



Innovative Mechanisms for Financing & Guarantees For MSMEs: Barbados

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INNOVATIVE MECHANISMS FOR FINANCING & GUARANTEES FOR MSMEs

Presented by

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OUTLINE OF PRESENTATION

- Overview of Market
- Special Finance Facilities
- The Credit Guarantee Fund

OVERVIEW OF MARKET

Debt/Equity Financing

- Micro Finance (FundAccess, Enterprise Growth Fund, Youth Business Trust)
- Commercial Banks
- Credit Unions
- Venture Capital (Small Business Venture Capital Inc.)
- Equity Market

Non-Bank Commercial Solutions

- Debt Finance (Axcel, Fast Cash)
- Leasing
- Trade Finance
- Angel Investing
- Crowd-funding

Special Government Facilities

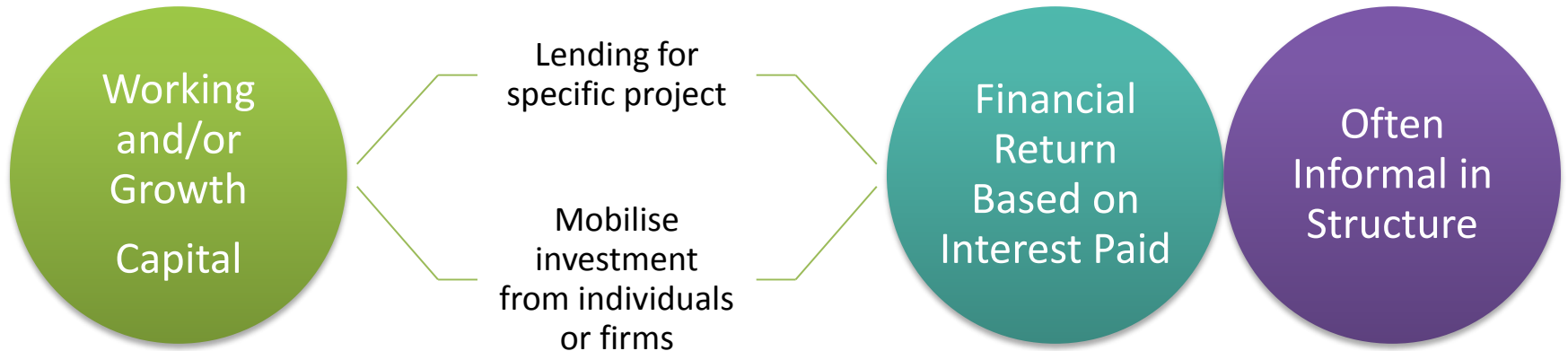
- Central Bank's Guarantee Schemes
- Factoring Programme

SPECIAL FINANCE FACILITIES

Trade Finance (Factoring)



Peer-to-peer & Crowd Funding



Public Equity Markets



THE CREDIT GUARANTEE FUND

The Credit Guarantee Fund is administered by the Central Bank of Barbados and has been established to assist small and medium enterprises in obtaining medium to long-term financing by providing security to eligible financial institutions for new loans (minimum loan requirement of BB\$20,000.00)

Requirements for Eligibility



ELIGIBLE SECTORS

The Fund is open to incorporated small and medium enterprises registered to operate in Barbados. Sectors are:

- Agriculture
- Commerce
- Industry
- Service

Conditions of Fund

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

MATURITY PERIOD

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

INTEREST RATES

- Guarantees may be provided for loans USD \$ or Barbados dollars (BBD).

CURRENCY

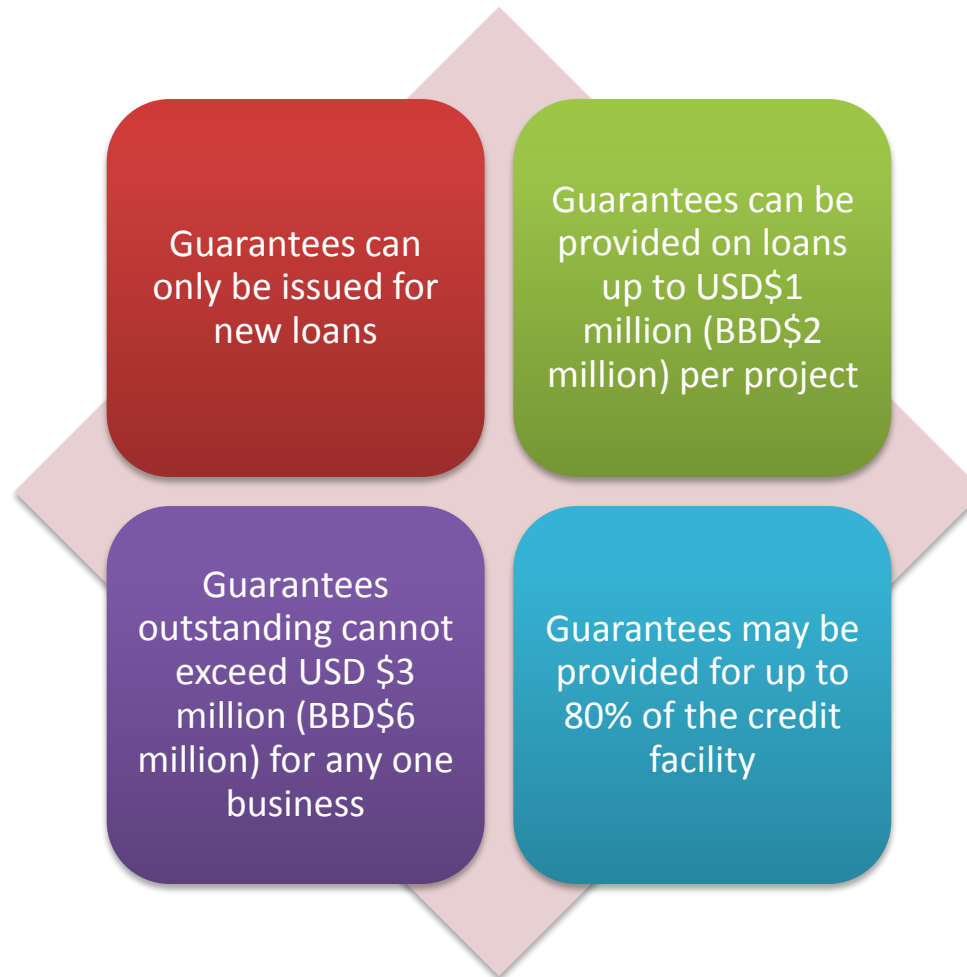
GUARANTEE PREMIUM

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

Activities to be Guaranteed

- The purchase of land and buildings
- The purchase of equipment and machinery
- The expansion and improvement of infrastructure
- The implementation of new technology, techniques and processes
- An increase in permanent working capital, which is tied to an investment loan

Main Features of the Guarantee





THE END...

THANK YOU FOR

LISTENING