In this section, a wide range of sources of financing assistance are dealt with in order to properly guide the entrepreneurs in such matters. It is recognised that some of the institutions listed also provide training and to some extent some measure of technical assistance to its clients. The approach of the book is to list it in this section once it provides some aspect of funding to the sector.

1 **Personal Assets** i.e., own funds from savings etc., property and/or insurance policies. This is highlighted at the outset because it is important that the prospective entrepreneur develops a habit of savings. Banks and other financial institutions often need to see a personal contribution in the business by a prospective client.

2 **Family and friends** - funds obtained from these sources should be treated as loans with written/legal agreements for pay back. This will be a protection against any later claims by family, friends and/or their heirs for "their" share of the business.

3 **Business Associates and other Private Investors** - This must be done on a legal basis with clear terms. This type of investment can be Equity investment - this is investment in the ownership of the business, in which the investor shares in gains or losses of the business. Prospective entrepreneurs should avoid accepting repayment conditions that are oppressive merely because of a desperate need for funds. Many persons go to money lenders and other such persons for financing because the traditional lending agencies refuse funding. This should be discouraged. The small entrepreneur has to remember that invariably they function as a sole trader/sole proprietor and creditors can go against their individual/personal assets in order to recover money loaned. What is at stake therefore is not just the business but everything that they own.

4 **Commercial Banks and other Financial Institutions (Finance Houses, Insurance Companies, etc.)** - This is called debt financing and is the major source of funding for many small entrepreneurs. Banks give personal and commercial loans. Commercial loans to the small business sector are higher priced than personal loans.

The ladies of Export Centres Company Ltd — a support agency — at the 2005 Trade and Investment Convention hosted by the Trinidad and Tobago Manufacturers Association
because of the high risk involved.

Banks require a business plan and collateral to secure the loan. Most banks are parties to the loan guarantee scheme operated by the Business Development Company Ltd (BDC) that provides the lender a guarantee of loan repayment to the extent of the agreed guarantee.

5 National Entrepreneurship Development Company Ltd (NEDCO)

This organization was set up with a mandate to assist in the development of a sustainable Small and Micro Enterprise (SME) Sector. The Company aspires to be the catalyst in the development of an entrepreneurial culture in Trinidad & Tobago, in which citizens develop and demonstrate the capacity for self-sufficiency, thus creating wealth and empowering communities.

It has as its mission, “To contribute to national development by empowering individuals and communities to achieve financial independence through sustainable employment derived from the provision of support and promotion for small and micro business initiatives.”

NEDCO’s Strategy is:

PROMOTION entrepreneurial awareness throughout the country;
DISSEMINATING consistent and reliable information to the Sector,
TRAINING and development initiatives
MENTORING initiatives; and
FUNDING assistance for start-ups and expansions

Basic Funding Requirements

NEDCO’s services are available to anyone over the age of 18 years who is a citizen of Trinidad and Tobago. Basic requirements include:

✓ Trinidad Tobago Electoral ID, Driver’s with a copy of birth Certificate, Permit or your Passport
✓ Two (2) passport size photographs
✓ Information about the applicant, including work experience, education and training background
✓ Outline of the business idea (a.k.a. business plan)
✓ Invoices or estimates from suppliers for any furnishing and equipment that the applicant wants to buy.
✓ List of prices for stock to be purchased
✓ If already in business, written statement of the previous year’s performance-Income Statement (profit and loss) statement.

NEDCO’s loan ceiling is $50,000.00

The Youth Entrepreneurship Success Programme (YES) is another initiative of NEDCO. It is designed for individuals between the ages of 18 and 30. YES offers a fresh and dynamic approach to business and personal management with programmes that let young people freely explore their ideas and reach their goals. Programmes include:

✓ Turning your idea into business
✓ Leadership and motivation
✓ Strategies for success
✓ Personal management

Persons completing the YES programme automatically qualify for start-up funding for their businesses.

NEDCO also offers Small business Courses that cater for the development of the entrepreneur and the business enterprise and it also undertakes Non-traditional Sectoral Research to boost competitiveness of selected sectors. It also has an Entrepreneurial
Training Institute and Incubation Centre (ETIIC) that will be discussed in the section on Technical Assistance.

