



**ENTERPRISE
GROWTH FUND
LIMITED**

EE RETROFIT AND RE FINANCE (SMART FUND LOAN) FACILITY –GUIDELINES

PRODUCT

The **EE Retrofit and RE Finance Facility** provides below market rate loans to businesses, to implement technically and financially viable **Energy Efficient (EE)** and **Renewable Energy (RE)** projects. The maximum loan size will be BDS\$1.5 million per applicant with a variable interest rate, currently at 3.75% per annum on the reducing balance of the loan which may be repaid over a maximum period of 10 years.

WHO QUALIFIES FOR THESE LOANS

Small and Medium-Sized Businesses (SME's) as well as companies owned by government incorporated under the Companies Act and any other organisation acceptable to EGFL are eligible to access funding. However, the Project Execution Unit can make exceptions to this criterion on a case by case basis.

An SME is defined as a business incorporated under The Companies Act and approved as a small business in accordance with the [Small Business Development Act 1999-23](#); or one that meets the criteria set out here:

- Gross sales/revenues up to and not exceeding BDS\$5 million per year
- Stated or paid-up capital up to and not exceeding BDS\$2 million
- Majority (over 50 percent) Barbadian-owned
- Not controlled by another business whose reserves and/or capital or non-Barbadian ownership exceeds the criteria above
- Criterion for hotels only: Accommodation capacity must not exceed fifty (50) rooms
- Criterion for businesses engaged in agriculture only: Acreage under cultivation must not exceed 25 acres.

PROJECTS ELGIBLE FOR FUNDING

Projects eligible for support under this facility are as follows:

- **Energy efficiency/conservation projects:** These save electrical or thermal energy by **reducing** the intensity of the energy consumed, or by avoiding the unnecessary use of energy. Such measures may include energy efficient lighting, energy efficient equipment for example, Inverter A/C units, power monitors, variable speed devices, US-EU Energy Star Rated equipment, etc.
- **Distributed scale renewable energy projects:** Generate electrical or thermal energy by **utilising** renewable sources of energy such as the sun, the wind, and others including photovoltaic thermal systems, small wind turbine systems and solar water heating solutions. However, the viability of each approach will be tested on a case by case basis. The Smart Fund does not restrict the kW capacity of eligible systems.
- **Working Capital to RE Producers.** RE Producers are entities that manufacture, assemble, install or sell distributed scale renewable energy systems (i.e. PVs, solar water heaters and small wind systems). This facility provides working capital which may be used to purchase material inputs for the manufacture or assembly of 'distributed scale' renewable energy systems.



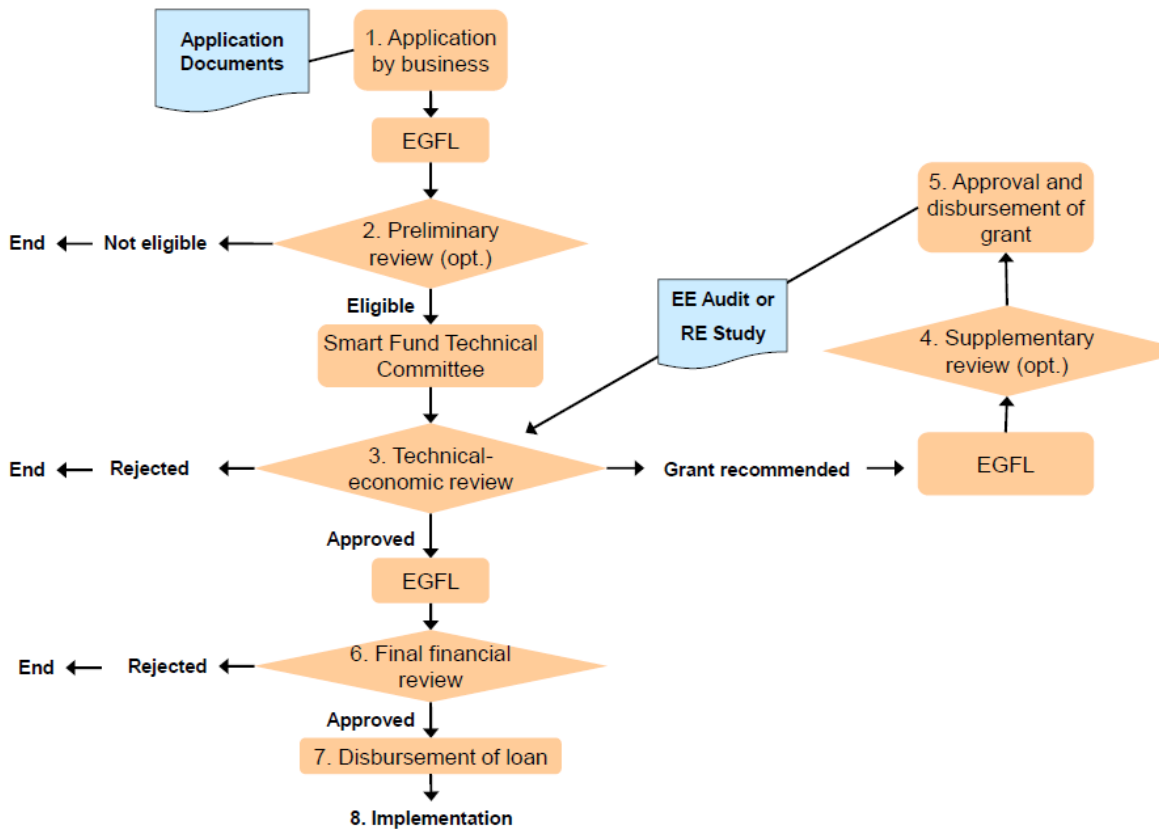
- **Working Capital to EE Producers.** EE Producers are entities that manufacture, assemble, install or sell energy efficient and conservation products (i.e. energy efficient lights, appliances and other equipment). This facility provides working capital which may be used to purchase material inputs for the manufacture or assembly of energy efficiency and conservation products.

