

IICA
PM-A2/JM-
88-06

IICA OM
A21 JM88-06

IICA



Centro Interamericano de
Documentación e
Información Agrícola

0 2 JUN 1992

POST GILBERT FINANCING: IICA CIDA

Assistance For Small Businesses and Small Farms



IICA

The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the Inter-American system. The Institute was founded on October 7, 1942 when the Council of Directors of the Pan American Union approved the creation of the Inter-American Institute for Agricultural Sciences.

IICA was founded as an institution for agricultural research and graduate training in tropical agriculture. In response to changing needs in the hemisphere, the Institute gradually evolved into an agency for technical cooperation and institutional strengthening in the field of agriculture. These changes were officially recognized through the ratification of a new Convention on December 1980. The Institute's purposes under the new Convention are to encourage, promote and support cooperation among the 29 Member States, to bring about agricultural development and rural well-being.

With its broader and more flexible mandate and a new structure to facilitate direct participation by the Member States in activities of the Inter-American Board of Agriculture and the Executive Committee, the Institute now has a geographic reach that allows it to respond to needs for technical cooperation in all of its Member States.

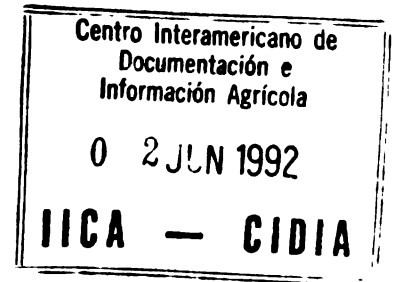
The contributions provided by the Member States and the ties IICA maintains with its twelve observer countries and numerous international organizations provide the Institute with channels to direct its human and financial resources in support of agricultural development throughout the Americas.

The 1987-1991 Medium Term Plan, the policy document that sets IICA's priorities, stresses the reactivation of the agricultural sector as the key to economic growth. In support of this policy, the Institute is placing special emphasis on the support and promotion of actions to modernize agricultural technology and strengthen the processes of regional and subregional integration.

In order to attain these goals, the Institute is concentrating its actions on the following five programs: Agrarian Policy Analysis and Planning; Technology Generation and Transfer; Organization and Management for Rural Development; Marketing and Agroindustry; and Animal Health and Plant Protection.

These fields of action reflect the needs and priorities established by the Member States and delimit the areas in which IICA concentrates its efforts and technical capacity. They are the focus of IICA's human and financial resource allocations and shape its relationship with other international organizations.

— Carlos Rucks
Director, Area 4



POST GILBERT FINANCING:

Assistance for Small Businesses and Small Farms

Small Enterprise Development Project
IICA Office in Jamaica
P.O. Box 349, Kingston 6, Jamaica

October 1988

**Post Gilbert Financing:
Assistance for Small Businesses and Small Farms**

TABLE OF CONTENTS

Acknowledgements	i
Introduction	ii
PART I: LOAN PROPOSALS	
Preparing Loan Proposals	1
Loan Proposal Form (filled in)	7
Loan Proposal Form (blank)	10
PART II: REBUILDING WITH CREDIT	
National Development Foundation	13
4-H Clubs of Jamaica/IDB Loan Programme	27
Self Start Fund	35
Things Jamaican Limited	42
Community Revolving Loan Fund (CRLF)	46
People's Co-operative Banks	49

ACKNOWLEDGEMENTS

IICA wishes to acknowledge the support we have received from the various Agencies whose pre- and post-Gilbert Loan procedures are included in this Manual, in particular Mr Barrington Whyte of the National Development Foundation; Mr Donald Myrie of the Self-Start Fund; Mr David Morris and Mrs Elaine Delisser of the Jamaica 4-H Club Movement; Mrs Freda Sangster of the Agriculture Credit Bank; and Mr Eric Williams and Mr Rudolph Barriffe of Things Jamaican.

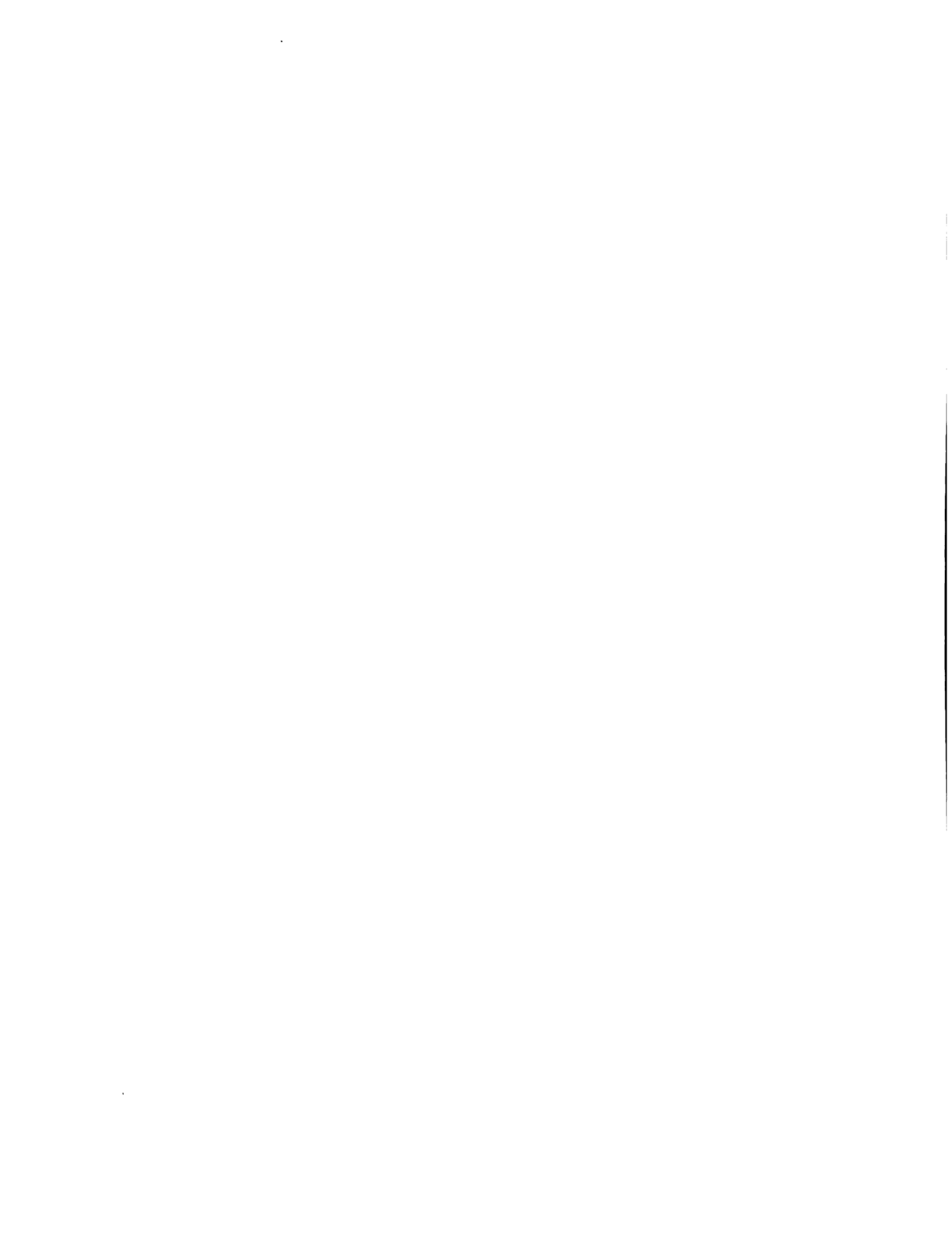
Thanks also to Ellen Hill and Antoinette Pearson, Peace Corps Volunteers, for their tireless work on the Manual; and Barry Chevannes, Consultant, for his help in the late stages.

A special debt to the IICA staff for their assistance at all stages of the preparation and production, in particular Mrs Joan Browne, Staff Administrator for her overall administration; Mr Bob Suglam, for printing; and Mrs Leonie Simmonds for collating.

We hope the hard work and effort will be justified by the speedier recovery of Jamaica from "Gilbert."



Jan Hurwitch-MacDonald
Representative



POST GILBERT FINANCING:

Assistance for Small Businesses and Small Farms

12 September, 1988...a life-changing day for all Jamaicans. Hurricane Gilbert, the most powerful Atlantic storm ever recorded, devastated the island. In a speech three weeks after the visit of Gilbert, Prime Minister Edward Seaga stated "the nature of the losses inflicted by the hurricane causing as it did damage to one out of every two houses, plunging the country into darkness and idleness and virtually wiping out much of the economic base of the farming community, makes it necessary to plan for rebuilding and recovery on the most urgent basis."

As quickly as possible, homes have to be rebuilt, farmers have to replant and restart their livestock operations, businesses have to produce. Every individual needs to get on with the job of rebuilding. Billions of dollars of damage has been done; now comes the challenge of re-building.

Re-building requires money, access to that money, and knowledge about how to access that money. This manual was created to provide information on how to access that money and receive financing to help you to re-build. Since Gilbert's trail of destruction whipped through Jamaica, some National Agencies have created special loan programmes for lending money for hurricane victims working in agriculture and working in small business. Re-building requires money and access to credit. To assist you in receiving credit, the following Agencies' post-Gilbert financing programmes will be reviewed:

- 1) National Development Foundation of Jamaica (NDF/J)
- 2) 4-H Clubs of Jamaica/IDB Loan Programme
- 3) Self Start Fund
 - *Available through:
 - P.C. Banks
 - Credit Unions
 - Workers Bank
- 4) People's Cooperative Banks (P.C. Bank)
- 5) Things Jamaican Limited

The following components on each of these agencies will be reviewed:

- What are they?
- What special post-Gilbert financing do they offer?
- Blank loan application forms.

Before going to any Agency to ask for financing to rebuild after Gilbert, it is important that you know how to prepare a loan proposal. Please read carefully Part I, which explains for you the type of information the funding Agency will be looking for.

Each Agency normally provides its own application form. If you are unable to get one quickly, then use the loan application form found on pages 10-12. An example of how to fill this form out is found on pages 7-9. In filling out any application form, remember the more information you put on it, the better your chances are of receiving financing. If you approach an Agency without the answers to these questions on the Loan Proposal Form, you will not receive financing to assist you with rebuilding.

