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ANDEAN AND CARIBBEAN BASIN FINANCING DIRECTORY

U.S. DEPARTMENT OF COMMERCE
International Trade Administration and
U.S. Agency for International Development

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ANDEAN AND CARIBBEAN BASIN FINANCING GUIDE

Prepared by:
Latin America/Caribbean Business Development Center
International Trade Administration
U.S. DEPARTMENT OF COMMERCE
in conjunction with the
U.S. Agency for International Development

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INTRODUCTION

The U.S. Department of Commerce in conjunction with the U.S. Agency for International Development has prepared this book to support private sector trade and investment activities in the Andean and Caribbean Basin. The Department of Commerce is extremely grateful for the assistance provided by the U.S. embassies in the Andean and Caribbean Basin countries in gathering and verifying country-specific financing information.

The Andean and Caribbean Basin regions include countries that are beneficiaries of two U.S. Government preferential trade programs: the Andean Trade Preference Act (ATPA) and the Caribbean Basin Initiative (CBI). These programs were established to encourage economic development by stimulating private-sector business in the two regions. A main incentive of these preferential programs is duty-free access to the U.S. market for most exports from the beneficiary countries.

As of August 1992, countries that are beneficiaries of the CBI include Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, British Virgin Islands, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guyana, Guatemala, Honduras, Jamaica, Montserrat, Netherlands Antilles, Nicaragua, Panama, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago While the countries eligible for beneficiary status under the ATPA include Bolivia, Colombia, Ecuador, and Peru, as of August 1992 only Bolivia and Colombia have received designation.

The *Andean and Caribbean Basin Financing Guide* includes over 100 specific financing mechanisms -- incorporating bilateral, international, regional, private, and country-specific sources -- designed to support domestic and foreign investment and trade in the Andean and Caribbean Basin regions. It can provide companies with critical information on these financing sources, including basic background, eligibility requirements, application procedures, and key contacts. In addition, Appendix I presents the financing sources in a series of matrices to allow companies to quickly identify appropriate sources for their specific interest.

SECTION I: BILATERAL FINANCING SOURCES

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States (Eximbank) is the independent U.S. Government agency that facilitates the export financing of U.S. goods and services. Eximbank supports U.S. exports through export credit insurance, working capital guarantees, loans, and loan guarantees.

Eximbank Insurance

Export credit insurance helps U.S. companies develop and expand their export sales by protecting against losses caused by foreign buyer default. With insurance, exporters can offer more attractive credit terms to their customers and arrange bank financing through assignment of policy proceeds. From October 1, 1990 through September 30, 1991, Eximbank insurance to support U.S. exports to the Caribbean Basin Initiative (CBI) beneficiary countries reached $379 million. Eximbank insurance of U.S. exports to the Andean countries during this period was $64.4 million.

Eximbank insurance is available through the Foreign Credit Insurance Association Management (FCIAM) Company, Inc., Eximbank's contractor responsible for marketing, servicing, and administering Eximbank insurance policies, and for processing most buyer credit request and claims. Both short- and medium-term policies are available, covering commercial and political risks.

A wide range of policies are available to accommodate many different export credit insurance needs:

• Policies for small businesses offer enhanced protection for short-term sales by companies with relatively little export credit experience. Applicants must meet the Small Business Administration's definition and have annual export credit sales of $2 million or less.

• Multi-buyer policies provide coverage for exporters' short-term (generally up to 180 days) credit sales and insure a reasonable spread of an exporter's sales. These policies carry a first loss deductible similar to other forms of insurance and provide an exporter with a coverage selection option of either 90 percent commercial and 100 percent political risk or equalized commercial and political risk coverage at 95 percent. A discretionary credit limit provides the exporter with flexibility to make its own credit decisions.

• Single-buyer policies insure short- or medium-term single or repetitive sales to one buyer. Exporters that sell to dealers may insure short-term inventory financing followed by medium-term receivables financing for qualifying transactions.

• Financial institution buyer credit policies protect financial institutions against losses on short-term loans to foreign importers of U.S. goods and services.

• Bank letter-of-credit policies protect banks against losses on irrevocable letters of credit issued by foreign banks in connection with financing of U.S. exports.

• Leasing policies insure both operating and finance leases.

• Special coverage policies provide political risk insurance only, insurance on exported services, and insurance administered by trade associations.

Exporters may also obtain special endorsements to cover sales into or out of consignment, sales made from an overseas warehouse, nonacceptance of shipments, pre-shipment, payments in foreign currency, sales in conjunction with foreign trade fairs, used equipment sales, and sales of dairy/breeding cattle.

Premiums generally vary with the repayment term, obligor, guarantor classification, and country of importation. Multi-buyer policies also take into consideration the spread of risk insured, the exporter's experience, and related factors.

Eligibility

Exports produced in and shipped from the United States with at least 50 percent U.S. content are eligible for Eximbank insurance.

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Certain defense products are excluded. Applicants for short-term single buyer coverage must have title to the product at the time it is shipped and be directly invoiced by the buyer. Products of applicants for medium-term policies must have over 50 percent U.S. content.

Application

Application for Eximbank insurance is made directly through FCIAM offices nationwide. Exporters requesting preliminary premium quotes for multi-buyer coverage options must submit the appropriate FCIAM application form, which includes the following information: general and financial background on applicant; export sales history; type of buyer(s), export products, and financing terms; and type of insurance coverage requested. The premium rate quotation for single buyer coverage may be obtained by calling an office of FICAM.

Eximbank Working Capital Guarantees

Eximbank's working capital guarantee program encourages commercial lenders to make loans to U.S. businesses for various export-related activities, including purchasing goods and services for export, covering letters of credit, and funding marketing activities. The program facilitates the expansion of U.S. exports that otherwise would not occur. It helps small and medium-sized businesses that have exporting potential, but need funds to produce or market goods or services for export. The program may be used to cover working capital loans to a U.S. business if the lender certifies that the loan would not be made without Eximbank's guarantee, and Eximbank determines that the exporter is creditworthy.

Eximbank's working capital guarantee covers 100 percent of the guaranteed loan's principal and interest. Guaranteed loans must be fully collateralized at all times. Acceptable collateral may include exportable inventory, export accounts receivable, domestic inventory, or receivables resulting from domestic sales. Inventory and other goods purchased with disbursements under the Eximbank guaranteed loan may be used as collateral, as may accounts receivable generated from transactions supported by the guaranteed loan.

Approved lenders may receive Eximbank authority to commit Eximbank's guarantee on short-term loans of up to $750,000 on a discretionary basis. Eximbank imposes no interest rate ceilings or maximum fee limitations; however, lenders should take into account that 100 percent of the risk is covered by an agency of the U.S. Government and price their loans accordingly. After a lender has had sufficient experience in using the program, Eximbank may consider extending the lender delegated authority to commit Eximbank to guarantee loans of up to $750,000 without first obtaining Eximbank's approval.

Eligibility

Exporters must demonstrate a successful track record of past performance, including at least one year of operations, a positive net worth, and have at least one principal employed full time in the business. Financial statements must show sufficient strength to accommodate the requested debt.

The Working Capital Guarantee Program targets small and medium-sized firms, minority businesses, and agricultural enterprises with export potential that require funds to produce or market goods for sale overseas. Nevertheless, any U.S. business with adequate export potential may apply for a Working Capital Guarantee if the lender certifies that the loan would not be made without Eximbank's guarantee.

The exporter can use the financing secured under this program for the following purposes: to purchase finished products or raw materials; to purchase services and labor required to produce goods and services for current or future export sales; and to market products, participate in trade fairs, or conduct other promotional activities aimed at developing new overseas business. The loan can also be used to cover bid and performance bonds. Loan proceeds cannot be used to purchase fixed assets, or for capital equipment that a company purchases for its own use. Working capital loan guarantees can be obtained for a specific transaction or a revolving line of credit. A collateral pool is established for revolving lines of credit.

Application

Applicants must submit Eximbank's Application for Working Capital Guarantee, a $100 processing fee, and the requested attachments, which include: the borrower's history, ownership, and financial statements; credit references; a brief description of what the loan proceeds will be used for, including export destination; and a description of collateral. Upon approval of the application, Eximbank will issue a preliminary commitment letter to the applicant. The applicant, if an exporter, will have 180 days to find an acceptable lender. If the applicant is a lender, a request should be submitted to convert the preliminary commitment to a final commitment. Upon approval of the lender's application for a final commitment, Eximbank will execute the agreement and the transaction attachment. Eximbank's guarantee will be in force once the lender has complied with all Eximbank conditions. Eximbank charges the lender an up-front facility fee of 1.5 percent on the loan amount, due within 90 days of Eximbank's authorization of the final commitment, or before the first disbursement, whichever is earlier.

Eximbank Loan and Loan Guarantee

Eximbank extends direct loans to foreign buyers of U.S. exports and intermediary loans to responsible parties, such as financial institutions and exporters, that extend loans to foreign buyers. Eximbank also extends loan guarantees to exporters and lenders who finance export sales.

Loans cover up to 85 percent of the U.S. export value and carry repayment terms of 1-year or more. Eximbank's lending rates are the lowest permitted under the Organization for Economic Cooperation and Development (OECD) export credit arrangement. In most cases, Eximbank's rate is the OECD Commercial Interest Reference Rate, which changes monthly and varies from the 3-year Treasury rate plus 1 percent to the 7-year Treasury rate plus 1 percent according to the repayment term. Eximbank's lending rate is fixed at the date of final Eximbank approval.

Eximbank's medium-term loans to intermediary entities are offered as "standby" commitments at a rate of zero to 1.5 percent less than the Eximbank rate extended to the final borrower, depending on the loan amount. The intermediary may request disbursement by Eximbank throughout the term of the underlying export loan. Master funding agreements are available to qualified lenders to permit multiple transaction under Eximbank's intermediary loan program without a separate agreement for each transaction.

Eximbank guarantees provide repayment protection for private sector loans to creditworthy buyers of U.S. goods and services exports. The guarantee covers loans for up to 85 percent of the U.S. export value, with a cash payment of at least 15 percent required on each transaction. The guarantee covers 100 percent of the guaranteed loan's principal and interest. Prior to issuing a guarantee, Eximbank will approve the terms and conditions of the loan being guaranteed, including the interest rate to be charged.

Guarantees extended by the Eximbank carry the full faith and credit of the U.S. Government. Notes covered by Eximbank's guarantee may be freely transferred. Most guarantees provide comprehensive coverage of both political and commercial risks, but guarantees covering only political risks are also available. Credit guarantee facilities are available to cover multiple sales financed under a single line of credit provided by a U.S. bank to a foreign bank. Master guarantee agreements are available to qualified lenders to permit the financing of multiple transactions without a separate guarantee agreement for each transaction.

Eligibility

Any responsible party may apply for an Eximbank preliminary commitment that outlines the amount, fees, and other terms and conditions of a loan or guarantee Eximbank is prepared to authorize. For loans, only the borrower may apply for a final commitment. For guarantees, either the borrower or the lender may apply for a final commitment.

For an export to be eligible for Eximbank financing, its total U.S. content value must not be less than 50 percent of the contract price.

Exports supported by Eximbank's loans and guarantees must be shipped in vessels of U.S. registry, unless the foreign buyer obtains a waiver from the U.S. Maritime Administration.

Application

Any responsible party may apply for an Eximbank preliminary commitment, which outlines the amount, fees, and other terms and conditions of the financial assistance that Eximbank is prepared to authorize for a potential export. Preliminary commitments are usually valid for 6 months. A final commitment is a formal authorization of Eximbank support. It is not necessary to have a preliminary commitment before a final commitment can be authorized. Only the borrower may apply for a final commitment for a loan. The borrower or lender may apply for a final commitment for a guarantee.

Applicant forms may be obtained by contacting Eximbank. Upon submission, the forms must be accompanied by a one-time $100 processing fee. Eximbank charges a 1/2 percent annual commitment fees on the undisbursed balance of loans and a 1/8 to 1/2 percent annual fee for loan guarantees. In addition, Eximbank charges the exporter a front-end exposure fee based on the lending term, the type of borrower or guarantor, and the borrower's country.

Contact

Export-Import Bank of the United States
811 Vermont Avenue, NW.
Washington, D.C. 20571
Tel: (202) 566-2117
Fax: (202) 566-7524
Telex: WUT 89461 [EXIMBANK WSH]
TRT 197681 [EXIM UT]
Export Finance (Loan and Loan Guarantee):
Tel: (202) 566-8955
Insurance:
Tel: (202) 566-8955

Foreign Credit Insurance Association Management Company, Inc.

Headquarters: 40 Rector Street, 11th Floor
New York, New York 10006
Tel: (212) 306-5000

Regional Marketing Offices:

20 North Clark Street, Suite 910
Chicago, Illinois 60602
Tel: (312) 641-1915

80 SW 8th St., Suite 1800
Miami, Florida 33130
Tel: (305) 372-8540

Texas Commerce Tower, Suite 2860
600 Travis
Houston, Texas 77002
Tel: (713) 227-0987

40 Rector St., 11th Floor
New York, New York 10006
Tel: (212) 227-7020

Wells Fargo Center, Suite 2580
333 South Grand Avenue
Los Angeles, California 90071
Tel: (213) 687-3890

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation (OPIC) is a U.S. Government agency whose purpose is to promote economic growth in developing countries by encouraging private U.S. investment in those nations. OPIC assists U.S. investors in this effort through three main programs: insuring investment projects against a broad range of political risks; financing of investments through direct loans and loan guaranties; and providing investor services, including advisory services, country and regional information, computer-assisted project/investor matching, investment missions, and outreach.

During fiscal year 1991, OPIC provided $280 million in political risk insurance for 16 projects in CBI countries and extended $59.6 million in financing for eight Caribbean Basin-based projects. In the Andean region, OPIC supported four projects through the finance program at a level of $96.2 million and insured seven projects against political risk.

Political Risk Insurance

OPIC insurance covers investments in the form of equity, debt (personal, bank, or corporate), loan guarantees, technical assistance, leases, and other forms of investment. OPIC insurance is available to cover inconvertibility (of the local currency), expropriation, and political violence (war, revolution, insurrection, civil strife, sabotage, and terrorism). Base premium rates vary according to project type: for manufacturing and services projects base premium rates are 0.3 percent for inconvertibility, 0.6 percent for expropriation, 0.6 percent for political violence assets coverage, and 0.45 percent for business income coverage. These rates may be adjusted up or down by as much as one third, depending on the risk profile of the specific project.

OPIC will cover a maximum of 90 percent of a proposed investment for 20 years. Coverage of 12 years is available for mining, oil, and gas projects with an option to extend to 20 years with OPIC's approval. A special type of political risk insurance is also available to U.S. contractors and exporters who are bidding or signing contracts to provide goods and services to foreign buyers. Contractors may insure against contractual disputes with the buyer and wrongful calling of guarantees posted in favor of the buyer as bid, advance payment, performance, or other guarantees.

Eligibility

Eligible investors pursuing new investment in developing countries that have signed bilateral agreements with the U.S. Government (over 130 countries as of July 1992) may qualify for OPIC insurance. While OPIC programs operate in all CBI beneficiary countries and in the Andean countries of Bolivia, Colombia, and Ecuador, investors should consult with OPIC regarding the current status of each coverage in a specific country. OPIC defines an eligible investor as a U.S. citizen, a U.S. corporation that is majority owned by U.S. citizens, or a foreign business that is at least 95 percent owned by investors eligible under one of the other categories. In addition to new investment, investment may also be eligible for insurance if it is used for the expansion or modernization of an existing project.

OPIC supports, finances, and insures projects that have a positive impact on U.S. employment and the host country's economy and environment. To qualify for OPIC insurance, a project must be consistent with the developmental goals of the host country and not adversely affect U.S. employment or balance of payments. While joint venture investment are eligible for OPIC insurance, only the portion of the joint venture held by an eligible investor qualifies for coverage.

Application

To apply for OPIC insurance, the eligible investor must obtain an OPIC registration letter before the investment has been made or irrevocably committed. A registration letter is requested through submission of OPIC Form 50, entitled "Request for Registration for Political Risk Investment Insurance." This brief form requires basic information on the eligibility of the investor, the project, the host country, the investment, and the type of coverage desired. The registration letter, valid for 1 year and renewable thereafter, is not binding on either the investor or OPIC. Once a project has been registered, formal OPIC application forms will be mailed to the investor. These should be filed as soon as the final form of investment is reasonably clear. All projects must receive foreign government approval prior to the issuance of OPIC insurance. OPIC will provide the investor with guidelines for securing the foreign government approval.

Finance

OPIC implements its financing program through direct loans and loan guarantees that provide medium- to long-term funding to ventures involving significant equity and management participation by U.S. businesses.

OPIC participation is limited to 50 percent of the total cost of a new venture, with up to 75 percent participation possible in the case of expansion of a successful existing business.

Direct loans from OPIC are available only for financing projects sponsored by or significantly involving U.S. small businesses or cooperatives. These loans range from $500,000 to $6 million.

Interest rates on OPIC loans are determined by OPIC's assessment of the financial and political risks involved, as well as the long-term capital market rate. These fixed or floating loans are generally offered at rates comparable to those of other U.S. Government-guaranteed issues of similar maturity.

Loan guarantees range from $1 million to $25 million, but can reach up to $50 million. OPIC analyzes the political and credit risks of a project in the same manner as for direct loans. Interest rates on guaranteed loans, whether fixed or floating, are comparable to those of other U.S. Government-guaranteed issues of similar maturity and are subject to OPIC approval. OPIC charges the borrower a guarantee fee of approximately 2 percent per annum on the outstanding principal amount, depending upon commercial and political risk assessment.

If OPIC provides debt financing to the project, its total combined commitment cannot exceed 75 percent of the total project cost.

Eligibility

Commercially and financially sound projects in eligible developing countries may qualify for OPIC financing. OPIC supports projects in the following enterprises: manufacturing, agricultural production, fishing, forestry, mining, energy development, and certain service industries. Some high capital-intensive investments, such as tourist facilities, are also financed. Wholly owned U.S. investments as well as joint ventures between local citizens and U.S. investors are eligible. U.S. investor equity of at least 25 percent is generally required and at least 51 percent of the voting shares should be privately held.

OPIC encourages U.S. overseas investment in sound business projects, thereby improving U.S. global competitiveness, creating U.S. jobs and increasing U.S. exports. OPIC supports, finances, and insures projects that have a positive impact on U.S. employment and the host country's economy and environment. Projects must exhibit a solid financial structure. Generally, a ratio of 60 percent debt to 40 percent equity is acceptable. The proceeds of OPIC financing may be spent for capital goods and services exclusively from the United States, the host country, or in other less developed countries, unless the required goods and services are unavailable in these locations.

Application

Project sponsors interested in OPIC financing should provide OPIC with a business plan for the proposed project, including the following: a general project description; general background on the project sponsors and audited financial statements of the sponsors; sourcing and marketing plans; a summary of project costs and capital good/service procurement sources; a proposed financing plan, including anticipated OPIC participation and financial projections; and a brief statement of the economic and social development contribution potential of the project.

