



Government of the Republic of Trinidad and Tobago

Ministry of Youth Development and National Service

MYDNS: 6/10/34

May 1, 2023

Clerk of the House
Parliamentary Complex
Cabildo Building
St Vincent Street
PORT OF SPAIN

Dear Madam,

The Seventh Report of the Public Accounts (Enterprises) Committee on the examination of the Audited Financial Statements of the National Entrepreneurship Development Company Limited (NEDCO) for the financial year 2017 and follow up on the implementation of recommendations in the Committee's Tenth Report from the 11th Parliament

I refer to your letter Parl.: 5/4/84 dated March 7, 2023 and submit the attached paper responding to the recommendation/comments contained in the captioned Report.

Respectfully,


.....

FAROOK HOSEIN
PERMANENT SECRETARY

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Public Accounts (Enterprises) Committee's

Recommendations Arising

From the Examination of the Audited Financial
Statements For Financial Year 2017

and

follow-up on the implementation of

Recommendations in the

Committee's Tenth Report from the 11th Parliament

April 2023

Questions Arising from Public Account Committee

Questions/ Response
Financial Statement NEDCO should submit a status update on the completion and subsequent submission of the company's outstanding financial statements to the Ministry of Finance to Parliament by April 24, 2023. <p>As a financial state agency, the National Entrepreneurship Development Company (NEDCO) is required to disseminate information publicly, including its Financial Statements and Auditor's Report. The Financial Statements for 2018, 2019, and 2020 and the Auditor's Report were adopted by the Shareholders at the 9th Annual General Meeting (AGM) of NEDCO's Shareholders held on February 28th, 2023. Copies have been forwarded to the Ministry of Finance. The audit for financial years 2021 and 2022 are in progress with completion expected before the end of the current fiscal year 2023.</p>
Procurement Policy and Procedures NEDCO should submit a status update on the completion, Board approval and subsequent implementation of the company's Procurement Acquisition and Disposal Policy and Procedures to Parliament by March 31st, 2023. <p>NEDCO advised that the Procurement Retention and Disposal Policy and Procedures were approved at the 211th Board Meeting held in December 2022. The approved document was then forwarded to the Office of Procurement Regulation for review before its implementation.</p> <p>As a result, NEDCO will await this feedback before implementing the Procurement Retention and Disposal Policy and Procedures. Implementing this policy will help ensure NEDCO's procurement practices are transparent, efficient, and compliant with regulatory requirements.</p>
Internal Fraud Policy NEDCO should submit a status update on the completion, Board approval and subsequent implementation of the company's Internal Fraud Policy to Parliament by April 24, 2023. <p>NEDCO advised that it appreciates the importance of a robust and comprehensive Internal Fraud Policy and is committed to ensuring its policy meets the highest standards. The Company also advised that the first draft of its Internal Fraud Policy has been completed and is undergoing internal review. After the internal review, the policy will be submitted to the Board for review and approval. Once the policy has been approved by the Board, it will be implemented.</p>
NEDCO's Mandate Realignment to MYDNS The MYDNS should put measures in place to evaluate the mandate's success and long-term impact on supporting small enterprises and provide an update to Parliament by March 31st, 2023. <p>The MYDNS through its Enterprise Development Division (EDD) measures the success of NEDCO's mandate on supporting micro and small enterprises. The EDD examines the core functions using Key Performance Indicators (KPIs) such as loans disbursed, business advisory, mentorship and entrepreneurial development. On an annual basis, the focus includes a percentage increase in start-up businesses, the percentage of young persons engaged, and the number of persons expanding operations.</p>

In collecting, collating and analysing these monthly and annual KPIs, the MYDNS will ensure the survivability and sustainability of entrepreneurs under the NEDCO which would add value to the GDP and reduce unemployment and poverty.

Business Advisory Programme

NEDCO should submit the following information related to its Business Advisory Programme to the Parliament by April 24, 2023.

How the business advisory programme is set up and what it involves.

NEDCO's Business Advisory is a consultancy service geared toward helping Micro and Small Enterprises (MSEs) solve problems and grow their businesses. Every new and growing entrepreneur will need guidance, motivation, emotional support and practical solutions for common entrepreneurial dilemmas along their entrepreneurial journey. The Business Advisors give advice and practical support to new businesses, start-ups and established companies in an array of areas including, but not limited to Business Plans, Marketing, Financial Management, Competitive Strategies, Goal Setting, Business Registration and Records Management. Each session is one (1) hour long. Clients can expect the following:

- Individual attention with a knowledgeable advisor.
- Suitable recommendations or action points to direct your business further.
- Recommendations for follow-up sessions.
- Referrals for NEDCO's Training and Lending Services.