All the best in your rebuilding!

Part I:

Preparing Loan Proposals

The reason you prepare a loan proposal is to persuade a bank or other financial institution to lend you the funds you need to start or expand your business. You do this by providing them with information that clearly shows that the loan will be profitable for your business and that you will be able to repay it and the interest charged. You should make sure that the information is correct and that the document is neat.

A loan proposal should include the following sections:

a) Description of the Business

Information on the type of business activity;
Describe the product or service to be offered.

Indicate the location of the business;

Is it a new business or one you are taking over?

What is your source of raw materials?

Are there any potential foreign exchange earnings?

List information on the management of the business.
Who are the key people involved? Include their names, ages, qualifications and experience.

b) Financial Documents

A new business will have no "track record" (past performance) and therefore you must present, instead of financial documents, a feasibility study and a budget. In addition, past experience and character references for those who will be running the business should be included.

An existing business should provide copies of any financial documents which will show that the business has been making money. Documents should include cash flow statements, net worth and net income statements, bank statements, bank books, and cash books.

c) The Reason You Need the Loan

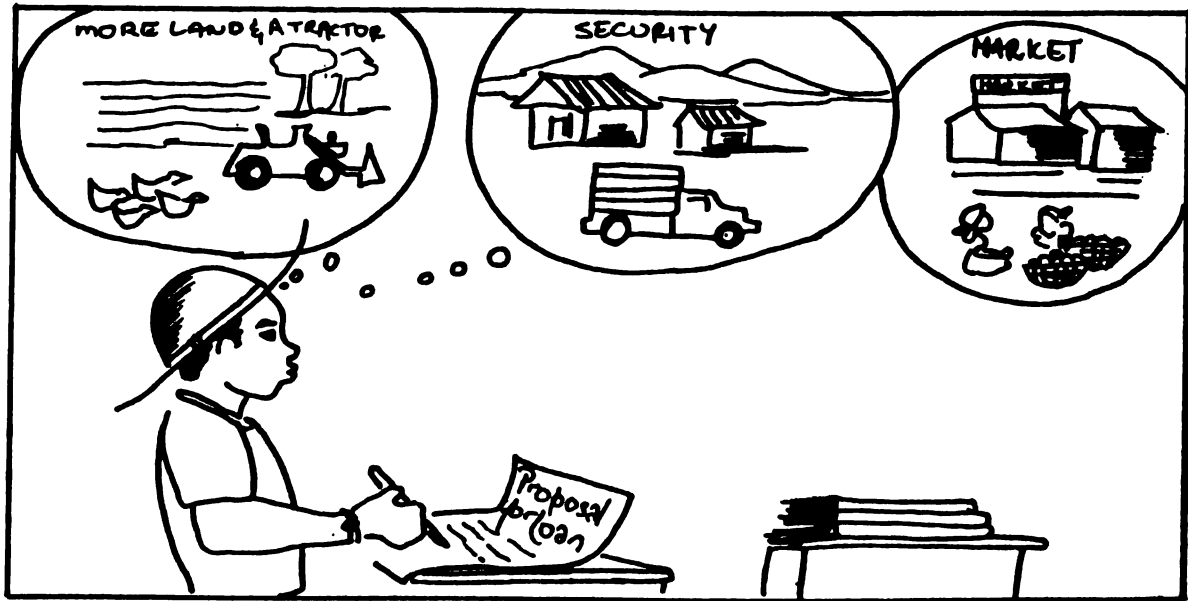
Make a clear and simple statement outlining the purpose for which the loan is required.

State the exact amount of the loan you require and provide information on how you will use it to make your business more profitable. Provide information on how you plan to repay the loan.

d) Security (Collateral)

Provide information on what security you can provide to the bank or financial institution if they give you the loan.

Provide information on how much of your own money or property you already have, or can put into the business. Remember that the bank or other financial institution will not lend you 100% of the financing you need for your business. You will always have to put up some of your own money to help to finance the business.



c) The Market in Which You Plan to Operate

Here are some questions for new businesses which should be answered when preparing your loan proposal:

To whom will you sell your goods and services?

What is the size of the market?

Who is your competition and have you checked out their operations?

Here are some questions which should be answered in your loan proposal, if you have an existing business:

How successful have you been in the past?

Do you plan to expand your market?

What are some of the advantages and disadvantages of this expansion?

GUIDE TO FILLING OUT A LOAN APPLICATION

When you go to a financial institution to submit your loan proposal, if the lender thinks your project idea is a good one, he or she will more than likely give you an application form to fill out.

The loan application form is designed to provide the lender with information about you, the possible borrower. If you have prepared steps (a) through (e) in the previous section, you should have most of the information needed to fill out the loan application. However, if you have any doubts, do not hesitate to ask for help, as wrong information can affect your chances of getting a loan.

Some of the information they may ask for on these forms is:

1. Identification

Home address and phone number.

Office address and phone number.

2. Net Worth Statement

How much money and property you own in the business.

How much money you already owe.

3. For a new business:

A Budget which should show how much the business expects to earn.

For an existing business:

A Net Income Statement which should show how much the business earned in the past period.

4. Loan request

How much money you wish to borrow.

Why you need the loan.

How you plan to use the funds.

How it will be profitable for you.

How your production will earn enough for you to meet loan payments.

5. Security

Any of the following may be used as security for the loan:

land, house, car, equipment, stocks, personal guarantee, proceeds of sales, life insurance policies (cash value), money in the bank.

6. Character reference

The names and addresses of people who can satisfy the lender about your good character and your ability to repay the loan.

Any statements about loans you have already repaid should be included here.

Other points to remember when applying for a loan:

1. In addition to the information the bank requests from you through their application forms, you should always carry with you, specific information about your business.

This information should show the cash flow of your business over the period for which you are requesting the loan.

2. A repayment plan will be worked out when the loan is made. This will schedule the repayment of the loan and the interest over a specific period of time.

The particular nature of your business activity should be considered when deciding upon the repayment schedule. For example, in agriculture it is very important to time your repayment to coincide with the time when you receive income from the crops you harvest, or the livestock you sell.



LOAN PROPOSAL FORM

Name: Shirley Donovan

Home Address: 129 Windward Road
Manchioneal
Portland, Jamaica

Work Address: same

Home Telephone Number: 993-1234

Business Telephone Number: same

A.) DESCRIPTION OF BUSINESS

1. What service or product do you offer? Farming: yam,
banana, coconut and livestock (chicken and pigs)

2. Describe your work duties and responsibilities: Manage
the daily operation of the farm. Plant, weed & maintain the
crop, care for animals, market and sell produce and livestock.

3. How many years experience have you had with this business?
25 years

4. Have you had any formal training in your business area?
 yes no If yes, when and where? Attended a
yam mini-sett training at the All Age School last December.

5. What is your source of raw materials? Locally purchased
or Port Antonio.

6. Do you have any employees? Yes No
If yes, how many? 1

B. THE LOAN

1. How much money do you wish to borrow? \$ 2,100.00

2. Describe specifically what this money will be used for:

ITEM	AMOUNT
Chicken coop (lumber, chicken wire, nails)	\$ 500.
Chicks (100 @ \$2.00 each)	\$ 200.
Yam Project: Plastic mulch	\$ 1,200.
Fertilizer	\$ 200.
	\$

C. SECURITY (Collateral)

1. What do you offer for security and how much is it worth?

- a.) Truck \$ 25,000.
- b.) _____ \$ _____
- c.) _____ \$ _____
- d.) _____ \$ _____

2. List the names and addresses of two character references:
(do not use relatives)

Name & address	Name & address
1) <u>Dorothy Gale</u>	2) <u>Neville Brown</u>
<u>22 Mango Lane</u>	<u>3 Church Street</u>
<u>Manchioneal</u>	<u>Port Antonio</u>

D. FINANCIAL DOCUMENTS

1. Do you keep any records for your business? Yes No

If yes, what records do you keep?

- Receipt Book Income Statement
- Order Book Net Worth Statement
- Cash Book Other: _____

2. What was your gross annual income for last year?

\$ 24,700.00

3. List your major business expenses for last year:

a) <u>Feed</u>	\$ <u>4,500.00</u>
b) <u>Fertilizer</u>	\$ <u>2,000.00</u>
c) <u>Truck repairs</u>	\$ <u>2,500.00</u>
d) <u>Gasoline</u>	\$ <u>2,500.00</u>

4. Do you have any other sources of income? Yes No

If yes, is it over \$500.00 per year? Yes No

What is this source of income? _____

LOAN PROPOSAL FORM

Name: _____

Home Address:

Work Address:

Home Telephone Number:

Business Telephone Number:

A.) DESCRIPTION OF BUSINESS

1. What service or product do you offer? _____

2. Describe your work duties and responsibilities: _____

3. How many years experience have you had with this business?

4. Have you had any formal training in your business area?
____yes ____no If yes, when and where? _____

5. What is your source of raw materials? _____

6. Do you have any employees? ____Yes ____No
If yes, how many? _____

B. THE LOAN

1. How much money do you wish to borrow? \$ _____

2. Describe specifically what this money will be used for:

ITEM	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

C. SECURITY (Collateral)

1. What do you offer for security and how much is it worth?

- a.) _____ \$ _____
- b.) _____ \$ _____
- c.) _____ \$ _____
- d.) _____ \$ _____

2. List the names and addresses of two character references:
(do not use relatives)

Name & address	Name & address
1) _____	2) _____
_____	_____
_____	_____

D. FINANCIAL DOCUMENTS

1. Do you keep any records for your business? ___Yes ___No

If yes, what records do you keep?

- () Receipt Book () Income Statement
- () Order Book () Net Worth Statement
- () Cash Book () Other: _____

2. What was your gross annual income for last year?

\$ _____

3. List your major business expenses for last year:

- a) _____ \$ _____
- b) _____ \$ _____
- c) _____ \$ _____
- d) _____ \$ _____

4. Do you have any other sources of income? ___Yes ___No

If yes, is it over \$500.00 per year? ___Yes ___No

What is this source of income? _____

5. List all the debts you have, to whom, and how much(*):

	<u>What for</u>	<u>To whom</u>	<u>How much</u>
a)	_____	_____	\$ _____
b)	_____	_____	\$ _____
c)	_____	_____	\$ _____
d)	_____	_____	\$ _____

(*) This must also include loans.