Following OPIC's preliminary review and approval, the sponsors will be asked to provide certain specific economic, financial, and technical information as a formal application for financing. OPIC review and decisions on a financing proposal may take from 1 to 6 months, depending on the thoroughness of the applicant's information. Host foreign government approval is required prior to final OPIC commitment on direct loans or loan guarantees.

Contact

Overseas Private Investment Corporation
1100 New York Avenue, NW.
Washington, D.C. 20527
Tel: (202) 336-8400
Telex: 4938219 OPIC UI
Fax: (202) 408-9859

OPIC Insurance:
- Central American countries
  - Tel: (202) 336-8579 or 366-8585
- Caribbean countries
  - Tel: (202) 336-8583
- Andean countries
  - Tel: (202) 336-8582

OPIC Financing:
- Caribbean Basin countries
  - Tel: (202) 336-8490
- Andean countries
  - Tel: (202) 336-8495

OPIC Investment Mission Program:
Tel: (202) 336-8647

OPIC Pre-Investment Services
(Opportunity Bank and Investor Information):
Tel: (202) 336-8651

PUERTO RICO'S CARIBBEAN DEVELOPMENT PROGRAM (Internal Revenue Code Section 936)

Puerto Rico's Caribbean Development Program was established in 1986 to complement the federal Caribbean Basin Initiative (CBI). One of the CDP's objectives is to facilitate the use of section 936 financing in eligible CBI beneficiary countries. Under Section 936 of the Internal Revenue Code, U.S. corporations manufacturing in Puerto Rico are partially exempt from U.S. and Puerto Rico tax on their income derived from sources in the Commonwealth of Puerto Rico. Because of local and federal tax incentives, 936 companies are induced to invest their profits, known as 936 funds, in eligible activities in Puerto Rico and, since 1987, in eligible projects in qualified CBI beneficiary countries.

Most of the 936 funds are invested through commercial and investment banks in Puerto Rico. Section 936 funds are usually no easier to obtain than other forms of commercial financing: their main attraction is that the base interest rate offered is approximately 85 percent of LIBOR, with the total cost equivalent to 1 to 2 percentage points below market rates. Most 936 loans are expected to be offered on a 5- to 10- year term.

Section 936 was amended by the U.S. Congress in 1986 to authorize loans of these funds for qualifying projects in any CBI beneficiary country that has entered into a Tax Information Exchange Agreement (TIEA) with the United States. As of June 30, 1992, $620 million in 936 funds had been disbursed for 33 projects, ranging in size from $300,000 for a hand tool manufacturer in Barbados to $80 million for a natural gas facility in Trinidad. An additional $267 million in lending is being negotiated by financial institutions.

In January 1990, the Government of the Commonwealth of Puerto Rico established a new financing mechanism, the Caribbean Basin Projects Financing Authority (CARIFA) to finance medium- and large-sized projects in eligible CBI countries. Through this facility, borrowers can access 936 funds by issuing industrial revenue bonds. Because the bonds are purchased directly by 936 corporations, thereby eliminating an intermediary, the interest rate is lower than the conventional 936 commercial banking market. CARIFA is usually the most efficient way for borrowers needing loans of more than $10 million for a project.

Recognizing the need to improve the flow of funds to smaller regional projects, the Puerto Rico USA Foundation, an organization comprised of U.S. companies operating in Puerto Rico under section 936, has established a $100 million fund designed to loan 936 funds to projects up to $10 million. This specialized financing institution, established in late 1991 and known as the Caribbean Basin Partners for Progress, closed five transactions in its first 6 months of operation, with an average loan amount of $600,000. In addition to the Partners for Progress, further efforts are being made to increase the accessibility of 936 funds for small projects. Plans for a guarantee fund utilizing the proceeds of CARIFA bond issues and contributions from the Government Development Bank for Puerto Rico and 936 corporations, for example, were in an advance stage of development as of July 1992.

Eligibility

Manufacturing, agricultural, tourism, and infrastructure projects in qualified CBI beneficiary countries are eligible for Section 936 financing. To qualify, a CBI beneficiary country must have signed a Tax Information Exchange Agreement (TIEA) with the U.S. Government. As of July 1992, nine countries have entered into TIEAs: Barbados, Costa Rica, Dominica, Dominican Republic, Grenada, Honduras, Jamaica, St. Lucia, and Trinidad and Tobago. Investors from any country may apply for Section 936 financing as long as the project is located in a qualified CBI country.

Specific projects must be approved by the

Commissioner of Financial Institutions in Puerto Rico and conform to U.S. Treasury regulations to qualify for Section 936 financing. In addition, Puerto Rico's Economic Development Administration (Fomento) must determine that projects have a neutral or positive impact on the economy of Puerto Rico and a positive impact on the host CBI beneficiary country.

U.S. Treasury Department regulations dictate that the loan be made for investment in active business assets or a development project in a qualified Caribbean Basin country. Business assets are defined as acquisition, construction, rehabilitation, improvement, upgrading all but the acquisition of real property; new tangible personal property (furniture, machinery, or equipment) or certain used tangible personal property that has not been in the country for the last 5 years; rights to intangible property (that is, patent or franchise), other than rights the use of which would give rise to U.S. source income; mineral exploration and development expenditures; certain living plants and animals; or other assets subject to U.S. Treasury Department discretion. Development projects are those that support economic development and satisfy public use in the eligible Caribbean Basin country (that is, transportation, communications, training, industrial parks, convention facilities, and utilities).

Section 936 funds held by commercial financial institutions may support either complementary or stand alone projects. Commercial banks and investment banks usually require a credit enhancement or loan guarantee (that is, commercial letter of credit, international insurance company or corporate guarantee, multilateral organization, or non-host country foreign government organization guarantee). Section 936 funds loaned by the Government Development Bank of Puerto Rico are limited to complementary plants.

Application

A prospective borrower can approach Puerto Rico's Caribbean Development Program for an initial evaluation and/or orientation. When a detailed business plan for the project has been completed, an assigned staff member can help arrange meetings with local financial institutions. Once a prospective investor finds a financial institution willing to make the loan, the Caribbean Development Program will help expedite the formal regulatory endorsement required.

Alternatively, a prospective borrower can go directly to one of Puerto Rico's financial institutions to present the project business plan. A list of these financial institutions is available from the Caribbean Development Program.

Contact

Caribbean Development Program
Department of State
Commonwealth of Puerto Rico
P.O. Box 3271
San Juan, Puerto Rico 00902-3271
Tel: (809) 721-1751
Fax: (809) 723-3304

U.S. Department of Treasury
Internal Revenue Service
Office of Associate Chief Counsel (International)
1111 Constitution Avenue, NW.
Washington, D.C. 20224
Tel: (202) 622-3810
Fax: (202) 566-3368

U.S. SMALL BUSINESS ADMINISTRATION

The U.S. Small Business Administration (SBA) provides financial and business development assistance to encourage and help small businesses in developing export markets.

SBA assists businesses in securing the capital needed to explore, establish, or expand international markets. SBA loan facilities available include: the Regular Business Loan Program, Export Revolving Line of Credit Program, and International Trade Loans. Borrowers can use different SBA loan programs and types of loan guarantees simultaneously, as long as the total SBA-guaranteed portion does not exceed the agency's $750,000 statutory loan guaranty limit to any one borrower.

Loans are extended through a commercial lender with an SBA guarantee. The lender may charge a maximum interest rate of 2.75 percent-

age points above the New York prime interest rate, or 2.25 percentage points above New York prime if the maturity is less than 7 years.

Regular Business Loan Program

Through the Regular Business Loan Program, the SBA can guarantee up to 90 percent of a bank loan for fixed assets and working capital at a level of up to $155,000. For larger loans, the maximum guaranty available is 85 percent of a loan or $750,000, whichever is less. Loan guarantees for general purpose working capital loans have a maximum maturity of 7 years. Loan guarantees for general purpose working capital loans have a maximum maturity of 7 years, while loans for fixed asset acquisition have a maximum maturity of 25 years.

Eligibility

Companies may be eligible for the Regular Business Loan Program if they operate on a for-profit basis and meet SBA qualification standards, which vary according to sector and are generally based on the average number of employees over the last year or sales volume over a 3-year period. Export trading companies and export management companies may also be eligible for this program. Loans cannot be made to businesses involved in the creation or distribution of ideas or opinions, such as newspapers, magazines, and academic schools. Other types of ineligible borrowers include businesses engaged in speculation or investment in rental real estate. Loans can be used for general purpose working capital and fixed asset acquisition.

Export Revolving Line of Credit Program

The Export Revolving Line of Credit (ERLC) Program offers short- to medium-term guarantees to support the financing of export-related manufacturing, wholesaling, or marketing.

The ERLC Program offers a credit line up to 36 months. Loans are generally for 12 months, with options to renew. Any number of withdrawals and repayments can be made as long as these do not exceed the dollar limit of the credit line and the disbursements are made within the stated maturity period.

Eligibility

To be eligible for the ERLC Program, a company must operate on a for-profit basis and meet SBA qualification standards, which vary according to sector and are generally based on the average number of employees over the last year or sales volume over a 3-year period. Also, applicants must have been in business, although not necessarily exporting, for at least 12 months of continuous operation before filing an application. The 12-month requirement may be waived by the SBA regional office if the firm's management has sufficient export trade experience or enough management ability to warrant an exception.

Loans can be used to finance labor and materials for manufacturing or wholesaling for export, to develop foreign markets, or to finance foreign accounts receivable. Foreign business travel and participation in trade shows are also among the eligible uses, although a regular business loan may be more appropriate for these purposes.

International Trade Loans

The International Trade Loan Program provides long-term financing for working capital and fixed assets to help small businesses compete more effectively and to expand or develop export markets.

Loan maturities cannot exceed 25 years, excluding the working capital portion of the financing. The SBA's guarantee cannot exceed 85 percent of the loan amount, thus precluding loans of $155,000 or less. The agency's maximum share for facilities or equipment loans is $1 million, plus $250,000 for working capital.

Eligibility

International Trade Loans can be used to purchase or upgrade facilities or equipment, and to make other improvements that will be used within the United States to produce goods or services. Proceeds can be used to buy land and buildings; build new facilities; renovate, improve, or expand existing facilities; purchase or recondition machinery, equipment, and fixtures. The working capital portion of the bor-

rowing could be an ERLC or a portion of the term loan. Debt payments cannot be made with these loan proceeds.

To be eligible for an International Trade Loan, a company must demonstrate that either the loan proceeds will significantly expand existing export markets or develop new ones, or that the applicant's business is adversely affected by import competition.

Application

Eligible companies interested in pursuing SBA financing should request their commercial lending institution to seek SBA participation if the lender is unable or unwilling to make the loan directly. The financing staff of each SBA district and branch office administers the financial assistance programs and can provide interested companies with a list of participating lenders.

Contact

Any U.S.-based commercial bank

Small Business Administration District Office
(Consult local telephone directory)
or
Small Business Administration Answer Desk
Tel: 1-800-8-ASK-SBA
Fax: (202) 205-7064

U.S. TRADE AND DEVELOPMENT PROGRAM

The U.S. Trade and Development Program (TDP), an independent agency, primarily finances feasibility studies to support U.S. firms competing for public sector projects in developing and middle income countries that are potential export markets for U.S. goods and services. Definitional studies designed to assess the potential of a proposed project on behalf of TDP are also financed and represent a good opportunity for small consulting firms with the appropriate technical background to be active internationally. In limited cases, TDP finances feasibility studies on a cost-sharing basis to assist eligible U.S. investors in developing private projects.

Recent TDP activities in the Caribbean Basin have included, among others, funding feasibility studies for rural telecommunication expansion in Guatemala, a cement plant/kiln replacement in Trinidad and Tobago, construction of a container facility in El Salvador, and an airport expansion in Jamaica. In the Andean region, recent TDP activities have included a mineral assessment in Bolivia and the development of a master plan for heavy oil reserve development in Ecuador..

Eligibility

Projects in all Caribbean Basin Initiative beneficiary countries and the Andean countries of Colombia, Ecuador, and Bolivia may qualify for TDP support, if the following key criteria are met: the project must support a high development priority of the host country government; it must be likely that implementation of the project would result in substantial procurement of U.S. goods and services; the availability of funding for project implementation must be demonstrated; and it must be clear that TDP support would assist in securing U.S. export markets.

Application

Requests for TDP financing should be made to either the U.S. Commercial Officer in the respective Caribbean Basin or Andean country or directly to the TDP representative in Washington, D.C.

Contact

In Washington, D.C.:
Director, Latin America
U.S. Trade and Development Program
U.S. Department of State
Washington, D.C. 20523
Tel: (703) 875-4357
Fax: (703) 875-4009

In Caribbean Basin or Andean country:
Commercial Counselor
U.S. Embassy in the
specific country

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (Industrial Cooperation Program)

The Industrial Cooperation (INC) Program of Canada's International Development Agency supports Canadian private sector initiatives aimed at establishing joint ventures or other business arrangements in order to transfer technology to developing countries. Funding is available to Canadian firms for pre-investment travel and studies and certain start-up costs associated with long-term business arrangements in developing countries. Since its establishment in 1978, the INC program has disbursed $38 5 million to support more than 1,650 Canadian firms in business ventures in some 95 developing countries.

A number of specific facilities are offered on a grant basis within the INC Program. Starter and Viability Studies provide pre-investment grants, of up to $15,000 and $100,000 respectively, for travel required to establish business contacts and conclude joint venture negotiations. A project Support Facility provides financial support of up to $500,000 to offset certain costs associated with the start-up phase of a long-term business collaboration in a developing country, such as personal costs, living expenses, and travel.

Eligibility

INC Program assistance is available to Canadian companies to support investment proposals that clearly demonstrate mutual social, economic, and industrial benefits to the host country and to Canada. All CBI beneficiaries excluding Aruba and the Netherlands Antilles are eligible host countries under the INC Program. In the Andean region, Bolivia, Colombia, Ecuador, and Peru are also eligible for INC financing. INC will not cover any costs that are covered by financial assistance from any other source.

Application

Canadian firms identifying opportunities consistent with the goals of the INC Program should contact the program manager responsible for the specific country of interest in order to discuss the eligibility of the proposal for INC Program financing. Applications for the various categories of INC Program support require background on the requesting firm's management, finances, and related experience, as well as a description of the proposal. Proposals are judged against the following criteria: anticipated benefit to the developing country; potential for success; applicant's resources and capacity to implement the proposed project; the level of risk to be shared by the Canadian firm; and the assistance to be provided.

Contact

Canadian International Development Agency
Industrial Cooperation Program
Industrial Cooperation Division
200 Promenade du Portage
Hull, Quebec
KIA OG4
Tel: (819) 997-7901
Telex: 053-4140
Fax: (819) 953-5024

COMMONWEALTH DEVELOPMENT CORPORATION

The Commonwealth Development Corporation (CDC) is a wholly owned British Government corporation that provides medium- and long-term loan and equity financing for development-related private and public sector projects in selected countries. CDC capital, currently $1.6 billion [pounds sterling (L)875 million] is based on concessional borrowings from the British Government and CDC retained surpluses. Since 1984, CDC has committed $301 million (L161 million) in loan financing for 38 projects in the Caribbean Basin, concentrated in utilities (33 percent), agriculture/agribusiness (20 percent), housing (13 percent), telecommunications (12 percent) finance/development banks (10 percent), industry (4 percent), tourism (4 percent), mining (3 percent), and transportation (1 percent). In addition, CDC has invested $24.5 million (L13.1 million) of equity into 13 projects, concentrated in manufacturing/agriculture (68

percent), utilities (18 percent), development finance (8 percent), tourism (2 percent), and industry (2 percent). In the Andean region, CDC has supported three projects in Ecuador at a level of $49 million (L26 million).

CDC provides funds as medium- to long-term loans, equity, or loans with equity features. The minimum loan size for private sector projects is $400,000 (L250,000). Although CDC does not have a maximum for project investment, its largest investment to date is for $41.6 million (L26 million). For private sector projects, CDC expects project sponsors to provide at least 40 percent of the capital for a new project. CDC would not normally consider financing more than 50 percent of the total project cost, except where the project is a CDC-managed subsidiary. Loan terms range from 8 to 25 years, including a 2 to 5-year grace period. Loans are generally extended in pounds sterling, but may also be in U.S. dollars. The borrower assumes 100 percent of the foreign exchange risk.

CDC equity participation normally ranges between 10 and 20 percent, except when holding a managing position. CDC is willing to take a majority equity holding position if it is appointed as project manager. Once a project has been successfully established, CDC is prepared to dispose of its equity in whole or in part on a willing seller, willing buyer basis. In addition, CDC generally makes loans to projects in which it has an equity stake.

Eligibility

The CDC is active in the following CBI countries: Antigua, Barbados, Belize, British Virgin Islands, Costa Rica, Dominica, Grenada, Guyana, Honduras, Jamaica, Montserrat, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago and in the Andean country of Ecuador. In addition, St. Kitts-Nevis and Nicaragua are eligible for CDC financing.

CDC financing is available for projects in the following sectors: agriculture, including livestock, horticulture, and aquaculture; forestry; fishing; mineral extraction; industry; public utilities; transport; telecommunications; low-cost housing; hotels; construction and civil engineering; financial management and consultancy services; and leasing of assets. Although no borrower nationality restrictions exist, CDC generally prefers sponsors who are either British or resident in or nationals of the country where the investment is to be made.

Application

Project sponsors should present detailed feasibility studies to the appropriate CDC representative office. CDC will conduct a preliminary assessment and, if viable, will prepare an appraisal report on the project. The CDC project assessment and required approvals require approximately 6 to 9 months. For loans, the borrower is charged a commitment fee of 1 percent on the undrawn balance and a front-end fee of 1.25 percent.

Contact

For Central America:
CDC Representative for Latin America
Apartado 721-1000
San Jose, Costa Rica
Tel: (506) 22-09-69
Telex: 721 VELOPL
Fax: (506) 22-08-90

For Jamaica:
CDC Representative for West Caribbean
P.O. Box 23
Kingston, Jamaica
Tel: (809) 926-1164
Telex: Jamaica 2154
Fax: (809) 926-1136

For Antigua, Barbados, British Virgin Islands, Dominica, Grenada, Guyana, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago:
CDC Representative for East Caribbean
P.O. Box 619
Castries, St. Lucia, West Indies
Tel: St. Lucia 28411/ 28422
Telex: St. Lucia 6222
Fax: St. Lucia 20064

Headquarters (For Ecuador):
Commonwealth Development Corporation
One Bessborough Gardens
London, England SW1V 2JQ
Tel: (441) 828-4488
Telex: (51) 21431 VELOP G
Fax: (441) 828-6505

EUROPEAN INVESTMENT BANK

The European Investment Bank (EIB) provides long-term financing in the form of loans and risk capital (equity and quasi-capital) for productive capital projects in the African, Caribbean, and Pacific (ACP) signatory countries of the Lome Convention and in the Overseas European Territories (OCTs). EIB is owned by the European Community member states that subscribe to the bank's 57.6 billion European Currency Unit (ECU) capital. EIB operates on a nonprofit basis. The funds required for financing lending operations are mainly borrowed on the international capital market. Since 1986, EIB financing for projects in the Caribbean Basin has totaled approximately $210 million in global loans to development banks (40 percent), industry and tourism (23 percent), infrastructure (20 percent), energy (16 percent), and feasibility studies (1 percent).

