



PROJECT LOCATION:
THE BAHAMAS

PROJECT START DATE:
MARCH 23, 2012

PROJECT END DATE:
MARCH 20, 2016

GRANT FUNDS APPROVED:
US \$435,000

ENVELOPE:
**BUSINESS CLIMATE RE-
FORM AND COMPETITIVE-
NESS ENHANCEMENT**

TOTAL PROJECT COST:

POLICY AND INSTITUTIONAL FRAMEWORK FOR SME DEVELOPMENT IN THE BAHAMAS

PROJECT HIGHLIGHTS

THE PROJECT:

In an attempt to increase its productivity and bolster the contribution of its productive sector, the Government of The Bahamas (GOBH), in close coordination with the private sector, has begun to play an active role in fostering a business climate that facilitates and encourages entrepreneurship and is inclusive of the development of the Family Islands.

Specifically, one vital step was an attempt to reform the institutional framework for SME support. Notably, The Bahamas is characterized by a strong geographical concentration of economic activities, which results in unequal income distribution. That is, production and services are concentrated in Nassau and the larger islands, while the numerous Family Islands have lagging levels of entrepreneurship and are far from achieving a satisfactory level of agricultural production. Additionally, in the Family Islands, there have been limited attempts to diversify offering or strengthen their market access beyond those involved in tourism and services industries.

Through the new institutional framework for SME development and a particular strategy for the productive sector in the Family Islands, the Program seeks to increase productivity in the sectors that represent the majority of firms in the Country. If the new institutional

framework is subsequently implemented, the impact to economic growth and income distribution, particularly regional, would be important as local businesses would increase their contribution to growth and improve overall productivity.

OBJECTIVE:

To develop a comprehensive and coherent institutional framework to support Bahamian SMEs, including those in the Family Islands.

HOW DONOR FUNDS ARE BEING USED:

- The design of a Small and Medium Enterprises Development Agency (SMEDA). This includes the institutional framework to support SMEDA and a strategic and annual plan.
- Pilot Project for SME Development in the Family Islands to establish an institutional framework to support improved market access of tourism-related SMEs and to strengthen the articulation of demand and supply of business support services to these entities.
- The development of a guarantee program with the requisite operating manual for the implementation of the said instrument by the Government of The Bahamas.
- Stakeholder consultations and awareness building activities to support the reform process.

ACHIEVEMENTS THUS FAR:

- One SME survey and needs assessment completed
- SMEDA institutional framework with strategic and annual plans completed.
- One Geotourism map guide to showcase the enterprises in the Family Islands.