6. Have you ever had a loan before? ____Yes ____No

If yes, was it paid in full? ____Yes ____No

If not, why? _____

What was this loan source? _____

E. MARKETING

1. To whom do you sell your goods and/or services?

2. Do you have customers that buy regularly from you?

____Yes ____No

3. Who is your competition? _____

Date completed: _____

Signature(s): _____

Part II: Rebuilding With Credit

1. THE NATIONAL DEVELOPMENT FOUNDATION OF JAMAICA

What is the National Development Foundation of Jamaica?

It is a development financing institution providing credit to small business people. This is supported by business guidance and technical assistance to those receiving loans. The NDF provides a social as well as an economic service to the community.

The NDF:

- * is not a government organization
- * has no funds for grants.
- * makes loans to very small businesses in Jamaica.
- * gives technical assistance and training to those business people who receive loans.

What is technical assistance and what training does NDF give?

Technical assistance is help in managing your business successfully. NDF advises you on how to find customers for your products, how to price them so that you can make a good profit, how to keep your production going smoothly and how to keep accounts and other business records. This assistance begins before the loan is approved and it continues as long as you are repaying the loan. Applicants first receive training in the form of group sessions. This is followed by individual monitoring and assistance by the staff of the NDF.

What is the NDF Loan Policy?

1. The NDF funds projects that are:

- * ECONOMICALLY VIABLE: The project must be a profit oriented enterprise with a reasonable chance at success and payback.
- * DEVELOPMENTAL IN NATURE: The NDF lends to projects that will provide direct and indirect benefits to the economy and social fabric of Jamaica.
- * PERSONALLY ADMINISTERED: The NDF requires that a business be personally administered by the loan applicant. The applicant may have a second job but must be significantly dependent on income from the project.

2. The NDF provides loan financing to the following categories of business:

Manufacturing of garments, furniture and woodwork, footwear, building materials, toys, light metal craft; retailing; provision of services in general such as small contracting, garages, commerce, and agriculture. The NDF also provides loans to small farmers at a lower interest rate of 14%. Areas for which loans can be obtained include livestock, dairy, poultry, cash crops, cocoa, coffee, and other tree crops.

3. NDF funds may not be used for the following purposes:

- * REFINANCING: The NDF does not make loans to repay outstanding loans, however, if there is an existing loan with the bank, credit union, etc., the NDF may still consider additional financing.
- * REAL ESTATE: The NDF does not make loans for purchasing real estate, but they will make a loan for an expansion or improvement.

- * **ASSET LEVEL:** Assets of projects funded by the NDF should not exceed \$500,000.00 (excluding assessed value of land and buildings).
- * **AGE LIMITS:** The NDF cannot lend to persons under 18 or over 60 years of age.

Traditional Terms and Conditions covering NDF Loans.

1. Processing a loan application may take as little as a week, but it depends on the speed with which information is provided.
2. The NDF Project Development Officer is the person who works with applicants to present the proposal to the Credit Committee which decides whether they get a loan or not. In preparing the proposal, it is very important that whatever information the Project Development Officer requests, is supplied.
3. Any one project cannot borrow more than \$350,000 from the NDF.
4. Loans are made for the amount needed for the business. Everything needed to be bought, and the prices, must be listed in detail.

5. NDF loan repayments include the costs of insurance, which covers:

(a) Insurance on the life of the borrower.

If a borrower dies before the loan is repaid, the insurance company will pay to the NDF the outstanding balance.

(b) Insurance against burglary.

The items bought with NDF loan funds are insured for the outstanding balance, but the first \$300.00 is the responsibility of the borrower.

(c) Insurance against disasters such as flood, fire, etc.

The insurance company will repay up to the outstanding balance of the loan.

6. The NDF loan repayment also includes:

(a) legal costs for processing and registering the necessary legal documents which borrowers sign to confirm their agreement with the NDF.

(b) the administrative and stationery costs for processing loans.

Upon the approval of the loan, the client is expected to pay 5% of the amount approved, which covers the costs involved under 5 and 6 above.

Securing the NDF Loan

1. Borrowers may secure their NDF loans by having a co-signer or guarantor. This person signs legal documents agreeing to continue payments on the loan if borrowers can no longer pay.

NOTE: If the borrower has a business partner, he or she must co-sign. If married or living common-law, the spouse must co-sign. This is because items used for security may belong to both persons. If a spouse should take stocks or security and flee, the other one would be held solely responsible, so each one is protected since they both must sign. In case of a partnership or a company, spouses do not have to sign.

2. NDF gets a bill of sale on items such as machinery or equipment which are bought with the loan funds. This means they can be seized if the loan is not repaid.
3. Land, buildings, machinery, appliances (like TV sets, fridges, etc.), furniture, and such things may also be used to secure loans.
4. Depending on the nature of the project, NDF will lend to people who do not have security to cover the loan. If a project is viable, if the applicant seems to be a good manager, and if character checks indicate that the applicant is reliable and dependable, NDF will take the risk of making the loan.

Receiving NDF Loan Funds

1. When a loan is approved, the applicant is required to go with the co-signer (if any) to the NDF offices and sign the necessary legal documents.
2. In order to disburse funds, the following will be needed:
 - a) invoices for new equipment;
 - b) official value for second hand items;
 - c) official estimates on construction costs, if applicable.
3. Cheques for payment are normally made out to suppliers.

Repaying NDF Loans

1. Short term loans (e.g. to buy raw materials or stock) must be repaid within two (2) years.
2. Longer term loans (e.g. to buy machinery or equipment) must be repaid within seven (7) years.
3. Repayment plans are worked out for particular projects, so that payments can be made regularly while the business improves.

4. The current interest rate is 20% on the monthly reducing balance.
5. Payments are made up of part principal and part interest.
6. Payments are due monthly.

EXCEPTION: Grocery projects are required to pay weekly; the monthly payment is divided into four (4) parts to be paid weekly.

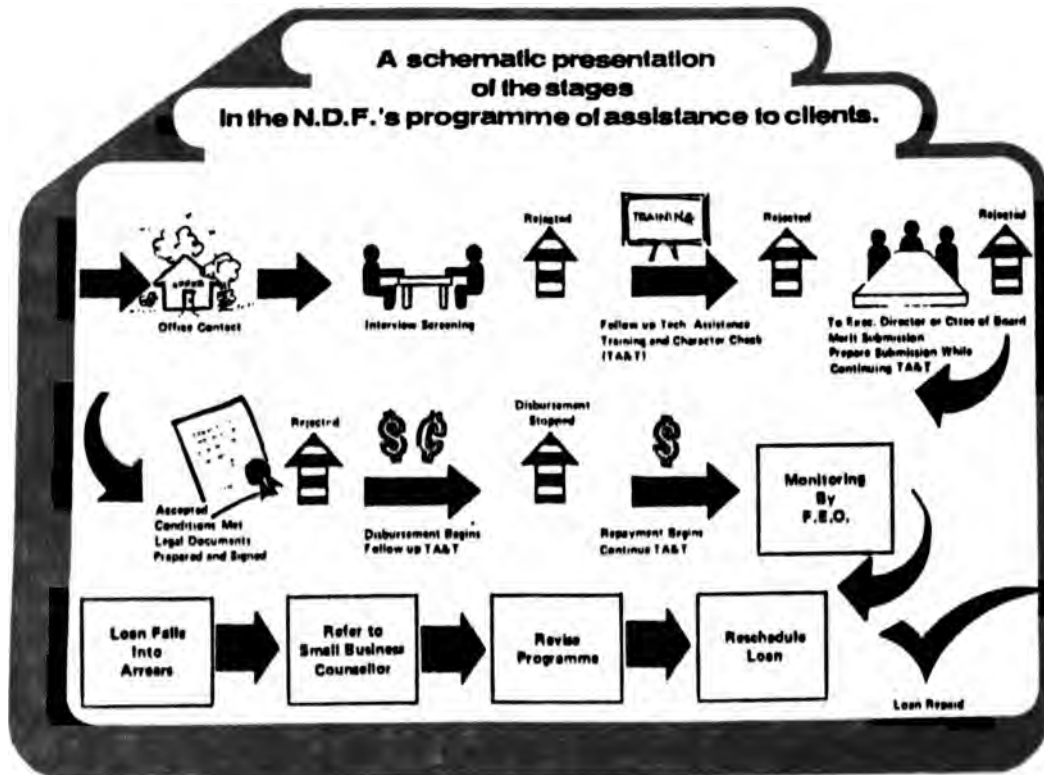
7. If loans are given to buy raw materials to fill a particular order, NDF can arrange to have the loan repaid from the payment received for that order.
8. Most important of all, borrowers must visit, phone, write or inform the NDF as soon as any problems arise which will prevent payments being made. If the NDF does not hear from the borrower and payments are not received, there are heavy penalties which are imposed.
9. If payments are not made, some of the penalties include: \$5.00 fine for payment seven (7) days overdue, \$5.00 fine for each additional month overdue, \$5.00 charge if NDF staff have to go looking for borrowers. Bailiffs are authorized to re-possess all items used to secure loans that are 90 days in arrears. The cost of storage of these items is added to what is owed, if the borrower wishes to clear the debt and reclaim security items.

Application Forms

The NDF officer who interviews you when you visit the office will assist you in filling out the Loan Application Form. The following pages contain an example of the NDF Loan Application Form.

Before you go for a loan interview at the NDF, study the questions on the form and have the answers ready. This will make your interview with the NDF Officer much easier. You must also be prepared to provide the NDF with two passport size photographs of yourself and anyone else signing for the loan.

Below you can see a picture showing the stages that a client must go through when applying to the NDF Programme for assistance. The process begins when you make contact with the office and go through an interview screening. You should be prepared for this and have a complete loan proposal to present to the NDF. As you can see your loan application may be rejected at any point even after the legal documents are prepared and signed. This may happen when the NDF finds out something about you or your business that they should have known before, so be very open and honest with them at all times. Also please note on the diagram that the technical assistance and training begins before the application even goes to the committee, and it continues all the way through repayment.