Direct loans, from capital market funds, are available from a minimum size of $500,000 up to a maximum size of $30 million. Interest rates are determined by market conditions and the loan term. The term depends upon the nature of the project: the term for industrial projects is generally between 10 and 12 years, and for infrastructure projects may be for up to 15 or 20 years. EIB financing may cover up to 50 percent of a project's total fixed asset cost. A guarantee from the host country or territory is generally required, although other first-class guarantees may be considered. EIB loans are denominated in ECUs and may be disbursed in a variety of currencies. Loan repayments are made in the same currency as those originally disbursed. Interest rates, which are subsidized from the European Development Fund, range between 3 and 6 percent.

Risk capital financing is provided from member states' budgets, not borrowed funds; therefore, it can be offered at more flexible terms and conditions. Risk capital financing can be used for direct capital investment needs, feasibility studies, equity participation, and conditional or subordinated (quasi-capital) loans.

EIB may accept minority equity participation in the name and for the account of the European Community, often in conjunction with a loan or with quasi-capital financing. Quasi-capital financing is available either in the form of subordinated loans, with interest payable only after other bank debts are settled, or conditional loans, with repayment dependent on the achievement of certain financial or technical targets.

Concessionary terms and conditions are offered with quasi-capital financing. In general, financing is available for a 25-year term with interest rates on conditional loans and subordinated loans ranging from 1 to 3 percent. Risk capital financing may cover more than 50 percent of project costs and may reach 100 percent in the case of feasibility study financing.

In addition, EIB offers global loans (credit lines) to intermediary financial institutions in ACP countries for financing small and medium-sized enterprises. Drawings on credit lines through this mechanism range from $60,000 to $3 million per project, depending on the global loan concerned. A number of local Caribbean financial institutions offer financing from EIB global lines.

Eligibility

Industrial, agro-industrial, tourism, energy, mining, and revenue-generating infrastructure projects in qualifying countries and territories are eligible for EIB financing. Qualifying countries and territories include both ACP states (including the CBI beneficiaries of Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St. Lucia, St. Vincent and the Grenadines, St. Kitts-Nevis, and Trinidad and Tobago) as well as the OCTs under a separate European Council Decision (including the CBI beneficiaries of Aruba, Netherlands Antilles, British Virgin Islands, and Montserrat). Private, public, or semipublic enterprises may receive EIB financing. Neither the status nor nationality of the borrower has any bearing on financing availability or terms offered.

Application

Project sponsors should contact EIB at an early stage of project development. Early contact

enables EIB to determine the potential eligibility of the package and provide support for a feasibility study, if necessary. Complete project documentation must be prepared, either with or without EIB assistance. This must include: general and legal project and sponsor information; technical data (including environmental impact, cost projections, and operation plans); data on the production costs and marketing projections; assessment of the project impact on employment generation and balance of payments; and a complete financial analysis (operating costs, working capital requirements, financing plan, and security offered). In addition, at a fairly early stage, the formal approval of the host country government must be obtained.

Contact

European Investment Bank
100 Boulevard Konrad Adenauer
Luxembourg L-2950
Tel: (352) 43791
Fax: (352) 43 7704

GERMAN FINANCE COMPANY FOR INVESTMENTS IN DEVELOPING COUNTRIES

The German Finance Company for Investments in Developing Countries (DEG) provides long-term financing in the form of loans and equity, as well as advisory services for private sector projects in developing countries. DEG, established in 1962, is a wholly owned company of the Federal Republic of Germany.

DEG has a capital base of $660 million (1 billion Duetsche Marks); additionally, it refinances parts of its operations on the capital market by means of loans. As of 1991, DEG has supported 13 projects in Caribbean Basin countries concentrated in the manufacturing, tourism, and financing sectors. DEG financial commitment in these projects includes $32.4 million in loans and $3.3 million in equity investment. In the Andean countries of Bolivia, Colombia, Ecuador, and Peru, DEG has supported nine projects concentrated in agriculture, mining, manufacturing, and financial sectors through approximately $20 million in loans and $8 million in equity investment.

DEG advisory services include identification of financially viable project proposals; support in business partner selection; comprehensive consultancy services at all stages of project development and implementation; assistance in arranging financial packages by providing own funds and matching funds from private investors, local development banks and international institutions; and consultancy services to institutions close to governments in the field of private sector promotion.

Most DEG financial support aims at joint venture arrangements in developing countries. No formal limit exists on the loan size available from DEG. Loans are usually denominated in Deutsche Marks and in special cases in U.S. dollars. Fixed or variable interest rates are offered at a level related to the German capital market. Terms are settled between 5 and 10 years, with up to a 3-year grace period. DEG contribution (equity and loan financing) to a single project may not exceed 50 percent of the total project cost. In the case of an equity investment, DEG limits its participation to a minority partner.

Eligibility

Private projects in the following sectors are eligible for DEG financing: mining, agriculture, agro-industry, manufacturing, tourism, development bank, capital market activities, and productive services. Eligible projects in all developing countries, excluding territories, qualify for DEG financing. Borrowers must be companies in developing countries. DEG supports joint ventures with an equity investment of German or other foreign partners, as well as local projects in which only qualified partners from developing countries are involved. Projects in CBI and Andean countries are eligible for DEG financing.

Application

Requests for advisory services and for financing should be presented to the Central Marketing Department or the South America Department of DEG. There is no standard DEG application form.

Contact

German Finance Company for Investments in Development Countries
Central Marketing or South America Department
Belvederestrasse 40
P.O. Box 45 03 40
D5000 Cologne 41
Federal Republic of Germany
Tel: [49](221) 4986-0
Telex: 8 881 949 deg d
Fax: [49](221) 4986-290

INDUSTRIALIZATION FUND FOR DEVELOPING COUNTRIES

The Industrialization Fund for Developing Countries (IFU), a Government of Denmark program established in 1967, provides loans, guarantees, and equity for joint venture projects in developing countries. In addition, IFU may finance feasibility studies. The IFU's total equity capital is valued at $200 million [Danish Kroner (DKKm) 1.2 billion]. IFU involvement in the Caribbean Basin as of 1991 includes $700,000 (DKKm 5 million) in equity and $1.7 million (DKKm 12 million) in loans to two agricultural ventures and one tourism project. IFU activities in the Andean region include $6 million (DKKm $35 million) in equity and $6.5 million (DKKm 40 million) in loans for 10 ventures.

IFU's financial involvement in a joint venture is generally limited to 25 percent of the total investment. IFU usually provides equity and a loan guarantee for an eligible joint venture. However, an independent loan or a guarantee may also be sought. Equity participation, which cannot exceed that of the Danish partner, is generally limited to 30 percent for a 5- to 10-year period. The maximum loan amount depends on IFU equity involvement in the project. Together, loan and equity support cannot exceed 25 percent of the total investment. Loans are available on a 4- to 8-year term, including up to a 2-year grace period. The interest rate is equal to Danish LIBOR plus 2 to 3 percent, depending on a country risk evaluation. IFU can provide guarantees for loans from other sources at a 1.5 percent per annum commission.

IFU feasibility study loans for the Danish partner are available for a 2-year term with an interest rate equal to the official Danish discount rate plus 2 percent. The loan size available is determined by the specific project.

Eligibility

IFU financing is limited to joint venture projects with participation of a Danish company in eligible developing countries. Significant local equity participation is expected in the joint venture. Projects must be consistent with the development plans of a host country to be eligible for IFU financing. Qualifying projects in all Caribbean Basin and Andean countries with a per capita income of $3,000 or below are eligible for IFU financing. This criterion excludes Barbados and Trinidad and Tobago

Application

Requests for IFU financing should be directed to the main IFU office in Copenhagen. The following information should be included in the joint venture proposal: background on the local/Danish project promoter and the complete project proposal (description, capital structure, marketing plans, and role in local development plans).

Contact

Industrialization Fund for Developing Countries
Bremerholm 4
P.O. Box 2155
DK-1069
Copenhagen, Denmark
Tel: 45-33-14 25 75
Telex: 15493 IFU DK
Fax: 45-33-32 25 24

NETHERLANDS DEVELOPMENT FINANCE COMPANY

The Netherlands Development Finance Company (FMO) provides equity and feasibility study financing, as well as technical assistance, for projects in developing countries. Established in 1970, FMO is jointly owned by the Government of the Netherlands and Dutch private business and industry. FMO funds for investment are borrowed on the Dutch capital market. The FMO project portfolio for the Caribbean Basin includes 15 projects receiving approximately $27.2 million [Dutch Guilder (f) 45.2 million] in financing. These projects are concentrated in the agricultural and agro-industrial, financing (development banks), and manufacturing sectors. In the Andean region, FMO has financed four projects with $11.2 million (f18.6 million) in loans and $1.1 million (f1.9 million) in equity.

FMO total financial interest in a single project ranges between 10 and 30 percent of total project costs, not to fall below $1 million or exceed $20 million. Loans are available for a 5- to 15-year term, with an appropriate grace period. A fixed interest rate is offered at the rate for private state-guaranteed loans on the Dutch capital market plus a surcharge. Loans are denominated in Dutch Guilders and U.S. dollars. Occasionally, floating rates are possible on a LIBOR plus margin basis. Equity shares are paid in local currency.

Eligibility

Projects in the industrial, agricultural, and financial sectors are eligible for FMO financing. Enterprises in other sectors may be considered, but are given a lower priority. Dutch participation in a project is not required.

Application

Project sponsors interested in FMO financing should request a formal application from FMO headquarters. Once the written application and supporting questionnaire are completed and submitted, FMO will determine whether or not to accept the project for investigation. If accepted for investigation, FMO will thoroughly analyze the project, visit the project site, and consult with project sponsors and relevant authorities. If a project is approved, the financing agreement will be sent to the applicant. Once the agreement has been signed and all conditions fulfilled, payment of the share participation or loan disbursement will take place.

Contact

Netherlands Development Finance Company
62 Bezuidenhoutseweg
P.O. Box 93060
2509 AB The Hague
Netherlands
Tel: [31](70) 3419641
Telex: 33042
Fax: [31](70) 3471733

OVERSEAS ECONOMIC COOPERATION FUND

The Overseas Economic Cooperation Fund (OECF) of Japan is an agency of the Japanese Government responsible for the administration of a portion of Japan's official development assistance to developing countries. The major financial activity of the OECF is concessional loans to the governments of developing countries. In addition, OECF provides loans, equity investments, and financing of feasibility studies for private sector development projects in developing countries. The financial facility for promoting private sector development constitutes only about 2.4 percent of OECF's total outstanding balance as of March 1992. Although there are no restrictions on the borrower's nationality, most financing has been provided to Japanese partners of joint ventures in developing countries.

OECF's principal sources of funding include an annual appropriation from the Japanese Government guaranteed bond issues. Since OECF was established in 1961, loans and equity investments for 751 projects in developing countries totaling approximately $3.5 billion (454 billion Japanese Yen) have been extended. This includes support for 17 loans valued at $33.3

million (4.3 billion Yen) to projects in the Caribbean Basin countries and 33 loans valued at $100 million (13 billion Japanese Yen) to projects in the Andean countries.

The interest rates applied for OECF loans to private projects is 4.25 percent per annum as of June 1992. Repayment terms, based on the profitability and cash flow of the specific project, are up to 20 years, including a maximum grace period of 5 years. Although there are no specific regulations on the loan size available, most loans range from $500,000 to $10 million. OECF may finance up to 70 percent of the total project funding. Disbursements are usually made in Japanese Yen.

Equity participation by OECF is limited to 50 percent of an eligible investment. OECF must be involved in the management of an invested project. Feasibility studies may also be financed by OECF for up to 70 percent of the total cost of the study.

Eligibility

OECF financing targets development projects that may not be able to be implemented by the private sector alone. Eligible projects include agriculture (excluding agribusiness), livestock breeding, forestry (mainly afforestation), aquaculture, and mining (exploration only). No sectoral restrictions are imposed on OECF financing for experimental project implementation (that is, pilot projects and preparatory surveys).

Although direct financing of local corporations in developing countries is eligible according to OECF regulations, in practice, most loans and equity investments are provided to Japanese partners and/or Japanese firms in developing countries.

Application

Requests for OECF financing may be forwarded directly to any OECF office in the world. A formal application must be submitted that includes a feasibility study, project implementation plans, adequate guarantees, and other relevant documentation. Project appraisals are conducted by OECF headquarters in Tokyo. Depending on the nature of the project, complete assessment and determination on a request for financing requires up to a few months.

Contact

In Tokyo:
Takebashi Godo Building
4-1 Ohtemachi 1-chome
Chiyoda-ku, Tokyo 100, Japan
Tel: [81](3) 3215-1407/1408/1311
Telex: J28790
Fax: [81](3) 3215-1533/1597

In Washington:
2100 Pennsylvania Ave., NW.
Suite 535
Washington, D.C. 20037-3202
Tel: (202) 463-7492
Fax: (202) 463-7496

SECTION II: INTERNATIONAL AND REGIONAL FINANCING SOURCES

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ANDEAN DEVELOPMENT CORPORATION

The Andean Development Corporation (CAF), headquartered in Venezuela, began operations as a multilateral institution in 1970. The CAF provides technical and financial support for the industrial, agriculturial, mining, infrastructure, commercial operations, and tourism sectors in the Andean countries of Bolivia, Colombia, Ecuador, Peru, and Venezuela.

CAF's authorized capital amounts to $2.1 billion of which $900 million represents subscribed capital, consisting of $453 million of paid-in capital and $448 million of guarantee capital. In addition to its capital resources, the CAF carries out fund raising activities with international public and private financial institutions, including the Inter-American Development Bank, the Canadian International Development Agency, the U.S. Agency for International Development, and international banks.

Short- to long-term financing is available through various CAF operational programs, including Technical Cooperation, Pre-investment loans, Project Execution loans, Equity Participation in Andean Multinational Corporations, and Trade Financing.

Technical Cooperation

Technical Cooperation loans provide financing to support the execution and diffusion of studies aimed at the identification of investment opportunities. This financing also facilitiates the implementation of such projects, as well as supports management training and other priority technical cooperation activities. Technical Cooperation financing is available for up to $100,000 per project and is extended on either contingent loans or non-reimbursable grant basis. Contigent loans carry favorable terms and conditions.

Resources for technical cooperation are also available through special programs including the Productivity Fund, the Samll Enterprise Fund, and the Andean Biotechnology Fund.

The Productivity Fund is designed to support industrial development in the Andean region through expansion of productivity and efficiency that will improve the quality and competitive capacity of established companies. Resources from this fund can be used for technology transfer, related employee training, studies and implementation of productivity and industrial reconversion methods, promotional seminars, diagnostic technical assistance, and meeting institutional and legal requirements.

The Small Enterprise Fund provides financing for studies on project identification, sectoral targeting, marketing, and feasibility that assist in the development of small enterprises.

The Andean Biotechnology Fund provides support for the development of biotechnology projects that contribute to improved agricultural production, including scientific investigation and actual production.

Pre-Investment Loans

Pre-Investment loans are available to support pre-investment studies on project identification, prefeasibility, feasibility, basic and detail engineering, and technology selection. The minimum loan amount is $50,000 for Colombia, Peru, and Venezuela, and $25,000 for Bolivia and Ecuador. The maximum loan amount is established on a case-by-case basis. Interest rates are adjusted periodically by the CAF Board of Directors. Repayment terms are available for up to 10 years.

Project Execution Loans

Project Execution Loans can be utilized to finance most implementation aspects of a specific project. This loan mechanism cannot be used for land acquisition or payment of taxes.

The loan sizes available through this mechanism for projects in Colombia, Peru, and Venezuela are a maximum of 70 percent of total project costs and a minimum of $500,000. For projects in Bolivia and Ecuador loan amounts can range from $250,000 up to 80 percent of the total project cost. Interest rates offered are established according to the actual cost of CAF resources which are based on LIBOR. Repayment terms range from up to 3 years for

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working capital to up to 12 years, including a grace period for fixed asset loans.

Equity Participation in Andean Multinational Corporations

CAF may subscribe shares in new or established corporations within the Andean region with ownership by investors from two or more CAF member countries. CAF will only consider a project in which the paid-in shareholder's capital, excluding CAF, is at least 40 percent of the total project cost. CAF's equity participation is limited to a maximum of 20 percent of an eligible company's capital stock and up to a maximum amount of $200,000. CAF may make its participation subject to the appointment of a representative on the company's board of directors, and once it has performed it promotion task, it may transfer its shares or interest to subregional investors.

Trade Financing

The Andean System for Commerial Financing (SAFICO) provides pre- and post-shipment financing to support exports. Funds are administered through letters of credit to exporters within the region and to their overseas importers through direct loans.

SAFICO loans are available on a short term, from 180 days up to 1 year for raw materials and inputs; on a medium term of 2 to 5 years for intermediary goods; and on a long term of up to 5 to 8 years for capital goods. For short-term loans, interest rates are offered based on the 6-month LIBOR interest rate plus a margin. Medium- to long-term financing is offered at interest rates according to the source of financing available. For short-term loans, the loan amount can range from $25,000 up to 100 percent of the f.o.b. export value. For medium- to long- term loans, the minimum loan size is $200,000. Pre-shipment credit for working capital can cover up to 85 percent of the f.o.b. export amount in Bolivia and Ecuador, and up to 75 percent of the amount in Colombia, Peru, and Venezuela.

The Letter of Credit Confirmation and Financing Mechanism for Third Country Imports (MECOFIN) is a complementary credit facility oriented to support those member countries that have limited availability of trade related lines of credit from extraregional countries.

Through the MECOFIN mechanism, CAF assigns lines of credit to financial intermediaries in its member countries for the confirmation and financing of letters of credit for terms of up to 180 days to cover the purchase of raw materials, capital goods, and spare parts from extraregional locations. Letters of credit can be refinanced for up to 5 years if adequate external credit resources are available. The minimum amount available for an individual transaction is $50,000 for short-term and $200,000 for medium-term credits. The base interest rate extended for short-term financing is the 6-month LIBOR rate plus a 1 to 4 percent margin, and for medium- to long-term financing is based on market conditions. In addition, CAF charges an intermediating fee of 0.25 to 0.75 percent.

Eligibility

CAF financing is available to nationally owned companies locaed in the Andean Pack member countries of Bolivia, Colombia, Ecuador, Peru, and Venezuela.

Application

In general, eligible companies interested in accessing financing through CAF programs must apply through their local Andean country CAF representative office, which in turn will forward the application to CAF headquarters in Venezuela. Commercial banks often assist interested companies in soliciting the local CAF representative office. The time frame for CAF consideration of applications for Technical Cooperation and Trade Financing applications is approximately 30 days, and for Project Financing applications is approximately 3 months.

Companies interested in pre- or post-shipment financing through SAFICO or letter-of-credit confirmation through MECOFIN must present CAF with their most recent 3-year audited financial statements, documentation demonstrating legal status, and guarantees. For pre-shipment financing, a proforma invoice from the exporter including payment contract, a descrip-

tion of the production process, and need for inputs and raw or intermediary materials must also be presented. For post-shipment financing, a commerical invoice, and shipment documentation and origin certificate specifying the product information is also required.

