



*The Enhanced Credit Guarantee Fund

**New fund, new features, new
opportunities for businesses...**

The Enhanced Credit Guarantee Fund

Have a sound business proposal but lack the security required for funding? The Enhanced Credit Guarantee Fund can help!

The Enhanced Credit Guarantee Fund (ECGF) was set up to assist small and medium-sized enterprises (SMEs) who are in need of credit for business development projects. The Fund assists by providing the necessary security for SMEs so they can more easily access business development loans from approved financial institutions. The ECGF provides security of up to 80% of the loan amount for loans of up to a 10-year tenure. Funding will be deployed through approved lending institutions and managed by the Central Bank of Barbados.

The Fund was developed as part of the Inter-American Development Bank's Enhanced Access to Credit for Productivity Project with the Government of Barbados. The Fund has since expanded and now operates under the IADB's Global Credit Programme for Safeguarding the Productive Sectors and Employment to provide security for those also in need of short-term financing (i.e. one year or less).



Conditions of the ECGF

ELIGIBLE BUSINESSES

The Fund is open to incorporated small and medium-sized enterprises registered to operate in a variety of sectors:

- ▼ Agriculture
- ▼ Commerce
- ▼ Industry
- ▼ Service



REQUIREMENTS FOR ELIGIBILITY

To qualify for the ECGF, businesses must satisfy the following criteria:

- ✓ have not more than BB \$20 million in annual sales
- ✓ have not more than BB \$20 million in assets
- ✓ have not more than 200 employees

THE FUND COVERS

Guarantees may be provided to businesses operating in the aforementioned sectors using loan proceeds from the IFIs for the following activities:

- ▶ purchase of lands and buildings
- ▶ purchase of equipment and machinery
- ▶ expansion and improvement of infrastructure
- ▶ implementation of new technology, techniques and processes
- ▶ increase in permanent working capital, all directly related to the company's activity

To see what businesses and activities are excluded from the Fund, visit the CBB's website at www.centralbank.org.bb



Terms of the ECGF

LIMITS OF GUARANTEE

- Guarantees may be provided on credits up to BB \$2 million per project.
- Guarantees outstanding shall not exceed BB \$6 million for any one business.

EXTENT OF GUARANTEE

Guarantees may be provided for up to eighty percent (80%) of the credit facilities. Also note that there is a minimum loan requirement of BB\$20,000.00

MATURITY PERIOD

Maturity periods on guarantees for credits shall not exceed ten (10) years.

INTEREST RATES

IFIs are responsible for setting the interest rate on loans guaranteed.

GUARANTEE PREMIUM

A premium of 0.75% per annum will be charged on facilities guaranteed under the Fund.

CURRENCY

Guarantees may be provided for loans in United States dollars (USD) or Barbados dollars (BBD).

ELIGIBLE FINANCIAL INTERMEDIARIES

Guarantee coverage through the Fund will be provided to eligible financial institutions as listed below:

- Capita Financial Services Inc.
- CIBC FirstCaribbean International Bank (Barbados) Limited
- Consolidated Finance Co. Limited
- Enterprise Growth Fund Limited
- First Citizens Bank (Barbados) Limited
- RBC Royal Bank (Barbados) Limited
- Republic Bank (Barbados) Limited
- SigniaGlobe Financial Group Inc.



For further information:

Visit www.centralbank.org.bb

Email ecgf@centralbank.org.bb

or call 436-6870 (CBB) or 234-4688 (Ian Knight).



IDB

Inter-American
Development Bank