



DRIVING AGRICULTURAL GROWTH: LAUNCHING A FINANCIAL SUPPORT PROGRAM FOR BEANS, MAIZE, HORTICULTURE SMMEs

BY:

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❑ NMC/NAMBoard Credit Guarantee

- ❑ The NMC/NAMBoard Credit Guarantee initiative is designed to provide vital financial support to small, medium, and micro enterprises (SMMEs), recognizing their essential role in driving economic growth and innovation. By empowering these businesses, we strengthen the backbone of our economy, fostering resilience and sustainability in our communities.
- ❑ The Credit Guarantee, covering 20% of each loan amount, reduces risk for Eswatini Bank while encouraging increased lending to SMMEs, ultimately supporting job creation and fostering entrepreneurship within the community. The NMC/ NAMBoard Credit Guarantee will leverage on the SSELG provided by the Central Bank of Eswatini, which covers 95% for start-ups and 85% for existing businesses.

❑ NMC/NAMBoard Credit Guarantee

- ❑ The benefits of the credit guarantee include enhancing food sovereignty in the Kingdom of Eswatini by reducing our dependence on high imports and empowering local farmers to increase the production of maize, beans, and horticulture, ultimately ensuring self-sufficiency and greater security in food production.
- ❑ By choosing the NMC/NAMBoard Credit Guarantee, you're not just securing financing—you're helping to build a brighter future for our communities in the Kingdom of Eswatini, empowering local entrepreneurs to thrive, and ensuring that our families have access to healthy, homegrown food for generations to come.

☐ **Market Need:**

☐ Maize and Beans are produced under rainfed: Despite having a solid business model and growth potential, it struggles to secure a loan because is high risk- limited credit history or higher risk profiles

☐ Increasing Demand for Financing Among SMMEs

☐ **Heavy Dependence on Agricultural Imports**

☐ Promote local food production- Reduce food imports & strengthen our food sovereignty

☐ **Economic Impact:**

☐ **Supporting Job Creation:** By providing access to credit through this program, we can help to hire additional employees/ empower local businesses that create jobs and drive economic growth.

☐ **Economic Development:** The program will not only aid individual businesses but also stimulate broader economic growth.

Feature	Details
Credit Guarantee Coverage	20% for existing beneficiaries and start-up businesses
Blended Scheme	Combined with SSELG Credit Guarantee Scheme
MoU Launch Date	December 01, 2022
Partners	Eswatini Bank, NAMBoard and NMC
Objective	Improve Eswatini's maize, beans and horticulture value chain commodities
Collaboration Benefits	Address challenges for rural MSMEs in accessing finance
Startup Enterprises Medium Term	E20,000.00 to E100,000.00
Startup Enterprises Seasonal	E15,000.00 to E50,000.00
Existing Enterprises Medium Term	E30,000.00 to E500,000.00
Existing Enterprises Seasonal	E15,000.00 to E100,000.00
Interest Rate	Prime + 3% to Prime + 4% per annum
Repayment Period	Up to 36 months
Renewal Conditions	Renewal upon performance assessment of the borrower

GOVERNMENT- SUPPORTED LENDING

Program	Type	Amount
Central Bank of Eswatini Guarantees		
Small Scale Enterprise Loan Guarantee	Working/ Medium-Term Loan	Up to E1,000,000
Export Credit Guarantee		Up to E3,300,000
Eswatini Agriculture Development Fund		
Existing Enterprises	Working Capital Loan	E5,000.00 – E1,000,000.00
	Medium-Term Loans	E10,000.00 – E5,000,000.00
Start-Up Enterprises	Working Capital Loan	E 5,000.00– E 500,000.00
	Medium -Term Loans	E10,000.00 – E3,000,000.00
NMC/NAMBoard Horticulture Revolving Fund		
Start-Up Enterprises	Medium-Term Loan	E20,000.00 – E 100,000.00
	Working Capital Loan	E15,000.00 – E 50,000.00
Existing Enterprises	Medium Term Loan	E30,000.00 – E 500,000.00
	Working Capital Loan	E15,000.00 – E 100,000.00
Centre For Financial Inclusion		
Start-Up Enterprises	Working/ Medim- Term Loan	E5,000.00 – E 50,000.00
Existing Enterprises		E5,000.00 – E 100,000.00

