



## GOVT GIVES SPECIAL SUPPORT FOR MSME THROUGH NEPA & PARTNERS

On September 25, 2015, countries around the world, adopted a set of goals to 'end poverty, protect the planet and ensure prosperity for all', as part of the United Nations New Sustainable Development Agenda. Each goal has specific targets to be achieved over the next 15 years. The United Nations has emphasized that for the goals to be achieved, everyone needs to do their part including governments, private sector and civil society.

For this to be practically realized, MSMEs must be recognized, supported and assisted by the nation within which they exist. It is on this premise that special focus has been placed on MSMEs in Jamaica. It is hoped that this endeavor will spearhead programs geared towards youth development and training which will place emphasis on MSMEs as employment opportunities. It has been

recognized that MSMEs by and large are a critical force in a country realizing their Sustainable Development Goals.

Data from the International Trade Centre, shows that at least 70% of total employment comes from MSMEs, reflecting their major role as drivers of the economy of most countries and their significant contribution to overall GDP. This makes them important to wealth creation, economic development and job creation which are important drivers of poverty alleviation and economic growth. As such, aspiring young professionals are encouraged to explore entrepreneurship as a business and employment opportunity.

In light of the significance of MSMEs to Jamaica, Planning Institute of Jamaica (PIOJ)

in collaboration with the Development Bank of Jamaica (DBJ), is working with the Natural Resources Conservation Authority (NRCA)/ National Environment and Planning Agency to ensure their compliance with Environmental standards and regulations, as well as licensing requirements.

This is being implemented via specific aspects of the Foundations for Competitiveness and Growth Project (FCGP). NEPA is the facilitator of this programme which commenced January 2018 and will last for at least two years. The Agency will ensure that MSMEs have a clear understanding of the applications process and how to be compliant. MSMEs are invited to contact the NEPA Applications Management Coordinator (FCGP).

## DBJ, NRCA SIGN MOU TO SUPPORT MSMEs



Mr. Milverton Reynolds Managing Director, DBJ seals the deal with Mr. Danville Walker Chairman, NRCA on the signing of the MOU.

Representatives of the Development Bank of Jamaica (DBJ) and the Natural Resources Conservation Authority (NRCA)/National Environment and Planning Agency (NEPA) signed a Memorandum of Understanding (MoU) at the DBJ's offices on Friday, April 13, 2018 to establish a formal framework that will guide collaboration among the entities as it relates to the support given to micro, small and medium-sized enterprises (MSMEs) under the Foundations for Competitiveness and Growth Project (FCGP).

The document was signed by Mr. Milverton Reynolds Managing Director, DBJ and Mr. Danville Walker Chairman, NRCA. Others present at the signing were Peter Knight Chief Executive Officer, National Environment and Planning Agency (NEPA), Mrs. Karlene Hamilton-Reid Director of Human Resource Management, NEPA, Andrea Livingston-Prince Component 3 of Nation's Growth Agenda Coordinator Jan Lopez Applications Process Coordinator.

## FCGP's Strategy ~ 'Strengthening MSMEs through Compliance'



Jan Lopez, Applications Process Coordinator

To ensure that the Agency maintains a consistent and dedicated focus on MSMEs, the Project has provided support in the Applications Management Division of the Agency, through the appointment of an Applications Process Coordinator (APC).

The APC's role is to:

- Assist MSMEs with plans and actions to regularize compliance where critical gaps exist and timely direction is needed.
- Assist the Development Bank of Jamaica (DBJ) to identify and implement public outreach.
- Attend directly to clients (MSMEs) in providing planning and technical advice and guidance

In order to 'enlighten' the general public on the need for compliance, one must state the guidelines in a manner which focuses mainly on process, rather than policy.

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As an agency operating under the NRCA, NEPA is seeking, through this MoU, to facilitate greater compliance of small and medium sized businesses with the relevant regulations. "The whole aim [of the MoU] is to release the potential of small and medium-sized enterprises, to remove barriers and the challenges that they face in complying with planning and environmental regulations," noted Peter Knight, CEO, NEPA. "We want the micro, small and medium sized businesses to feel confident in what we do for them and how we can assist them."

Danville Walker, Chairman, NRCA lauded the timeliness of the initiative noting that although MSMEs are the pathway to growth for Jamaica, small business people often have a number of fears when dealing with regulatory agencies. He added "we need to change the mindset of always expecting a helping hand" he advised. Under this MoU, loan and grant funds, provided by the DBJ, provide practical support through a full-time environmental specialist. This specialist focuses on, not only the costs and techniques of securing regulatory compliance in accordance with its own capacity, but also manages opportunities using practical and innovative practices to gain business advantage and improve operating results. Examples include replacement of electrical equipment, safety measures for risk reduction and implementation of climate-smart

methodologies for increased business competitiveness and continuity.

Mr. Walker described the MoU as providing a lane for businesses to be compliant. "It is good business and good sense to be in compliance and many times, it affects your bottom line in a positive way. You can get some good help for very little cost," he said. Milverton Reynolds, managing Director, DBJ agreed with the statements made and indicated his desire for small business owners to be made aware of the support available to them through the DBJ network.

In keeping with the terms of the MoU, the NRCA will expedite applications for funding under the FCGP. Then NRCA will work closely with the DBJ to provide relevant information and education to MSMEs, financial institutions such as, commercial banks and micro-finance organizations, as well as private sector bodies such as the Jamaica Manufacturers' and Exporters' Association (JMEA).