Contact

Headquarters:
Av. Luis Roche-Altamira
Edificio Torre Central, Pisos 4 al 10
Apartado Postal Carmelitas 5086
Altamira 69011-69012
Caracas, Venezuela
Tel: [58](2) 285-55-55
Fax: [58](2) 284-5754

In Bolivia:
Av. Arce, Pasaje Esmeralda, No. 4
Casilla de Correo No. 550
La Paz, Bolivia
Tel: [591](2) 363-934
Fax: [591](2) 391-032

In Colombia:
Carrera 7 a, No. 26-20
Edificio Seguros Tequendama, Piso 15
Apartado Aereo 17826
Bogota, Colombia
Tel: [571] 287-9584
Fax: [571] 288-2517

In Ecuador:
Av. 18 de Septiembre 332 y Juan Leon Mera
P.O. Box 259
Quito, Ecuador
Tel: [593](2) 549-814
Fax: [593](2) 564-246

In Peru:
Av. Camino Real, No. 456, Of 801-802
Torre Real, San Isidro, Lima 27
Casilla Postal 18-1020, Lima 18
Lima, Peru
Tel: [51](14) 402790
Fax: [51](14) 400491

CARIBBEAN/CENTRAL AMERICA BUSINESS ADVISORY SERVICE

The Caribbean/Central America Business Advisory Service (BAS) assists entrepreneurs with developing, evaluating, and raising finance for productive projects in the Caribbean and Central America. BAS acts as a bridge between project sponsors and sources of long-term finance. Its main role is to help entrepreneurs in the Caribbean and Central America develop their project ideas into bankable investment proposals and to obtain long-term finance for them.

While the BAS does not lend or invest, it has supported entrepreneurs in establishing over 70 Caribbean-based projects valued at $230 million since its establishment in 1981. The BAS's 1989 expansion to Central America extended its operations to all CBI beneficiary countries. Projects supported by BAS have concentrated in the agribusiness, tourism, and manufacturing sectors. However, most productive business proposals deemed technically and economically solid are eligible for assistance. The BAS operates under the auspices of the United Nations Development Program and is managed by the World Bank's International Finance Corporation.

BAS provides advice and assistance in project structuring, identification of technical and marketing partners, project appraisal, and identification of financing sources. BAS also assists the project sponsor in negotiating with lending institutions. The size of projects receiving BAS services range from $500,000 to $40 million. The lending term for financing solicited by CPDF averages 10 years with rates dependent on the currency and specific project. BAS charges its clients a success fee of 2.5 percent on the amount of finance it raises for a project. A deposit is required up front as an indication of the sponsor's commitment to the project. BAS and the sponsor agree in advance on the payment arrangement for certain other expenses (that is, external consultant costs or legal advice).

Eligibility

New or expansion projects, excluding those that are essentially trading operations or real estate developments, are eligible for BAS consideration, regardless of sponsor nationality. Eligible projects in all CBI beneficiary countries may qualify for BAS support.

Application

Project sponsors should provide the BAS with a brief project description; background and plans for sponsorship, management, and technical assistance; proposed marketing and sales plans; and a project financing proposal (amount and type of financing sought and expected revenue).

Contacts

Manager
Caribbean/Central America Business
Advisory Service
World Bank/International Finance Corporation
1818 H Street, NW.
Washington, D.C. 20433
Tel: (202) 473-0900
Fax: (202) 334-8855

Caribbean Regional Office
Caribbean Project Development Facility
Musson Building
Hincks Street
P.O. Box 259
Bridgetown, Barbados
Tel: (809) 429-6298
Fax: (809) 429-5809

Additional BAS offices are scheduled to open in Costa Rica and Trinidad and Tobago during September 1992.

CARIBBEAN DEVELOPMENT BANK

The Caribbean Development Bank (CDB), an associate institution of the Caribbean Common Market (CARICOM), provides long-term financing for productive projects in CARICOM member countries and U.K. dependent territories in the Caribbean. In addition, prefeasibility and feasibility study financing are available. CDB directs approximately one-third of its lending to private sector projects; the remaining CDB portfolio finances government projects, mainly infrastructure. The CDB capital resources available for lending to the private sector are currently $210 million, with over 90 percent being channeled through national financial intermediaries. Since the 1970 establishment of CDB through 1991, $350 million in loans have been extended to private sector borrowers for projects concentrating in the manufacturing, agricultural, forestry, fishing, tourism, and mining sectors. Between 1989 and 1991, CDB approved $4.8 million in direct loans to the tourism and agricultural sectors, as wll as $78 million in letters of credit to national development banks for on-lending to small and medium-sized private sector projects.

CDB may provide loans ranging from $750,000 up to 40 percent of the total project cost. Loans are available for a 10- to 15-year term, excluding up to a 5-year grace period. The interest rate, 8.3 percent as of July 1992, is reviewed annually to reflect the international market. Loans may be denominated in a variety of currencies, and all loans must be repaid in the currency borrowed. The borrower assumes all currency risk.

Although CDB has the capacity to issue loan guarantees, issuing these would tie up callable capital; therefore, direct lending is preferred. Feasibility study financing may be offered, depending upon funding availability, and may be offered on a loan or contingent loan basis at an interest rate of 5 percent per annum.

Eligibility

New or expansion projects in productive enterprises, including agriculture, livestock, fishery, forestry, marketing, manufacturing, mining, tourism, and related services, are eligible for CDB financing. Retail or wholesale trade, office construction, and condominium-type projects are ineligible. Projects in CARICOM countries and U.K. dependencies may receive CDB financing. These include the following CBI beneficiary countries: Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. CDB limits its exposure in any specific

eligible country or territory.

CDB gives priority to borrowers that are Commonwealth Caribbean (CARICOM) member country nationals and companies controlled by such nationals. Loans may be extended to non-nationals under the following circumstances: for projects oriented toward extra-regional export markets that are not merely branch plants of foreign enterprises; for projects that use a substantial amount of local raw materials, or include extensive transfer of technology and skills; and for companies where equity share is held by or offered to nationals, with CDB acceptance of the firm's plan for localizing majority ownership and control within a certain time period.

Application

Prospective borrowers should forward a letter with a basic project proposal to CDB. A formal loan application should then be submitted. This requires the following background: business history (including financial reports), project description, feasibility study, sales and cash flow projections, management plans, market surveys, cost estimates, expected profit, details of the CDB loan request, additional financing plans, and any other relevant information.

If deemed viable, CDB will assign a project team to conduct a thorough analysis of the project proposal. All projects must be approved by the CDB Board of Directors. CBD cannot finance a project if the host country government indicates an objection to it. A front-end fee of 1 percent of the loan amount will be collected as will commitment charges of 1 percent per annum on the amount undisbursed, commencing 60 days from the date of the loan agreement.

Contact

Vice President, Corporate Services and Bank Secretary
Caribbean Development Bank
P.O. Box 408, Wildey
St. Michael, Barbados
Tel: (809) 431-1600
Fax: (809) 426-7269

CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION

The Central American Bank for Economic Integration (CABEI) is an institution of the Central American Common Market (CACM). CABEI provides regional economic support by channeling financing from regional, international, and bilateral sources to the CACM member countries (Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua). Financing is made available to member country governments for specific activities. CABEI programs currently targeting private sector development include: the Agro-industry Program, the Aquaculture Program, the Industrial Reactivation Program, the Nontraditional Export Promotion Program, the Regional Tourism Program, and the Small and Medium Industry Support Program.

Agro-industry Program

The Agro-industry Program provides financing to private businesses in Central America for the production, industrialization, and commercialization of agricultural products for export to the international market. Financing is channeled through intermediary institutions in each country. CABEI provides technical assistance to these intermediaries for project evaluation and execution. During its first two stages, the Agro-industry Program was funded with resources provided by the U.S. Agency for International Development and CABEI at a level of $42.5 million. Currently, the program has the financial support of the Export-Import Bank of Japan and CABEI's own resources.

Up to 80 percent of the total project cost can be financed by CABEI, with the remaining 20 percent provided by the financial intermediary or the final user.

Eligibility

Agro-industry and certain livestock projects producing for export to the international market are eligible for CABEI financing. Fishery and aquacultural projects are not eligible for financing through this program. Borrowers must be Central American nationals or permanent resi-

dents and must control at least 51 percent of the agro-industrial project. CABEI resources can be used for feasibility study, technical assistance, construction, the purchase of machinery and equipment, and working capital.

Application

CABEI channels financial resources to the central bank in each country, which disburses the funds to qualifying lending institutions. Interested borrowers should seek Agro-industry Program financing through these local lending institutions.

Contact

See Appendix III for a list of financial institutions in the CACM member countries.

Aquaculture Program

The Aquaculture Program provides financing for aquacultural projects, particularly those controlled by small and medium-sized businesses.

Eligibility

Borrowers principally include small and medium-sized producers. Aquacultural projects, including shrimp cultivation and freshwater fish cultivation, are eligible for financing. Borrowers must be Central American nationals or permanent residents and must control at least 51 percent of the project. CABEI resources can be used for a pre-investment study, infrastructure construction, acquisition of equipment, technical assistance, and working capital.

Application

CABEI channels financial resources to the central bank in each country, which disburses the funds to qualifying lending institutions. Interested borrowers should seek Aquaculture Program financing through these local lending institutions.

Contact

See Appendix III for a list of financial institutions in the CACM member countries.

Industrial Reactivation Program

The Industrial Reactivation Program provides financing and technical assistance for industrial projects that contribute to regional and extra-regional trade. Since the program was established in 1963, more than $245.5 million has been lent to some 361 private, public, and mixed companies.

Eligibility

CABEI financing is available for industrial projects that contribute to regional and extra-regional trade and those that utilize regional inputs and generate employment. Private, public, and mixed companies are eligible for CABEI financing. Financing can be used for a feasibility studies, construction, the acquisition of machinery and equipment, working capital, and technical assistance.

Application

CABEI channels financial resources to the central bank in each country, which disburses the funds to qualifying lending institutions. Interested borrowers should seek Industrial Reactivation Program financing through these local lending institutions.

Contact

See Appendix III for a list of financial institutions in the CACM member countries.

Nontraditional Export Promotion Program

The Nontraditional Export Promotion Program provides technical and financial support for projects to produce nontraditional products for export to international markets.

Eligibility

Projects aimed at production of nontraditional products for export to the international market are eligible for CABEI financing. Financing can be used for preinvestment costs, export financing, pre-shipment financing, and export insurance. Borrowers can be the producer of the nontraditional product or an international trading

company involved in exporting a qualifying product.

Application

CABEI channels financial resources to the central bank in each country, which disburses the funds to qualifying lending institutions. Interested borrowers should seek Nontraditional Export Promotion Program financing through these local lending institutions.

Contact

See Appendix III for a list of financial institutions in the CACM member countries.

Regional Tourism Program

The Regional Tourism Program, established in 1989, provides financing for the establishment and improvement of tourism facilities as well as support for regional tourism promotion efforts. CABEI has provided $41 million in local currencies to finance eligible projects.

Eligibility

Eligible borrowers include hotel and tourism service or tourism development offices for tourism promotion efforts. Financing can be used for feasibility studies, construction of tourism facilities and related infrastructure, working capital, and technical assistance.

Application

CABEI channels financial resources to the central bank in each country, which disburses the funds to qualifying lending institutions. Interested borrowers should seek Regional Tourism Program financing through these local lending institutions.

Contact

See Appendix III for a list of financial institutions in the CACM member countries.

Small and Medium Industry Support Program

The Small and Medium Industry Support Program (PAPIC) provides financial and technical assistance to small and medium-sized businesses involved in manufacturing and agro-industry. Resources include funds from the European Economic Community, the Inter-American Development Bank, and bilateral donors. Since PAPIC was established in 1985, $26.5 million has been disbursed to finance working capital and fixed investments of manufacturing projects.

Loans to the private sector are limited to $100,000 for up to a 4-year term. Loan guarantees are also available for up to 60 percent of the total loan amount offered by a commercial bank. Loans are available in local currency and in foreign exchange, if required for imports.

Eligibility

Projects must support small and medium-sized manufacturing or agro-industrial development. Borrowers must be Central American nationals or permanent residents and must control at least 51 percent of an eligible project. Private and public borrowers are eligible for PAPIC financing.

Application

CABEI channels financial resources to the central bank in each country, which disburses the funds to qualifying lending institutions. Interested borrowers should seek Regional Tourism Program financing through these local lending institutions.

Contact

See Appendix III for a list of financial institutions in the CACM member countries.

EASTERN CARIBBEAN CENTRAL BANK

The Eastern Caribbean Central Bank (ECCB) provides export credit guarantees in an effort to promote Eastern Caribbean exports. The Pre-Shipment Finance Guarantee Scheme (PSFG), established in 1984, and the Post-Shipment Discounting Guarantee Scheme (PSDG), established in 1988, are offered through financial institutions to provide working capital to qualifying exporters. As of December 1991, the guarantees issued by the ECCB included $1.6 million [Eastern Caribbean (EC) $4.3 million] by PSFG and $209,000 (EC$564,300) by PSDG.

PSFG enables financial institutions to lend short-term working capital for up to 80 percent of the amount of raw materials required. PSDG permits the exporter to discount up to 80 percent of the total gross invoice value of each export shipment. The maximum term available through either guarantee scheme is 12 months, renewable upon application by the lender on behalf of the borrower. Promissory notes secured against the guarantee have a maximum term of 6 months under each scheme. A uniform interest rate established at the existing prime rate in each of the Organization of Eastern Caribbean States plus 1 percent is charged by all financial institutions offering these guarantee schemes.

Eligibility

Exporters of goods wholly or partly processed, produced, or manufactured in one of the Eastern Caribbean countries are eligible for ECCB guarantees. Eastern Caribbean countries that are also beneficiaries of the CBI are Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts-Nevis, St. Lucia, and St. Vincent and the Grenadines.

An exporter may be a manufacturer or a trading company. "Indirect exporters" that supply local inputs (raw materials or packaging) to exporters are also eligible. Normally, foreign-controlled companies exporting from the Eastern Caribbean are excluded from participation in these schemes. However, exceptions may be made for foreign-controlled firms generating substantial foreign exchange or employment. PSFG-backed working capital may be used for the following purchases: locally manufactured inputs required for the manufacture of goods for export; local or foreign-origin raw materials required for the manufacture of goods for export; and locally produced finished goods destined for export by export trading companies.

Application

An exporter from one of the Eastern Caribbean countries seeking credit through either PSFG or PSDG must apply through a financial institution (usually a commercial bank). The financial institution reviews the exporting firm's financial and marketing position and makes a judgment regarding the borrower's export prospects. The financial institution may approve a credit request for up to $37,000 (EC$100,000), then advise ECCB on a ex-post basis. For credit requests exceeding $37,000 (EC$100,000), the lender must submit a formal application to the ECCB Export Credit Guarantee Department and await an ECCB determination. Applications for more than $75,000 (EC$200,000) require the prior approval of the ECCB Board of Directors. Advances are made by the commercial bank to the borrower through a guarantee provided by the ECCB.

Contact

Export Credit Guarantee Department
Eastern Caribbean Central Bank
P.O. Box 89
Basseterre, St. Kitts
Tel: (809) 465-2537
Fax: (809) 465-1051

See Appendix III for a list of commercial banks in the Eastern Caribbean.

FINANCIAL FUND FOR PLATA BASIN DEVELOPMENT

The Financial Fund for Plata Basin Development (FONPLATA) provides loans, guarantees, and assistance in procuring exter-

nal resources for investment projects and related technical assistance to private and public enterprises of its member countries --Argentina, Bolivia, Brazil, Paraguay, and Uruguay. FONPLATA's capital resource base consists of $200 million from contributions by member countries.

Loans are available for investment in infrastructure, industrial, and livestock projects that are complementary to the member country's economy. Education and health projects are also eligible for loan financing. Technical assistance in the form of preinvestment assessments and technical cooperation are also available. Loans to the private sector require a solidary guarantee from the country, banks, or other financial institutions. A maximum of 90 percent of preinvestment study costs and up to 80 percent of project costs can be financed by FONPLATA. Study financing is available for up to a 10-year term, and project financing loans are available for up to a 20-year term. Grace periods can be incorporated into these terms. Interest rates are offered at 7 percent for project loans and 6 percent for preinvestment study loans. Up to 2.5 percent in commission costs are also charged. All loans are disbursed in U.S. dollars and are repaid in local currency.

Eligibility

Eligible borrowers must be nationals of one of the FONPLATA member countries -- Argentina, Bolivia, Brazil, Paraguay, and Uruguay --and may include autonomous government entities, mixed companies, and private enterprises.

Application

Eligible companies interested in FONPLATA financing must submit their request through the designated government entity in their member country. In Bolivia, companies must work through the Planning and Coordination Ministry. Proposals will be analyzed by FONPLATA in coordination with the requesting country on the basis of technical, socio-economic, financial, institutional, and legal merit.

Contact

Financial Fund for Plata Basin Development
Espana No. 74 - Casilla No. 47
Sucre, Bolivia
Tel: [591](64) 30207, 30322
Fax: [591](64) 32997

For Bolivia:
Planning and Coordination Ministry
Av. Arce No 2141 - Casilla No 3116
La Paz, Bolivia
Tel: [591](2) 372060
Fax: [591](2) 371376

INTER-AMERICAN INVESTMENT CORPORATION

The Inter-American Investment Corporation (IIC), established by members of the Inter-American Development Bank in 1986, provides medium- to long-term financing and equity investment to private investors in IIC member countries. IIC may also finance feasibility studies, underwrite securities, provide technical and managerial assistance, and assist entrepreneurs in mobilizing additional capital. The initial capital stock of IIC is $200 million. During 1991, IIC approved $101.7 million in financing for 26 transactions: equity investments represented $19.1 million and loans constituted $82.6 million of this amount.

Market-based lending terms and conditions are constructed according to each project. Generally, loans are under $10 million in size with a 3- to 10-year lending term. Some flexibility exists for complimentary short-term capital and equity investment, if more appropriate for the specific project. IIC equity participation is limited to 33 percent. All loans will be disbursed in U.S. dollars.

Eligibility

IIC finances the start-up, expansion, and modernization of productive projects. Private investors in IIC member countries are eligible for financing. CBI beneficiary countries that are also IIC members include Bahamas, Barbados, Costa Rica, Dominican Republic, El Salvador, Guatemala, Guyana, Honduras,

Jamaica, and Trinidad and Tobago. The Andean countries that are members of the IIC include Bolivia, Colombia, Ecuador, and Peru. Projects must have majority Latin American or Caribbean ownership. While IIC principally targets private projects, mixed public-private projects in the process of shifting toward larger private ownership will also be considered.

Application

Requests for financing should be submitted directly to the IIC in Washington, D.C. Once this brief proposal synopsis receives IIC approval, a more comprehensive proposal, including a financial, organizational, and feasibility analysis, will be requested.