TECHNOLOGIES ELIGIBLE FOR FUNDING

The Smart Fund Technical Committee (SFTC) is responsible for conducting technical and economic reviews of technologies to determine their eligibility for support based on established criteria.

TO ACCESS FUNDING – FOLLOW THESE STEPS:

Figure 3-2: Project Cycle—EE Retrofit and RE Finance Facility/TA Facility



Note: steps 2 and 4 are optional



Applicants must comply with the following guidelines to qualify for a loan.

- Submit an application along with the following documents:
- A signed [Letter of Intent](#).
- A brief overview of the project idea outlining the expected costs, performance and benefits of the project. Ideally, this review should be undertaken by an approved [Smart Fund Partner](#). In cases where the applicant intends to use the funds for Working Capital, the document should also include the items to be procured, the number of systems to be produced and the estimated energy savings or energy generated.
- Evidence of a qualified energy auditor who has been approved as a [Smart Fund Partner](#) for the purposes of conducting an energy audit
- Details of electricity and gas usage for the last 12 months
- **Corporate applicants:** Financial statements for the last three years immediately preceding the year of application (where existing); Certificate of Incorporation; Notice of Address or Notice of Change of Address of the registered office; Notice of Directors or Notice of Change of Directors; Articles of Incorporation; Bylaws
- Governmental or corporate approvals, permits and consent required in connection with the execution of the project. These must be obtained and be in full force and effect (proof provided to EGFL) prior to any disbursement of funds
- EGFL may at its discretion conduct a brief review to assess eligible applicants
- The Smart Fund Technical Committee reviews applications to assess their technical and economic viability

TERMS AND CONDITIONS UNDER THE EE RETROFIT AND RE FINANCE FACILITY

Terms and conditions for loans awarded under the EE Retrofit and RE Finance Facility are as follows:

- **Loan Size:** The maximum loan size per applicant is BDS\$1,500,000.
- **Interest Rate:** Interest rate will be variable and is currently 3.75% per annum on the reducing balance of the loan.
- **Management Fees:** Prior to disbursements of funds the borrower will be required to pay a management fee of 2% of funds disbursed.
- **Loan restrictions:** The resources of this facility are not to be used to refinance existing debt.
- **Loan Tenor:** Up to a maximum of 10 years.
- **Loan Security:** Security on loans generally takes the form of a first legal mortgage. However, the Smart Fund may take second mortgages in instances where the market realisation value of the underlying security is adequate to liquidate all prior charges and the Smart Fund's exposure.



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Financial assets (bonds, stocks etc.) or any other security deemed satisfactory by EGFL may also be used to secure loans.

- **Statutory Payments:** Prior to disbursement, applicants must ensure that all National Insurance Scheme (NIS), Value Added Tax (VAT) and Pay As You Earn (PAYE) taxes are current, or that satisfactory arrangements have been made (and proof provided to EGFL) to discharge their obligations to the relevant entities and proof provided to EGFL.
- **Cost Overruns:** Budget overruns or changes in project scope are the responsibility of the borrower
- **Inspection.** EGFL or its agent has the right to conduct random inspections.