POST GILBERT FINANCING

The following special post Gilbert financing arrangements have been designed by the National Development Foundation:

1) For new and existing NDF clients:

- a) At the Branch Level, facilities are in place to speedily approve loans of up to \$20,000.00.
- b) At the Head Office Level, facilities are in place to speedily approve loans of up to \$50,000.00.
- c) Grace periods are being extended to assist business-people to rebuild. During that time, interest will be added to the principal amount.
- d) Special packages of financial and technical assistance are available for the agriculture sector.

2) For existing NDF clients only:

- a) Maximum loans of \$5,000 are available for all those clients who were set back by Gilbert and cannot afford additional financing with interest. These loans are interest free and the pay back period will be set up on an individual basis.
- b) Where necessary, rescheduling of loan payments is being done for those clients who have a good payment record.
- c) Short term financing has been arranged to advance the amounts claimed from insurance companies to qualified clients.

NDF/J's BRANCH OFFICES

MANDEVILLE BRANCH
1A NORTH RACE COURSE ROAD
MANDEVILLE
TEL.: 962-0037

KINGSTON OFFICE
22B OLD HOPE ROAD
KINGSTON 5
TEL.: 929-4100; 926-5368

OCHO RIOS BRANCH
MUTUAL LIFE BUILDING
GRAHAM STREET
OCHO RIOS
TEL.: 974-5302

MONTEGO BAY BRANCH
32 MARKET STREET
MONTEGO BAY
TEL.: 952-2631; 952-2619

NATIONAL DEVELOPMENT FOUNDATION OF JAMAICA

LOAN APPLICATION FORM

O: _____

DATE: _____

INTERVIEWED BY: _____

1. FULL NAME OF CLIENT: _____ FULL NAME OF SPOUSE: _____

2. MARITAL STATUS: SINGLE (); DIVORCED (); MARRIED (); AGE: _____

COMMON LAW (): TYPE OF BUSINESS: _____

3. HOME ADDRESS: _____ BUSINESS LOCATION: _____

DO YOU:- RENT (); OWN (); LEASE (); OTHER (); STATE _____

4. EXPERIENCE OR SKILLS TO BE BROUGHT TO THE BUSINESS: _____

5. PRESENT VALUE OF BUSINESS ASSET \$ _____

6. PRESENT OCCUPATION: _____ JOB TITLE: _____

7. WHO WILL MANAGE THE ENTERPRISE? _____

PRESENT NO. OF EMPLOYEES _____ FULL TIME _____ PART TIME _____

8. HAVE YOU ATTEMPTED TO OBTAIN COMMERCIAL BANK FINANCING FOR THE PROJECT?

YES (); NO (); REASON FOR LACK OF SUCCESS _____

9. DO YOU HAVE A LOAN FROM ANY FINANCIAL INSTITUTION?

YES (); NO (); BALANCE ON LOAN _____

10. HAVE YOU EVER OPERATED A BUSINESS? YES (); NO (); IF YES GIVE A BRIEF

DESCRIPTION _____ FOR HOW LONG _____

11. WOULD YOU BE WILLING TO ACCEPT NDF/J TECHNICAL ASSISTANCE AND TRAINING? () YES () NO

12. WOULD YOU BE ABLE TO OFFER ANY FORM OF COLLATERAL FOR THE LOAN? () YES () NO

TITLE (); HOUSEHOLD APPLIANCES (); MOTOR VEHICLE (); MACHINERY & EQUIPMENT ();

FIXED DEPOSIT (); GUARANTOR (); OTHER (); STATE _____

13. LOAN AMOUNT REQUESTED \$ _____

<u>FIXED ASSETS</u> (MACHINES, EQUIPMENTS, FIXTURES, ETC.)	<u>COST</u>	<u>WORKING CAPITAL</u>	<u>COST</u>
_____	_____	_____	_____
_____	_____	_____	_____

PRESENTLY EMPLOYED? YES (); NO (); MAY WE CONTACT YOUR PRESENT EMPLOYER? YES (); NO ()
 WORK EXPERIENCE - BEGINNING WITH YOUR PRESENT OR MOST RECENT JOB.

NAMES AND ADDRESSES OF EMPLOYER	MONTH & YEAR	POSITION HELD	REASON FOR LEAVING	INCOME
	FROM			
	TO			
	FROM			
	TO			
	FROM			
	TO			
	FROM			
	TO			

EDUCATION/TRAINING (SCHOOLS/INSTITUTIONS ATTENDED)

NAME & LOCATION	LENGTH OF TIME ATTENDED	DID YOU GRADUATE? () YES () NO	QUALIFICATIONS EARNED/EXPECTED	COURSE TAKEN	GRADE AVERAGE
		() YES () NO			
		() YES () NO			
		() YES () NO			
		() YES () NO			

HAVE YOU TAKEN ANY ADDITIONAL COURSES? () YES () NO, DO YOU HOLD A LICENSES OR CERTIFICATES?
 () YES () NO

PLEASE DESCRIBE _____

BRIEF DESCRIPTION OF PROPOSED PROJECT DETAILING a) MARKETING STRATEGIES, b) ULTIMATE GOALS/AIMS

BUSINESS INFORMATION:

DO YOU HAVE:- () SAVINGS ACCOUNT, () CHEQUING ACCOUNT,
WHAT RECORDS ARE KEPT: () NONE, () DEBTOR'S BOOK, () CREDITOR'S BOOK, () CASH BOOK
() BANK STATEMENTS, () EXPENSE RECORDS, () STOCK LISTS, () OTHERS _____
ARE THERE ANY FINANCIAL STATEMENTS? () BALANCE SHEET, () PROFIT & LOSS,
() OTHERS _____

WHAT IS LEVEL OF SALES? \$ _____ WEEK/MONTH/YEAR

HOW MUCH PROFIT? \$ _____ WEEK/MONTH/YEAR

WHAT IS THE INVESTMENT IN THE BUSINESS? \$ _____

() LOANS \$ _____ () OWNER & FAMILY \$ _____ () REINVESTED PROFITS \$ _____

HOW MUCH OF THIS INVESTMENT IS IN:

STOCKS (INVENTORY) \$ _____ LAND & BUILDINGS \$ _____

EQUIPMENT & FURNISHINGS \$ _____ OTHERS \$ _____

OVERALL FINANCIAL STATUS

ASSETS

SAVINGS, CASH & CHECKING ACCOUNTS \$ _____

REAL ESTATE (CASH VALUE) \$ _____

INVESTMENT & CASH VALUE OF INSURANCE \$ _____

TOTAL ASSETS \$ _____

LIABILITIES

NOTES PAYABLE, INCLUDING MORTGAGE: \$ _____

OTHER LOANS \$ _____

BILLS PRESENTLY DUE \$ _____

OTHERS (SPECIFY) _____ \$ _____

TOTAL LIABILITIES \$ _____

NET WORTH (ASSETS MINUS LIABILITIES) \$ _____

PERSONAL MONTHLY EXPENSES

FIXED EXPENSES

HOUSING \$ _____

UTILITIES \$ _____

TAXES (PROPERTY, SOCIAL SECURITY, INCOME, ETC.) \$ _____

INSURANCE PREMIUMS (LIFE, AUTO, HOMEOWNERS, ETC.) \$ _____

DEBT REDUCTION \$ _____

PENSION & RETIREMENT FUND CONTRIBUTION \$ _____

OTHER (SPECIFY) _____ \$ _____

TOTAL \$ _____

GENERAL EXPENSES

FOOD \$ _____

CLOTHING \$ _____

PERSONAL CARE \$ _____

HOUSEHOLD OPERATION AND EQUIPMENT \$ _____

MEDICAL CARE \$ _____

TRANSPORTATION \$ _____

VACATION & ENTERTAINMENT \$ _____

BUSINESS EXPENSES \$ _____

CONTRIBUTIONS & GIFTS \$ _____

OTHER (SPECIFY) _____ \$ _____

TOTAL \$ _____

TOTAL MONTHLY EXPENSES \$ _____

YOUR HEALTH

DO YOU HAVE ANY IMPAIRMENTS (PHYSICAL, MENTAL OR MEDICAL) THAT WOULD INTERFERE WITH YOUR ABILITY TO OPERATE THE BUSINESS DESCRIBED? () YES () NO

IF YES, DESCRIBE HANDICAPS AND EXPLAIN WORK LIMITATIONS: _____

TEXT OF KIN/REFERENCES - GIVE THE NAMES AND ADDRESSES OF TWO INDIVIDUALS AND TWO RELATIVES WHO KNOW YOU WELL AND WHOM THIS COMPANY MAY REFER.

NAME	ADDRESS	PHONE NUMBER	OCCUPATION

INTERVIEWER'S COMMENT _____

THE INTER-AMERICAN DEVELOPMENT BANK/4-H PROGRAMME

What is the Inter-American Development Bank/4-H Programme?

It is a programme developed for the purpose of improving the standard of living of rural Jamaicans by helping to meet the credit needs of low-income rural youths who are members of 4-H clubs. The 4-H club leaders may also be eligible if they meet certain requirements.

What technical assistance does I.D.B. provide?

4-H field staff will assist club members in planning production projects, preparing loan applications, management and skills and training, keeping records of their business; providing the inputs needed to start businesses, giving marketing guidance, providing motivation and recognition, and encouraging loan repayment.

What is the I.D.B. loan policy?

1. The I.D.B. may fund projects in the following categories. The categories are grouped by the maximum term of the loan.

(a) Projects with terms of up to one year (Short Term)

Annual Crops	Basic Grains	Sewing
Food preservation	Vegetables	Flowers
Leather crafts	Handicrafts	Poultry fattening
Baking	Horticulture	Ornamental plants
Yams	Furniture	Small industries

(b). Projects with terms up to two years (Short to Medium term)

Rabbit raising	Clothing industry
Egg-laying poultry	Fish farming
Hog fattening	Pineapple and banana growing
Small industries	Horticulture
Poultry fattening	

(c) Projects with terms up to three years (Medium term)

Hog raising	Irrigation equipment
Bee-keeping	Goat raising
Small farm machinery	Passion fruit cultivation
Small industries	

(d) Projects with terms up to five years (Long term)

Dairy livestock
Fruit orchards (planting)
Small industries

2. Applicants must be young 4-H club members, either male or female, between the ages of 10 and 25, as well as volunteer 4-H leaders of any age who cannot get credit elsewhere.
3. The 4-H members must have a minimum of 1 year of active membership in a 4-H club. A volunteer leader must have at least 2 years of 4-H leadership experience.
4. The 4-H member may not receive a loan if he or she has a poor loan repayment record or is currently in debt for another loan.