Special focus is placed upon raising productivity within these MSMEs. Through the DBJ, funds will be disbursed under the Small Business Facilitation Component of the FCGP in the form of loans available through approved financial institutions and productivity grants to local supply chains, facilitated by the Jamaica Business Fund (JBF).



Signing: of the MoU: (L-TR) Andrea Livingston-Prince, FCGP Coordinator, DBJ; Gregory Bennett, Director, Applications Management Division, NEPA; Jan Lopez, FCGP Applications Process Coordinator, NEPA; Mr. Milverton Reynolds, Managing Director DBJ



## FROM ENVIRONMENTAL COMPLIANCE TO ENVIRONMENTAL IMPROVEMENT



From left: Milverton Reynolds, Managing Director, Development Bank of Jamaica (DBJ); Denise Forrest, Environmental Specialist, Foundations for Competitiveness and Growth Project (FCGP); Andrea Livingston Prince, FCGP Component 3 Coordinator, Danville Walker, Chairman, Natural Resources Conservation Authority (NRCA); Peter Knight, Chief Executive Officer, National Environmental Planning Agency (NEPA); Mrs. Karlene Hamilton-Reid, Director of Human Resource Management, National Environmental Planning Agency (NEPA); Jan Lopez, Small Business Applications Coordinator, National Environmental Planning Agency (NEPA);

For the past 30 years, Jamaica has experienced low economic growth and high fiscal deficits that have hindered its development. There are ongoing efforts to change this outlook. One such effort implemented by the Government of Jamaica (GoJ), with funding from the World Bank, is the Jamaica Foundations for Competitiveness and Growth Project (FCGP), which has been working to provide support to the nation's Growth Agenda over the past four years. The objective of the six-year Project is to strengthen the business environment for private sector investment through the creation of:

- a) strong economic infrastructure with Internationally competitive industry structures

- b) business development support and increasing finance fostering a culture of entrepreneurship and innovation.

The role of MSMEs in achieving economic growth is critical and through the FCGP, the (DBJ) is spearheading Component 3: 'SME Productivity Improvement', which is designed to drive economic development by increasing the productivity of businesses within the MSME sector. A key, but often-times overlooked, part of the work in Component 3 has been the assistance provided to businesses within the MSME sector to achieve environmental compliance as a necessary requirement for doing business.

With the guidance of the DBJ's Environmental Policy supported by the Environmental Management

Framework (EMF), the project has been helping businesses to assess their environmental risk and, where necessary, work towards achieving compliance. Further, in this regard, the Bank has signed an MOU with NRCA/NEPA, which provides a formal collaborative framework in assisting MSMEs achieve environmental compliance.

While environmental compliance, where applicable, is a necessary first step, the real benefits to a business 'bottom line' and competitiveness come from moving beyond environmental compliance to improving its overall environmental performance. Improving environmental performance can lead to decreasing costs, building climate resilience and improving its competitive

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**Q. Who are MSMEs?**

A. MSMEs are enterprises which fall in the category for Micro, Small or Medium also referred to as 'SMEs' or 'Small businesses'.

**Q. Why target MSMEs?**

A. MSMEs drive the economy of most countries and contribute significantly to the GDP. Also providing 80% of total employment.

**Q. What are some of the challenges faced by MSMEs in Jamaica?**

- Access to funding
- Stringent regulatory
- Environment Inadequate skills and practices.

**Q. What systems are in place to assist MSMEs?**

- Government MSME Division.
- Special Projects – Eg. FCGP.
- JBDC and other businesses

**Q. What percentage of local MSMEs have been in existence for 9 or more years?**

A. According to a local survey (2013), (39)% of businesses are MSMEs.

**Q. What is the role of the Applications Process Coordinator (APC)?**

A. The APC is the Applications Process Coordinator whose primary role it is to assist the business community in their journey to compliance.

**Q. Who exactly is the 'business community'?**

A. The business community is comprised of business owners whose enterprise fall in the MSME category.

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advantage and enhance the following:

- internal efficiency 'waste as a resource'
- market access
- competitive advantage
- cost of financing and insurance increasing profits

#### **Benefits to MSMEs**

MSME business owners are encouraged to change their mindset and start on a journey that will strengthen their businesses through:

- better compliance management for environmental regulations that will enable the business to avoid and or reduce the risk of penalties;

- developing employee capacity by training and the development of systematic procedures;
- improved overall management;
- improved public image; and
- improved environmental management as a stepping stone to more competitive and sustainable businesses.



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**Q. Who exactly is the 'business community'?**

A. The business community is comprised of business owners whose enterprise fall in the MSME category.

**Q. What does it mean to 'assist the business community in their journey to compliance'?**

A. As businesses conduct their operations, they are required to ensure that their practices are safe and without hindrance to the environment, thus reducing if not eliminating any risk to the environment.

**Q. Why do we wish that MSMEs be brought into compliance?**

A. One of the functions of the National Environment and Planning Agency (NEPA) is to ensure that their regulating processes for enterprises are adhered to as per the requirements of the law. Due to this fact, "bring into compliance" is part of the legal process which ensures that business functions are safe and in a sense orderly, thus not causing harm to the environment, persons and other existing enterprises.

**Q. What is needed for the enterprises as far as processes are concerned?**

A. The processes through which the enterprises may need to go and/or follow are important to the enterprises in their endeavor to satisfy the requirements of the NRCA Act. This Act is governed by the Agency (NEPA). If an enterprise does not need to apply, the APC will advise accordingly.



To learn how to make an Application, visit: [www.nepa.gov.jm/howtoapply.asp](http://www.nepa.gov.jm/howtoapply.asp)



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