

The task force will propose an organizational structure to manage the development of a brokering relationship between partners in developed and developing countries. This structure will seek to involve existing complementary groups that are best placed to strengthen business links between the organizations.

Canada will host a small secretariat to aid the work of the task force, which will complete its work by Sept.1, 2004.

Local Enterprise Investment Centre Pilot, Bangladesh

In developing countries, there are not enough competitive small and medium firms, and the existing ones are not growing into large companies. In Bangladesh, 177,000 small and medium enterprises employ 82 per cent of the industrial labour force (23 per cent of the total labour force). However, these companies contribute only half of the industrial output.

Many of the Commission's recommendations speak to the need to channel private sector initiative into development efforts, facilitate access to broader financing options, assist skill and knowledge development, and develop new partnerships between multinational and large domestic companies to nurture smaller businesses in developing countries.

Canada, through the Canadian International Development Agency, will pilot a \$5 million, three-year Local Enterprise Investment Centre in Dhaka, the capital of Bangladesh. The investment centre will help small and mid-size firms attract investors by strengthening the capacity of a local institutional partner to provide them with core services that build the knowledge, skills, and partnerships needed to navigate the early stages of the investment process. Services will be tailored to the needs of these businesses in such areas as project design, feasibility studies, business planning, and due diligence.

The Centre will support

- small and mid-size enterprises entering joint ventures or other partnerships that improve competitiveness and growth through capital, technology and good business practices;
- a local development finance institution experienced in financing, leasing, guarantees, syndication, and equity investment; and
- links to networks of small and medium firms and partnerships between domestic and global investors.

Canada will examine whether the Local Enterprise Investment Centre could be used as a model for other countries that have been identified as priorities for development assistance.