To book an appointment with a Business Advisor, an interested person can register via NEDCO's website or email training@nedco.gov.tt. The price to book an advisory session is \$100.00.

What services are offered to anyone micro or small business at a different stage of operation, and how many staff are allocated to do this?

There are currently two Business Advisors available who provide support throughout all stages of business development. The services offered include individual and group consultation, business needs assessments and evaluations, pre- and post-loan consultation, idea generation consultation, panel discussions, presentations, and seminars. Additionally, business mentorship is offered.

How many businesses receive these services on a monthly/annual basis?

The records of NEDCO indicate that both individuals and formal businesses have received these services, with the following amounts for each year:

- 2020: 39
- 2021: 137
- 2022: 139
- 2023: 147

The step-by-step process of how a newly established small/micro enterprise would receive business advisory services through each stage of its operation, starting from the initial application.

Flow B	Activity / Person
Start -	
1	Client Requests Business Advisory Via Phone or Email (Client)
2	Client First Contact Information is Captured (Business Advisor)
3	The client is advised of fee and payment methods (Business Advisor)

4	The client pays via online or bank deposit and submits a copy of the payment via email to training@nedco.gov.tt (Client)
5	The business advisory session is scheduled (Business Advisor)
6	On the day/schedule, Business Advisor meets Client Virtually or In Person (Business Advisor and Client)
7	The client is given Action Points (where necessary) (Business Advisory)
8	The client is referred for Training, Loans or Follow - Up sessions (Business Advisor)
9	The client's referral is emailed to Business Development Officer at Branch for Loan
9. A	The client's referral is emailed to Business Development Training Officer at Branch for Training
End	The client is contacted for a Loan referral (Business Development Officer)
End	The client is contacted for Training Service (Business Development Training Officer)
9. B	The client is advised that a follow-up session will be conducted (Business Advisor)
End Forms	The client is contacted for a follow-up session (Business Advisor) Business Advisory Form

Whether there is a monitoring mechanism in place through the business advisory services to gauge the progress the MSE businesses make in fully developing and establishing themselves as viable businesses whilst receiving these business advisory services

The provision of advisory services is optional and is subject to the client's adoption of the advice provided. NEDCO also offers feedback forms to clients to evaluate their progress and identify any challenges encountered during the implementation phase. Furthermore, clients can engage in post-advisory discussions with the advisory team to obtain additional information and follow-up support.

How is NEDCO involved in the recently launched SME marketplace with the Ministry of Finance?

NEDCO has furnished the Ministry of Finance with details of its offerings, classified into non-financial and financial support services. Additionally, NEDCO has presented a roster of prospective clients who stand to gain from the SME support services.

MYDNS's Role in Supporting Youth and Micro-Entrepreneurs

NEDCO should submit a status update which clearly defines how the company is involved in supporting the activities of MYDNS and the associated benefits derived from the National Youth Policy Pillar 1 – Prioritizing Youth Economic Participation and Empowerment to Parliament by April 24, 2023.

NEDCO is involved in several youth entrepreneurship initiatives under the MYDNS. The support for these programs primarily comes from entrepreneurial training and mentorship. By providing aspiring entrepreneurs with the knowledge and skills they need to succeed, they are assisted in achieving their goals and contributing to the growth and development of the nation's economy. Examples are the Youth Career Education Caravan, Youth Agricultural Homestead Programme (YAHP) and Youth Agriculture Shade House Project (YASHP).

In addition to the current activities, NEDCO plans to expand its support for youth entrepreneurship by offering grant funding administration. This will enable the Company to provide financial support to young people with promising business ideas who need more resources to get started.

NEDCO recognises the importance of supporting the National Youth Policy Pillar 1 – Prioritizing Youth Economic Participation and Empowerment, and the Company is committed to doing its part

to help achieve this goal. By working with MYDNS and other partners, NEDCO believes it can create a brighter future for the young people of this country.