Contact information - 18-20 London Street (Top. FL), (Opp. Crowne Plaza) Port of Spain Phones: 625-7679; 625-6154 e-mail: nedco@tstt.net.tt

6 Business Development Company Limited (BDC) - this company offers a loan guarantee programme. This plan was developed because a lack of collateral was identified as the major constraint to obtaining the finances needed for business establishment and expansion. Under the plan the BDC (Guarantor) offers partial loan repayment guarantee to the Bank or lending agency (Lender) on behalf of the business person (Borrower)

Application process:

✓ The borrower completes a Business Plan and submits it to the lending institution.
✓ The lending institution assesses the plan to ascertain the viability of the project.
✓ If the decision is made to grant the applicant the loan and additional security is required, a Loan Guarantee Application form is completed together with the other loan forms and forwarded to the BDC.
✓ The BDC accesses the application and makes a decision is made on it.

Commercial banks, some credit unions and the Agricultural Development bank participate in this scheme. The maximum guarantee offered is $500,000.00.

The BDC also provides training to the small business sector. Today the main focus of the BDC’s operation is Trade Assistance, Business Restructuring, Project management and Consultancy Services.

Contact information - 151B Charlotte Street, Port of Spain Tel: 633-5507; 623-5140 Email: info@bdco.tt

7 Caribbean Leasing Company Limited

This is a subsidiary of the Business Development Company Ltd (BDC) and was formed to assist the business sector, locally and in the wider Caribbean to become more competitive through the upgrading/modernizing of their plant operations and systems to increase their international competitiveness. It provides flexible lease options on all types of equipment and machinery. Benefits include:

✓ Lease financing designed specifically to meet the applicant’s needs and goals
✓ Tax deductible rental payments
✓ Flexible payment terms

Application process

An application form, available at BDC’s offices or online, must be completed and submitted to the company.

A security deposit, equivalent to three months lease rental, has to be made once the lease is approved. Other fees are management fees of 1% of lease value and processing fee in the range of $500 - $1,500 and a refundable commitment fee of 0.5% of lease value.

Contact information - 151B Charlotte Street, Port of Spain Tel: 627-7074/7095 email www.caribbeanlease.com
The Agricultural Development Bank of Trinidad and Tobago (ADB)

The Agricultural Development Bank was established in 1968 for the purpose of encouraging and fostering agriculture, fishing and related industries primarily through the provision of short, medium and long term loans for the sustained development of the agribusiness sector. It has granted over 40,000 loans since inception and serves as the major source of credit to farmers and associated enterprises in the agricultural sector.

Its primary role is to provide funding for:
✓ Project establishment
✓ Project expansion
✓ Purchase of equipment and working capital

In the Current Decade: 2000 and beyond, the bank is refocusing its efforts and concentrating on:
✓ the transformation of the agricultural sector into one that is dynamic, profitable and sustainable
✓ Developing and nurturing strategic relationships and providing a “One Stop Shop” for its customers.
✓ Developing and offering cutting-edge products and services that meet its customer needs.

Financing is available to:
✓ Individuals 18 years or older who are citizen’s of Trinidad and Tobago
✓ Companies incorporated in Trinidad and Tobago
✓ Foreign entrepreneurs whose company is registered locally and there is sufficient local assets to make the risk acceptable

Application process:

A business plan and security are required. It is a member of the loan guarantee scheme of the Business Development Company scheme.

Contact Information – 87 Henry Street. Port of Spain Tel: 623-6261-5

9 Caribbean Microfinance Trinidad & Tobago Limited (MICROFIN)

MICROFIN is a private sector company that has been set up to provide business loans to very small scale business owners – micro entrepreneurs. It provides loans from $3,000 to $30,000 but will go up to $50,000 for repeat clients who have an excellent repayment record. It has been in operation since 1999 and has provided over 3500 loans. It has branches currently operating in San Fernando, Chaguana and Curepe in Trinidad and Tobago and has operations in Grenada, St. Lucia and Guyana. It is a subsidiary of Development Finance Company Limited.

It Finances:
✓ Stock purchase
✓ Business equipment purchase
✓ Vehicles for the business (Not personal)
✓ Building Improvements
✓ Working capital
✓ Home improvement loans for repeat clients with regular, on-time repayment.

It targets:
✓ any person over the age of 18 years who has been operating a micro-enterprise viably for a minimum of 6 months
✓ budding entrepreneurs who have relevant working experience and a keen understanding of the business environment they plan to enter. For this group,
MICROFIN has recently implemented a start-up business loan product

Basic Loan Requirements

✓ You must be the owner of a business that has been in operation for at least 6 months.
✓ You must be fully committed to the success of the business and be able to demonstrate the viability and sustainability of the business operation.
✓ MICROFIN will pay very close attention to the level of integrity, honesty and reputation of potential clients. As such, background checking is part of the assessment process.

