



Guidelines for the Enterprise Development Scheme (EDS)

The Enterprise Development Scheme (EDS) has been developed by the Government of Montserrat (GoM) with funding from the European Union (EU) to provide a financial outlet for the establishment of new businesses and to support the growth of emerging and existing businesses on Montserrat.

Administration of the EDS

Ministry of Finance & Economic Management (MOFEM)

The management of the financial portfolio of the Enterprise Development Scheme (EDS) as well as the oversight of it will rest with the Ministry of Finance while the monitoring and support to applicants will be provided by the Office of the Premier (Department of Trade). The Department of Trade and the Ministry of Finance will provide report to the Minister of Finance regarding the operation and results of the Scheme.

EDS Committee

The EDS Committee is appointed by the Government of Montserrat to support the functioning of the EDS. All applications will be evaluated by the Committee which is made up of a cross-section of persons from within the public and private sector;

- a. Representative from MoFEM
- b. Representative from Trade & Quality Infrastructure Division, OP
- c. Representative from the SPCCU
- d. Two (2) Representatives from the Private Sector

The representative from MOFEM will function as the Chairperson of the Committee.

EDS Project Officer

An EDS Project Officer, contracted to the Ministry of Finance is tasked with managing the administrative and business support aspects of the Scheme. This Officer will provide direct support to the EDS Committee and Applicants to ensure smooth functioning of the Scheme.

Funding

Applicants may apply for funding under both schemes. However, the EDS Committee will make the final decision regarding the most suitable funding based on the Business Plan.

Grant Applications

Businesses which apply under the grant scheme are eligible to receive up to XCD 20,000. However, this funding cannot be utilised for transactions related to the purchase of motor vehicles nor items for resale.

Loan Applications

Businesses which apply under the loan scheme are eligible to receive up to XCD 40,000. Loans will be awarded at a reduced interest rate of 3.5%. However, this funding cannot be utilised for transactions related to the purchase of motor vehicles nor items for resale.

Businesses awarded loan funding will be **required to provide security** against the loan. As it relates, the EDS will work collaboratively to ensure use of easily enforceable forms of security which will not create added burden on the business.

Eligibility Criteria

To be eligible for funding under the EDS, Applicants will be required to provide the following:

1. Business Registration No. or Company Registration No. (Except where the business is being operated in the name of the Proprietor)
2. a copy of the business' 2020 Annual Return, filed at the Financial Services Commission (where applicable)
3. Tax Compliance Certificate
4. clear Business Plan

To assure the quality of applications, business planning trainings will be organized by the EDS Project Officer over the next few weeks. Such trainings will provide prospective Applicants with a clear understanding of the key components which comprise a business plan. Applicants are encouraged to take advantage of the trainings and reach out to the Officer for further guidance as needs be.

Application Process

Receipt of applications will begin from 11th of October, 2021. Application Forms can be accessed via the Government of Montserrat's website at www.gov.ms Alternatively, hard copies can be collected from the Ministry of Finance & Economic Management. Applicants are, however, encouraged to utilize the online platform where feasible.

Once an application has been submitted, it will be reviewed in alignment with the eligibility criteria. If the criteria have not been met, the Applicant will be directed to resubmit. Those meeting the criteria are presented to an Evaluation Committee for a holistic review of the Applicant's business plan.

Business plans will be reviewed against the following:

- The extent of innovation within business sector
- Potential for expansion and job creation
- Possibilities for export creation
- The degree to which the business falls within key priority area: ICT, renewable energy, light manufacturing & environmental protection; and
- Soundness of the business plan

The Committee will then make a recommendation to the Hon Financial Secretary, after which, the Applicant will be advised on the outcome of his/her application.

Following submission of a complete application, Applicants can expect to be notified regarding the approval or other outcome of their application in two (2) weeks. The EDS Project Officer will keep Applicant apprised of the progress of their application throughout the process.

Capacity Trainings

Applicants who have been successfully rewarded with funding will be required to attend mandatory business management training sessions and will be assigned mentors in their respective field of business. Details regarding mentors and coaches will be communicated to the Applicants at the appropriate stages.

General Conditions for Accessing Financing under the EDS

Successful Applicants will be expected to formally agree to the following terms in order to access financing under the Scheme:

- Payments will be made directly to vendors on behalf of the business and in accordance with the activities stated in the business plan.
- Awardees must report regularly to the EDS Project Officer regarding the implementation of the project and use of funding.
- Failure to report as stipulated may result in withholding of payments or termination of funding.
- Awardees must maintain adequate books and records showing the receipt and use of funding.
- Awardees must attend and participate in mandatory business management capacity building training provided as part of the EDS.
- Failure to take part in the mandatory training may result in withholding of payments or termination of funding.

EDS CONTACT INFORMATION

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