5. The application form No. JA-1 shall be used.
6. The application must be presented to the Credit Committee 2 months before the project start-up date.
7. A field inspection will be made by the 4-H Project Manager who will duly sign and stamp the application.
8. Experience and training will be required in the project area for which financing is being requested.
9. An investment plan will be prepared by the members, with advice from the Project Manager.

What are the terms and conditions covering I.D.B. loans?

1. The loan approval will be decided upon by a Credit Committee made up of 5 persons appointed by the Board. This committee may request changes in the investment plan.
2. After loan approval, the Credit Committee will forward the application and other documents to the financial intermediary (National Commercial Bank) for payment of funds.
3. All loan recipients are required to open a savings account with the nearest branch of the NCB.
4. Individual loans will range from a minimum of \$500.00 to a maximum of \$50,000.00 or \$2,500.00 per member.
5. The interest rate on the loan will be 12% per year, payable in advance.

6. Medium and long-term loans and all loans exceeding \$1,000.00 will be secured with a farm pledge on goods purchased, and/or agriculture crops or animals bought. Members under 18 years of age must be assisted legally by their parents, guardian, relatives, or neighbours.
7. Annual income of 4-H members or leaders cannot exceed \$2,700.00 in order for them to qualify for this programme.

What are your duties and responsibilities after receiving an I.D.B. loan?

1. To follow the investment plan as it was approved.
2. To report on a timely basis about the progress of your project to the Parish 4-H Project Manager.
3. To report any problems with your project immediately to the 4-H staff or extension agent.
4. To keep daily official records on the project as provided.
5. To repay the loan as agreed upon in the contract and to pay interest and principal payments on time.
6. To attend brief courses or training programmes required to benefit you and your project.

Post Gilbert Financing

IDB/4H intends to make loans available for 4H club members for the production of yellow yams for export, utilizing the mini-sett technology.

The mini-sett technique differs from the traditional yam growing method where sticks and mounds are used. The technology calls for the cutting up of the tubers into small bits weighing about two ounces, which can be placed in a nursery bed, so that sprouting can take place.

Planting of the tiny bits are done in mounds and it takes eight to nine months to produce the required three to four pound tuber.

The traditional method has several drawbacks that makes the mini-sett more appealing and marketable. Some of the drawbacks include:

- The top portion of the harvested yam must be saved to use as the "seed" for the following crop. This can amount to from 10% to 25% of the yam harvested, and hence reduces the amount sold and thus the income obtained.
- The use of the same head - mother yam- year after year tends to build up the disease and nematode infection of the plant over time, thereby reducing yields.
- The yam produced using traditional methods frequently has "toes". When these are cut off, tender inner yam tissue is exposed, hastening the spoilage of the yam and reducing the portion that can be eaten. It also reduces the shelf life (the length of time the yam tubers can be stored and remain edible).
- Since the typical large yam produced is much larger than the amount an average family will want to eat at one time, it must be cut into pieces. This accelerates spoilage, as in the case of the "toes".
- The irregular shape of the traditional yam also lessens its appeal to potential consumers in export markets.

The mini-sett method can allow the 4-H farmer to produce between 25-30,000 pounds per acre, compared to the traditional yield of 8-10,000 pounds per acre.

Each 4-H Clubbiter can borrow up to \$7,000 for starting a yam mini-sett project. To be eligible for the loan you must:

- Be genuinely interested in the project and committed to do the necessary work to make it succeed.
- Have a group of ten (10) Clubbiters within a three mile area.
- Have each Clubbiter be responsible for no more than a 1/2 acre of yam.
- Use the mini-sett technique.
- Plant within the same week as the other Clubbiters.
- Be willing to attend training and/or technical assistance.
- Monitor the yams.
- Keep accurate records.
- Be totally committed to repaying the loan at the time of harvest.

Contact your 4-H Club Leader for the loan application form. See the following pages for an example loan application form.

**CREDIT PROGRAMME FOR RURAL YOUTH ORGANIZED IN 4H CLUBS
JAMAICA 4H CLUBS
INTER-AMERICAN DEVELOPMENT BANK – MINISTRY OF YOUTH AND COMMUNITY DEVELOPMENT**

CREDIT APPLICATION

Region _____ Parish _____ District _____

A. PERSONAL REFERENCES

Name _____ I.D. No. _____
 Surname _____ Date of Birth _____ First _____ Middle _____
 Age _____ Marital Status _____ Nationality _____ Occupation _____
 Exact Address _____ Postal Address _____
 Name of 4H Club to which you belong _____ How long a 4H member _____
 Years of study _____ Primary _____ Secondary _____ Other _____
 Graduated yes no other studies or courses taken _____
 Previous credit experience _____ outstanding balance _____ amount _____ up to date yes no
 Name of member's father or guardian _____ Current income per annum if any \$ _____
 Address _____ Occupation _____
 no of persons in family _____

B. DESCRIPTION OF PROJECT

I hereby apply for credit amounting to \$ _____ to be repaid in _____ month _____ years term
 at an annual interest rate of _____ % to be invested in a project of _____
 Projected area: Farm buildings _____ sq. ft. / crops _____ Acres / pastureland _____ acres
 no. of animals _____ Exact location of project _____
 (Attach a page if necessary with further details about location of project)

C. TOTAL INVESTMENT PLAN

Material should be described by name, quantity and variety etc.

Quantity Material Hours / work	Description of material/days work	Unit Value	Total Value	Mark with X your contribution	Others

Total value of investment plan \$ _____ member's input \$ _____

Date when you need the money _____ Date project begins _____

OBSERVATIONS: In the case of cooperative projects an investment plan should be filled out and as many applications as there are members participating in the project.

D. PLAN FOR RECOVERING THE INVESTMENT

Briefly describe expected income of the project during the whole credit period

Market Date	Quantity	Description	Unit Value	Total Value	Place of sale

Total amount recovered \$ _____

Total recovered \$ _____ Less investment plan \$ _____ Expected profit \$ _____

Application No. _____ Session No. _____ Article _____ Folio _____ Operation No. _____

E. FORM OF LOAN PAYMENT

- a) For payment of interest at _____% in advance at the time of formalizing the loan \$ _____
- b) Number of payments _____ monthly _____ bi-monthly _____ quarterly _____ half yearly _____
 annually _____ other _____ beginning on _____
- c) Total cancellation on the due date _____ Due date _____

OBSERVATION: In case payment is made before the date of maturity, he or she will pay interest only for the time they used the money and a refund will be made of the interest not used.

F. COMMITMENT OF THE APPLICANT

I _____ commit myself to carry on the project for which I solicited this loan. I am morally and economically committed to fulfil all the rules and regulations as stated on the Credit Regulations in order to manage and effectively use this programme. At the same time I promise myself that I will accept and respect all recommendations and technical assistance that will be given by officers of the Extension Service of the Ministry of Agriculture and Jamaica 4H Clubs' Officers.

I also promise to pay the debt acquired by this loan on the due date in the offices of Jamaica 4H Club's or directly through the office of the National Commercial Bank in account No. _____ for credit to the Jamaica 4H Clubs

Signature of Applicant _____ Date _____
 Credit Officer Signature _____ Date _____

G. GUARANTORS

1 (we) 1 Name _____ I.D. No. _____
 Marital status _____ Occupation _____ Address _____

2. Name _____ I.D. No. _____
 Marital status _____ Occupation _____ Address _____

I hereby become guarantor(s) severally liable for the consigned obligation and also commit to collaborate with the 4H member(s) in the development of his/her project until the obligation is fulfilled.

Signature of guarantor(s) 1. _____
 Date _____

H. RECOMMENDATION

I _____ recommend that _____ is a
 4H Club Leader _____ Name of Applicant _____
 suitable applicant for this credit programme. _____ Date _____
 4-H Club Leader _____

I _____ recommend that _____ is a suit-
 4H Parish Organizer _____ Name of applicant _____
 able applicant for this Credit Programme. _____ Date _____
 4-H Parish Organizer _____

I. INTERNAL USE BY JAMAICA 4H CLUBS' CREDIT COMMITTEE

1. Detail of past transaction with the 4H members

Operation Number	Guarantee	Amount of loan	Outstanding balance	Interest paid up to	Due date	Date of payment	Defaulted Payment	
							Interest up to	Cancelled Rec. No.

2. Credit Committee Resolution:

It is agreed that: _____

Classification of credit _____ Loan to be disbursed thus _____

Credit Committee _____ Date _____
 Credit Manager _____ Date _____

2. THE SELF START FUND

What is the Self Start Fund?

The Self Start Fund (SSF) is a lending organization which was set up at the request of the Government of Jamaica to encourage self-help through self-employment. The Self Start Fund offers loans at lower interest rates than commercial banks, to graduates of approved government training institutions or programmes. The approved training institutions or programmes are known as "Client Sources".

Client Sources will be able to tell their trainees and graduates all they want to know about SSF. Client Sources will also assist their trainees and graduates in developing project proposals and preparing loan applications.

Loans are obtainable through application to Approved Lending Agencies (ALA's). The SSF does not make loans directly to applicants. ALA's are organizations designated by SSF to receive applications and make loans to approved applicants who are known as "Clients". ALA's are selected because of their banking activities, co-operative character, geographical distribution and easy access to information on clients. A list of ALA's will be found on pages 39 and 40.

The Self Start Fund Loan Policy

1. Priority is given to young persons eighteen years of age and over, who meet the terms and conditions covering Self Start Fund loans.

2. Applications from groups will be considered to a maximum of five persons per group. The leaders of groups, at the very least, should satisfy all requirements.