Its advisors will go to the clients’ business to conduct interviews and fill out applications. Clients can usually get a verbally communicated approval within 2 days and receive their disbursements within 3 to 5 days after making a request. First time borrowers are usually encouraged to start small and build a good credit rating with Microfin before taking larger loans.

Contact Information - Central Branch
1st Floor Royal Plaza, Main Road,
Chaguanaas. Tel. 665-0301 or 665-0324; 663-623; 662-0252; 652-6842

The Enterprise Assistance Fund (EAF)

This is an initiative of the Business Development Unit of the Enterprise Development Department (EDD) of the Division of Tourism, Transportation, Enterprises Development and Settlements (TTEDS) of the Tobago House of Assembly. It is aimed at the expansion of Tobago’s Small and Micro Enterprise (SME) sector as a means of generating additional employment opportunities and strengthening the domestic and national economy.

The guidelines established for loans aim to avoid duplication of projects and the inefficient use of funds. As a result BDU will, at its discretion, offer some guidance as to the type of uses to which the loans can be put. Loans are granted for the following purposes among others:
✓ Agro-tourism
✓ Service oriented projects
✓ Light manufacturing

Procedure to apply

✓ Must be a citizen of Trinidad and Tobago and resident in Tobago for the past one (1) year
✓ Must have attained the age of eighteen (18) years
✓ The business must be registered and physically located in Tobago
✓ All requests for loans must be supported by a business plan

Prospective applicants must call or visit any of its offices, speak to a customer service representative; collect and application form and make an appointment to see a project coordinator at a later date. A loan processing fee and an appraisal fees are applicable to all loan requests.

Contact Information: Business Development Unit, Enterprise Development Department, Tobago House of Assembly, Division of Tourism, Transportation, Enterprise Developments and Settlements, Level II Botsails Building, Smithfield, Scarborough, Tobago Tel:639-5245/2284/6556 ext 259/265/266
11 Credit Unions
Credit unions that have small business windows include Eastern Credit Union and Mt. Pleasant Credit Union.

Eastern Credit Union -requirements for loans
A business plan is required. Additionally if the business is in operations, the applicant will require audited financial statements depending on the size of the loan. In the absence of audited financial statements and depending on the size of the loan, the applicant will have to submit records of the business and the last twelve months’ bank statements. Applicants should have shares in the credit union. Each case is treated on its merit. Share level and security are determined, based on risk and exposure. The credit union is a member of the BDC’s Loan Guarantee programme

Contact Information: Eastern Credit Union-La Joya Complex, Eastern Main Road, St Joseph 662-1184/86

Mt. Pleasant Credit Union -requirements for loans
A Business plan is required. Security can be a combination of shares and other securities depending on the applicant and what he/she has to offer. The credit union is a member of the BDC’s guarantee programme

Contact Information: Mt. Pleasant Credit Union Co-op Society Ltd, Carnbee, Bon Accord, Tobago

12 Youth Business Trinidad and Tobago
This is a part of an international network of Youth Business Initiatives which enable the business community to help young people

work for themselves by providing business mentoring and access to finance. The programme provides:

✓ Loans to socially and economically disadvantaged and differently abled young people between the ages of 18 and 35
✓ Financing towards start up and existing businesses owned and operated by eligible young people
✓ A mentor from the business community who encourages and gives sound business advice to loan recipients
✓ Direction to those better suited for employment or further training
✓ A moratorium of up to six (6) month on principal payments and low interest rates which allow businesses to utilize the additional cash generated

Application Requirements
✓ Be 18-36 years old
✓ Unemployed or underemployed
✓ Be a citizen of Trinidad and Tobago
✓ Satisfy the YBTT of possession of the skills and technical competence to operated the proposed business
✓ Satisfy the YBTT of inability to raise the necessary finance from other funding sources, including family
✓ Have applied for licenses and fulfilled statutory requirements for the business proposed e.g. health approval, food and drug approval, etc.
✓ Prepare a sound business plan for evaluation by YBTT

Contact Information – Room 1, First Floor, Royal Plaza 16-18 Main Road, Chaguana Tel/Fax: 665-8621 E-mail: ybtt@tstt.net.tt
13 Micro Enterprise Loan (MEL)