Given that the number of persons aged 15-29 years continues to account for the largest segment of the unemployed population (see Review of the Economy 2022 p. 101), NEDCO should submit to the Parliament by April 24 2023, a report on how it intends to measure the impact of the company's activities under the National Youth Policy Pillar 1 – Prioritising Youth Economic Participation and Empowerment on reducing youth unemployment.

There is agreement that NEDCO needs to measure the impact of its activities under the National Youth Policy Pillar 1 on reducing youth unemployment. As the largest segment of the unemployed population, young people need targeted support to achieve economic participation and empowerment.

The MYDNS Monitoring and Evaluation (M&E) Unit is responsible for implementing Results Based Management Systems that will help the Ministry to track the progress and performance of its programs and projects. This will facilitate greater accountability and transparency, which are essential for effective program management. Furthermore, by utilising the MYDNS M&E Strategy, NEDCO will be able to measure the impact of its activities on reducing youth unemployment and provide valuable insights to guide future efforts.

Overall, it is important for all agencies involved in the National Youth Policy Pillar 1 to prioritise youth economic participation and empowerment and to work collaboratively towards reducing youth unemployment. Using effective M&E strategies and action plans will help ensure that these efforts are successful and positively impact young people in the country.

Competition from other Financial Institutions and Support Service Providers

NEDCO should provide a detailed status report to Parliament by April 24, 2023, on a list of entrepreneurial-specific support services it can provide to young entrepreneurs that would improve the company's competitiveness in microfinance.

NEDCO can provide a range of entrepreneurial-specific support services to young entrepreneurs to help improve the company's competitiveness in microfinance. Some of these services include:

1. **Business Incubation:** NEDCO can provide a nurturing and supportive environment for start-ups, including shared workspaces, mentorship, and access to resources such as legal, financial, and marketing advice.
2. **Access to Finance:** NEDCO can offer various financing options such as loans, grants, and equity investments to help young entrepreneurs start and grow their businesses.
3. **Entrepreneurship Training and Workshops:** NEDCO can provide training programs and workshops to educate young entrepreneurs on business fundamentals, such as accounting, marketing, and financial management.
4. **Networking Opportunities:** Through networking events and conferences, NEDCO can connect young entrepreneurs to potential partners, investors, and customers.
5. **Market Research and Analysis:** NEDCO can provide market research and analysis to help young entrepreneurs understand their target market and develop strategies for growth.
6. **Technology Support:** NEDCO can provide technological support to young entrepreneurs, such as website development, social media marketing, and IT consulting.
7. **Legal and Regulatory Assistance:** NEDCO can offer legal and regulatory assistance to young entrepreneurs, helping them navigate the legal requirements of starting and running a business.

By providing these entrepreneurial-specific support services, NEDCO can help young entrepreneurs overcome common challenges and improve their chances of success, thereby contributing to the company's competitiveness in microfinance.

The marketing strategies it intends to implement to bring awareness to its support services.

NEDCO is currently engaged in a consultancy to strengthen its marketing strategies. In this regard, NEDCO intends to focus on the following strategies:

1. **Digital Marketing:** NEDCO will use various digital marketing channels such as social media, email marketing, search engine optimisation (SEO), and paid advertising to promote its support services to the target audience. It can also create engaging and informative content, such as blog posts, infographics, and videos, to educate young entrepreneurs about its services.
2. **Public Relations:** NEDCO will use public relations to build relationships with media outlets and journalists to generate positive publicity for its services. It can also participate in relevant events and conferences to showcase its services to the target audience.
3. **Referral Programs:** NEDCO will consider implementing a referral program to encourage current and past clients to refer new clients. It can offer incentives, such as discounts or rewards, to those who refer new clients.
4. **Partnership Marketing:** NEDCO can consider partnering with other organisations and businesses that serve the same target audience to promote its services. For example, it can partner with local chambers of commerce, incubators, and accelerators.
5. **Direct Marketing:** NEDCO can use direct marketing tactics, such as flyers, brochures, and postcards, to reach its target audience. It can also use direct mail or email campaigns to promote its services to the target audience.
6. **Influencer Marketing:** NEDCO can collaborate with influencers, bloggers, and other thought leaders who have a strong following in the target audience. It can work with them to create content and promote its services to its followers.

By implementing these marketing strategies, NEDCO can effectively bring awareness to its support services and attract more young entrepreneurs to its programs.

How the company ascertains whether the services provided contribute to entrepreneurs' success.