Contact

Inter-American Investment Corporation
1300 New York Avenue, NW.
Washington, D.C. 20577
Tel: (202) 623-3900
Fax: (202) 623-2036

INTERNATIONAL FINANCE CORPORATION

The International Finance Corporation (IFC), an affiliate of the World Bank Group, provides long-term financing in the form of loans, guarantees, and equity for private investment in the developing world. IFC's authorized capital is $2.3 billion. The resources available to IFC consist of its paid-in capital, which is provided by its member countries; accumulated earnings; and repayments and sales of IFC investments. In addition, IFC is rated AAA in the financial markets and borrows from the World Bank and other sources to finance its investment activities. The IFC portfolio in the Caribbean Basin and Andean countries totals $278 million in loans and $37 million in equity concentrated in the following sectors: manufacturing (25 percent), industrial services (24 percent), textiles (18 percent), mining (15 percent), tourism (7 percent), food/agribusiness (3 percent), and capital markets (8 percent).

Maximum IFC participation in a single new project is 25 percent of the total project cost, but for expansion projects may reach 40 percent of expansion cost. IFC normally invests in ventures costing at least $4-6 million, although it can invest lesser amounts in particularly attractive projects. The maximum loan size available is $100 million. Loan terms range from 7 to 12 years, including a grace period of 6 months to 4 years, depending on the financial needs of a specific project. While IFC normally offers both fixed rate loans denominated in U.S. dollars or other major currencies and variable rate loans in U.S. dollars, other arrangements can be made according to the needs of a project. IFC does not provide a subsidized interest rate: rates are determined on a commerical basis. IFC can provide additional financial support through underwriting arrangements in support of public offerings or private placements of shares, debentures, or other corporate securities. IFC can operate as sole underwriter or as a member of an underwriting group. Also, IFC can arrange currency and liability swaps.

IFC can invest up to 35 percent of the share capital for a venture, as long as it is not the largest shareholder. IFC does not itself assume management responsibilities in a company. Once an investment has matured, IFC will typically seek to turn over its equity, often by sale, to the local investor. In some countries, IFC's shareholding is treated as domestic or neutral capital for nationality ownership purposes. Although IFC normally prefers to make both an equity investment and a loan, when appropriate, IFC will provide a loan or equity independently.

Eligibility

New or expansion projects located in IFC member countries that are in good standing with the World Bank may be eligible for IFC cofinancing. The following CBI beneficiary countries are members of the IFC: Antigua and Barbuda, Bahamas, Barbados, Belize, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Honduras, Jamaica, St. Lucia, and Trinidad and Tobago. In the Andean region, Bolivia, Colombia, Ecuador, and Peru are eligible for IFC cofinancing.

Private projects as well as mixed government and private enterprise projects are eligible for

IFC financing. The project, however, should be operated on a commercial basis. IFC does not accept government guarantees on its investments. Foreign and domestic companies or entrepreneurs are eligible for IFC financing, although domestic participation is preferred.

IFC will make investments only if sufficient capital cannot be obtained on reasonable terms from other sources. IFC invests in projects in industry, agriculture, agribusiness, tourism, services, energy, transportation, and other sectors that either supply local demand or earn foreign exchange. Real estate and housing projects are not eligible for IFC financing. IFC financing can be used for foreign or local expenditures related to the overall cost of an approved project, including fixed assets, permanent working capital, interest during construction, and preoperating cost.

Application

A company or entrepreneur seeking IFC financing should approach IFC directly by requesting a meeting or by submitting a preliminary project proposal. The initial project presentation should include the following information: a brief project description; information on project sponsors, management ability, and technical assistance requirements; a marketing and sales strategy; a description of technical feasibility and infrastructure requirements; information on the cost and availability of raw materials and other inputs; estimates of total project cost, financing required from IFC and other sources, and projected return on investment; host government support and regulations affecting the proposal; and a timetable for project preparation and implementation. There is no formal application form for IFC financing.

If the IFC decides to consider a project following a preliminary review, a detailed feasibility study or business plan is required. This forms the basis for a detailed analysis of the proposal by IFC staff, including site visits, as appropriate.

Contact

For Central America and Caribbean contact:
Division Manager
Latin American and Caribbean Division IV

For Colombia, Ecuador, and Peru:
Division Manager
Latin American and Caribbean Division II

For Bolivia:
Division Manager
Latin American and Caribbean Division III

International Finance Corporation
1818 H Street, NW.
Washington, D.C. 20433
Tel: (202) 473-0701
Fax: (202) 334-0354
Telex: RCA 248423

MULTILATERAL INVESTMENT GUARANTEE AGENCY

The Multilateral Investment Guarantee Agency (MIGA), an independent member of the World Bank Group, provides guarantees against political risk to foreign investors in connection with new investment in member developing countries. MIGA guarantees cover losses caused by currency transfer, expropriation, war, revolution, or civil disturbance, and breach of contract by a host government. These guarantees can be purchased individually or as a package. MIGA was established in April 1988 by 42 World Bank member countries subscribing to 63 percent of its authorized capital of $1.082 billion. Since that time, MIGA membership has grown to 85 countries as of June 30, 1992, and will continue to expand as other countries ratify the MIGA convention.

Forms of investment that can be covered by MIGA include equity, loans, loan guarantees, and loans made by financial institutions as long as MIGA is also insuring part of the foreign equity in the project enterprise. Certain nonequity direct investments may also be eligible, such as technical and management contracts, and franchising and licensing agreements. MIGA can insure up to 90 percent of the investment amount, subject to a per project limit of coverage currently set at $50 million. There is no minimum amount of investment required. The period of coverage is normally for a maximum term of 15 years, but coverage can be issued for 20 years. Premium rates are

determined separately for each project and can range from 0.3 to 1.5 percent per annum of the amount covered for each type of risk.

Eligibility

MIGA can insure new investments between member countries where the investment project is located in a developing country. New investments associated with expansion, modernization, or financial restructuring, as well as privatization are also eligible. Caribbean Basin beneficiary countries that are eligible for MIGA guarantees include Aruba, Barbados, Belize, British Virgin Islands, Costa Rica, Dominica, El Salvador, Honduras, Grenada, Guyana, Jamaica, Netherlands Antilles, Nicaragua, St. Lucia, St. Vincent, and Trinidad and Tobago. In the Andean region, the countries of Bolivia, Ecuador, and Peru are eligible for MIGA guarantees.

Application

An investor contemplating MIGA coverage must submit a preliminary application for guarantee before the investment is made or committed. If the project appears eligible for a MIGA guarantee, a notice of registration will be issued and a definitive application for guarantee will be sent to the investor within 48 hours. Once investment plans are established, the completed definitive application together with any relevant project documentation should be sent to MIGA for evaluation. As part of the underwriting decision, MIGA will assess the project technical and commercial viability, as well as the economic, developmental and environmental effects in the host country. Before MIGA can issue a contract of guarantee, the approval of the host government must also be obtained. A contract of guarantee can typically be issued within 3 to 4 months of receipt of a complete, definitive application.

Contact

Vice President, Guarantees
Multilateral Investment Guarantee Agency
1818 H Street, NW.
Washington, D.C. 20433
Tel: (202) 473-6168
Fax: (202) 477-9886
Telex: RCA 248-423

UNITED NATIONS DEVELOPMENT PROGRAM: INVESTMENT FEASIBILITY STUDY FACILITY

The Investment Feasibility Study Facility of the United Nations Development Program (UNDP) provides low-cost financing for feasibility studies in an effort to support investment in the poorest developing countries.

The amount of financing available for each feasibility study depends on the size of the project, but usually ranges between $15,000 and $65,000. A sponsoring financial institution willing to invest in the project, should the feasibility study prove the project to be viable, must be identified. The financial institution will reimburse UNDP for the cost of the study if the investment proceeds. For this purpose, a reimbursement agreement is signed between UNDP and the institution prior to approval for the feasibility study funding.

Eligibility

Financing from the facility is available for both private and public investment projects. The facility primarily targets the poorest developing countries, defined as those with a per capita income not exceeding $750. Among the CBI and Andean countries, investment in Bolivia, Honduras, Guyana, and Nicaragua would qualify. Nevertheless, applications from other low-income countries will be considered on a case-by-case basis.

Application

The application, which can originate either from the project sponsor or a sponsoring financial institution, must be accompanied by the following information: a project profile; a timetable and budget for the proposed feasibility study; and a description and financial background on the project sponsor and financial institution. Once an application is reviewed and cleared, the UNDP Resident Representative will contact the host government for its concurrence.

Contact

Division for Private Sector in Development
United Nations Development Program
One U.N. Plaza
New York, New York 10017
Tel: (212) 697-9692
Fax: (212) 697-5058

Or contact UNDP Resident Representative in respective country.

SECTION III: PRIVATE FINANCING SOURCES

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CARIBBEAN FINANCIAL SERVICES CORPORATION

The Caribbean Financial Services Corporation (CFSC) provides medium- to long-term financing and equity for productive projects in the English-speaking Caribbean. CFSC may also provide financing for technical assistance and securities brokerage services. CFSC's capital resources of $21 million include funding support from U.S. Agency for International Development and the European Investment Bank. CFSC shareholders include regional private sector companies and individuals, multinational financial institutions, and international private sector development institutions. Since its establishment in 1984, CFSC has committed $15 million in loans principally in tourism projects, followed by manufacturing, other industrial, and agribusiness projects. In addition, CFSC's equity program, established in 1989 with European Investment Bank equity, has invested $2 million in 10 projects mainly in tourism and industry.

CFSC provides loans ranging from $100,000 to $600,000 to cover capital costs of eligible projects. Where loan requirements exceed CFSC's maximum, arrangements can be made to co-finance the transaction with another financial institution. For loans, the CFSC generally requires a debt-equity ratio of 60:40. A 5- to 15-year loan term is available with up to a 2-year grace period. Competitive interest rates are offered at longer terms than are normally available. Loans are usually denominated in U.S. dollars. Equity participation is limited to $100,000 to $300,000 per project. A minimum 15 percent internal rate of return is expected in projects seeking CFSC equity.

Eligibility

Projects in manufacturing, agribusiness, tourism, and related enterprises that enhance the region's foreign exchange earning capabilities (including import substitution) and generate employment are eligible for CFSC financing. An investor, whether foreign or regional, with an eligible project in any of the following CBI beneficiary countries may be eligible for CFSC financing: Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, St. Kitts-Nevis, and St. Lucia.

Application

Applicants must submit a business plan (project proposal, management experience, marketing plans, and financial projections) that includes an audited financial statement. No formal application form exists. Following CFSC staff project appraisal, viable projects are reviewed by the board of directors and must be approved by at least three board members. The complete project review process requires 4 to 6 weeks.

Contact

Managing Director Caribbean Financial Services Corporation
Chapel Street
Bridgetown, Barbados
Tel: (809) 436-1960Fax: (809) 426-1869

HIGH IMPACT AGRICULTURAL MARKETING AND PRODUCTION PROGRAM (Agricultural Venture Trust)

The High Impact Agricultural Marketing and Production (HIAMP) program provides equity capital through the Agricultural Venture Trust (AVT) for agricultural projects in the Eastern Caribbean. Commercialization grants and technical assistance are also available. HIAMP, a program funded by the U.S Agency for International Development, will support new projects in nontraditional agriculture that exhibit strong export potential. This venture trust currently has a $12 million capital base. Since its establishment in July 1986, HIAMP has provided equity to 22 projects, averaging $275,000 in size as of December 31, 1991.

HIAMP will take a minority equity position in a project, with an investment size ranging from $20,000 to $500,000. HIAMP expects that its equity share will be repurchased within a 10-year period, on a previously agreed schedule. The minimum expected annual return on investment is 15 percent. Producer associations can receive reimbursable grants of up to $500,000 per project, not to exceed 49 percent of

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total project costs.

Commercialization grants are offered for up to $10,000 per project. Funds can be used for planting demonstrations, new cultivations techniques, plant propagation, packaging materials, test marketing, and product promotion. Grants are awarded to projects with potential for future HIAMP investments. In addition, technical assistance is available from agribusiness advisors throughout the Eastern Caribbean. Advisors assist with structuring and implementing projects.

Eligibility

Agricultural projects eligible for HIAMP financial and technical support include crop and livestock production, agro-processing, product distribution and marketing, post-harvest handling and transportation, fishing, and processing. Priority is given to projects with strong export potential or local market development opportunities. CBI beneficiary countries that are eligible for HIAMP support include Antigua and Barbuda, Barbados, Dominica, Grenada, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines, and the British Virgin Islands. Project sponsors regardless of nationality may be eligible for HIAMP financing and technical assistance.

Application

Requests for HIAMP financing should be directed to AVT's main office in Barbados. Following an informal inquiry, a brief project proposal should be submitted that includes the following information: the legal status of enterprise; the management and technical experience of investors; the marketing viability of the project; production feasibility; the value of investor's equity contribution; estimated capital and operating costs; and the technical assistance and financing required from AVT.

Contact

Executive Director
Agriculture Venture Trust
5 Golf View Terrace
Church, Barbados
Tel: (809) 435-8990
Fax: (809) 435-8995

LATIN AMERICAN AGRIBUSINESS DEVELOPMENT CORPORATION

The Latin American Agribusiness Development Corporation (LAAD) is a private investment and development company that finances and develops agribusiness projects in Latin America. Its primary business is financing agribusiness with medium-term loans.

LAAD is a publicly held entity with 13 shareholders representing leading agribusiness and financial corporations. Additional resources include loans from banks and the U.S. Agency for International Development. LAAD Central America, S.A.; LAAD Caribe, S.A.; and LAAD Panama, S.A. handle lending to projects in CBI beneficiary countries. The combined capital base of these LAAD operations is $13 million. Through 1991, LAAD has financed 341 projects at a level of over $128 million in the CBI countries.

LAAD Americas, S.A. handles lending to projects in the Andean region, which through 1991 consisted of 16 projects with financing valued at $8 million.

LAAD financing is available for a 3- to 7-year term including up to a 2-year grace period. Loans generally range in size from $100,000 to $1 million. Loans are disbursed to borrowers in U.S. dollars and must be repaid in U.S. dollars. LAAD expects project sponsors to hold substantial equity in a project and have adequate technical and managerial ability. The project must generate sufficient hard currency to repay the loan.

Eligibility

LAAD financing is available for agribusiness projects including those involving agriculture, livestock, forestry, and fishing. Most financing is extended to nontraditional export projects. The borrower can be involved in any phase of agribusiness production, including raw material production, agribusiness processing, storage, services (including transportation), technology, and marketing. There are no nationality

requirements for LAAD loans. All Central American, Caribbean, and Andean countries are eligible for LAAD financing.

Application

The application process for LAAD financing is informal. No application form exists. Interested project sponsors should approach the appropriate LAAD office with a written project proposal. Eligible projects will be reviewed by LAAD. Well conceived loan proposals can be processed within 1 month.

Contact

Latin American Agribusiness Development Corporation
241 Sevilla Avenue, Suite 1006
Coral Gables, Florida 33134
Tel: (305) 445-1341
Fax: (305) 446-8447
Telex: 515648 LATDEVMIA

LAAD Americas
Velasco Esq. Lemoine 210
Of. 107, Casilla 2060
Santa Cruz, Bolivia
Tel: [591](3) 334-316
Fax: [591](3) 334-428

LAAD Caribe, S.A.
P.O. Box 25002
Hnos. Deligne 210, Apto A-101
Residencial Jardines de Gazcue
Santo Domingo, Dominican Republic
Tel: (809) 686-0772
Fax: (809) 686-2598

LAAD de Centroamerica, S.A.

500 Metros al Norte y 100 Metros al Oeste del Parque
La Amistad, Rohrmoser
San Jose, Costa Rica
Tel: [506] 31-2153
Fax: [506] 31-1098

12 Calle 1-48, Zona 10, 4 Piso
Guatemala City, Guatemala
Tel: (502) (2) 341441
Telex: 3460667
Cable: LAADEVCO

Edificio Trejo Merlo, Local No. 12
7 Avenida, 1 Calle S.O.
P.O. Box 2535
San Pedro Sula, Honduras
Tel:[504] 58-1891
Fax: [504] 57-3038

LAAD Panama, S.A.
Avenida Ira. Oeste
Calle H Norte-Doleguia
P.O. Box 946
David, Chiriqui, Panama
Tel: [507] 75-2904
Fax: [507] 75-7709

LATIN AMERICAN EXPORT BANK

The Latin American Export Bank (BLADEX) is a specialized multinational bank created to promote and finance trade of Latin American and Caribbean member countries. The agreement for its establishment was signed in 1977, and in 1978, BLADEX was organized as a corporation under the laws of Panama.

The authorized capital of BLADEX consists of $250 million in shares held by central banks or their designated government financial institutions, regional commercial and investment banks, international banks from outside of the region, and the International Finance Corporation. As of June 1992, the bank's capital funds amounted to $133 million and total assets reached $2.1 billion.

BLADEX provides short-term financing at competitive rates to its shareholder banks in the region for use by them in on-lending to exporters and importers, as well as directly to selected regional exporting institutions. BLADEX also provides medium-term loans for the purpose of fostering exports of goods and services, depending upon the availability of appropriate medium-term funding facilities. BLADEX applies commercial criteria in the extension of all credit facilities. During 1991, the bank's loan portfolio increased by $499 million, up 45.7 percent over the 1990 level. Short-term (pre- and post-shipment) lending remained the main lending activity during 1991, repre-

senting 98 percent of the total credit portfolio.

Eligibility

BLADEX financing is available to support Latin American and Caribbean exporters through shareholder commercial banking institutions. In addition, BLADEX also provides financing for imports from other countries in the region as well as imports from outside the region, if they contribute to generating future Latin American exports.

BLADEX member countries include the following Caribbean Basin and Andean countries: Barbados, Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Peru, and Trinidad and Tobago.

Application

Exporters interested in accessing BLADEX financing for exports or related imports should contact one of the BLADEX shareholder banks in their respective country.

