

Frequently asked questions about The Energy Smart Fund

What kinds of businesses/projects does the Smart Fund finance?

The Smart Fund provides grants and loans to Barbadian businesses to invest in viable Energy Efficient (EE) and Renewable Energy (RE) projects and solutions. The fund also provides grants to households through selected retailers to encourage the adoption of EE technologies.

Businesses

- Technical Assistance Grants to prepare pre-investment audits and studies
- Low cost loans to finance EE and RE solutions

Households:

- Cash Rebates for EE appliances purchased from participating retailers
- Free Compact Fluorescent lamps from selected retailers*

What are Energy Efficient (EE) and Renewable Energy (RE) technologies or solutions?

Energy Efficient solutions or 'green' technologies effectively **conserve** or **reduce** the use of electrical or thermal energy.

Renewable Energy technologies, on the other hand, **generate** electrical or thermal energy by **utilising** renewable energy sources such as the sun and wind.

Which EE and ER projects are eligible for funding?

- **EE:** Energy efficient Lighting, appliances and equipment. Some examples are: LED Lighting, Inverter A/C units, power monitors, variable speed devices,
- **RE:** Renewable Energy technologies may include photovoltaic thermal systems, small wind turbine systems and solar water heating solutions.

How much funding can my project/business receive from the Smart Fund?

Each applicant can receive up to BDS\$40,000.00 for Technical Assistance, disbursed on a first come first served basis. These funds will be used only for pre-investment studies.

The maximum loan size will be BDS\$1.5 million per applicant to **implement** energy efficient and renewable energy projects.

Who qualifies for funding from the Smart Fund?

Priority will be given to Barbadian owned businesses incorporated under the Companies Act that meet the following criteria:

- Gross sales/revenues must not exceed BDS\$5 million per year
- Stated or paid-up capital must not exceed BDS\$2 million
- Majority shares (over 50 percent) must be Barbadian-owned
- Applicants should not be controlled by another business whose reserves and/or capital or non-Barbadian ownership, exceed the criteria above

What is the procedure for applying for funding from the Smart Fund?

- Submit 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 Partners](#)
- Sign a [Letter of Intent](#)
- Select a Smart Fund Partner to perform energy audit
- Provide details of electricity and gas usage for the last 12 months
- Corporate Documentation
- 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
- The Smart Fund Technical Committee reviews applications to assess their technical and economic viability
- EGFL conducts a financial review to assess eligible applicants.

Is Collateral required to obtain a Loan?

Collateral generally takes the form of a first legal mortgage. However, the Smart Fund may take second mortgages in instances where the market value of the underlying collateral is adequate to liquidate all prior charges and the Smart Fund's exposure.

What is the interest rate on Smart Fund Loans?

The interest rate is currently 3.75% per annum on the reducing balance.

How long does it take to get a loan decision?

EGFL strives to make investment decisions within 4 to 8 weeks after the receipt of an application. However, the approval process depends on the quality and completeness of information submitted by applicants.

What is the repayment period for a Smart Fund loan?

Maximum 10 years

Who makes the decisions to approve grants/loans?

Technical Assistance grants are approved by the Smart Fund Technical Committee. Whereas all loan decisions are made by EGFL Investment Committee.