NEDCO utilises several methods to ascertain whether the services provided contribute to the success of entrepreneurs. These methods include:

1. **Performance Metrics:** NEDCO tracks performance metrics such as the number of loans disbursed and other relevant metrics. By comparing these metrics with previous periods or industry benchmarks, NEDCO can assess the impact of its services on entrepreneurs' success.
2. **Feedback Surveys:** NEDCO conducts feedback surveys to gather opinions from entrepreneurs using their services. The surveys can include questions on the usefulness of the services, the ease of accessing them, and their impact on their business's success.
3. **Case Studies:** NEDCO will begin creating case studies that showcase successful entrepreneurs who have used their services. These case studies can highlight the impact of the services on the entrepreneurs' businesses, including revenue growth, job creation, and expansion.
4. **Long-term Follow-Up Interviews:** NEDCO will conduct follow-up interviews with entrepreneurs who have received their services to assess the long-term impact on their business's success. These interviews can help NEDCO understand entrepreneurs' challenges and opportunities in different industries and how the services can best support them.

By combining these methods, NEDCO can gain a comprehensive understanding of the impact of their services on the success of entrepreneurs and continuously improve and adapt their services to meet the needs of their clients.

How does the company intend to participate in the recently launched SME Market Place by the Ministry of Finance to prevent duplication of efforts?

NEDCO has made valuable contributions by offering both financial and non-financial support. As a partner agency, NEDCO provides a range of support services, including assistance with the loan process. By helping clients improve their financial capabilities and competitiveness, NEDCO ensures that their business operations comply with sector-specific requirements. NEDCO offers financial services to a diverse range of businesses, except those involved in primary agriculture, gambling, and the sale of alcohol.

The challenges faced in executing these support services.

As the implementing agency for Government's policy on MSE development, NEDCO is committed to supporting the sector through entrepreneurship and empowering the socially disenfranchised. Some of the common challenges in executing support services include:

1. **Limited Resources:** Microfinance agencies often operate with limited resources, making it difficult to reach out to many people in need of financial assistance. This can limit their ability to provide adequate support services to clients.
2. **Lack of Financial Literacy:** Many clients served by microfinance agencies need more financial literacy, making it difficult for them to understand the terms and conditions of financial products and services. This can lead to clients taking on debt they cannot repay, harming both the clients and the microfinance agency.
3. **Limited Technology Infrastructure:** Microfinance agencies may need more access to infrastructure or financial resources to adopt the technology. This can make it difficult to manage operations efficiently, communicate with clients, and deliver support services.
4. **Digital Transformation:** The pandemic has accelerated the need for digital transformation in the microfinance sector, as many clients need access to physical branches or meet with loan officers in person. Microfinance agencies have had to quickly adapt their operations to provide digital services, which has required significant investment in technology and training.

Strategic Plan

NEDCO should submit a status update on the review of its 2022-2025 Strategic Plan by the MYDNS and the company's formal implementation of said Strategic Plan to Parliament by April 24, 2023, stating the following:

Plans to ensure each objective could be delivered.

NEDCO's Strategic Plan 2022-2025 was approved at the two hundred and eighth (208th) National Entrepreneurship Development Company Limited (NEDCO) meeting on Wednesday, 28th September 2022. The Company is now in the process of implementing the plan to achieve its goals and objectives.

The plan is designed to be implemented at all levels and establishes goals, objectives, and strategies to guide NEDCO's activities and achieve its mission by 2025. The plan was heavily influenced by Trinidad and Tobago's National Youth Policy and included input from the MSE sector to ensure buy-in. Additionally, it focuses on good governance and service excellence, in line with the Government's mandate, and aims to improve staff and technology to align with NEDCO's Vision 2030 objectives.

To ensure that each objective of the strategic plan can be delivered, NEDCO would have followed a structured approach that involves the following steps:

