



MoU SIGNING CEREMONY BETWEEN NAMBOARD & ESWATINI BANK

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Horticulture Enterprise Credit Guarantee Scheme

Outline:

- Product definition
- Quality Product
- Product features
- Eligibility
- Requirements
- Business Accounts
- Conclusion

1. PRODUCT DEFINATION

- The Credit Guarantee Scheme is defined as Financial Instrument for Risk Management (FIRM)
- It will increase access to financial services for smallholder market lead horticulture farmers
- NAMBoard will open a call account and deposit funds which will be used as guarantee and will be administered by Eswatini Bank
- Provides security for credit facilities granted to eligible Start-up and existing enterprises
- Scheme is Linked to Small Scale Enterprise Loan Guarantee (SSELG)
- Loans must be approved by Eswatini Bank before NAMBoard and Central Bank can issue the guarantee cover.
- The Scheme will guarantee 20% for existing and 10% for Start-up enterprises blended with SSELG

2. PRODUCT DEFINATION CONT....

- ❑ The facility will fund
 - ❑ Investments Capital i.e. Green house, Fencing and Irrigation System



3. PRODUCE QUALITY PRODUCT



4. PRODUCT FEATURES

❑ Loan specification

- ❑ Start up Enterprises Medium Term Loan - E20 000.00 to E100 000.00
- ❑ Start up Enterprises Seasonal Loan - E15 000.00 to E 50 000.00
- ❑ Existing Enterprises Medium Term Loan - E30 000.00 to E500 000.00
- ❑ Existing Enterprises Seasonal Loan - E15 000.00 to E100 000.00

❑ Secure credit facility for purposes of Horticulture Smallholder Enterprises only

❑ The guarantee covers both star-up and existing enterprises- the guarantee is 20% of the required facility to be financed for existing Businesses and 10% for start-up enterprises

❑ The Business Promoter contribute is 0%

❑ Client must Open Business Account- Current Account

5. PRODUCT FEATURES CONT.

- Interest rate -Prime + 3% to Prime + 4% per annum
- Repayment Period- up to 36 Months
 - 12 Months – Seasonal loans
 - Up to 36 Months – Investments loans
 - Repayment is cyclical
- Guarantee can be renewed only upon examining the performance of the borrower to justify the extension

6. ELIGIBILITY CONT...

- The guarantee scheme can only be accessed by Horticulture farmers managed by NAMBoard.
- The Bank will capacitate NAMBoard Extension Officers on Banks requirements
- Client will be recommended by NAMBoard for loan facility and also be subjected to bank loan approval process

7. ELIGIBILITY CONT.....

- Startup & existing enterprises are eligible to apply under the scheme
- Applicants must be native Emaswati and at least 18 years old
- Eswatini Small Medium Scale enterprises should be owned by Liswati national and be a legal entity registered in the kingdom of Eswatini- 100% shares held by native Emaswati
- Enterprise must be viable

8. REQUIREMENTS

Complete application form and the application should be supported by:

- National ID
- Legal rights to use land (Chiefs letter/Tittle deed/ Lease Agreement)
- Physical address (KYC)
- Sources of supply (3 Quotations per item)
- Business plan
 - Detailed budget
 - Cash flow projections
- Additional documents for companies**
 - Company registration documents being:
 - Certificate of incorporation
 - Memorandum and Articles of Association
 - Form J & or C
 - Resolution to borrow
 - National IDs for all directors

- Annual financial statements for two years
- Tax clearance certificate
- Market Contracts / letters of intents
- Insurance cover
- Soil sample results
- Water Right
- Proof of availability of technical support.
- Audited/ Management account for existing enterprises

9. BUSINESS ACCOUNTS

Company Current Account

- A Transactional Account for Businesses
- E500 Activation fee
- Debit Card Available on application
- Digital Banking Available

Low Cost Account

- E20 Activation fee
- ATM fees prevailing rate
- Digital Banking available

10. CONCLUSION

- This is a guarantee not a grant
- The granted funds are to be repaid in full



THANK YOU