Research and Development Fund (ExporTT)
- Caribbean Industrial Research Institute (CARIRI)
- Academia, including UWI, COSTAATT and its Family Entrepreneurship Research Centre (FEDRI) and USC.



# 1: Business and Entrepreneurship Skills Development

National Integrated Business Incubator System (IBIS)	<ul style="list-style-type: none"><li>• To improve the performance of MSEs through support of community based enterprise development</li><li>• To provide support to the potentially high growth MSEs providing innovative products and services</li></ul>
Enterprise Investment Fund	<ul style="list-style-type: none"><li>• To improve business development by providing support to private sector agencies that have an interest in MSE development.</li></ul>
Quality Management Enhancement (Q-ME) <ul style="list-style-type: none"><li>• TTBS Certification in Good Management Practices (GMP)</li><li>• Certification in Product and Service Standards</li><li>• Certification/Accreditation of the service providers</li></ul>	<ul style="list-style-type: none"><li>• To improve management and product and service quality standards</li></ul>
Green Enterprise Development	<ul style="list-style-type: none"><li>• To develop environmentally sustainable MSEs</li><li>• To establish a Green Certification system</li><li>• To establish support system for creating green MSEs</li><li>• To increase opportunities for green procurement</li></ul>

# 2: Market Networks

## FairShare Programme

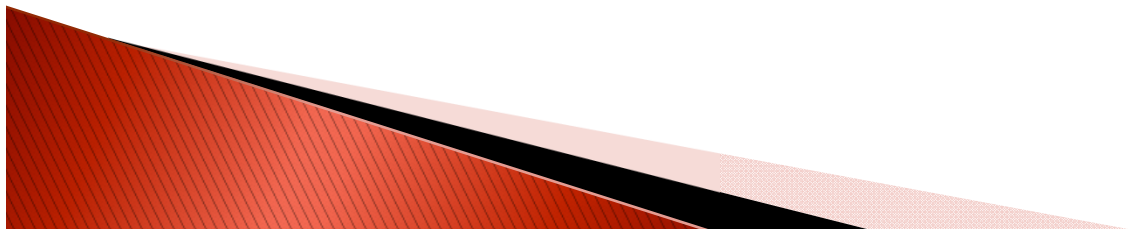
- GMA opportunities
- MSE Certification
- Training
- Pre-Qualification

- To create a forum for showcasing MSEs
- To increase access to public procurement opportunities
- To improve the capacity of MSEs

## Market Access Programme

- Virtual Mall
- Information on and access to local and international trade shows
- Information on international standards

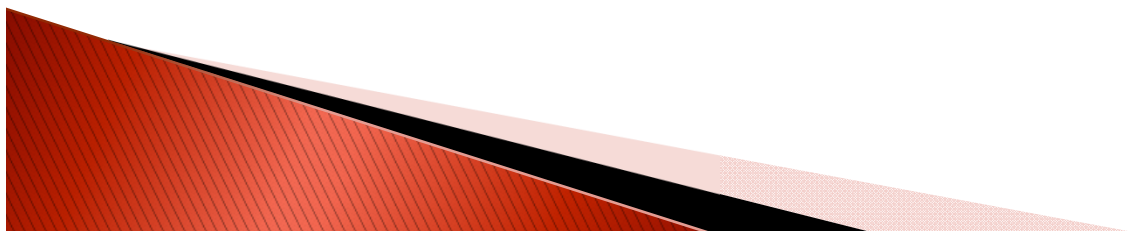
- To raise the profile of MSEs and their products and services in the local market
- To improve the access of the MSEs goods and services to export markets



# 3: Financing for MSEs

<b>NEDCO</b> <ul style="list-style-type: none"><li>• Lending Programme</li></ul>	<ul style="list-style-type: none"><li>• To expand investment and lending products</li></ul>
--	---

<b>MSE Financing Programme</b> <ul style="list-style-type: none"><li>• Angel Investment Programme</li><li>• Crowd Funding Facility</li><li>• Risk Capital Programme (RCP – NEDCO)</li></ul>	<ul style="list-style-type: none"><li>• To improve the flow of information on financing of MSEs</li><li>• To improve financing to micro and small enterprises to improve their prospects for growth and productivity.</li><li>• To create incentives for private sector investments</li></ul>
---	---



# 4: Ecosystem Development

Small Enterprise Certification	<ul style="list-style-type: none"><li>To provide financial and non-financial incentives for targeted, growth oriented micro and small enterprises</li></ul>
--------------------------------	---

<b>Governance</b> <ul style="list-style-type: none"><li>Establish the Trinidad and Tobago Micro and Small Enterprise Council (TTMSEC)</li></ul>	<ul style="list-style-type: none"><li>To establish national dialogue for the purpose of MSE governance</li><li>Harmonise all stakeholders involved in MSE development programmes</li><li>To coordinate the implementation of programmes related to MSE development</li></ul>
---	--

<b>Micro and Small Enterprise Web Portal (TTAccess)</b> <ul style="list-style-type: none"><li>Interactive Map for identifying and accessing MSE services</li><li>Certified MSEs</li><li>Access to markets</li><li>Access to non-traditional financing</li></ul>	To provide concise and useful information resource and an online diagnostic service addressing the chief challenges of micro and small enterprises and the wider business community.
---	--



# ACTION ITEMS FOR 2015–16

1. NEDCO	<ul style="list-style-type: none"><li>• To expand investment and lending products by NEDCO</li><li>• To focus on plan for NEDCO's self sustainability</li></ul>
2. IBIS	<ul style="list-style-type: none"><li>• To improve the performance of MSEs through support of community based enterprise development</li><li>• To provide support to the potentially high growth MSEs providing innovative products and services</li></ul>
3. FAIRSHARE	<ul style="list-style-type: none"><li>• To create a forum for showcasing MSEs</li><li>• To increase access to public procurement opportunities</li><li>• To improve the capacity of MSEs</li><li>• To improve management and product and service quality standards</li></ul>
4. EIF	<ul style="list-style-type: none"><li>• To increase access to funding for business development support programmes</li></ul>
5. NATIONAL BASELINE SURVEY	<ul style="list-style-type: none"><li>• To generate baseline data on the MSE sector and a framework for continuous assessment of Ministry initiatives</li></ul>
6. TTMSEC	<ul style="list-style-type: none"><li>• To establish national dialogue for the purpose of MSE governance</li><li>• To harmonise all stakeholders involved in entrepreneurship development programmes</li><li>• To coordinate the implementation of programmes related to MSE development</li></ul>

## ACTION ITEMS FOR 2015–16

### 7. GREEN ENTERPRISE PROGRAMME

- To recommend Cabinet approval of Green Enterprise Policy
- To develop environmentally sustainable MSEs
- To establish a Green Certification system
- To increase more opportunities for green procurement

### 8. MSE PORTAL

- To provide concise and useful information resource and an online diagnostic service addressing the chief challenges of micro and small enterprises and the wider business community.

### 9. ACCESS TO FINANCING

- To improve the flow of information on financing of MSEs
- To improve financing to micro and small enterprises to improve their prospects for growth and productivity.
- To create incentives for private sector investments

### 10. ADVOCACY

- To research information related to enhanced legislation to support MSE development

### 11. CERTIFICATION

- To identify relevant benefits for certified MSEs
- To provide financial and non-financial incentives for targeted, growth oriented micro and small enterprises





**MINISTRY OF LABOUR AND  
SMALL ENTERPRISE DEVELOPMENT**  
ENTERPRISE DEVELOPMENT DIVISION

**THANK YOU**