<ol style="list-style-type: none"> 1. Clarify objectives: The first step is to clarify each strategic plan object. Ensure each objective is specific, measurable, achievable, relevant, and time-bound (SMART). 2. Assign responsibility: Once the objectives are defined, assigning responsibility for each aim to specific individuals or teams is essential. 3. Develop action plans: Each objective should be broken down into specific action plans that outline the steps required to achieve the objective. These action plans should include timelines, milestones, and key performance indicators (KPIs) to measure progress. 4. Allocate resources: To deliver each objective, it is important to allocate the necessary resources, including a budget, personnel, equipment, and technology. Ensure that the resources allocated are sufficient to achieve the objectives and that they are used effectively. 5. Monitor progress: Regular progress monitoring ensures that each objective is delivered as planned. This will help identify any issues or challenges early on, allowing corrective action to be taken before it is too late. 6. Adjust plans as necessary: Finally, it is essential to be flexible and willing to adjust plans as required. If progress is not made towards an objective, revising the action plan or allocating additional resources may be necessary.
<p>How success would be measured.</p> <p>Success in achieving the objectives of NEDCO's Strategic Plan can be measured through several methods, including:</p> <ol style="list-style-type: none"> 1. Key Performance Indicators (KPIs): KPIs are quantifiable measures that can be used to track progress towards achieving the strategic plan's objective. For example, if the objective is to increase revenue by 10%, then the KPI would be revenue growth. It can be measured regularly to determine if the objective is being achieved. 2. Metrics: Metrics are specific measures that can be used to track progress towards achieving specific objectives. For example, if the objective is to increase customer satisfaction, which measures how likely customers are to recommend the business to others. 3. Milestones: Milestones are specific points in time representing progress towards achieving an objective. For example, if the objective is to launch a new product, then the milestone could be the completion of the product development phase. 4. Surveys can gather feedback from customers, employees, or other stakeholders on the progress towards achieving the strategic plan's objectives. This feedback can provide valuable insights into what is working well and what needs to be improved. 5. Annual Administrative Reports: Administrative Reports and Financial statements can be used to measure the agency's financial performance, including revenue growth and profitability. These measures can indicate the success of achieving financial objectives in the strategic plan. <p>By using a combination of these methods, it is possible to measure the success of achieving the objectives of a strategic plan. It is important to regularly review and analyse the data to identify areas that require improvement and to make necessary adjustments to the plan to ensure success.</p>
<p>A procurement plan for all procurements involved in delivering the above objectives.</p> <p>NEDCO will be guided by its Procurement Retention and Disposal Policies and Procedures</p>
<p>The timeline for evaluating the outcomes of the plan.</p> <p>The specific timeline will vary depending on the goals the Plan seeks to achieve. The guidelines are as follows:</p> <ol style="list-style-type: none"> 1. Short-term evaluation: This evaluation is conducted soon after the implementation of the strategic plan, within the first three to six months. This evaluation will help to identify any immediate issues or obstacles that need to be addressed.

2. Mid-term evaluation: This evaluation should be conducted after the strategic plan has been in place for six months to one year. This evaluation will help to determine whether the goals set in the plan are being met and whether any adjustments need to be made.

3. Long-term evaluation: This evaluation should be conducted after the strategic plan has been in place for two to five years. This evaluation will help determine the plan's overall success in achieving its intended outcomes.

It is important to note that evaluations would be conducted continuously to ensure the strategic plan remains relevant and effective. In addition, regular evaluations can help to identify areas that require additional attention or resources, as well as opportunities for improvement.

Transitioning Businesses from Informal to Formal Economy

NEDCO should market and advertise its free business registration services to encourage participation from the general public showing the various support services young entrepreneurs can access free of charge

NEDCO is currently finalising the process to undertake this service. By promoting the various support services that young entrepreneurs can access free of charge, NEDCO can help to create awareness about the benefits of registering a business and provide much-needed support to the local community.

Effective marketing and advertising can help to reach a wider audience and raise awareness about NEDCO's services. By leveraging various marketing channels such as social media, email newsletters, local newspapers, and community events, NEDCO can communicate the benefits of its free business registration services to a broad range of potential customers.

Additionally, showcasing the various support services that young entrepreneurs can access free of charge can help to build trust and confidence in NEDCO's offerings. These support services would include business planning and development, marketing and branding support, access to funding and financing opportunities, and mentorship programs. By highlighting these services, NEDCO can demonstrate its commitment to helping entrepreneurs succeed and positively impact their communities.

Overall, marketing and advertising are essential tools for NEDCO to promote its free business registration services and encourage participation from the general public. By doing so, NEDCO can help to support young entrepreneurs and drive economic growth in the local community.