Contact

Latin American Export Bank
Apartado 6-1497, El Dorado
Panama, Republic of Panama
Tel; (507) 63-6766
Fax: (507) 69-6333
Telex: INTEL 2356

Latin American Export Bank agent in the United States:

750 Lexington Avenue, 26th Floor
New York New York 10022
Tel: (212) 754-2600
Fax: (212) 754-2606

BLADEX shareholders banks in the Caribbean Basin and Andean region (See Appendix III):

Barbados -- Central Bank of Barbados

Bolivia -- Banco Boliviano Americano, Banco de Cochabamba, Banco de Inversion Boliviano, Banco de La Paz, Banco de Santa Cruz de la Sierra, and Banco del Estado

Colombia -- Banco de Bogota, Banco de Caldas, Nassau, Ltd., Banco de Colombia, Banco del Comerico, Banco del Estado, Banco Industrial Colombiano, Banco Popular, Fundo de Promocion de Exportaciones, and Corporacion Finaciera del Valle

Costa Rica -- Banco BANEX, Banco BCT, Banco Central de Costa Rica, Banco Cooperativo Costarricense, Banco de Fomento Agricola, Banco de San Jose, Banco de Comercio, Banco Interfin, and Corporacion Costarricense de Financiamiento Industrial

Dominican Republic -- Banco de Desarrollo Osaka, Banco de Reservas de la Republica Dominicana, Banco Dominicano del Progreso, Banco Metropolitano, Banco Nacional de Credito, Banco Popular Dominicano, and Banco Universal

Ecuador -- Banco Central del Ecuador, Banco Continental, Banco de la Produccion, Banco de Los Andes, Banco del Azuay, Banco del Pacifico, Banco del Pichincha, and Filanbanco

El Salvador -- Banco Agricola Comercial de El Salvador, Banco Capitalizador, Banco Central de Reservas de El Salvador, Banco Cuscatlan, Banco de Comercio de El Salvador, Banco de Desarrollo e Inversion, Banco de Fomento Agropecuario, Banco Nacional de Fomento Industrial, and Banco Salvadoreno

Guatemala -- Banco Agricola Mercantil, Banco de Exportacion, Banco de Guatemala, Banco de Occidente, Banco del Cafe, Banco de la Construccion, Banco Granai & Townson, Banco Industrial, Banco Inmobiliario, Banco Internacional, Banco Metropolitano, Banco Promotor, Corporacion Financiera Nacional, and Credito Hipotecario Nacional de Guatemala

Honduras -- Banco La Capitalizadora Hondurena, Banco Atlantida, Banco Central de Honduras, Banco Continental, Banco de Occidente, Banco del Comercio, Banco de los Trabajadores, Banco Hondureno del Cafe, Banco Mercantil, Banco Nacional de Desarrollo Agricola, Banco Sogerin, and Financiera Centroamericana

Jamaica -- Jamaica Citizen Bank, Mutual Security Bank, National Commercial Bank of Jamaica, Ltd., National Export Import Bank of

Jamaica, and Workers Savings and Loan Bank

Nicaragua -- Corporacion Financiera de Nicaragua

Panama -- Banco Cafetero, Banco Comercial Antioqueno, Banco Comerical de Panama, Banco Continental de Panama, Banco de Bogota, Banco de Latinoamerica, Banco de Santa Cruz de la Sierra, Banco del Istmo, Banco del Pacifico, Banco Disa, Banco Ganadero, Banco General, Banco Industrial Colombiano de Panama, Banco Internacional de Costa Rica, Banco Internacional de Panama, Banco Interoceanico de Panama, Banco Nacional de Panama, Banco Popular del Ecuador, Banco Popular Dominicano, Banco Trasatlantico, BAncolat Overseas Ltd. Corporacion Financiera Nacional, Primer Banco de Ahorros, Republic National Bank, and Towerbank Overseas, Inc.

Peru -- Banco Central de Credito Cooperativo del Peru, Banco Continental, Banco de Comercio, Banco de Credito del Peru, Banco de Desarrollo, Banco de la Nacion, Banco de Lima, Banco del Sur del Peru, Banco Exterior de los Andes y de Espana, Banco Industrial de Peru, Banco Internacional del Peru, Banco Latino, Banco Mercantil del Peru, Banco Regional del Norte, Banco Regional Sur Medio y Callao, Banco Wiese, Corporacion Financiera de Desarrollo, Financiera Sudamerica, Cio de Fomento e Inversion

Trinidad and Tobago -- Central Bank of Trinidad and Tobago and Republic Bank Limited

BLADEX shareholders in the United States -- Bank America International Financial Corp., Boston Overseas Financial Corp., California Commerce Bank, Citibank, N.A., Chase Manhattan Overseas Banking Corp., First Chicago International Finance Corporation, Merril Lynch International Holdings, and Republic National Bank of Miami

SECTION IV: ANDEAN COUNTRY FINANCING SOURCES

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BOLIVIA

The Bolivian banking system consists of 19 private banks, including 15 locally owned banks, 4 foreign banks (including one U.S. bank, Citibank), and 1 state bank. Commercial banks account for over 90 percent of the deposits and loan portfolio of the formal Bolivian financial system. The remaining 10 percent of formal financial activity is concentrated in savings and loans, credit unions, and other financial institutions.

Since the stable democratic presidential elections in Bolivia during 1989, the repatriation of deposits to Bolivian banks has remained steady. The value of deposits in the local financial system increased by 64 percent between 1990 and 1991 and has further increased by 13 percent through March 1992. Nevertheless, the demand for loans is generally soft, resulting in relatively high levels of liquidity. Bolivian banks' lending portfolios as of March 1992 were concentrated in the following sectors: commerce (24 percent), manufacturing (23 percent), commercial debt (20 percent), agriculture (15 percent), and construction (5 percent). Commercial credit is generally extended on a short-term basis, denominated in U.S. dollars, and at fairly high interest rates. As of March 1992, private bank lending rates ranged between 16 and 20 percent for U.S. dollar loans and 32 to 36 percent for local currency loans. Interest rates are influenced by Central Bank of Bolivia certificate-of-deposit rates, as well as high administrative costs resulting from bank operational inefficiency. Foreign companies are eligible to borrow from the local financial system.

A new banking law aimed as modernizing the Bolivian banking system has been under consideration by the Bolivian legislature since mid-1991. After several draft versions, the new banking law will be presented to Congress during the latter half of 1992. The current banking law dates back to 1928 and has been amended countless times to where it has become cumbersome, if not contradictory. The new banking law will hopefully address and define new banking activities such as factoring and leasing, the parameters for bank holding companies, the regulatory roles of the Central Bank and the Superintendency of Banks, how banks will interface with capital markets, and generally ensure compatibility with the Commercial Code.

Bolivian and Santa Cruz Securities Exchanges

The Bolivian Securities Exchange, located in La Paz, was established in 1989. Subsequently, during 1991, the Santa Cruz Securities Exchange was established. Trading activity on the Bolivian Exchange mainly includes secondary market Central Bank certificates of deposit (U.S. dollar, Boliviano, and U.S. dollar-indexed Boliviano certificates of deposit).

Cumulative trading volume since the Bolivian Exchange opened in October 1989 reached $1 billion by April 1992. While this activity was primarily concentrated in money markets, 11 private banks and corporations have placed short-term debt issues totaling $16.3 million. Despite Central Bank reduction in the volume of outstanding certificates of deposit issued, an active and growing market has been created in Central Bank recirculated certificates of deposit. Further, regulatory approval is pending for two new instruments: negotiable commercial bank fixed time deposits and bank commercial paper.

The Bolivian Securities Exchange is privately owned by 22 principal shareholders and has 19 members, 11 of whom are brokerage firms formed by commercial banks. A new securities law, currently pending congressional approval, will require these bank brokerage activities to be spun off into wholly owned subsidiaries.

The Santa Cruz Exchange traded its first issue of 6-month secured debt for a sugar mill in August 1991, successfully placing $1.5 million in four series. The debt has since been repaid in full. Several municipal bond issues are pending approval by the National Securities Commission for urban infrastructure development in and around Santa Cruz. The capital market in Santa Cruz is still in its initial stages, with four authorized brokerage firms, but only two operating.

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Contact

Bolivian Securities Exchange
Ayacucho y Mercado
Casilla 12521
La Paz, Bolivia
Tel: [591](2) 350-935, 352-308
Fax: [591](2-911

Santa Cruz Securities Exchange
Velasco 3 08
P.O.B. 2608
Santa Cruz, Bolivia
Tel: [591](2) 350-780
Fax: [591](2) 334-679

Debt-Equity Investment Bonds

The Bolivian Government established an investment bond program through Directive Resolution No. 020/88 in March 1988 that enables eligible investors to access capital through converting eligible Bolivian Government bonds into investment certificates.

The Bolivian Government reduced the debt it owes to commercial banks from over $700 million in 1985 to approximately $185 million by 1990. This reduction included $250 million in debt converted into investment bonds (A bonds). Commercial banks can either hold these bonds for 25 years and then collect 100 percent of their value or convert them into investment certificates at current value ($0.11 per $1 of debt), plus 50 percent which are disbursed when an investment is actually initiated. As of August 1991, approximately $80 million in investment certificates had been issued.

Eligibility

Investment certificates converted from investment bonds (A bonds) can be used for investment in the following types of activities: capital for new private companies (sociedades anonimas) or mixed companies; capital expansions for these categories of companies; stock acquisition of nonstrategic, state-owned companies for conversion into private or mixed companies; purchase of government assets available under legal authorization; financing for domestic or international nonprofit organizations involved in social assistance or environmental preservation deemed favorably by the Bolivian Government; and capital expansion of foreign subsidiaries incorporated as sociedades anonimas.

Application

Companies interested in accessing financing through investment certificates for eligible projects must either directly or indirectly secure Bolivian Government investment bonds (A bonds) on the secondary market, then approach the Bolivian Government for conversion into investment certificates that can be redeemed for investment capital.

Contact

Commercial banks holders of Bolivian Government A bonds (many of these are Bolivia-based banks, see Appendix III)

Central Bank of Bolivia
Mercado esq. Colon
Edificio Banco del Estado
La Paz, Bolivia
[591](2) 363-207, 374-171

Eastern Lowlands Project Facility

The Eastern Lowlands project provides short- to long-term credit to support agricultural development efforts in the Bolivian Department of Santa Cruz. Total credit resources available for fixed and working capital, infrastructure, and marketing operations amount to $31 million and incorporate resources from the World Bank, Bolivian Government, and the Federal Republic of Germany. Recently established, the credit facility is expected to be utilized largely by medium-scale farmers (55 percent), followed by small-scale farmers (26 percent) and large-scale farmers (19 percent).

Loans are available for up to a 10-year term for investment in storage infrastructure, up to 7 years for fixed assets, up to 1 year for working capital, and up to 6 months for marketing operations. The maximum loan size available through this credit facility is $1.5 million. Financing can cover from 70 to 90 percent of total project costs, depending on the size of the company. Interest rates offered by the interme-

diary commercial banks that administer this credit facility were up to 15.6 percent as of July 1992, based on the Central Bank auction rate (currently 10.2 to 10.6 percent) plus a spread not to exceed 5 percent. Loans are extended in foreign exchange and local currency, with final borrowers assuming all foreign exchange risk.

Eligibility

Bolivian companies with majority national ownership that are located in the Department of Santa Cruz and involved in agricultural export production are eligible for financing thorough the Eastern Lowlands project. Agricultural credit is available to finance the development of profitable agricultural crops, including soybean in rotation with other crops, but excluding livestock production. Projects must be located within the Eastern Lowlands, as defined by this project, which largely encompasses the Department of Santa Cruz.

Credit can be utilized to finance investment and associated working capital for land preparation, the purchase of farm equipment, and inputs for crop expansion. Land clearing cannot be financed by the credit facility. Moreover, projects may only be eligible for financing if approved methods of land clearing are followed. Storage and marketing credit can be used for grain storage facility expansion, crop purchases, and working capital.

Application

Eligible companies interested in accessing financing through the Eastern Lowlands project must apply directly to a Bolivian-based intermediary financial institution that has signed an agreement with the Central Bank of Bolivia to administer this program. In addition to normal application documentation, interested borrowers are required to submit a certificate issued by the Santa Cruz Regional Development Corporation (CORDECRUZ) certifying that the soil is apt for agriculture and granting authorization to clear trees.

Contact

See Appendix III for a list of Bolivia-based intermediary financial institutions.

Export Financing Line

The Export Financing line of credit of the Bolivian Central Bank provides pre- and post-shipment financing to Bolivian exporters. The lending capital available through this line currently totals $25 million based on resources from the Inter-American Development Bank and Andean Development Corporation.

The maximum lending term available through this line is 180 days with no maximum or minimum loan size criteria. The interest rate offered is the Central Bank auction rate (10.2 to 10.6 percent, as of July 1992) plus a commercial bank spread. Loans are available in a variety of foreign currencies. All foreign exchange risk is assumed by the final borrower.

Eligibility

Bolivian exporters of nontraditional products, plus exporters of rubber, leather, wood, and brazil nuts are eligible for financing through the Export Financing line of credit. For an eligible exporter to qualify for financing, the exports must be destined for a member country of the International Monetary Fund, or Switzerland. Financing can be used for the purchase of inputs required for export production and for other expenses necessary to get an export to market, such as transportation and insurance.

Application

Interested exporters must apply for the Export Financing line of credit through a Bolivian-based commercial bank. For pre-shipment financing, the applicant is requested to submit either the requisition from the buyer, contract, or the letter of credit along with a shipment schedule. For post-shipment financing, the applicant must submit either a commercial invoice, certificate of origin, or the bill of lading that originated the export. The commercial bank will access the credit line through the Central Bank auction process, then administer this line in conjunction with a correspondent bank in the exporting country.

Contact

See Appendix III for list of Bolivia-based commercial banks.

Market Town Capital Formation Project

Market Town Capital Formation Project (FOCAS) financing is available to support private sector investments through fixed or working capital loans as well as pre- and post-export financing. Approximately $10 million in reflows from this U.S. Agency for International Development project is available for lending through the local commercial banking system. By early 1993, a new private development bank will take over the FOCAS portfolio and continue its activities.

Since the program was established in 1986, over 300 projects, mostly of small and medium-sized businesses, have received financing. These projects are concentrated in agroindustry (42 percent), agriculture (21 percent), industry (20 percent), services (13 percent), tourism (3 percent), and crafts (1 percent) sectors.

Market Town Capital loans are available for up to $500,000 per project. The lending terms offered for working capital include up to 2 years with a 1-year grace period, and for fixed capital up to 7 years with a 3-year grace period. Interest rates currently can reach up to 15.6 percent, based on the Central Bank auction floor rate (currently 10.2 to 10.6 percent) plus a commercial bank spread of up to 5 percent. Project financing can cover up to 80 percent of the total investment. Loans are extended to the project borrower in Bolivianos at an exchange rate fixed to the U.S. dollar with the borrower assuming all exchange risk.

Eligibility

The Market Town Capital Formation project targets primarily small and medium-sized companies. Those companies located outside of the urban cities of La Paz, Santa Cruz, and Cochabamba may be eligible for fixed or working capital loans as well as pre- and post-export financing. Urban-based companies of any size that source inputs from rural areas may also be eligible for financing. Any private company established in Bolivia may be eligible for Market Town Capital financing.

Application

Companies interested in accessing Market Town Capital Formation financing must apply to a nonforeign, Bolivian-based commercial bank. A feasibility study must be included in the application. The commercial bank will evaluate the project proposal and collateral, then forward the application to the Bolivian Government's Regional Development Corporation, Financial Credit Unit for approval. Loan requests exceeding $300,000 must also be approved by the Ministry of Planning, Central Project Coordinating Unit.

During 1993, a private development bank will be established to serve as the intermediary entity responsible for administering this credit line and provide loans directly to the borrower.

Contact

Banks currently eligible for accessing this financing include Banco Nacional de Bolivia, Banco Boliviano Americano, Banco La Paz, Banco de Santa Cruz de la Sierra, Banco Industrial y Ganadero del Beni, Banco de Inversion Boliviano, BHN Multibanco, Banco Mercantil, Banco Internacional de Desarrollo, and Banco Economico.

See Appendix III for a list of commercial banks.

Mining Loan Project Facility

The Mining Loan I roject of the World Bank incorporates a credit component that provides long-term lending to support mining activities. The total credit available through the Mining Loan, which began disbursement during the second half of 1991, is $7.5 million.

The maximum loan sizes available are $500,000 for financial restructuring, $200,000 for fixed assets, and $160,000 for working capital. The portion of project costs that can be financed through this loan facility is determined by the intermediary commercial banks. Loans are available for up to a 10-year term with a maximum 2-year grace period. Interest rates are available at a rate of 13.7 to 15.1 percent, based on the Central Bank auction rate (10.2 to 10.6 percent as of July 1992) plus an intermediary

commercial bank spread of 3.5 to 4.5 percent. Loans are disbursed in U.S. dollars and U.S. dollar-indexed Bolivianos. All foreign exchange risk is transferred to the final borrower.

As of June 1992, there had been no demand for this line of credit from the commercial banks largely due to the banking system liquidity and the interest rates offered by this facility. Moreover, the loan size criteria limit possible clientele to the small miner who generally lacks the urban collateral of 3 to 1 required by the commercial banks: by constitutional guideline, the mine itself cannot be used as collateral. It is expected that this credit facility will be restructured in the near future.

Eligibility

Bolivian mining companies with national majority ownership are eligible for financing through the Mining Loan Project. Financing can be utilized for fixed and working capital expenses, and for financial restructuring.

Application

Eligible companies interested in accessing Mining Loan Project financing must apply to an eligible Bolivian-based commercial bank. The commercial bank accesses this credit facility through the Central Bank auction system and requires collateral guarantees from the borrower. For loans over $300,000, World Bank approval must be provided prior to loan disbursement.

Contact

Bolivia-based banks that are currently eligible to administer this line of credit include Banco Santa Cruz, Banco Union, Banco Nacional, and Banco Garadero de Bani.

See Appendix III for list of commercial banks.

Multisectoral Credit Line

The Multisectoral Credit Line provide financing to industry, agriculture, and tourism sectors for capital investment, fixed assets, working capital, and technical assistance.

These credit lines consist of two lines from the Inter-American Development Bank (IDB) totaling $66.2 million, of which $57.3 million had already been disbursed through December 1991. A third line of $80 million is anticipated by the end of 1992, pending Bolivian Government adherence to certain conditions. Financing for more than 176 projects has been extended over the life of these credit lines, including 75 tourism infrastructure projects (average loan size $450,000); 75 industry projects primarily in metal mechanics and food processing sectors (average loan size $800,000); and 26 agricultural projects (average loan size $250,000).

The maximum loan for tourism and industrial sectors is $6 million per project; however, project loans exceeding $1 million must be reviewed by the IDB. For agricultural projects, loans may reach up to $12 million, but those exceeding $250, 000 must be approved by the IDB. Loans are available on up to a 12-year term with a 2-year grace period.

Up to 80 percent of the total agricultural project cost and up to 70 percent of the total tourism and industrial sector project costs can be covered by the credit line. For nonagricultural projects, up to a maximum of 15 percent of the remaining cost can also be covered by an intermediary commercial bank. Interest rates extended on these funds by the intermediary commercial bank range from 13.2 to 15.6 percent based on the Central Bank auction rate of 10.2 to 10.6 percent plus 3 to 5 percent. All loans are disbursed in Bolivianos at an exchange rate fixed to the U.S. dollar with all exchange risk assumed by the final borrower.

Eligibility

Any private company established in Bolivia may be eligible for financing through the Multisectoral Credit Line. Financing can be used for fixed investments in productive activities. All imported materials financed by this line must be purchased from IDB member countries. Used equipment purchases must be justified. Land purchases or debt refinancing cannot be financed by this credit line.

Application

Companies seeking financing through the Multisectoral Credit Line must apply through a Bolivian-based commercial bank. Applicants must supply an economic and financial feasibility study conducted by a qualified consulting firm. If projects exceed the autonomous amount designated ($1 million for tourism and industry projects and $250,000 for agricultural projects), commercial banks also provide the IDB with their own evaluation for IDB consideration and necessary approval.

Contact

See Appendix III for list of commercial banks.

Private Enterprise Development Project

The Private Enterprise Development Project of the World Bank provides financing through local commercial banks to support the manufacturing and tourism sectors and offers a special program for small enterprises. This facility includes $16 million for financing of fixed assets, working capital, and technical assistance in support of eligible projects.