3. All applicants must:

- a) graduate from a recognized training institution or programme, for example H.E.A.R.T., Technical Schools, Youth Camps, Boy's Town, Girl's Town and the Social Development Commission (Youth Clubs, Youth Centres, Community Centres, Youth Camps, Industrial Training Centres), Things Jamaican, Ltd., 4-H Clubs, the Bureau of Women's Affairs and the Jamaican German Automative School.
- b) have the written certification of the relevant institution or programme from which they have graduated.
- c) have received training in financial record keeping and so be able to keep appropriate financial records for the proposed business.
- d) provide three character references from reputable personal acquaintances (teacher, landlord, employer, for example) who have full knowledge of your character and competence. These references should certify the addresses of applicants as well as how long they have lived there. This applies to individuals as well as to groups.

or: Be an individual who has been made redundant in a government job, in which case a letter of redundancy from the Ministry where the applicant(s) used to work is required. The loan limits for redundant persons are:

	Minimum	Maximum
Individuals	\$1,000.00	\$30,000.00
Groups	\$1,000.00	\$75,000.00

Terms and Conditions covering Self Start Fund Loans

1. All applicants are required to submit a project proposal document to the ALA.
2. Applicants should be able to satisfy the ALA that they possess a sincere interest in and firm intention to engage in the business for which loan resources are being sought.
3. The total value of all the personal assets of an applicant or group of applicants should not normally exceed \$25,000.00. (If you have any questions on assets, discuss them with your ALA).
4. Applicants are required to advise of any loans outstanding at time of application.
5. ALA's will assist applicants with the completion of application forms. They will also designate one or more persons within their respective organizations to be Self Start Fund Loan Officer(s) who have responsibility for assisting with the preparation of applications and for their processing.
6. The SSF will review all applications approved by the ALA's and may veto any loan which does not appear to meet SSF's Loan Policy and Terms and Conditions.

7. The loan limits are as follows:

	<u>Minimum</u>	<u>Maximum</u>
Individuals	\$1,000.00	\$20,000.00
Groups	\$1,000.00	\$30,000.00

8. Clients (persons whose loan applications have been approved) must register or have previously registered with the N.I.S, the N.H.T. and with the Income Tax Department.
9. Clients will be required to maintain such records and submit such reports as may be determined.

Securing an SSF Loan

Applicants must be able to provide some form of security when applying for an SSF Loan. Security may be any of the following:

- 1) Bill of Sale on purchase made with loan funds.
- 2) Bill of Sale on other assets you might own.
- 3) Deductions from sale of products.
- 4) By offering the ALA a personal guarantee to repay the loan.
- 5) By having a co-signer or guarantor, who is willing to sign an agreement to repay the loan if you are unable to do so.
- 6) Dwelling house, personal effects and furniture.
- 7) Life Insurance Policies with a cash surrender value.

Repaying your SSF Loan

Loans will not normally exceed three years, but may in special circumstances be extended for a further period of two years, at the discretion of the ALA and the SSF.

A grace period is offered on loans. The length of the grace period will be determined in each case by the lending ALA, based on the circumstances of each case.

Interest charges will apply on all loans as follows:

Graduates of Client Sources	12%
Individuals who have been made redundant in their government jobs	16%

All clients are expected to make payments of interest and principal on time.

APPROVED LENDING AGENCIES BY PARISH

KINGSTON & ST. ANDREW

1. Workers Savings & Loan Bank
134 Tower Street, Kingston
2. Workers Savings & Loan Bank
Manchester Square, 153 East Street
Kingston
3. Workers Savings & Loan Bank
6 Constant Spring Road, Kingston 10
4. Stony Hill People's Co-operative Bank
Stony Hill, St. Andrew.

ST. CATHERINE

1. Lower St. Catherine People's Co-operative
Bank
31 Burke Road, Spanish Town
2. Workers Savings & Loan Bank
44 King Street, Linstead.

CLARENDON

1. Workers Savings & Loan Bank
6B Manchester Avenue, May Pen
2. Spaldings People's Co-operative Bank
Spaldings
3. Chapelton People's Co-operative Bank
Chapelton, Clarendon
4. Clarendon Co-op Credit Union Ltd.
Main Street
May Pen

MANCHESTER

1. Workers Savings & Loan Bank
13 Mandeville Plaza, Mandeville

ST. ELIZABETH

1. Workers Savings & Loan Bank
Corner High & School Streets
Black River
2. New Market People's Co-operative Bank
Newmarket
3. Central St. Elizabeth People's Co-operative
Bank
Santa Cruz

WESTMORELAND

1. Workers Savings & Loan Bank
56 Beckford Street, Savanna-la-Mar
2. Grange Hill People's Co-operative Bank
Grange Hill

3. Upper Westmoreland People's Co-operative
Bank
Lamb's River P.O.

HANOVER

1. Hanover People's Co-operative Bank
Luca

ST. JAMES

1. Workers Savings & Loan Bank
32 Market Street, Montego Bay
2. Cornwall County People's Co-operative
Bank
6 East Street, Montego Bay

ST. ANN

1. Brown's Town People's Co-operative Bank
Brown's Town
2. Ocho Rios People's Co-operative Bank
Main Street, Ocho Rios
3. Eastern St. Ann People's Co-operative
Bank Ltd.
15 Main Street, St. Ann's Bay

ST. MARY

1. Highgate People's Co-operative Bank
Highgate
2. Western St. Mary People's Co-operative
Bank
Gayle
3. St. Mary Co-Op Credit Union Ltd.
2 Main Street, Port Maria

PORTLAND

1. Port Antonio Agricultural Loan Bank
West Palm Avenue, Port Antonio
2. St. Georges People's Co-operative Bank
Buff Bay, Portland

ST. THOMAS

1. Morant Bay People's Co-operative Bank
Queens Street, Morant Bay

TRELAWNY

1. Queen of Spain's Valley People's Co-
operative Bank
Wakefield P.O., Trelawny
2. Upper Trelawny People's Co-operative
Bank
Albert Town P.O., Trelawny

Recent additions to this A.L.A. list include the following:

Trelawny:

- Clark's Town People's Co-operative Bank Limited
Clark's Town

Manchester:

- Christiana Coop People's Bank
Christiana

St. Elizabeth:

- St. Elizabeth Coop Credit Union
Santa Cruz

See the following page for a sample loan application form,
which can be obtained at any of the above A.L.A's.

SELF START FUND-LOAN APPLICATION

APPLICANT'S NAME				PURPOSE OF LOAN			
ADDRESS				PROPOSED LOCATION OF PROJECT			
PREVIOUS ADDRESS				CAPITAL COSTS			
AGE	ID.	PHONE NO.	NO. OF DEPENDENTS	RAW MATERIAL COST			
OTHER NAME				OTHER COST \$			
SPOUSE'S NAME				TOTAL LOAN \$			
ADDRESS				MONTHS MORATORIUM REQUESTED	MONTHS		
APPLICANT'S EMPLOYER ADDRESS	HOW LONG EMPLOYED	SALARY	OTHER INCOME	PROJECTED PROFIT & LOSS STATEMENT			
APPLICANT'S NEXT OF KIN ADDRESS	HOW LONG EMPLOYED	SALARY	OTHER INCOME				
CLIENT SOURCE				LABOUR:			
ADDRESS				RENT/LEASE			
ADDRESS				RENT/LEASE			
ADDRESS				LOAN REPAYMENT			
COURSES (8) COMPLETED				NET PROFIT(A-B)			
NAME	ADDRESS	OCCUPATION		SECURITY OFFERED			
1							
2							
3							
VALUE OF ASSETS OWNED				EQUIPMENT/OTHER			
OUTSTANDING LOANS/DEBTS				REAL ESTATE			
				QUARANTOR	RELATIONSHIP		
				ADDRESS	RELATIONSHIP		
				QUARANTOR	RELATIONSHIP		
				ADDRESS	RELATIONSHIP		
				I/WE CERTIFY THAT THE INFORMATION GIVEN ABOVE IS TRUE AND CORRECT			
				APPLICANT'S SIGNATURE			
				DATE			

DRAFT

ALA USE ONLY		S.S.F. USE ONLY	
NAME OF A.L.A.			
AMOUNT APPROVED \$	ATTACHMENTS <input type="checkbox"/> 3 FORM B <input type="checkbox"/> 3 FORM C <input type="checkbox"/> 2 FORM D	AMOUNT APPROVED \$	
TERMS		TERMS	
MORATORIUM		MORATORIUM	
APPROVED	AUTHORISED SIGNATURE	APPROVED	AUTHORISED SIGNATURE
DISAPPROVED	AUTHORISED SIGNATURE	DISAPPROVED	AUTHORISED SIGNATURE
DATE		DATE	

THINGS JAMAICAN LIMITED

Things Jamaican Limited is the Government of Jamaica's Craft Development Agency. It uses the Cottage Industry approach, which allows producers of craft islandwide to stay at their home bases and produce for the market.

The Company registers producers whose products are of high quality, that is if the products receive a 3 to a 5 star rating from the Company's Assessors.

Some producers, being self-taught, are given short skills training courses to upgrade their ability.

Producers who attain a 3 star level or higher may enjoy the following benefits, among others:

1. promotion by way of Craft fairs and shows, both locally and overseas;
2. introduction of new designs;
3. inclusion in the National Craft Producers Directory;
4. local and export marketing;
5. upgrading of skills through training courses and workshops;
6. business counselling;
7. business training;
8. business consultations; and
9. access to loans.

ACCESSING LOANS

Things Jamaican Limited is a client source of Self Start Fund (SSF) and as such may recommend persons to that Agency for loans.

The step by step proces to obtain a loan is as follows:

1. The Producer visits the Head office or the Parish Field Officer (See List below) and makes his/her request.
2. An initial interview is done, in which questions are asked concerning description, market, income, skill, management, experience, purpose of loan, etc.
3. The requirements for the loan are outlined, and tasks such as Market Proof, Security (that is Guarantors or other, and Character References are issued to the producer.
4. The Producer returns with the information required

as outlined in 3 above.

5. A detailed interview is done to test the feasibility of the project.
6. A Project Plan is prepared along with other documents, such as SSF Application Form, SSF Certification and Costing.
7. Producer collects the documents and takes to the P.C. Bank or Credit Union in his/her parish.

NOTE: Interest rates on these loans are at the level of 12% per annum (lowest in Jamaica).

POST-GILBERT ARRANGEMENTS

Based on discussions with SSF, the following steps are being taken by Things Jamaican Limited to assist Craftproducers in the aftermath of Hurricane Gilbert.