Document	Description
Recommendation Letter	From NMC/NAMBoard
Certified Copy of ID	Compulsory
Certified Copy of Certificate of Incorporation	(or Registration for Co-Operatives)
Certified Copy of Form J	Required for company registration
Certified Copy of Memorandum & Articles of Association	(or By-Laws for Co-Operatives)
Land Right Documentation	Chief's Letter, Title Deed, or Lease Agreement
Business Plan and Cash Flow	Detailed outline of the business strategy
Market Contract/Letter of Intent	Evidence of market engagement
Insurance Cover Certificate or Quotation	Proof of insurance for the project
Quotations	Three quotes for each service or input
Water Right	Documentation confirming water usage rights
Soil Sample Analysis Report	Not more than 3 years old
Proof of Technical Expertise	Evidence of available expertise for project
Tax Clearance	Up-to-date clearance certificate
Company Resolution to Borrow	Formal approval from the company
Maximum Liability Letter	For Co-Operatives
Acceptable Collateral	NMC/NAMBoard Guarantee Letter
Audited Financials or Management Accounts	For existing businesses

PROCESS FLOW

Application Process	
Step	Description
1. Initial Consultation	Interested businesses can meet with program representatives to learn about eligibility. Officers from Eswatini Bank, NMC, and NAMBoard will provide support before and after the application.
2. Prepare Documentation	Complete and submit the application form along with necessary documents. The program team will check for completeness and initial eligibility.
3. Detailed Evaluation	The application undergoes a thorough review of the business's financial health, creditworthiness, and proposed fund usage, including a credit check and business plan assessment.
4. Approval Decision	The Bank reviews the application and makes a decision based on set criteria.
5. Notification of Approval	Applicants will be informed of the decision. If approved, the guarantee terms (amount, duration, and fees) are shared.
6. Issuance of Guarantee	Once terms are accepted, the guarantee is officially issued, and the lender is notified. This usually takes 2 weeks from application submission.
Monitoring and Project Focus	
Monitoring	Description
Joint Monitoring	Post-approval, officers from Eswatini Bank, NMC, and NAMBoard will jointly monitor projects to ensure compliance and success. NAMBoard will focus on horticulture, while NMC will target maize and beans.
Loan Repayment Terms	
Repayment Structure	Description
Cyclical Repayment	Repayments will align with agricultural seasons, ensuring that seasonal loans are fully paid cyclically. Investments in assets like irrigation equipment and climate-smart solutions will have repayment periods of two to three years.



Beans



Maize











Section	Details
Agribusiness Unit	Committed to fostering growth in the agro-development sector.
Financial Support Commitment	Eswatini Bank is dedicated to providing financial support for a variety of commodities, including: Beans, Potatoes, Carrots, Onions, Red Meat (Beef), Goats, Tomatoes, Cotton, Baby Vegetables, Mangoes, Papayas, Peaches, Macadamia Nuts, Aquaculture, Litchi Chinensis.
Types of Clients Funded	We serve a diverse range of clients, including individuals, trusts, companies, and cooperatives.
Types of Credit Facilities Offered	Our offerings include medium to long-term loans as well as short to mid-term credit facilities.
Types of Enterprises Financed	Start-Up and Existing Businesses: We provide comprehensive support for both new ventures and established companies seeking expansion. Agricultural Enterprises: We finance various agricultural activities, including sugarcane farming, vegetable and field crops, livestock farming, agro-processing, and innovative climate-smart solutions.

Section	Details
Importance of Agriculture	The agriculture sector is crucial for our economy and food security but faces significant challenges.
Challenges	Climate Change, Market Volatility, Infrastructure Development, High Operational Costs, Dependence on Imports, Operational Issues. Other challenges include side selling, poor record keeping, disputes, lack of commitment, and price-taking.
Eswatini Bank's Holistic Approach	
Financial Services	We offer a range of affordable banking solutions, including digital banking, investments, and savings accounts.
Tailored Financing Solutions	Our financing is inclusive and designed to support climate adaptation for agricultural businesses, ensuring their resilience and success.
GCF Accreditation	We are pursuing Green Climate Fund (GCF) accreditation to attract sustainable international investments.
Cooperative Approach	We foster partnerships to create strategies for resilient agricultural growth.
Customer-Centricity	We empower farmers with financial literacy programs, helping them make informed decisions for success.
Promotion of Local Production	Our goal is to reduce food imports and enhance food sovereignty by encouraging local food production.
Agribusiness Unit	Our dedicated Agribusiness Unit drives funding for agro-development initiatives.

THANK YOU