MEL is a project of the Ministry of Social Development in collaboration with the United Nations Development Programme which is being implemented in the communities of Four Roads Tamana, La Seiva St Joseph, Gonzales, Mayaro Guayaguayare, and Roxborough in Tobago. Its key objectives include; promoting entrepreneurship among the poor, thereby helping them to create sustainable livelihoods, and empowering communities to deliver micro finance services to the entrepreneurs in their midst. It is aimed at equipping community based organizations to play an active role in promoting sustainable livelihoods among the poor in their communities. It provides needy persons with:

✓ a business loan facility
✓ business training for all persons
✓ After loan services and business support

It provides members of the community based organizations with training and expert support to assist in:
- Overall management of an on lending fund
- The assessment of business plans
- The approval and disbursement of loans to residents
- The provision of ongoing support to community based borrowers

Application process

Applicant has to access credit from the CBO. They have to be:
✓ 18yrs and over;
✓ in receipt of public assistance and other forms of social support;
✓ or earning at subsistence level or at the minimum wage
✓ or unemployed persons who exist in the above mentioned conditions.

A business plan is required. Help can be given to prepare the business plan. Security can include a guarantor and promissory note.

Contact information: Ms Sarah Ali, Ministry of Social Development, 45A-C St Vincent Street, Port of Spain Tel: #625-5515/624-6567 ext 2128

14 Programme for Enterprise Development (PROFED)

PROFED is the lending arm of the Mayaro Initiative for Private Enterprise Development (MIPED), a programme administered by bpTT. MIPED was launched in 2001 and is geared towards the sustainable development of the Mayaro/Guayaguayare districts, through a process designed to build entrepreneurial skills.

PROFED lends funds to entrepreneurs in the small business and micro enterprise sector in the Mayaro and Guayaguayare region. It is particularly targeted to individuals and groups who are unlikely to qualify for loans from a commercial bank. Through PROFED, micro entrepreneurs and small business people in fishing, agriculture, food, services and retail/distribution can attain the know-how, productivity and profitability to become credit worthy and successful. The programme intends to create a culture of sustainable wealth and well being for those who cannot access money otherwise to use for gainful employment or business

How PROFED works

Entrepreneurs are required to submit a basic business plan to PROFED. The plan and all other information provided will be checked
and verified to ensure the viability of the business venture. Applicants will need guarantors. Businesses are closely monitored.

**Contract Information:** PROFED, Christopher A Power, General Manager, MIPED, bp Resource Centre, Beaumont Road, Mayaro Tel: 630-7446; 663-6323/6620252 or 760-5867
Email: miped1@tsst.net.tt

15 **Venture Capital**

This has been defined as financing for new businesses but is not limited to new businesses. Start-up companies that receive venture capital are perceived to have excellent growth prospects but don't have access to capital markets because they are private companies. In return for venture capital, investors may receive a say in the company's management, as well as some combination of profits, preferred shares or royalties. Sources of venture capital include wealthy individual investors, investment banks, and other financial institutions that pool investments in venture-capital funds or limited partnerships. The risks and rewards of venture-capital investing can be extreme.

In Trinidad and Tobago the **Venture Capital Incentive Programme (VCIP)** is a state funded regulator and promoter of venture capital financing. The objective of the programme is to stimulate business activity in the non-traditional small and medium-size enterprise sectors of the economy, by providing entrepreneurial companies with the opportunity to access capital to develop, strengthen and expand their operations. Venture capital is more than simply funding, as it encompasses an element of support provided by the investing company.

In developing the SME sector, VCIP recognizes that a key catalyst to new business creation is the ability to influence the cultural attitudes towards entrepreneurship and innovation. VCIP Youth initiatives aim to promote innovation, entrepreneurship and an awareness of venture capital financing as an appropriate financing mechanism for business start-up and expansion.

**Contact Information:** Venture Capital Incentive Programme # 23 Chacon Street, Port of Spain Tel: 624-3668/3079

16 **Helping Ourselves Prosper Economically (HOPE)**

This is an organization that was founded in 2000 by Sister Rosario Hackshaw, a retired high school director who lives in Valencia. On a visit to Bangladesh in 1999, she learned of the operations of the Grameen Bank and has been practicing its principles in Trinidad.

The organisation is registered as a society with a Board of Directors. Its broad goal is to bring about tangible economic advancement to poor households, by integrating individual members in small groups which make up a centre.

The Mission/focus is "To enable those who cannot access bank loans because of their lack of collateral to become independent through a small loan with which they can start or develop a business".

