

## DBJ's LENDING GUIDELINES

### ENERGY LINE OF CREDIT DBJ PETROCARIBE SME ENERGY FUND

DBJ has committed **J\$1B** to the SME Energy Line of Credit, commencing May 1, 2008. This will be on-lent through AFIs, such as commercial Banks, Merchant Banks, National People's Cooperative Bank (NPCB), Credit Unions and Micro Financing Institutions. All AFIs must be in good standing to participate.

#### *Types of eligible enterprises*

- Commercial institutions, small & medium business users
- Large commercial and industrial users
- Commercial business requiring energy audits
- Energy service companies (ESCOs)
- Manufacturers of energy efficiency equipment and devices

#### *Use of Funds*

To provide retrofitting for small, medium and large sized enterprises to accommodate alternative energy sources, with a specific emphasis on electricity conservation and solar energy via photovoltaic energy etc.

#### *Loan Amount*

Maximum of **J\$5M** per entity or group, representing 75% of installation quotation of photovoltaic, including compulsory energy audit etc.

#### *Interest Rates*

Rate to end user: 10%, fixed for the life of the loan.

#### *Repayment*

- Repayment period will be up to 7 years including a maximum of 12 months moratorium on principal payments.
- Principal and interest must be serviced monthly

#### *Eligibility conditions*

- Ensure that the constitution of the entity gives it the authority to borrow
- Project must be viable and demonstrate ability to repay loan without a negative impact on its operations
- If company – a board resolution must be passed to access this facility
- Valid Tax Compliance Certificate
- All loans must be fully secured

## DBJ's LENDING GUIDELINES

### MODERNIZATION OF AGRICULTURAL & AGRO-PROCESSING LINE OF CREDIT

DBJ has committed **J\$250M** for a special window for the Modernization of Agricultural and Agro-processing Line of Credit for on-lending via the National People's Cooperative Bank Network (NPCB), Credit Unions and Micro Financing Institutions (MFIs).

#### *Types of eligible enterprises*

- Small and medium farmers
- Agro-processors
- Marketers of agricultural products
- Exporters of agricultural products

#### *Use of Funds*

To support farming activities, as well as retooling, which include:

- To expand fruit tree crop projects, such as Ackee & June Plum etc.
- Livestock projects, such as pig and sheep production
- Resuscitate the Dairy industry
- To expand Cassava production and processing, as an alternative to wheat and wheat products
- Protected cultivation such as green hoses & hydroponics (eg. To set up food integrated greenhouse clusters)
- To expand small ruminant (hoofed animals that chew cud) programmes
- To introduce modern and productive agricultural tools and machines

#### *Loan Amount*

Maximum of **J\$5M** per entity or group

#### *Interest Rates*

Rate to end user: 7.875%, fixed for the life of the loan

#### *Repayment*

- Repayment period will be up to 7 years including 18 months moratorium on principal payments
- Principal and interest must be serviced, based on the enterprise and its cash flows.

#### *Eligibility conditions*

- Must be registered with RADA/Ministry of Agriculture
- Project must be financially and technically viable
- Demonstrate ability to repay loan without a negative impact on its operations
- Ensure that the constitution of the entity gives it the authority to borrow
- If company – a board resolution must be passed to access this facility
- Valid Tax Compliance Certificate
- All loans must be secured

## DBJ's LENDING GUIDELINES

### FISHERMEN'S REVOLVING LOAN SCHEME

DBJ has committed **J\$50M** to this Line of Credit, which will be on-lent through the National People's Cooperative Bank (NPCB), Credit Unions and Micro Financing Institutions (MFIs).

#### *Types of eligible enterprises*

- Fisher and fish farmers
- Food Processers
- Marketers
- Importers of fishing equipment
- Exporters of fish etc.

#### *Use of Funds*

To rehabilitate the fisheries sector, and to retool and provide additional equipment for expansion.

#### *Loan Amount*

Maximum of **J\$300,000** for new boats and **J\$100,000** for any other equipment.

#### *Interest Rates*

Rate to end user: 7.875%, fixed for the life of the loan

#### *Repayment*

- Repayment period will be up to 3 years
- Principal and interest must be serviced **WEEKLY**

#### *Eligibility conditions*

- Must be registered with the Fisheries Division of MOA
- Preferably operate in fisheries on a full time basis
- Be over the age of 18 years and have at least 2 years of relevant fishing experience.
- Should provide data to the fisheries division, (where they are required to be registered)
- All loans must be fully secured
- Referral letter from fisheries Division to accompany application.

## DBJ's LENDING GUIDELINES

### SMALL AND MEDIUM ENTERPRISES (SMEs) DEVELOPMENT LINE OF CREDIT 2008

DBJ has committed **J\$1B** to the Small and Medium Enterprises (SMEs), providing support for the projects identified as commercially viable. Funds will be approved for the AFIs, National People's Cooperative Bank Network (NPCB), Credit Unions and Micro Financing Institutions (MFIs).

#### *Use of Funds*

Producers of goods and services established and operating in Jamaica, who are involved in the following:

- Agricultural production and processing
- Retooling and re-engineering manufacturing operation
- Tourism activity
- Non-metallic mining sector
- Information technology and energy/solar
- Other SMEs for productive purposes.

#### *Loan Amount*

Maximum of **J\$15M** per entity or group

#### *Interest Rates*

Rate to end user: 10%, fixed for the life of the loan

#### *Repayment*

- Repayment period will be up to 7 years, including a maximum of 12 months moratorium on principal payments
- Principal and interest must be serviced, based on the enterprise and its cash flows

#### *Eligible Conditions*

- Project must be viable and demonstrate ability to repay loan without a negative impact on its operations
- Enterprise should at least be registered as a sole trader or show evidence there will be formalization within 2 months
- Proposer must invest 30% equity in the project. For projects under the equivalent of US\$5,000 only 20% equity is required
- T.R.N. number is required
- Applications for over J\$2M require a Tax Compliance Certificate
- Loan must be fully secured

Priority will be given to projects which meet the following development criteria:

- Foreign exchange earnings or foreign exchange savings capacity; New business;
- Employment generation; Energy conservation;
- High utilization of local raw materials
- Forward and backward linkages with other sectors