1. Producers invited to submit extent of damages to Things Jamaican Limited (Head Office or Field Officers).
2. Assessment of damages and request for SSF assistance, if needed, are made on a case by case basis.
3. Range of assistance includes:
 - (a) Moratorium
 - (b) Rescheduling
 - (c) Refinancing
 - (d) New Loans

HANOVER: Mr Jeremiah Dehaney Lot 32
 Orchard
 Hopewell
 Hanover
 Work: P.O. Box 27
 Lucea
 Hanover

WESTMORELAND: Mr Lewin Tomlinson
 Work: Poor Relief Office
 Savannah-la-Mar
 Westmoreland

St ELIZABETH: Mr Alma Chambers Fullerswood
 Arlington P.A.
 St Elizabeth
 Work: (same)

MANCHESTER: Mrs Jasmine Dwyer Heartease District
 Williamsfield P.O.
 Manchester
 Work: Mile Gully Primary School
 Mile Gully P.O.
 Manchester
 962-2004

CLARENDON: Mrs Marvette Briscoe Waterworks
 Frankfield P.O.
 Clarendon
 Work: 964-2317

St CATHERINE: Mrs Ruth Shand 733 Braeton
 Bridgeport P.O.
 St Catherine
 Work: 984-2148

THE COMMUNITY REVOLVING LOAN FUND (CRLF)

An alternative way to assist a community financially or a particular group within a community is through a community Revolving Loan Fund (CRLF).

A Community Revolving Loan Fund is a fund, owned and managed by members of a community, which provides loans for individuals or groups. As funds are repaid, new loans can be made, enabling the fund to revolve.

The concept is one of providing credit outside of the commercial banking system, to individuals or groups who would have difficulty securing a loan from a private bank.

The CRLF is established by a community and operated by that community for community members. Initial funds to create the CRLF may come from project grants, individual donations, savings, or a loan from one of the Agencies mentioned in this Manual.

Organizations can develop their own CRLF. For example, a Church may collect donations from its members and/or other sources and use the money to set up a CRLF. A 4-H Club, a Women's group or a Youth Club could do the same.

In addition to providing capital for production to serious individuals and groups, the CRLF draws community members closer together. It does this by enabling a community to offer the services of a "mini-bank" to its own members.

Two IICA publications are available to assist in the implementation of a CRLF. The first, entitled: COMMUNITY REVOLVING LOAN FUNDS: SELF HELP IN LOCAL DEVELOPMENT EFFORTS, describes the essential characteristics of a CRLF and how to establish and operate one.

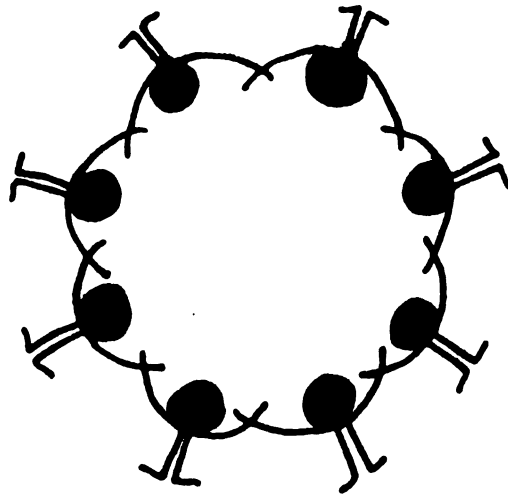
The second, entitled RECORD KEEPING FOR COMMUNITY REVOLVING LOAN FUNDS: A GUIDE, offers training in accurate accounting procedures for the loan committee. In addition, this Manual explains the importance of training first-time borrowers in skills they are deficient in, before a loan is granted. Assisting borrowers with business skills improves their chances of paying back the loans.

SUCCESS

The potential of the community revolving loan fund may be seen in the success of the Mount Pleasant community in Portland. (See the next page).

Community
Revolving
Loan
Fund

(CRLF)



A CRLF is a community managed and owned fund which provides loans for individuals or groups in the community. As funds are repayed, new loans can be made, enabling the fund to revolve.

Purposes of a CRLF:

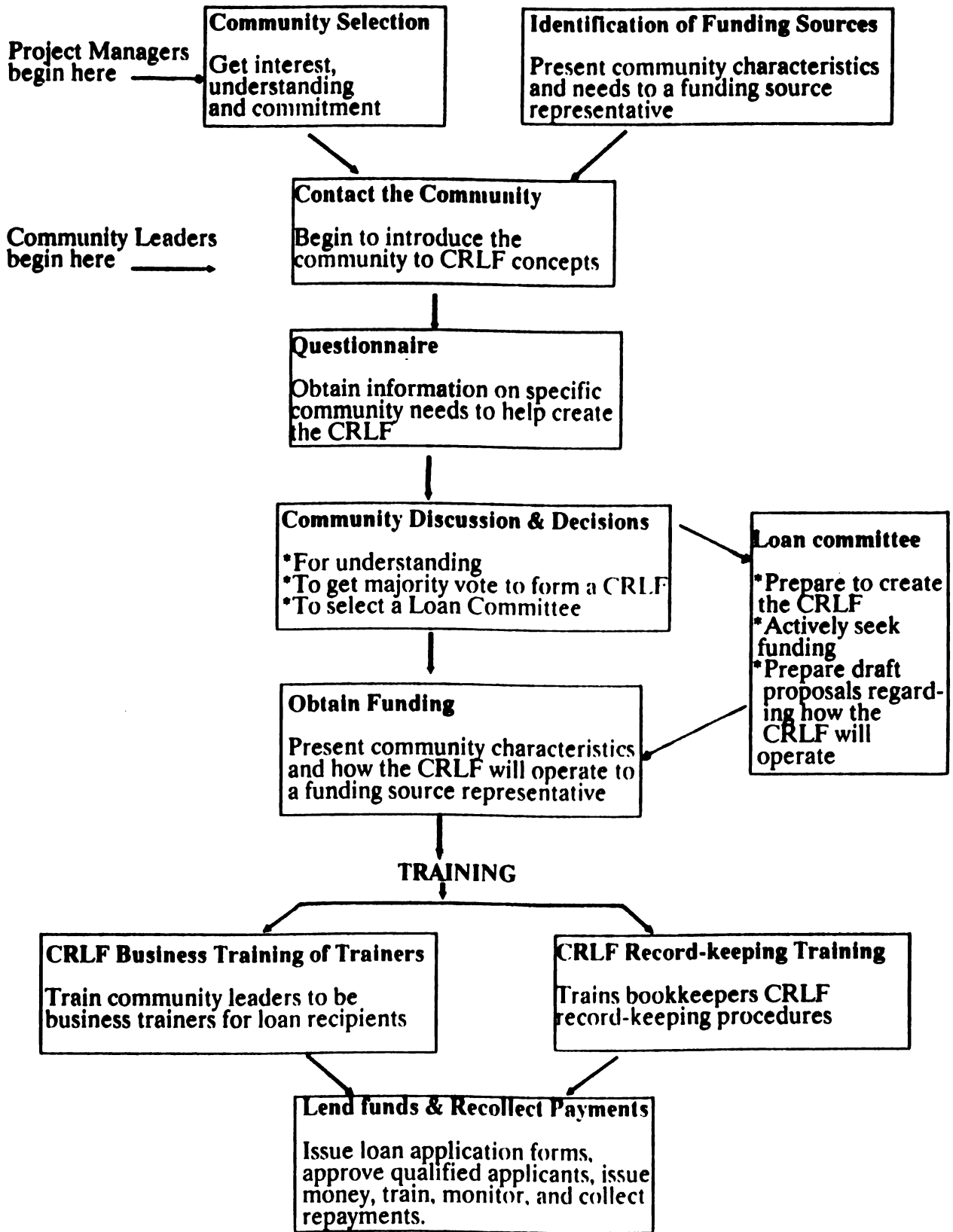
1. To help increase incomes
2. To provide access to credit
3. To provide credit at reasonable costs
4. To assist community members to work in groups
5. To increase community solidarity
6. To link communities to a development support system
7. To improve the quality of life in communities

The Mount Pleasant (Portland)

Experience:

- * Started in January 1987 with (J) \$25,000
- * 43 loans issued, valuing \$38,950 (to April, 1988)
- * Types of business affected:
 - * Fishing
 - * Shopkeeping
 - * Goat rearing
 - * Chicken Rearing
 - * Food Farming
 - * Peddling
 - * Dress Making
 - * Cabinet Making
 - * Shoe Making
- * Range of loans: \$100-\$2,000
- * Interest collected: \$2,300 (to April '88)

How a CRLF Works:



AGRICULTURAL CREDIT BANK OF JAMAICA LIMITED

The Agricultural Credit Bank of Jamaica was established in 1981 to rationalise the flow of Agricultural Credit. Funding is obtained from International Agencies and loans are channelled through People's Cooperative Banks (P.C. Banks), Commercial and Merchant Banks as Approved Financial Institutions (AFIs). Loans through the P.C Banks are on-lent to small farmers at 11% Interest per Annum whereas loans through other Approved Financial Institutions are on-lent at 14%.

The main source of credit to small farmers is accessed through P.C. Banks. The first P.C. Bank was established in 1905, and this rural credit system is unique in developing countries. Of the 115 P.C. Banks located in the parishes of Jamaica, 42 are directly funded by A.C. Bank, while the remaining 73 are funded by the Agricultural Credit Board (A.C. Board), which is the Regulatory Body responsible for all P.C. Banks.

The Agricultural Credit Bank, in addition to providing credit, is responsible for Training, Loan Supervision, Project Appraisal and Liaison with the Ministry of Agriculture (MINAG). It maintains four rural Zone Offices, staffed with Credit Officers etc. to liaise with the Secretary/Manager and the Management Committee of each P.C. Bank in respect of Portfolio Management, Loan Approvals and other Policy issues.

The People's Cooperative Banks have been the rural community Financial Institutions for the past seventy-five years and it is not surprising therefore that these Banks have been selected as an avenue for the post-Gilbert Rehabilitation Programme, making credit available to their clients at 8% interest.

On the other hand, larger farmers have been accessing A.C. Bank funds through Commercial and Merchant Banks and for these clients provisions have been made for them to obtain funds at 9% interest for post-Gilbert Rehabilitation.

The post-Gilbert Rehabilitation Programme remains effective until April 30, 1989.

