



Financial Instruments in Belize

TALLER DE SEGUIMIENTO SOBRE FINANCIAMIENTO DE LA MIPYME: PROGRAMA DE APOYO A LA MIPYME CON ENFOQUE EN INNOVACIÓN (PROMINOVA)

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SBD CBelize

making small
business happen



Beltraide

making
business
happen

MSME Policy and Strategy in Belize

- In 2012 the Belize MSME Policy and Strategy was launched through the facilitation of the Belize Trade and Investment Development Service in Belize, (BELTRAIDE).
- The Policy should focus on four pillars of the business climate that are of primary importance to MSMEs:
 - i. Legislative and regulatory framework;
 - ii. Increase flow of capital;
 - iii. Market access and competitiveness; and
 - iv. Develop business skills and knowledge through education and training.

Financial Instruments in Belize

- 1. Empowerment Fund – Making Belize a better place! (La Inmaculda Credit Union)**
- 2. The Micro and Small Enterprise Credit Scheme (Belize Enterprise for Sustainable Technology)**
- 3. Small Business Loan (Development Finance Cooperation)**
- 4. Fireball Business Loan Program (St. Martins Credit Union)**

Empowerment Fund – Making Belize a better place!

Executing Agency: La Inmaculda Credit Union, two branches in Belize.

- Launched in 2013 by the Belize Natural Energy Charitable Trust (BNECT)
- The purpose of this fund is to finance viable business ideas that contribute to better communities in Belize and the environment.
- Other value added features of this fund are: the social and financial inclusion and empowerment of women and youth; employment and income generation; health and safety; and, social re-integration.
- The target group for this fund is anyone who has or may have a potential high impact, viable business concept or venture in progress and qualifies for financing (MSME's).

Empowerment Fund – Making Belize a better place!

- BNECT will make available the sum of US \$375,000.00 through a Share Investment agreement which LICU will manage and on-lend according to agreed guidelines for the fund.
- Eligible sectors are those that include financial literacy and inclusion, sustainable tourism, indigenous arts and culture, non-timber extracting activities, solid waste management and recycling, appropriate technologies, alternative energy sources, entrepreneurship in women and youth, health and safety, and public participation and engagement through the social media.
- Eligible ventures can access funding up to a value of US \$50,000.00 at a rate of 15 percent on the reducing balance, a maximum term of 10 years, and a grace period of one year on principal payments

Empowerment Fund – Making Belize a better place!

- In 2017 the loans value stood to US \$100,000 with a remaining balance of US\$ 52,613.75
- During the period 2016-2017 financed 76 micro and small businesses

The Micro and Small Enterprise Credit Scheme

Executing Agency: Belize Enterprise for Sustainable Development (BEST)

The overall objective of BEST's Micro and Small Enterprise Credit Scheme is to support small scale productive projects for low income families in the Belize and Cayo districts.

This Scheme provides the following:

- Short and medium term loans to low income individuals and groups in the Belize and Cayo districts;
- Strengthen borrowers capacity by providing training, marketing support and business development; and
- Target fifty (50) percent of project funds to women, who traditionally have found it difficult to access financing



The Micro and Small Enterprise Credit Scheme

- Maximum loan size is US\$2,500.00. Interest is charged at twenty (20) percent on the declining balance, which is around market rate. Some form of security must be offered on all loans.

The Micro and Small Enterprise Credit Scheme resources come from:

- Original financing by the Inter-American Development Bank;
- Financing from the European Union, through the Social Investment Fund of Belize;
- Financing by the Republic of China, through its Small Farm holders Financing Scheme;
- Financing by the Anglican Diocese of Belize;
- Interest and administrative charges placed on the loans; and
- Reflows of principal from the loan portfolio.

The Micro and Small Enterprise Credit Scheme

- The program is designed for micro enterprises and must be in operations for at least 2 months
- Approximately 1,364 micro enterprises have received funding



Small Business Loan

Executing Agency: The Development Finance Cooperation (DFC)

Has 6 branches in Belize and is the largest and most recognized financial institutions to provide MSME's with capital to start-up, improve or expand their business.

- The Development Finance Corporation is Belize's only Development Bank. Their primary goal is to provide financing and support services which foster the long term sustainable development of Belizean businesses and its people.
- *\$5,000 to \$40,000 for starting, improving or expanding your small business. Working capital and Business guidance via BELTRAIDE's Small Business Development Center, the DFC supports build strong Micro Sector Businesses in Belize.*

Small Business Loan

Financial benefits for MSME's:

- Tailored Loan Payment
- True Reducing Balance Interest Rate
- Grace Period
- Revolving Credit Line
- Renewable Energy and Efficiency
- Free property appraisal

Over 8,000 MSME's have benefited from accessing financing through the DFC.



Fireball Business Loan Program

Executing Agency: a joint venture between Saint Martin's Credit Union, the San Ignacio/Santa Elena Town Council and the Caribbean Local Economic Development Program, CARILED

- Their main objective is to finance viable business ideas that contribute to increased standard of living and consequently lead to better communities in Cayo district.
- The target group is any Belizean who has or may have a potential high impact, viable business concept or venture who meets the loan requirements and qualifies for financing.

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Venture Requirements

- In order to secure funding, the proposed venture must fulfill at least three of the following criteria:
 - a. Innovative and/or futuristic
 - b. Commercially viable and sustainable
 - c. Addresses an area of need in Belize
 - d. Be beneficial to the community and/or country
 - e. Be environmentally friendly



Empowering Belizean Entrepreneurs!



St. Martin's
CREDIT UNION
Serving the Cayo District Since 1949



- Funding will range from a minimum of BZ \$500.00 to a maximum of BZ\$5,000.00
- The program is financed by the Caribbean Local Economic Development Program, CARILED
- In 2017 15 Micro enterprises received funding
- Total funding issued was \$21,381us dollars



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