

## **Coordination with the private sector**

### **1. Component 2: Investment Promotion and Export Development**

This component seeks to increase the positive spillovers of FDI in the local economy through the improvement of investment promotion programs and the development of a new suppliers' program to accelerate SMEs internationalization, which will promote the growth of direct and indirect exports of the local firms in Belize.

This component will finance:

- (i) FDI promotion programs (including lead generation, facilitation, and aftercare services) through the adoption of new digital tools, and institutional strengthening. The optimization of BELTRAIDE's processes will include the generation of gender-disaggregated data and its analysis.
- (ii) Export development through the creation and implementation of a suppliers' development program<sup>1</sup>. Activities will include capacity building for BELTRAIDE, suppliers' interactive online tool, dissemination and activities to foster firms' participation, individual gap analysis, design and implementation of support interventions to strengthen firms' capacities<sup>2</sup> (mentoring voucher, workshops, match-making events, and matching grants to upgrade capacities to supply tractor firms)<sup>3</sup>. The firm's selection criteria will incorporate additional points for women-led or owned businesses.

### **2. The relevance of coordination with the private sector**

To carry out the work required by this component, especially those activities related to the supplier s' development program, it is essential to have the active participation of and coordination with the private sector. The rationalization of private sector participation includes:

- a) Customarily, important information on large, medium and small companies operating in different sectors of the country's economy can be provided. The information covers, quantitative and qualitative aspects about their operations and the main problems that affect local firms.

The possibility of accessing initial information, even if it is basic, is very relevant for:  
i) bringing the potential beneficiaries closer to the program, and ii) contributing to shortening information search times.

- b) Their involvement contributes significantly to validate the importance of developing local suppliers, as part of the public policy efforts that need to be implemented to increase the country's exports. It is also a powerful technical and political sign.

Their mere presence in the program opens spaces for the program's executors so that the companies deliver to them the information required to carry out the diagnoses. The diagnoses are needed to establish the gaps that the program must first identify and then seek the support that the companies required to overcome them.

---

<sup>1</sup> EL#14. See description of the program coordination with the private sector.

<sup>2</sup> The selection criteria will include, among others: sector, size, number of employees, sales volume, and exports/imports volume.

<sup>3</sup> These activities may be implemented using [The Belize Enterprise Revolving Fund](#).

- c) Consistent with the foregoing, the participation of private sector organizations is key to: i) promote the services to be provided by the program, and ii) the call for companies to participate, particularly when there is little experience of public policies to support business development.
- d) The participation of the private sector in the implementation of public policies to support the business sector contributes to continuity even if the political authorities change. For this reason, their active participation is generally a good sign for the sustainability of public policies.

### **3. Program's relations with the private sector**

Considering the above, the project team has initiated a dialogue with Belize's Chamber of Commerce and Industry and with the [Economic Development Council \(EDC\)](#), which is a public-private advisory body launched in 2011, made up of 10 members, including 5 senior representatives from the public sector and 5 senior managers from the private sector. The EDC is co-chaired by a representative from the private sector and a counterpart from the public sector. EDC's focus is to drive utility business climate reforms to improve the ease of doing business in Belize. Its general objectives are: (i) Strengthen collaboration between the public and private sectors through a meaningful dialogue that leads to positive results that facilitate economic development; and (ii) Advise and help develop reforms that improve doing business, improve public sector processes, and increase confidence in doing business in Belize.,

### **4. Private sector participation in the program**

The project team believes that the EDC is the perfect framework to disseminate the program and engage with the private sector, and, to help create a committee that can serve as a supervisory board to the intervention proposed in Component 2 and to be executed by BELTRAIDE. During the program's design process and in consideration of the private sector's disposition and capabilities, different alternatives should be analyzed for their participation in the program, such as: a) promoting the program, inviting the business sector to participate; b) the coordination of activities related to the diagnoses of the anchor companies and SMEs; c) the process of raising decision criteria and project prioritization; d) the instances of decision-making about the projects to be approved; and e) the strategic management of the program.

Although all are possible alternatives, the specific form that their participation takes should be defined in the process of designing the program's services and its governance, always ensuring that their participation does not compromise the necessary probity of the program. The role of the private sector should be clearly established in the governance model of the program.