NEDCO should develop a strategy to help businesses transition from the informal to the formal economy. This strategy should be submitted to Parliament by April 24, 2023

NEDCO intends to offer several services to assist entrepreneurs in transitioning from the informal to the formal economy. These services include:

- Business registration support: NEDCO assists by way of educational material which can aid clients in registering a business and obtaining the necessary permits and licenses required to operate legally.
- Financial management training: NEDCO offers financial management training to help entrepreneurs improve their financial literacy and manage their business finances effectively.
- Access to financing: NEDCO provides various financing options, such as loans and grants, to help entrepreneurs access the capital needed to start or expand their businesses.
- Business planning assistance: NEDCO provides one-on-one counselling to help entrepreneurs develop comprehensive business plans that can help them secure financing and make informed business decisions.

- Networking and mentorship opportunities: NEDCO offers networking and mentorship opportunities to connect entrepreneurs with other business owners, mentors, and potential investors, which can provide valuable guidance and support during the transition from the informal to the formal economy.

By providing these services, NEDCO is helping entrepreneurs move from the informal economy to the formal economy, giving them access to more resources, opportunities, and protections as they grow their businesses.

NEDCO should consider offering complementary one-hour business advisory services sessions at \$100/hr to encourage MSEs to seek support to comply with the essential requirements necessary to operate a business.

In the past, NEDCO provided free business advisory services to the general public. However, numerous people would schedule appointments but not show up or reschedule. NEDCO introduced a nominal fee of \$50, which was later increased to \$100. This resulted in a significant decrease in the number of no-shows and ultimately eliminated the problem. Nevertheless, NEDCO still offers free business advisory services at pop-up shops, outreach events, and to young people in various communities, as long as they can accommodate the requests.

Furthermore, NEDCO conducts monthly webinars that cover fundamental requirements and SME development topics, which are available to the public for free.

NEDCO should submit a status report detailing any statistics highlighting the effectiveness of NEDCO's services in transitioning businesses from the informal to the formal economy to Parliament by April 24, 2023.

NEDCO is still finalising the process to transition businesses from the informal to the formal economy. There are several ways NEDCO intends to highlight the effectiveness of its services in transitioning from the informal to the formal economy:

1. Case Studies: The agency can gather success stories from businesses that have transitioned from the informal to the formal economy with the help of NEDCO's services. These case studies can highlight the businesses' challenges and how NEDCO's services helped them overcome them.
2. Quantitative Data: The agency can gather data on the number of businesses that have successfully transitioned from the informal to the formal economy with the help of NEDCO's services. This data can include information on the number of businesses, the sectors they operate in, and the impact of the transition on their revenue and profitability.
3. Testimonials: The agency can gather testimonials from business owners who have used NEDCO's services to transition from the informal to the formal economy. These testimonials can highlight the benefits of NEDCO's services and their positive impact on businesses.
4. Workshops and Seminars: The agency can organise workshops and seminars to educate business owners on the benefits of transitioning from the informal to the formal economy and how NEDCO's services can help them achieve this. These events can feature speakers from NEDCO and businesses that have successfully transitioned.

By highlighting the effectiveness of NEDCO's services in transitioning businesses from the informal to the formal economy through these methods, the micro-finance agency can build trust and credibility with its clients and help more businesses transition to the formal economy.

Additional Support to the Light Manufacturing Industry

The company's strategy to target the increase in the number of MSEs in light manufacturing through its collaboration with CARIRI and the respective timeline

NEDCO and the Caribbean Industrial Research Institute (CARIRI) signed a Memorandum of Understanding (MOU) on February 8th, 2021, and are currently at the stage of executing joint activities. Additionally, working with CARIRI will provide NEDCO access to a range of resources, expertise, and networks that it may have yet to have otherwise. This can include access to training programs, technology, equipment, and connections to potential suppliers, customers and partners.

Moreover, collaborating with CARIRI can also help the company to address some of the challenges that MSEs face in the light manufacturing sector. For instance, many SMEs need help accessing financing, marketing, and distribution channels. NEDCO is actively collaborating with CARIRI in food preparation and testing. Ongoing discussions aim to finalise a framework that benefits organisations and entrepreneurs. New initiatives to support entrepreneurs are expected to be introduced by September 2023. By working with CARIRI, the company can help MSEs to overcome these challenges, potentially creating a more sustainable market for the company's products or services.

The percentage or number increase in MSEs in light manufacturing targeted.

The percentage or number increase in MSEs in light manufacturing has not yet been defined.

NEDCO should provide an update to Parliament by April 24, 2023, on the company's progress in encouraging growth in the light manufacturing sector.

