



MSME SUPPORT PROGRAM

FREQUENTLY ASKED QUESTIONS

Name of Program: Micro Small and Medium Enterprise (MSME) Support Program

Email: belizemsp@covid19.bz

Toll free number: 0-800-CALL-MSP (225-5677) or 613-7342

Website: <https://www.covid19.bz/belizemsp>

What is the MSME Support Program?

The MSME Support Program is a Government of Belize initiative that provides financial relief to Belize's Micro, Small and Medium Enterprises in order to help safeguard and promote employee retention, as well as assist MSMEs as they transition and adapt to the economic challenges presented by the COVID-19.

What components are included under the MSME Support Program?

- \$2.5 million: Grants to micro-enterprises from across the country, with a cap of \$2,500 each.
- \$7 million: Wage subsidies to promote employee retention on the condition that these businesses keep their employees' Social Security contributions current.



- \$5 million: Soft-loan component limited to approved small- and medium-sized enterprises to assist with working capital in preparation for reopening and accelerating production.

Who can benefit from this program?

Beneficiaries of the MSME Support Program will be segmented into three (3) categories determined by the number of employees:

- Micro Enterprises: which employ 2-4 persons, including the owner
- Small Enterprises: which employ 5-20 employees
- Medium Enterprises: where employ 21-51 employees

Given that disbursements will be made via the National Bank; do I need to set up a National Bank Account so as to benefit from any of the programs?

Answer: Yes. Beneficiaries under any of the programs will need to open a National Bank account.

Is there a cap on how much one company can access under this program?

Answer: Yes. The cap is as follows:

- \$2500 for Micro Enterprises under the Grant Facility
- 15,000 for Small Enterprises under the Loan Facility
- 25,000 for Medium Enterprises under the Loan Facility

Will there be a second-round allotment for the MSME Program?

Answer: No. This is a one-time MSME Support Program.



What is meant by being “Negatively Impacted” by COVID-19?

Answer: Being “negatively impacted” by COVID-19 refers to the following:

- Loss of employment
- Reduction in Sales
- Closure of Business

What can the money be used to fund?

Funds provided under the program can be used for:

- Retention of employees
- Financing of working capital: -
 - Purchasing of essential raw materials and production inputs
 - Supporting the promotion and marketing of products and services for market expansion
 - Diversification of existing products and services based on changing market conditions
 - Investments in productive assets: machines, equipment, tools, or others that are relevant to the commercial and operational activity of the company
- Support in the implementation of nationally required COVID-19 health protocols

What are the eligibility criteria that applicants are expected to meet?

Answer: Applicants must:

- Be a Micro, Small, Medium Enterprise as defined in the Target Group section above.



- Have been operating the business for at least one year prior to March 2020
- Be engaged in one of the following areas:
 - Tourism and Leisure
 - Transportation and logistics
 - Agriculture
 - Agro-processing
 - Fisheries
 - Light Manufacturing
 - Creative and Cultural Industries
 - Commercial Free Zones (Note: **only eligible for wage subsidy OR employees may directly apply for Unemployment Relief**)
- Be Belizean owned, and for incorporated businesses that means shareholding must entail a minimum of 51% Belizean ownership
- Must have been negatively impacted by COVID-19.

What is the application process and what documents need to be submitted?

Answer: The estimated implementation of the program is three (3) months commencing August 1, 2020. The application period will run for twenty-one (21) days from launch, and a decision will be made within fourteen (14) calendar days of receipt of completed application.

The Program will roll out in the following steps:

- Open call for applications, based on the target groups;
- Applications online (preferably) - Applicants will specify for which facility(s) they are applying;
- Completed applications will be submitted to the Evaluation Committee (EC) for review. Evaluation Committee (EC) will validate (i) that the



applicant meets eligibility requirements (ii) the proposed use of the Program support being requested;

- Applications will then be forwarded for review and decision by the Approval Committee;
- The National Bank of Belize will serve as the paying agent for disbursement to approved applicants

- Documents to be submitted with a completed application include:

- Business Name Registration
- Company Registration
- Tax Registration
- Social Security
- Trade License
- Not Applicable (for informal enterprises)

Are applications for all programs, including the loan, also online?

Answer: All applications are initiated online. The program will provide drop-down lists for applicants to select the program of interest.

Can my business apply for a grant and a loan?

Answer: No. However, an enterprise can apply for the grant/loan and the wage subsidy.

Companies seeking to benefit from the **wage subsidy program** would need to apply on behalf of their employees. The verified employees would then receive the \$150.00 every two (2) weeks for a maximum of three (3) months.

- A micro-enterprise can apply for the wage subsidy as well as self-employed.



- A small and medium enterprise can also apply for the wage subsidy.
- An informal micro can also apply for the wage subsidy to formalize.

Do self-employed persons, who have no employees, qualify for grants under the Micro-Enterprise program?

Answer: No. Self-employed persons are advised to apply under the Unemployment Relief Program.

While my business, which employs between 2-4 persons, has been in operation for more than one year, it has only been formalized for less than one year. Would my business still qualify?

Answer: Yes.

If due to COVID-19 I had to let go workers to the point where I now fall within the employee headcount rank of 2-4 employees, will I be assessed as a Small or Micro enterprise?

Answer: The Program utilizes the company's status up to March 2020 as the "baseline" or "cutoff" point. Therefore, the company will be assessed according to the number of persons employed prior to the cutoff. Essentially, everything after March 2020 is deemed as a deviation from 'normal' operations due to COVID-19. Consequently, a business fitting the description above would not qualify for the Micro Grant, but can apply for the other facilities provided under the MSME Support Program.



Considering that the priority sectors identified include transportation, can taxi drivers qualify?

Answer: No. They are self-employed, so they apply under the existing Unemployment Relief Program (phase 2).

Can Cooperatives apply under the MSME Support Program?

Answer: Members of the Cooperatives are considered as self-employed and thus do not qualify under this program, but they can apply under the existing Unemployment Relief Program (phase 2).

Does a business have to maintain or commit to rehire a certain amount of its pre-March 2020 staff complement?

Answer: The nature of the entire suite of MSME support programs is to protect employment; therefore, yes, a business needs to maintain or commit to retaining at least 60% of their pre-March 2020 staff complement.

If an established business can demonstrate that they have requisite expertise in the subject areas for particular training outlined by the program, is said business still required to participate in BELTRAIDE's small business development programs?

Answer: The default answer is "yes". However, the Evaluating Committee reserves the right to waive this condition based on the unique status of each applicant [2].



What are the loan terms? Prepayment etc.

Answer: This financing would be channeled through the National Bank of Belize with the following terms:

- Interest rate will be at 3%, and duration of the loan will be two years
 - No transaction fees
 - 12-month grace period

If a business decides to pay the full balance of the loan before or after the 12-month grace period, would they still need to pay the 3% interest, or can they be allotted a lower interest rate?

Answer: Yes, the 3% interest rate remains.