



Sistema Económico
Latinoamericano y del Caribe

Latin American and Caribbean
Economic System

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Latino-Americano e do Caribe

Système Economique
Latinoaméricain et Caribéen



Conclusions and Recommendations

Intra-Regional Relations

*Training Seminar on SMEs Guarantees Support Systems
Port of Spain, Trinidad and Tobago
9 and 10 July 2012
SP/TSSMEGSS/CR-12*

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1. The Training Seminar on SMEs Guarantees Support Systems was held in Port of Spain on 9 and 10 July 2012. The event was organized by the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA), with the Trinidad and Tobago International Financial Centre as official counterpart, and the support of the Association of Caribbean States (ACS).
2. Speakers participating in the seminar included representatives of the National Guarantee Fund (NGF), the Guarantee Fund for Loans to the Small Industry (FOGAPI) and the Ibero-American Guarantee Network (REGAR), as well as officials from Barbados, Haiti, Jamaica, Suriname, and Trinidad and Tobago, and international organizations such as the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States (OECS).
3. Access to financing remains the greatest problem hindering competitiveness of SMEs. Despite the programmes implemented in the countries of the region, there is not a swift and constant flow of resources to SMEs.
4. Participants from Caribbean countries expounded on the experiences gained in recent years as regards facilitating access to credits for SMEs, the current situation and the prospects for development and consolidation of mechanisms to overcome limitations. In this connection, they highlighted some examples of SMEs financing in Barbados, Jamaica, Suriname and Trinidad and Tobago, countries which have had or have second level funds, angel investors and other special banking programmes.
5. Based on the presentations made by invited experts, it was noted that guarantee schemes are a subsystem within the financial system, so they are financial and public policy instruments in the countries. The objective of such subsystems is to encourage and facilitate access to financing for enterprises under the best conditions, and they remain subject to regulations and supervision by financial authorities.
6. The guarantee scheme should be integrated into the financial system and its warranty should be recognized (qualified and weighted), with its characteristics being defined by the various realities, diverse economic and social environments, different public policy approaches and/or the role of employers, since they are instruments for economic promotion and support. Guarantee schemes can be used by governments to facilitate access to credits universally or to a specific sector or activity in line with government policies.
7. During the debates, participants analyzed the possibility of undertaking an initiative for a Caribbean guarantee system. In this regard, experts recommended establishing a regional Caribbean system and evaluating whether such system should be of a public or mixed public-private nature.
8. The representative of Jamaica recommended drafting a document for implementing a guarantee system in the Caribbean and distributing it among the member countries of CARICOM for discussion. Such document should include detailed information

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about the regional and international best practices, the challenges associated with the system and an analysis of costs and benefits in order to establish a policy. In addition, it is necessary to create a technical working group to coordinate the whole process. The regulatory framework of the guarantee scheme could be incorporated into CARICOM's regional policy on SMEs. Finally, the representative of Jamaica recommended establishing a pilot programme in the region and monitoring its performance for a period longer than one year, so that decisions can be taken in order to implement such programmes at the regional level.

9. Similarly, some participants –such as the representative of the Caribbean Association of Small and Medium Enterprises (CASME), and the representatives of Barbados, Haiti and Suriname – showed interest in the need for SELA, along with other international and regional agencies, to coordinate training activities and to draft a feasibility study which accompanies the implementation plans of pilot programmes within the region.
10. For this initiative, participants underscored the need and importance of involving the public sector which, along with the private sector, can promote the creation of such a system. The institution in charge of the system could be a ministry, a public entity or a group of people consisting of public and private entities, who should outline an action plan and an institutional schedule for the system.
11. In order to attract funds and capital from donors for the creation of the guarantee system, some participants pointed out that actions must be undertaken to identify potential donors.
12. In organizing the next meeting, CASME shall invite small and medium enterprises organizations in the Caribbean and financial organizations for SMEs. On the other hand, the CARICOM shall invite its Member States to submit the proposal for this initiative.
13. Participants expressed their gratitude to the Permanent Secretariat of SELA, the Association of Caribbean States and the experts from Colombia, Spain and Peru who participated as speakers, for their efforts to conduct this seminar. Similarly, they recognized the support of the Trinidad and Tobago International Financial Centre, which contributed to the success of this important activity.