

## **A. Immediate Recovery Measures 1.**

### **CORVID 19 Product in DBSI**

**Amount allocated:** \$10,000,000.00

**Purpose:** To support increase in economic activities in rural areas, employment and export.

**Proposed DBSI product name:**

**CORVID19 Productive Sector Stimulus Package**

**Underwriting criteria:**

#### **1. Eligibility**

1.1 Borrower if (i) retailer/ wholesaler/ manufacturer/ miller/ exporter/ mechanical engineering/fabrication, etc., has to have been in operation for the last 2 years and can show evidence of economic activities undertaken, through proper financial statements, annual returns, registration, etc., for businesses, (ii) support will improve profitability, (iii) support will lead to innovation in approach to the industry, (iv) introduce new ways and methods of doing things – process improvements, (v) increase employment back to pre-CORVID and above, (vi) introduce new technologies, (vii) lead to development of new markets, (ix) development of new skills.

1.2 Borrower, if farmer, directly involved in propagation of commodities (i) must be able to show evidence of activities prior to CORVID over the last 2 years – can be in form of evidence of sales of products to buyers or exporters over the period (volume and \$ value), Ministry of Agriculture and Livestock letter of support and confirmation that the farmer has been in operation, and evidence of crops (count) on the ground now, MAL Cropping program to support expansion or improvement of existing operations, CEMA, certification or registration, etc., (ii) at least 1 hectare of crops are on the ground and in production or almost in production (iii) proposed support will expand production and or improve quality of products or both (iv) proposed support will increase overall farmers income stream (v) proposed support will increase exports (iv) value adding existing production.

1.3 Size of the enterprise generally meets the following criteria:

Net capital invested ranges up to \$1.5M, with annual turnover ranging up to \$10M and number of employees ranges up to 25.

**2.0 Amount that can be borrowed under this program.**

Minimum of \$10,000 to a maximum \$2,000,000

**3.0 Term**

Maximum of 5 years depending on the project.

**4.0 Facilities that can be accessed**

Will include but not limited to any of the following: working capital, equipment, machineries, purchase of assets to assist in production or improvement of processes and quality of export commodities, acquisition of modern technology related to improving quality standards etc., to meet export demands and, seedling, feed, machinery hire, so on.

**5.0 Collateral Requirement**

Normal collateral requirements will be sought, and will comprise of STA Lien over assets finance and owned, registered mortgages over FTE and PE, and registered leases and improvements thereon and any credit guaranty scheme the borrower may have access to supported by a cash cover, etc.,

**6.0 Equity Requirement**

Equity requirement: minimum of 20% of capital sought. In the case of farmers sweat equity maybe considered in lieu of cash equity. For other businesses, real estate property maybe substituted in lieu of cash injection.

In both cases cash flow generation and ability to repay is paramount.

**7.0 Interest Rate Offered.**

8% for the first \$1,000,000 borrowed and 13% on the balance with a maximum Weighted Average Interest Rate of 10.5%