Lines of credit are available for fixed assets and working capital. The maximum loan size available through this facility is $120,000 per project. Up to 80 percent of the total project cost can be financed by this facility. A lending term of up to 8 years with a maximum 2-year grace period is offered for fixed asset financing and a maximum 2-year term with up to a 1-year grace period if available for working capital financing. The current interest rate offered is 14 to 15 percent. Loans are extended by intermediary commercial lending institutions in U.S. dollars and U.S. dollar-indexed Bolivianos. The final borrower assumes all foreign exchange risk.

Technical assistance is available on a grant basis through programs oriented toward plant technical assistance, short-term training and capacitation, institutional strengthening, and tourism development. Up to 80 percent of the cost of consulting services can be financed through the Private Enterprise Development Project. Consulting projects are analyzed and qualified on a case-by-case- basis. No maximum grant limit has been set, but during the first year of operations, technical assistance averaged $10,000 per project.

Eligibility

Private companies, especially small to medium-sized enterprises, involved in manufacturing and tourism projects are eligible for financing through the Private Enterprise Development facility. Projects must be oriented toward increasing production and creating new jobs. Credit can be used for fixed assets, working capital, and technical assistance. Technical assistance grants are available to wholly Bolivian-owned or at least 51 percent Bolivian-owned companies.

Application

Companies interested in line-of-credit financing must apply directly to a Bolivia-based commercial bank to access financing. Applications must include a project description, and other documentation depending on the internal requirements of each commercial bank. Companies pursuing technical assistance grants must apply directly to the Technical Assistance Service of Bolivia and submit legal and financial information on the company, a brief description of the project, goals, timeframe, and consultant's terms of reference. The time frame for consideration of line of credit applications is 6 to 8 weeks and for technical assistance grants is 3 to 4 weeks.

Contact

For line-of-credit financing: See Appendix III for list of commercial banks. Eligible commercial banks include Banco Boliviano Americano, Banco Industrial y Ganadero del Beni, Banco de Santa Cruz de la Sierra, Banco Nacional de Bolivia, Banco La Paz, Banco Mercantil, Banco de la Union, Banco Internacional de Desarrollo, Banco Economico, Financiera de Desarrollo de Santa Cruz, Banco de Cochabamba, Banco Industrial, S.A., Banco de Inversion Boliviano, S.A., Banco Popular del Peru.

For technical assistance:
Technical Assistance Service
P.O. Box 5682
7th Floor, Central Bank Building
La Paz, Bolivia
Tel: [591](2) 392-470
Fax: [591](2) 392-469

COLOMBIA

Legal changes made during 1990 and 1991, coupled with monetary measures, have significantly modernized Colombia's financial sector. Foreign investors are now authorized to purchase 100 percent ownership in financial institutions. As a result, Citibank repurchased full ownership of a bank it had wholly owned prior to the restrictive legislation imposed during the 1970s. These legal changes also established a free-market exchange regime. Administrative decrees aimed at strengthening the financial system by reducing forced investments and increasing capital requirements were also issued.

The Colombian financial sector grew at a healthy rate of 5.5 percent during 1991. Decontrolling interest rates on savings, time, and regular bank accounts did not have the hoped-for effect of stimulating competition and encouraging lower intermediation rates. The high interest rates offered by the Central Bank on open market operations and the 100 percent marginal reserve requirements kept lending rates hovering between 45 and 50 percent for most of 1991. Through both moral suasion and short-term interest rate ceilings, as well as a relaxation of the reserve requirements, the Central Bank managed to lower interest rates to below 35 percent by mid-1992. Other than this intermittent intervention by monetary authorities, interest rates are set by market forces across the full range of financial intermediaries.

Foreign investors are eligible to access domestic credit. The Colombian Government reserves the right to limit access to foreign exchange if international reserves drop to the value equivalent to 3 months of imports; however, reserves have held at a healthy rate making the need for this limitation unlikely. As of July 1992, the foreign exchange rate was Colombian peso $707.4 to the US$1.

Colombian Stock Market

The Colombian Stock Market, with Bogota, Medellin, and Occidente Exchanges, is served by about 70 stockbrokers. Approximately 180 corporations are listed on the stock exchanges.

Together, trading volume of the three exchanges reached $5.5 billion in 1991, up by 140 percent between June and December of that year. During this same period, the price/earnings ratio in the market, calculated as a weighted average by market capitalization rose from 9.6 to 26.3. This activity is concentrated in Banco Republica papers (55 percent), private sector papers (26 percent), private sector papers (15.5 percent), and shares and subscription rights (5 percent). These three money centers show marked differences with regard to commercial activity and the distribution of their transactions. Transactions at the Bogota Exchange, the national economic and financial center, are concentrated in fixed-income paper, while the Medellin and Cali Exchanges, located in industrial centers, have attracted higher participation in stocks and stock options.

Fixed-income paper on the Bogota and Medellin Exchanges are now traded electronically, and by the end of 1992, stocks will also be traded electronically. From the end of 1990, several foreign capital investment funds began operating in Colombia, including Baring Fund Ltd. of Boston; the Colombian Fund, Ltd.; BT Interfund Trust; Latin America Investment Fund; and Latin America Equity Fund Inc.

Contact

Bogota Stock Exchange
Cra. 8 No 13-82, Pisos 7 al 9
Conmutador 2 4 3 6 5 01
Apartado 3 5 8 4
Bogota, Colombia
Fax: [57] (1) 2813170
Telex: 44780

Medellin Stock Exchange
Cra. 50 No. 50-48 Piso 2
Conmutador 2 603 000
Apartado 3 5 3 5
Medellin, Colombia
Fax: [571] (1) 2511981
Telex: 66-788

Occidente Stock Exchange
Calle 8 no. 3-14, Piso 17
Conmutadores 894 2 79 81702 2
Apartado 117 18
Cali, Colombia
Fax: [571] (1) 816720
Telex: 51217

Agriculture Fund

The Agriculture Fund (FINAGRO), established in 1990, provides investment and working capital financing for agricultural production, marketing, and commercialization. During 1991, FINAGRO's credit program totaled $583.3 million (Colombian pesos $350 billion), up by 34 percent over 1990. Almost three-fourths of this funding targets projects of medium- and large-sized producers.

For investment financing, FINAGRO generally will cover up to 80 percent of the total project cost with a variable interest rate to the final borrower of 15.6 to 23.6 percent, based on the 90 day certificate of deposit rate plus or minus 4 percent, depending on the borrower's size. For projects located along border areas, the interest rate offered by FINAGRO is 0.5 percent lower than the normal rates. The lending terms offered by FINAGRO are medium and long term with flexibility for the borrower to negotiate a repayment term and grace period according to the specific project investment needs. For working capital financing, lending terms can reach up to 15 months for cultivation and cover up to 80 percent of total costs, depending upon the specific activity.

Eligibility

FINAGRO working capital and investment financing is available for projects in the agricultural, cattle, forestry, and fishery subsectors. Companies must be legally established in Colombia to be eligible for FINAGRO financing. Financing of infrastructure, machinery, irrigation, land adaption, and marketing (commercialization) are prioritized by this fund. Other eligible uses for FINAGRO resources include animal purchases, sowing, support services, and other activities. Working capital resources can also be used for seasonal cultivation and seed production.

Application

FINAGRO loans are channeled through commercial banks and finance companies. Interested borrowers should approach a financial intermediary with their loan request, including an investment plan, project performance projections, environmental impact and technical assessment of project, and information on the investor principles. The financial intermediary in turn conducts complete evaluations on the technical, financial, and economic viability of the project. If the financial intermediary decides to finance the project, documentation is submitted to FINAGRO for consideration.

Contact

See Appendix III for a listing of Colombian-based financial institutions.

Business Capitalization Fund

Business Capitalization Fund loans are offered through the Ministry of Economic Development's Institute of Industrial Development (IFI). For 1992, $18.6 million (Colombia pesos $13.2 billion) in lending is anticipated through the Business Capitalization Fund.

Loans are extended on a term of up to 7 years with up to a 1-year grace period for financing fixed assets, working capital, and technical assistance. Up to 70 percent of the value of new stocks, bonds, or capital requirements can be financed by the fund. Interest rates are offered at 25.6 percent, based on the rate for a 90-day certificate of deposit plus 6 points. Financing is available in foreign exchange with devaluation risk assumed by the borrower. The maximum loan size available is $10 million, but cannot exceed 30 percent of a company's total assets.

Eligibility

Manufacturing and agroindustry companies legally established in Colombia are eligible to access the Business Capitalization Fund. The financing of bond acquisitions for conversion into stocks is only available to investors with less than 40 percent share in the company. Business Capitalization Fund resources in the form of capital contributions, bond acquisition

convertible to stock can be used for fixed assets (inventory, primary materials, or finished products), working capital (machinery and equipment, services installation, civil construction), and technical assistance. Financing cannot be used for debt financing, land or building purchases, or used machinery purchases.

Application

Entities interested in applying for financing from the IFI must submit the following information: a letter signed by the requestor's legal representative indicating the amount requested, intended use of funds, and guarantees offered; authenticated copies of the two most recent income statements; certificate of incorporation and management issued by the Chamber of Commerce within the past 60 days; financial statements for the last two calendar years signed by the company's legal representative, accountant, and/or tax examiner; and permanent authorization to IFI to consult with the Central de Riesgos de Asobancaria, a Colombian company that monitors credit histories, and related organizations.

Contact

Institute of Industrial Development
Calle 16, No. 6-66, Pisos 14 y 15
Edificio Aviaca, Apartado 4222
Bogota, Colombia
Tel: (571) 282-2055
Fax: (571) 286-8116, 286-4166

Industrial Financing Fund

The Industrial Financing Fund provides working capital and fixed asset financing to small and medium-sized manufacturing and mining companies .

Working capital loans are available for up to a 3-year term, and fixed assets loans are extended for up to a 10-year term with up to a 3-year grace period. The maximum loan available is $544,000 (Colombian pesos $385 million), not to exceed 80 percent of the cost of a project involving an established company or 70 percent of the cost of a new project. Interest rates are established according to the location of the eligible project: projects located in Bogota, Medellin, Cali, and other urban centers are extended at a rate of 25.6 percent as of August 1992, based on a 90-day certificate-of-deposit rate plus 6 percent, while projects in border zones are offered at 19.6 percent.

Eligibility

Manufacturing and mining companies that are legally established in Colombia and whose total assets do not exceed approximately $900,000 (Colombian pesos $641.6 million) are eligible for financing through the Industrial Financing Fund.

Application

Eligible companies interested in soliciting financing through the Industrial Finance Fund must apply to a Colombian-based commercial bank or financial corporation, which in turn can access this central bank line of credit.

Contact

See Appendix III for a listing of Colombian-based financial institutions.

Industrial Reconversion Credit

The Industrial Reconversion Credit facility provides long-term financing for industrial upgrading activities. This loan facility, which includes resources from the World Bank, is channeled through the Ministry of Economic Development's Institute of Industrial Development (IFI). The projected lending level from the fund for 1992 is approximately $33 million (Colombian Peso $20 billion).

Industrial Reconversion Credit is available at a term of up to 15 years with up to a 2-year grace period. An annual interest rate of 24.5 percent is offered, as of August 1992, based on the deposit rate for long-term financing institutions plus 5 percent. Financing is available in foreign exchange with devaluation risk assumed by the borrower. The maximum loan size available is $10 million, but cannot exceed 30 percent of a company's total assets.

Eligibility

Industrial Reconversion Credit can be used for industrial relocation, improvement of surroundings, technological development, and/or quality improvement. Financing cannot be used for the purchase of equipment deemed ecologically unsound by IFI.

Companies of any nationality that are legally established in Colombia may qualify for financing.

Application

Entities interested in applying for financing from the IFI must submit to this entity the following information: a letter signed by the requestor's legal representative indicating the amount requested, intended use of funds, and guarantees offered; authenticated copies of the two most recent income statements; certificate of incorporation and management issued by the Chamber of Commerce within the past 60 days; financial statements for the last two calendar years signed by the company's legal representative, accountant, and/or tax examiner; and permanent authorization to IFI to consult with the Central de Riesgos de Asobancaria, a Colombian companies that tracks credit histories, and related organizations.

Contact

Institute of Industrial Development
Calle 16, No. 6-66, Pisos 14 y 15
Edificio Aviaca, Apartado 4222
Bogota, Colombia
Tel: (571) 282-2055
Fax: (571) 286-8116, 286-4166

National Export Bank

The National Export Bank (BANCOLDEX) offers a revolving fund for short-term and pre- and post-shipment loans to exporters and also administers lines of credit for fixed investment capitalization. The projected lending level for 1992 for these various BANCOLDEX resources is $876.7 million (Colombian pesos $526 billion).

BANCOLDEX financing for technical assistance, pre-investment studies, and engineering/professional services is available on an up to 5-year term with up to a 2-year grace period. Financing for export market studies and publications can reach up to a 2-year term with a 6-month grace period, while all other pre-export financing offered by BANCOLDEX is available on a 1-year term. Export promotional activities and technical assistance can be financed at a level of up to 100 percent of total cost. Interest rates offered are generally 23.6 percent as of August 1992, based on the rate for a 90-day certificates of deposit plus 4 points, increasing by 0.25 points per year, with payments due on a quarterly basis, but some variance exists depending on the specific type of financing.

Post-shipment financing through this discounting mechanism enables an exporter to obtain financing for up to 70 percent of the value of an export order for a term of up to 1 year for consumer goods and up to 5 years for other goods. This financing is available at an interest rate of 23.6 percent, based on the rate of a 90-day certificate of deposit plus 4 points, payable quarterly.

The line of credit for financing fixed investments is available on an up to 5-year term with up to a 2-year grace period. The interest rate available for small and medium- sized industry is 19.6 percent, the rate of a 90-day certificate of deposit (DTF), payable quarterly, while the rate for large industry is 23.6 percent, based on the DTF plus four points.

A recently established BANCOLDEX line of credit is dedicated to financing the import of capital goods to be used to manufacture export products. This credit line is available for up to a 3-year term and an up to a 1-year grace period with an interest rate of 19.6 percent, based on a 90-day certificate of deposit rate plus 4 points, escalating by .25 percent per year.

Eligibility

Companies legally established in Colombia are eligible for export financing for all products, excluding coffee, petroleum and petroleum derivatives, and raw leather. BANCOLDEX pre-export lines of credit are available to finance the following activities: pre-shipment operations, technical assistance, quality control, packaging and design, training, pre-investment and export

market analysis, marketing support, and construction.

Application

Entities interested in financing other than feasibility or market studies from BANCOLDEX must solicit a Colombian-based bank or finance corporation, which applies for these lines of credit from the BANCOLDEX on their behalf. Approval for loans up to $700,000 (Colombian pesos 500 million) can be automatically granted by the intermediary bank. Loans exceeding this amount must be reviewed by BANCOLDEX. Companies interested in BANCOLDEX financing for feasibility or market studies should apply directly to BANCOLDEX.

Contact

See Appendix III for a listing of Colombian-based financial intermediary institutions.

National Export Bank
Calle 28, No. 13A-15, Piso 42
Bogota, Colombia
Tel: (571) 341-0677
Fax: (571) 284-5087

National Fund for Development

The National Fund for Development (FONADE) provides grants and lines of credit to support feasibility and pre-feasibility studies of projects in the public sector, especially those entities undergoing privatization. FONADE resources consist of Inter-American Development Bank and the Colombian Government funds. Projected credit extension for 1992 is $424,000 - 565,000 (Colombia peso $300 - 400 million).

FONADE credit is extended on an up to 6-year term with up to 2 years of grace period. Interest rates range between 17.6 to 21.6 percent, based on a 90-day certificate-of-deposit rate plus or minus 2 points, depending on the size of the benefiting company.

Eligibility

Any company legally established in Colombia may solicit FONADE financing for studies on market design, company restructuring, automation, industrial technology transfer and adaption, and quality control related to the privatization of public enterprises.

Application

Companies interested in accessing financing through FONADE can apply directly to FONADE or through one of the following finance corporations: Corporacion Financiera Nacional or Corporacion Financiera del Valle.

Contact

See Appendix III for listings of Corporacion Financiera Nacional and Corporacion Financiera del Valle.

National Fund for Development Projects
Calle 26, #13-19, Pisos 18-21
Bogota, Colombia
Tel: (571) 282-9400
Fax: (571) 282-6018

Private Investment Fund

The Private Investment Fund provides medium- and long-term financing for the manufacturing, mining, tourism, and natural gas industries. This fund, which is extended from Banco de la Republica and administered by banks and finance corporations, offers fixed investment and working capital financing.

Loans are available through this fund on a term of up to 10 years with an up to 3-year grace period for fixed capital and up to 3 years for working capital. An interest rate of 25.6 percent is offered as of August 1992, based on the rate for a 90-day certificates of deposit plus 6 points. The maximum loan offered is approximately $1 million (Colombian peso $697 million). Financing can cover up to 60 percent of the total project cost.

Eligibility

Companies that are legally established in Colombia and involved in the manufacturing, mining, tourism, and natural gas distribution sectors are eligible for financing through the Private Investment Fund. Fund resources extended through stock, quotas, or part of social interest bonds obligatorily convertible into stock

can be utilized for fixed assets (construction, new equipment and machinery, international transportation, and related services), working capital (inventory and liquid assets), and technical assistance.

Application

Entities interested in financing from the Private Investment Fund must solicit a Colombian-based bank or finance corporation, which applies for these lines of credit from the Reserve Bank on their behalf.

Contact

See Appendix III for listing of Colombian-based financial institutions.

Tourism Credit

Tourism Credit loans for fixed assets and working capital expenditures are available through the Ministry of Economic Development's Institute of Industrial Development (IFI). Capital resources for this fund are derived from the Andean Development Corporation (CAF) and ordinary resources of the IFI. Projected lending from the Tourism Credit facility for 1992 is $14.7 million (Colombian pesos $8.8 billion).

Tourism Credit is available at an up to 10-year term with up to 3-year grace period for fixed assets and up to 3-year term for working capital. An interest rate of 24.5 percent is offered as of August 1992, based on the deposit rate for long-term financing institutions plus 5 percent. Financing is available in foreign exchange with devaluation risk assumed by the borrower. The maximum loan size available is $10 million, but cannot exceed 30 percent of a company's total assets.

Eligibility

Eligible tourism projects may include lodging accommodations, restaurant projects, tourist road services, and other services complementary to tourism. Tourism credit resources can be used for fixed assets and working capital. Companies of any nationality that are legally established in Colombia may apply for financing.

Application

Entities interested in applying for financing from the IFI must submit the following information: a letter signed by the requestor's legal representative indicating the amount requested, intended use of funds, and guarantees offered; authenticated copies of the two most recent income statements; certificate of incorporation and management issued by the chamber of commerce within the past 60 days; financial statements for the last 2 calendar years signed by the company's legal representative, accountant, and/or tax examiner; and permanent authorization to IFI to consult with the Central de Riesgos de Asobancaria, a Colombian company that tracks credit histories, and related organizations.