TRADITIONAL LOAN PROCEDURES

Who is eligible?	Farmers with up to 25 acres of arable land.
How much can you get to borrow?	A maximum of \$80,000.00.
What is the interest rate?	11% per annum

What are the loan repayment terms?

Short-term loans with up to 1 year to repay
Medium-term loans with up to 5 years to repay
Long-term loans with up to 10 years to repay

What form of security is acceptable?

- Mortgage on land (common-law mortgage, registered title)
- Crop lien on selected crops
- Insurance policy - cash surrender value
- Assignment of stocks, bonds, shares

How do you apply for the loan?

- Visit the P.C. Bank and discuss your plan with the Secretary/Manager.
- An Extension Officer will visit your farm to do a farm development plan. He will return this plan to the P.C. Bank.
- Collect all documents you will use for security and take them to the P.C. Bank.
- The P.C. Bank Secretary/Manager will prepare a formal application (attaching security documents and farm plan)
- If the loan is approved by the P.C. Bank, they will request funds from the Agricultural Credit Bank.
- Agricultural Credit Bank submits cheque to the P.C. Bank to be disbursed to the farmer.

What happens if you miss a loan repayment?

- If you do not repay your loan, you prevent other farmers from getting loans from the P.C. Bank.
- If you know you will have difficulty in making your loan payment on time, see the Secretary/Manager of your P.C. Bank immediately and discuss the matter.

POST-GILBERT LOAN PROCEDURES

Rehabilitation Loans are available for Agricultural Projects through the P.C. Banks to their clients at 8% interest. Existing loans are eligible for rescheduling at 11% interest and in the case of poultry loans to a maximum of \$150,000.00, inclusive of previous loans can be made available.

The following are the specific procedures governing the approval of such loans:-

A LOAN APPLICATIONS

1. Rehabilitation Loans must be approved and disbursed no later than April 30, 1989.
2. In the absence of adequate tangible security, Guarantors of means may be accepted to cover the rehabilitation loan.
3. Application Forms for Rehabilitation Loans must indicate whether the project has or will benefit from insurance proceeds.
4. The amount of rehabilitation loan made available will depend on the extent of damages and the amount of previous credit.

B. MATURITY

Rehabilitation loans will have a maturity depending on:-

- a) Damage to enterprise
- b) Projected time frame to achieve viability, but will not exceed five (5) years.

C. MORATORIUM

This will be determined on a Project basis but will take into consideration:-

- a) The type of enterprise
- b) The projected time frame for generation of revenue and will be determined by cash flow statements.

D. RESCHEDULING OF PREVIOUS LOANS

Rescheduling of loans will be determined on a project basis under the guidance of A.C. Bank Credit Officers with capitalization of interest where warranted.

E. NEW CLIENTS

Loans to new clients will attract the normal interest rate of 11%.

AGRICULTURAL CREDIT BANK OF JAMAICA LIMITED

PEOPLE'S COOPERATIVE BANKS FUNDED BY A.C. BANK

ZONE	MANAGER	PARISH	P. C. BANK	ADDRESS	SECRETARY/MANAGER
SOUTHERN 11A-15 OXFORD ROAD	O. Anderson	<u>St. Catherine</u>	St. Thomas-Ye-Vale	Bog Walk, Bog Walk P.O.	Mrs. E. Small
			Midland	Guys Hill, Guys Hill P.O.	Miss U. Wellington
			N.W. St. Catherine	Belfield, Browns Hall P.O.	Mrs. B. Forrest
			Upper St. John	Point Hill P.O.	Miss P. Harvey
			Glengoffe	Glengoffe P.O.	Mrs. M. Morgan
			St. Dorothy	Old Harbour P.O.	Miss I. Smith
		<u>St. Andrew</u>	Stony Hill	Stony Hill P.O.	Mrs. S. Williams
			Woodford	Woodford P.O.	Mrs. D. Raphael
		<u>St. Thomas</u>	Morant Bay	Queen St., Morant Bay P.O.	Mr. J. O'Gilvie
			Trinityville	Trinityville P.O.	Miss N. Moodie
			Llandewey	Llandewey P.O.	Miss S. Stewart
CENTRAL 6½ MANCHESTER ROAD MANDEVILLE	G. Gayle	<u>Clarendon</u>	Chapleton	Chapleton P.O.	Mrs. D. Fearon
			Good Hope	Kellits P.O.	Mrs. J. Sloley
			Spaldings	Spaldings P.O.	Mr. G. Brown
			Central Clarendon	4 Romance Ave., May Pen P.O.	Mr. G. Mitchell

P.C. BANKS FUNDED BY A.C. BANK

ZONE	MANAGER	PARISH	P.C. BANK	ADDRESS	SECRETARY/MANAGER
<u>CENTRAL</u>	G. Gayle	<u>Manchester</u>	Central Manchester North Manchester Mile Gully Broughton Christiana	47 Manchester Rd. Mandeville Devon, Devon P.O. Mile Gully P.O. Cross Keys P.O. Main St., Christiana P.O.	Miss R. Thomas Mrs. I. Rutherford Miss Y. White Mrs. T. Richmond Mr. E. Tomlin

<u>St. Elizabeth</u>					
Central St. Elizabeth Santa Cruz P.O. Newell Watchwell P.O. New Market New Market P.O. Malvern Malvern P.O.					

<u>Portland</u>					
Port Antonio West Palm Ave., Port Antonio St. George Buff Bay, Buff Bay P.O.					

<u>St. Mary</u>					
Highgate Highgate P.O. Western St. Mary Gayle, Gayle P.O.					

<u>St. Ann</u>					
Browns Town 12 Top Road, Browns Town Eastern St. Ann Main St., St. Anns Bay Watt Town Watt Town P.O. York Valley Boroughbridge P.O.					

<u>NORTHERN</u>	N. Condoppa				
Main St., Highgate	Mrs. N. Anderson Mr. K. Davis Mrs. I. Dixon Miss C. Taylor				

P.C BANKS FUNDED BY A.C. BANK

ZONE	MANAGER	PARISH	P. C. BANK	ADDRESS	SECRETARY/MANAGER
<u>WESTERN</u> 15 East Street, Montego Bay	K. Davis	<u>Trelawny</u>	Upper Trelawny	Albert Town P.O.	Mrs. E. Salbey
		Lower Trelawny	Bunkers Hill P.O.	Mrs. M. Kindness	
		Clark's Town	Clark's Town P.O.	Miss A. Walters	
		<u>St. James</u>	Cornwall County	6 East St., Montego Bay	Miss N. Anderson
		Maldon	Maldon	Maldon, Point P.O.	Mrs. V. Taylor
		<u>Westmoreland</u>	Grange Hill	Grange Hill P.O.	Mr. A. Lawrence
		Upper Westmoreland	Rattrap, Lambs River P.O.	Mr. G. Atkins	
		Darlistan	Darlistan P.O.	Miss O. Rodney	
		<u>Hanover</u>	Hanover	Luca P.O.	Miss S. Hall
		Mt. Peto	Mt. Peto	Ramble P.O.	Mrs. V.M. Jannett



Cover Photo taken from [redacted] magazine, September 26, 1988.

A High Wind in Jamaica

Hurricane Gilbert runs amok in the Caribbean

It started as a ripple in the atmosphere, a hot, moist breath from the continent of Africa over the Atlantic Ocean. It will wind down this week in a swirl of rainstorms over the southwestern United States, bringing relief for parched crops and floods in low-lying areas. But last week it was Hurricane Gilbert, the most powerful Atlantic storm ever recorded, a devastating blow to the island of Jamaica and the glitzy resorts of the Yucatán Peninsula—and a warning that underlined again the catastrophe waiting to happen along the overbuilt U.S. coastline on the Gulf of Mexico.

Gilbert left more than 200 dead, with devastation counted in billions of dollars. On Jamaica, reconnaissance pilots said thousands of homes had been flattened, and perhaps four out of every five left standing had lost their roof. The storm swept past the Cayman Islands and hit Mexico's Yucatán Peninsula between Cozumel Island and the beach-front hotels of Cancún, with winds gusting at 218 miles an hour and a storm surge that raised the sea level by 20 feet. But the deadliest moment came in Monterrey, Mexico, after Gilbert had begun to subside. Flash floods in that inland city swept five buses into a rain-swollen river: as many as 60 persons were presumed to have drowned.

Flying trees: Gilbert was a maximum-force category 5 hurricane, the first since Camille in 1969 to pack sustained winds over 155 miles an hour. Its turbulent spiral measured 500 miles across, but it was so tightly wound that its central eye was only nine miles wide, with sustained winds in the eye wall measured at 175 miles an hour. Barometric pressure in the eye fell to 26.13 inches, a low second only to a Pacific typhoon in 1979. The violence of such a storm is almost inconceivable: brick walls blew away, whole trees flew through the air, a freighter wound up on solid land.

The storm warnings saved untold thousands of lives. Buildings were boarded up, coastal areas were evacuated and after Jamaica hardly anybody was caught by sur-



PHOTOS BY MIAMI HERALD—MATRIX

Inconceivable violence: At Kingston airport, planes were tossed around like toys

Caribbean Nightmare

The storm flew to final landfall in Mexico, its fury sapped over the Yucatán Peninsula.



prise. In Matamoros, Mexico, city manager Roberto Solís said that citizens didn't panic. "It was just the normal fear of people who live in dwellings unsuitable to withstand wind," Solís said. As it happened, Gilbert slugged Mexico a second time south of Matamoros, near the fishing village of Santa Rosa, an area of relatively low population. Despite the continuing winds, the sheeting rain and the tornadoes spawned by the storm, damage was far less than had been feared—and minor compared to the devastation in Jamaica and the Yucatán.

The United States was extremely fortunate. All week long, as Gilbert chewed across the Caribbean, residents on the Gulf Coast from Louisiana to the Mexican border had been warned to prepare for the "Storm of the Century," as Gilbert



Digging out: Devastation in the billions

came to be known. The danger was real enough; coastal overbuilding has festooned barrier beaches with miles of high-rise condos and vacation houses. But the jitters stirred up by a week of televised alarms eventually gave way to a sense of anticlimax. Gilbert's winds fell to 120 miles an hour over the Yucatán Peninsula, and back over open water it failed to regain maximum strength before grinding down again in Mexico.