The project's primary activity is to extend Micro-Credit to the poorest of the poor.
HOPE therefore focuses on
- The most vulnerable in our society
- Priority for poor rural women
- Simple loan procedures administered in the village
- Small loans, repaid weekly and used for income-generated activities chosen by the persons themselves.
- Eligibility for subsequent loans after full repayment of the current loan
- Collective borrower responsibility and mutual support through groups
- Compulsory group savings
- Strict credit discipline
- Close supervision through weekly meetings and home visits

Its products include Loans, Personal savings, Group Fund loans, Short Small-Business Courses. It provides small and micro entrepreneurs with opportunities for micro loans of $2,000 at two percent interest, to start or expand small business. Even though the borrowers provide no collateral, the loans conditions are very specific and borrowers are bound by their commitment to the group as well as their own sense of responsibility.

The public can access the programme through its advertising in any village in which HOPE is are about to open a new centre.

Contact information HOPE:
c/o Sister Rosario Hackshaw, 266 Rosewood Drive, Valencia. Tel: # 667-9109 E-mail <rosario@tsit.net.it>

17 The Export/Import Bank (Eximbank) of Trinidad and Tobago Limited

It is a state owned organization that conducts business of a confirming house, acceptance

house, finance house or finance company and financial services. It provides:
- Export Credit Insurance coverage
- Pre-shipment Financing
- Pre-shipment Guarantees
- Post-shipment financing
- Documentary Letters of Credit (Inward)
- Bills for collection (Outward)
- Marine Cargo Insurance
- Foreign Exchange sales and Purchases
- Buyer Risk Information

Its clients are exporters, manufacturers, foreign buyers, local and foreign investors, commercial banks

Contact Information: EXIMHOUSE #30 Queen’s Park West, Port of Spain Tel: 624-0047/625-3946 E-mail: eximbank@wow.net

18 Women’s Responsive Sou Sou Bank (WRSB)

This is based on the African traditional saving system known as Sou-sou. It assists women especially low income women who do not have access to commercial bank accounts, to save in their own environments.

The objectives of the Bank are:
- To work with rural and urban low-income women to remove poverty from their lives, through wealth creating practices and enterprises
- To use the African responsive Banking system developed by COWAN to mobilise, generate and deliver cooperative, community and personal resources for productive and life enhancing ventures
- To promoted gender-compliant and women-friendly democratic practices and leadership at all levels of governance.
The core of the WRSB bank is naturally enough the savings aspect of its activities. People wishing to establish any kind of simple production activity can borrow from the savings pool money on reasonable terms in order to make the necessary investments. The savers are organised in groups and are involved in a social network, in which they take part in a learning process which embraces far more than the project for which they have borrowed the money. Social benefits include economic literacy and its impact on the living standards of savers, such as easier access to diverse information and easier management of activities.

Who can join?

Any one who is recommended by as saver. A new saver must make a commitment to save at least $1 per day

How and Where do I make Deposits

Deposits can be made weekly or monthly
✓ With your authorized group leader
✓ At any branch of the Unit Trust Corporation to the Bank’s account
✓ At the Network Office

Every saver will have an account book in which deposits and other transactions will be recorded. Savers will also receive monthly statements of the bank’s transactions

Will I get a return on my investment?

Savers will be credited with dividends twice yearly based on the returns from lending

How to qualify for a loan/advance?

A saver must establish a savings record with the bank of not less than 3 months. The loan must also be supported by at least one other saver

How much will I be allowed to borrow at what rate and for how long?

A saver may apply for 3 times your deposits to be repaid over a period of 6 month at 5% or 9 months at 8%

Can I withdraw my deposits at any time?

A saver must give 7 days notice for partial withdrawals and one month for total withdrawals.

How can I become a group leader?

A group leader is a saver who has enrolled/ is responsible for at least 25 savers. Group leaders will be authorized to collect funds on behalf of the Bank. They will be exposed to continuous training and development in order to carry out their functions effectively

Contact Information: Enrolment forms are available from group leaders or the Network Officer at 5b Beregrac Rd, Maraval Tel: 628-9655

19 The Point Fortin Business Development Fund

In an effort to strengthen its relationship with the Point Fortin Community, the Atlantic LNG Company of Trinidad and Tobago launched the Business Development Fund aimed at creating small and medium scale businesses within the borough. Work on finalising this fund is continuing.

Contact Information:
Atlantic LNG
Cor. Keate and Pembroke St
Port of Spain
624-2916