With NEDCO's current Business Accelerator Program (BAP) in place, it is possible to leverage this program to support its collaboration with CARIRI. The BAP is designed to help entrepreneurs and start-ups grow their businesses by providing them access to resources, mentorship, and networking opportunities.

By integrating the BAP with the collaboration with CARIRI, NEDCO can provide additional support to MSEs in the light manufacturing sector. For example, the BAP can offer training and mentorship to MSEs who collaborate with CARIRI. The program can also provide funding and financial support to these MSEs to help them to scale their businesses and improve their product offerings. Overall, by leveraging its existing BAP to support its collaboration with CARIRI, NEDCO can create a more holistic and effective approach to supporting the growth of the light manufacturing sector.

Removal of \$66 million from NEDCO's loan portfolio in 2017

NEDCO should develop a plan to manage the increased levels of irretrievable debts that constitutes its loan portfolio and provide a status report on the development of same to Parliament by April 24, 2023 The plan should include:

10a. Target levels it will maintain at the end of each fiscal year.

10b. Measures to monitor and evaluate its loan portfolio to prevent losses from delinquent/inactive accounts.

NEDCO's Loan Default Management Policy has been prepared and is currently being reviewed by its Board of Directors. This Policy covers the management of all accounts within the Recoveries Unit. This Loan Default Management Policy is crucial for NEDCO as it outlines the strategies, procedures, and guidelines for handling loan defaults, ensuring the sustainability and success of the institution's lending operations. This policy plays a pivotal role in mitigating the risks associated with loan defaults and protecting NEDCO's financial health.

The setting of realistic and achievable targets for loan portfolio quality, such as the portfolio-at-risk (PAR) ratio or the percentage of non-performing loans (NPLs), helps in monitoring and managing

loan defaults effectively. Targets provide a benchmark for measuring the NEDCO's performance and allow for proactive measures to be taken to prevent and manage loan defaults.

Monitoring and evaluation are vital in ensuring the effectiveness of the Loan Default Management Policy. Regular monitoring of loan portfolio quality, borrower's repayment behavior, and compliance with the policy's guidelines helps in identifying early warning signals of potential loan defaults. Evaluation of the policy's performance against set targets and periodic reviews of the policy's effectiveness allow for timely adjustments and improvements to be made, enhancing NEDCO's ability to manage loan defaults.

Compliance with the Loan Default Management Policy is critical for NEDCO to ensure consistency and adherence to established procedures. Compliance includes adherence to internal policies and procedures, as well as regulatory and legal requirements. Strict compliance ensures that loan defaults are managed in a systematic and standardized manner, minimizing the risk of bias or discrimination. Compliance also helps in building trust and credibility with borrowers, investors, and other stakeholders, which is crucial for the long-term sustainability of the NEDCO.

NEDCO is of the view that this Loan Default Management Policy is essential for its success. It sets targets, establishes monitoring and evaluation mechanisms, and ensures compliance with policies and regulations. By effectively managing loan defaults, NEDCO can safeguard its financial health, maintain portfolio quality, and continue providing access to credit to underserved communities.

Measures to improve compliance on debt repayments in the company's loan portfolio.

NEDCO has taken several measures to improve compliance on debt repayments in its loan portfolio. The company has created a Credit and Administration Policy, which is presently undergoing evaluation by the Board of Directors. The policy deals with the management of delinquent accounts in NEDCO's portfolio and outlines the procedures and guidelines for managing such accounts.

NEDCO's measures include proactive communication with borrowers, streamlined loan monitoring, financial counselling and support, enforcement of loan terms, risk mitigation strategies, and continuous improvement. These measures aim to minimize delinquencies, support borrowers facing financial challenges, and ensure that NEDCO's loan portfolio remains healthy and sustainable.

Details on how the write-offs will be managed.

NEDCO's Loan Write-Off to Bad Debt Ledger Policy 2022 was approved by its Board of Directors on 29 June 2022, with the Procedures being supported by the Chief Executive Officer on 04 July 2022. The Policy covers the financial write-off treatment of all default loans within NEDCO. At the same time, the Procedures outline the steps to be followed when accounts are to be designated uncollectible and are to be identified for removal from NEDCO's active portfolio to the Bad Debt Ledger.

Opportunities for Challenged Communities

NEDCO should submit a status update on the company's design of training and loan products tailored specifically to young persons in priority communities to Parliament by April 24, 2023.

Several training courses for young people in priority communities have been developed and made available. The following is a list of some of the programs offered:

- IGBEGA community group in Laventille East/Morvant received entrepreneurial training.
- Perseverance Village was provided with entrepreneurial training.
- The East Port of Spain community group also received entrepreneurial training.

These programs aim to equip young people in priority communities with the necessary skills and knowledge to become successful entrepreneurs, thereby promoting economic growth and development in these areas. NEDCO is committed to continuing its efforts in providing training and loan products that are tailored to the unique needs of young people in priority communities.

NEDCO should submit a statement on whether consideration can be given to youth entrepreneurs in high-risk sectors and entrepreneurs in priority communities to Parliament by April 24, 2023.

NEDCO acknowledges that young individuals from communities that are deemed high-risk may require specialised attention to enhance their chances of achieving their entrepreneurial aspirations. To address this issue, NEDCO has established strategic partnerships with various stakeholders in selected communities, such as Angostura Limited and We Say Yes in the Morvant/Laventille region.

Furthermore, NEDCO is implementing various initiatives to promote entrepreneurship and provide business development support services. These services are delivered through events organised by Members of Parliament, Regional Corporations, and other localised organisations. NEDCO's participation in events in different locations, such as Port of Spain South, Mayaro, Arouca/Lopinot, Belmont, St. Augustine, Police Youth Clubs, and secondary schools, demonstrates its commitment to supporting young entrepreneurs in diverse communities.

NEDCO should submit a report on the locations it deems high-risk areas and the determining factors used to categorise each as high-risk to Parliament by April 24, 2023.

NEDCO is not mandated to identify or classify high-risk areas, and this information is not available within NEDCO's records.

Entrepreneurial Relief Grant Programme

NEDCO should provide a status report on the criteria used to determine an entrepreneur's eligibility for the Entrepreneurial Relief Grant and how applicants are screened to prevent persons from accessing multiple grants to Parliament by April 24, 2023.

The eligibility criteria for NEDCO's business funding program are as follows:

- You must be a Trinidad and Tobago citizen or legal resident.
- You must be at least 18 years of age.
- You must have an existing business to apply. However, you can still begin the application process if you have an unregistered company. Still, you must register your business and receive your Board of Inland Revenue (BIR#) number before receiving the funds.
- Your business must earn less than TT \$1 million annually.
- All legal business types, including sole traders, can apply.
- Applicants who receive unemployment relief benefits, food cards, or other social relief benefits are ineligible.
- Applicants who receive grants from the Tobago House of Assembly are ineligible.
- Applicants with current or pending criminal court proceedings are ineligible.

Furthermore, NEDCO cross-references the client's information with the Ministry of Social Development and Family Services to verify eligibility.

NEDCO should submit a status update on the report on the benefits derived from utilising the grants and the uses of the additional \$20 million received to Parliament by April 24, 2023.

The Ministry of Youth Development and National Service's Enterprise Development Division created a survey tool, which was enhanced by two focus group sessions, to assess the Entrepreneurial Relief Grant (ERG) that was disbursed by the National Entrepreneurship Development Company Limited (NEDCO) from August 2020 on behalf of the Ministry of Finance.

The grant aimed to provide financial assistance to micro and small enterprises (MSEs) that the COVID-19 pandemic had negatively impacted. In March 2021, a sample of 346 ERG recipients was randomly chosen for the survey, and 181 respondents provided information on their demographic characteristics, satisfaction with and use of the ERG, and related business impacts. In addition, on April 10, 2021, focus group participants were asked questions virtually to supplement the survey data.

Concerning the utilisation of the grants, the survey report entitled 'An Evaluation of the Impact of the NEDCO Entrepreneurial Relief Grant on Micro and Small Enterprises' stated that the ERG was primarily utilised by survey participants to cover overhead expenses, followed by supplementing cash flow and increasing inventory. This information is valuable in understanding why MSEs were satisfied or dissatisfied with the grant amount they received, as it indicates the significant areas of concern for businesses affected by the pandemic.

The focus group participants used the grant for similar purposes, with some specifying their use, such as one participant relocating their business to a better location and another upgrading their storefront to attract more customers. Other participants used the grant to avoid laying off employees or hiring new ones, purchase inventory, replenish stock, meet debts to suppliers, and cover expenses. All participants expressed gratitude for the ERG's support of their businesses. These areas of concern are discussed in more detail below regarding the grant's impact.