Institute of Industrial Development
Calle 16, No. 6-66, Pisos 14 y 15
Edificio Aviaca, Apartado 4222
Bogota, Colombia
Tel: (571) 282-2055
Fax: (571) 286-8116, 286-4166

ECUADOR

The private financial sector constitutes the major segment of the Ecuadorian financial system. Of the 31 commercial banks in operation, 3 are foreign (Citibank, Lloyds Bank, and United Dutch Bank). A number of foreign bank representational offices, financial companies financial intermediaries, and savings and loan associations also participate in the financial sector.

Foreign companies are not restricted from accessing the local financial market. Generally, private commercial bank credit is available for short-term financing (usually overdraft facilities), and some medium- to long-term development loans mostly channeled from the Ecuadorian Government. Finance companies provide short- and medium-term loans to commercial and industrial sectors for capital goods, fixed assets, working capital, and establishing and modernizing industrial/manufacturing facilities.

Ecuador's legal interest rate is 49 percent

unless specified otherwise, in which case the legal conventional rate ceiling is 49 percent. The free interest rate is based on 15 percentage points above the referential base (average interest rate paid by each bank in savings accounts and 90-day certificates of deposit), 58 percent as of April 1992. Fees and commissions charged usually range from 2 to 4 percent.

The Central Bank controlled foreign exchange is available for foreign trade without limitations or delays. An importer is required to obtain an import license before seeking foreign exchange through a commercial bank or private sector chambers. The government established intervention rate, 1,535 sucres to US$1 as of August 1992, prevails over international trade, import duties, tax credits, credits to the public sector, and foreign debt servicing. A free market exchange rate exists for all other activities.

Ecuadorean Stock Exchange

Created in 1969, Ecuador's Stock Exchange operates in the cities of Quito and Guayaquil, with limited trading mostly in bonds issued by public institutions, bank mortgage securities, and income tax credit certificates. During 1991, the trading amount in the Quito Exchange was approximately $62.5 million (85,000 million sucres) and in the Guayaquil Exchange was about $76.3 million (103,875 sucres).

Eligibility

Only stock exchange agents or their delegates are allowed to participate in the exchange rounds which take place every business day.

Contact

Quito Stock Exchange
P.O. Box 17-01-3372
Av. Amazonas 540 y Carrion, P8
Quito, Ecuador
Tel: [593](2) 526-805; 526-869
Fax: [593](2) 500-942

Guayaquil Stock Exchange
P.O. Box 5819
B. Moreno 1112 y 9 de Octubre
Guayaquil, Ecuador
Tel: [593](4) 560-667; 566-633
Fax: [593](4) 561-871

National Development Bank

The National Development Bank (BNF), a government development bank, provides short- to long- term financing for agriculture, livestock, industrial, handicraft, forestry, fishing, and tourism projects. Currently, BNF's capital of $31.8 million and resources of $216 million include funds from the Ecuadorian Government, the World Bank, and the Inter-American Development Bank. In 1991, 60,695 loans totaling $146.4 million were approved by the BNF. Loans are available at levels up to the maximum equivalent of $300,000 with financing for up to 80 percent the total project cost. All loans are disbursed in sucres.

Loans are extended on a term from 1 to 12 years at an interest rate of 15 percentage points above the minimum referential base of the savings and 90-day certificate of deposit rates paid by the private banking system, which equaled 54 percent as of April 1992.

A special line of $30 million for the production of nontraditional exports is available on short-to-long terms through Inter-American Development Bank resources.

Eligibility

Ecuadorian and foreign legal residents or companies may qualify for BNF financing. Credit can be utilized for all aspects of project cost except for land acquisition, building construction, administrative expenses, reinvestment, or financing of current debt.

Application

Loan applicants should provide guarantees, company background, and technical or feasibility studies depending on the specific project.

Contact

National Development Bank
Ante 107 y Av. 10 de Agosto
Quito, Ecuador
Tel: [593](2) 549-828
Fax: [593](2) 580-586

National Financing Corporation

The National Financing Corporation (CFN), a government institution, provides short- to long-term financing for projects in the agroindustry, fishing, manufacturing, and tourism sectors. These resources are extended through the Export Development Fund (FOPEX), the Development Fund for Small Industries (FOPINAR), and General Operations Fund (FOGEN).

Capital resources of $119 million plus additional resources of $279 million include bilateral and multilateral loans, bond placements, and the Ecuadorian Government's own capital. The U.S. Agency for International Development currently provides almost $3 million in support for the FOPEX and FOPINAR funds. During 1991, 1,535 loans were approved for a total of $55.5 million, with an average loan was $36,165. All loans are extended at an interest rate of 17 percentage points above the referential base for savings and 90-day certificate of deposits, the equivalent of 59.96 percent as of April 1992.

FOPEX provides export financing, market research assistance, working capital, and investment capital for projects involving nontraditional exports. (Note: In Ecuador, traditional exports are defined as bananas, coffee, cacao and by products, and fish products). Export financing is available on a 180-day term to cover discounts on exchange bills, promissory demand notes, negotiated letters of credit, and other export documents. Short-term financing is also available for up to a 2-year term to support market studies and the development of promotion activities abroad. Medium- to long-term financing, for a 2- to 7-year term with up to a 2-year grace period, is available for fixed assets and initial and expansion capital. Financing is available for up to 80 percent of the value of fixed assets for new enterprises and up to 100 percent of modernization or expansion of existing facilities.

FOPINAR finances working capital and fixed assets for small industry, handicrafts, fishing, and tourism activities. Medium- and long-term loans are available for a 2- to 7-year term with a grace period of up to 3 years. FOPINAR lending is administered through the local private financial system. Up to 80 percent of project costs can be financed by FOPINAR, with a maximum loan amount of approximately $59,000 (80 million sucres) available. All FOPINAR loans are extended in sucres.

FOGEN extends short-term (up to 2 years) working capital and medium- to long-term (2 to 7 years) investment capital for industrial projects outside of those oriented toward the export market, including but not limited to mining, fishing, and tourism. Up to a 2-year grace period may be offered. FOGEN financing is extended in sucres and may cover up to 80 percent of total project cost.

Eligibility

Both Ecuadorian and foreign legal residents or companies can qualify for CFN financing. These resources cannot be used for the acquisition of land, purchase of vehicles, or refinancing.

Application

Short-term loans are usually reviewed within 2 weeks, while medium- to long-term loans usually require 1 to 2 months for consideration. Loan solicitations must include technical and feasibility studies (depending on the specific project), company background, and guarantees.

Contact

National Finance Corporation
Robles 731
Quito, Ecuador
Tel: [593](2) 541-600
Fax: [593](2) 562-519

National Preinvestment Fund

The National Preinvestment Fund (FONAPRE), an Ecuadorian Government agency, provides credit for the financing of prefeasibility, feasibility and consulting, and design studies for priority development projects. FONAPRE's $15 million capital base plus $20 million in additional resources includes funds from the Inter-American Development Bank and Andean Development Corporation. During 1991, 31 loans were approved with an average loan size of $145,700.

A maximum of 80 percent of total preinvestment costs can be financed by FONAPRE. Loans are extended for up to a 5-year term with a 1-year grace period for private sector borrowers. The interest rate applied for feasibility studies is currently 40 percent for private borrowers. Loans are extended in sucres.

Eligibility

Both public and private sector interests can utilize this fund. Approximately 70 to 80 percent of FONAPRE resources are available for private-sector usage with the remainder targeted toward the public sector. Both Ecuadorian and foreign legal residents or companies may qualify for FONAPRE financing.

Application

Private sector applicants for FONAPRE financing must provide guarantees and company background information. Loans to the private sector may take between 1 and 2 months to process.

Contact

National Preinvestment Fund
Jorge Washington 624 Y Amazonas
Quito, Ecuador
Tel: [593](2) 562-068
Fax: [593](2) 561-449

PERU

The Peruvian banking system consists of 15 commercial banks. Although no U.S. bank branches exist in Peru, two U.S. banks (Citibank and First Interstate Bank) maintain representative offices. Commercial bank dominate the financial market and generally provide lending on a short term. Foreign companies are legally permitted to borrow on the local financial market; however, the relatively high interest rates offered discourages most local borrowing by foreign companies.

As of August 1992, the estimated 1992 average annual interest rate for dollar loans was 21.98 percent and deposit rate estimate was 8.54 percent. Average monthly interest rates on local currency was 7.29 percent for loans and 3.07 percent for deposits. The spread between lending and savings rates has increased because of low levels of financial intermediation and high operating costs.

The Fujimori Government, inaugurated in July 1990, initiated a bold economic stabilization program that included unification and liberalization of the exchange rate by July 1991. The exchange rate level, New Sol 1.25:1 US$1 as of August 1992, is determined by market forces, subject to Central Bank intervention. The government's adjustment program, Central Bank monetary policy, inflows of "narcodollars", and short-term capital have contributed to the increasing overvaluation of Peru's domestic currency since August 1990. No restrictions exist on currency transactions including the purchase, sale, and remittance of foreign exchange.

Real liquidity of the financial system rose by 12 percent between May 1991 and May 1992, with comparable expansions in local and foreign currency liquidity. Credit available to the private sector rose by 30 percent between December 1991 and May 1992. Of this, foreign exchange credit increased by 33 percent and Sol credit rose by 27 percent.

Financial credit to the private sector has been limited because of the lack of resources from international and bilateral donors. Under the previous government, Peru had isolated itself from the international financial community. The Fujimori government began to reverse this trend following its inauguration in July 1990. Peru has reached arrangements with the International Monetary Fund (IMF) and the World Bank to clear its arrears by the end of 1992 and received IMF approval for it's stabilization and adjustment program. All Peruvian arrears with the Inter-American Development Bank have been cleared. Also, Peru has received Paris Club agreement to reschedule its bilateral official debts.

However, on April 5, 1992, President Fujimori dissolved the legislative branch, announced sweeping changes in the judiciary branch, and suspended portions of the 1979 Constitution. He has since promised elections for a constitutional assembly in November 1992 and postponed

regional and municipal elections until February 1993. As a result, Peru's reinsertion into the world financial community is threatened. This auto-coup was widely condemned by the international community and has led to the suspension of economic assistance by the United States and other countries.

Peruvian Stock Exchange

The Peruvian Stock Exchange was established during the 19th century. As of May 1992, the average daily trading fell to $500,000 to $700,000, down from a level of $3 to 5 million per day during the earlier part of 1992. The instruments traded include common shares of stock, bonds, and letters of credit. Trading involvement is limited to brokers, currently numbering 31, who are registered with the exchange.

Legislative Decree Number 755 of November 1991 removed state controls of the stock market, established a minimum capital requirement of $500,000 for brokers, allowed banks to participate as brokers, and permitted the creation of mutual funds to handle investment for private health and pension plans.

Contact

Peruvian Stock Exchange
Pasaje Acuna No 191
Lima, Peru
Tel: [51](14) 286280, 276699
Fax: [51](14) 337650

SECTION V: CARIBBEAN COUNTRY FINANCING SOURCES

BAHAMAS

As one of the premiere offshore banking centers in the world, the Bahamas has developed a sophisticated banking system with services that cater to the diverse needs of local and foreign investors. A complete listing of the 399 banks that are licensed to do business with the public is available from the Central Bank of the Bahamas or the Association of International Banks and Trust Companies in the Bahamas (see Appendix III).

Foreign investors must obtain permission from the Central Bank of the Bahamas for financing against a Bahamian security. The Government of the Bahamas is currently examining how to enhance its local capital markets.

Loans are available for priority customers on a delayed timetable. The Central Bank has imposed a ceiling on interest rates payable on deposit accounts. As of March 1992, commercial bank lending ranged from 13.5 to 18.7 on consumer loans and 10.4 to 13.75 percent for other loans. The Bahamian dollar is tied to the U.S. dollar at a rate of B$1 to US$1 .

Bahamas Development Bank

The Bahamas Development Bank (BDB) provides medium- and long-term financing for tourism, agricultural, industrial, services, and small business projects. Loan, guarantee, and equity financing as well as technical assistance are available for project development. The BDB has an authorized capital of $11.5 million and has received credit lines from the Inter-American Development Bank, Caribbean Development Bank, and European Development Fund.

Since the BDB began operations in 1978, 1,344 loans valued at $44.4 million have been provided. BDB lending generally has concentrated in fishing (25 percent), transportation (22 percent), manufacturing (15 percent), and tourism (13 percent).

BDB provides financing primarily through loans, offered at interest rates of 4 to 8.5 percent and available for up to 10 years with a grace period depending on the specific project. Loan financing to a single enterprise may not exceed 10 percent of BDB's paid-up capital, currently $400,000. Generally, the BDB limits its participation in nonagricultural projects to 70 percent of the total project costs, with the remaining 30 percent borrower equity. For agricultural projects, the bank will finance up to 80 percent of the total project cost. In the case of loans to expand an existing project, BDB may finance up to 100 percent of the total cost of expansion. All loans are disbursed in Bahamian dollars (BD).

Under certain circumstances, the bank can take an equity investment position where other sources are not available. Guarantees can also be provided for loans from other investment sources to an investor establishing or modernizing an approved enterprise.

Technical assistance may be provided to supplement project financing where necessary and as BDB resources permit. Assistance may include project planning, appraisal, and formulation, as well as the procurement of managerial and technical advice.

Eligibility

Private projects in the following sectors are eligible for BDB financing: tourism and ancillary services, industrial enterprises, agribusiness, agriculture and livestock, services (including transportation and construction), fishing and marine activities, and cooperatives and small business. Only projects controlled by Bahamian nationals may seek BDB financing. Financing can be used only for the acquisition of machinery, plant. and equipment; building construction and renovation; and permanent working capital.

Application

Requests for financing must be made directly to BDB. The formal application requires the following information: project description, the marketing, strategy, operating costs, sales projections, management expertise, and source of funds. BDB will provide assistance, if necessary, in preparation of this background. Requests for a loan, a guarantee, or equity financing must be approved by the BDB Board of Directors. The main criteria used to evaluate

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proposed projects include financial, economic, and commercial viability; technical feasibility; marketing strategies; management capacity; balance-of-payments considerations; employment generation; use of domestic raw materials; value added; potential for developing ancillary industries; and effect on the environment. An administrative fee of approximately 2 percent of the loan request may be charged to cover project investigation costs.

Contact

Bahamas Development Bank
Managing Director
P.O. Box N3034
Nassau, Bahamas
Tel: (809) 332-8721
Telex: DEVBANK NASSAU

BARBADOS

The tightened monetary policy imposed by the Barbadian Central Bank in 1991 as a component of the Barbadian Government's structural adjustment program with the International Monetary Fund has led to more stringent credit controls, increasing interest rates, and liquidity requirements within the financial sector.

The closure of the local branch of the Bank of Credit and Commerce International left Barbados with six commercial banks, including four that are foreign-owned and one that is government-owned. The tight credit situation has dried up most commercial lending and has pushed up interest rates to 16 percent or higher.

Local borrowing by nonresidents or locally incorporated companies controlled by nonresidents requires Central Bank permission.

The Barbados dollar is tied to the U.S. dollar at a rate of US$1.00 to BD$2.00. The Central Bank controls foreign exchange and approves foreign exchange allocation for imports and capital and profit remittance. By October 1991, the Central Bank's foreign exchange reserves were effectively depleted, causing the private sector serious delays in making import and external debt payments.

Securities Exchange of Barbados

The Securities Exchange of Barbados was established in June 1987 and by mid-1991 had a market capitalization of $313 million. The exchange lists 14 firms that concentrate in the manufacturing, distribution, and utilities sectors. Market activity picked up considerably during the first half of 1991 with trading at semiweekly sessions averaging 60,000 shares. Private and government securities as well as treasury notes are now tradeable on the exchange.

On April 1, 1991, cross-border trading commenced between Jamaica, Barbados, and Trinidad and Tobago. This allows nationals from these three countries to purchase shares on each others stock exchanges without having to obtain government foreign exchange approval.

Eligibility

Nonnational and nonresident Barbadians must receive exchange control approval prior to buying or selling securities.

Contact

General Manager
Securities Exchange of Barbados
6th Floor, Central Bank Building
Church Village, St. Michael
Barbados
Tel: (809) 436-9871
Fax: (809) 429-8942

Barbados Development Bank

The Barbados Development Bank (BDB) provides medium- and long-term financing for development projects in the tourism, industrial, agro-industrial, services, small business, cooperatives, and fishery sectors. In addition to loans and equity participation, BDB mobilizes domestic financial resources by issuing its own securities; by serving as an transaction agent for stock, shares, and securities; and by acting as an intermediary for outside public and private loans.

BDB's capital base is derived from the Inter-American Development Bank, World Bank, European Investment Bank, and local bond issues. Authorized capital is currently $30 million. Since BDB was established in 1969, 2,500 projects have been authorized for financing concentrated in the industry and tourism sectors.

The maximum loan size is $2.25 million with lending terms ranging from 3 to 15 years. A grace period of up to 4 years is available depending on the project and source of capital.

Eligibility

Tourism, industrial, agro-industrial, services, small business, cooperatives, and fishery projects are eligible for BDB financing. Financing can be utilized for working capital, construction, and the acquisition of equipment and machinery. A majority or wholly owned foreign firm must receive Central Bank clearance and verify its source of equity in order to receive BDB financing. A project must contribute to employment creation and foreign exchange generation and be economically viable. In appraising projects, the BDB expects a minimum internal rate of return of 12 percent. While the expected economic rate of return for locally owned projects is also 12 percent, foreign projects are more attractive as an investment proposal as the economic rate of return approaches and exceeds 30 percent. A debt/equity ratio of 70:30 is generally expected for locally owned companies and a ratio of 60:40 for foreign-owned companies.

Application

Firms seeking BDB financing must apply directly to BDB. The BDB application requires the following information: project description, the source and specification of equipment, markets and projected revenue, operating costs, the employment to be generated, the total capital required and sources of additional financing, and shareholders.

The completed application should be submitted with relevant legal documents and audited financial statements. In addition to a one-time evaluation fee of 1 percent of the loan, a commitment fee of 1 to 1.25 percent per annum is charged on the undisbursed balance of the loan funds.

Contact

Barbados Development Bank
7th Floor, Central Bank Building
Church Village
St. Michael, Barbados
Tel: (809) 436-8870
Fax: (809) 429-2391

Export Credit Insurance Scheme

The Barbadian Central Bank's Export Credit Insurance Scheme protects exporters against nonpayment due to political and commercial risks associated with exporting. This insurance on receivables may cover political or commercial risk. In 1990, Barbadian exports valued at $2 million received insurance coverage under this scheme.

Political risk insurance covers 90 percent of the c.i.f. value for nonpayment due to government action such as war, import control, or exchange restrictions. Commercial risk insurance covers 80 percent of the c.i.f. value for nonpayment due to importer insolvency or protracted default. Premiums vary according to country risk and credit period. Political coverage ranges from 0.35 to 0.79 percent and comprehensive coverage (political and commercial) ranges from 0.50 to 1.31 percent. A blanket policy is available for repetitive exports on short-term credit for a period of 1 year. Normally, shipments are insured from the date of shipment.

Eligibility

To receive export insurance coverage, the export must have a minimum of 60 percent value added in Barbados, and credit terms must not surpass 180 days.

Application

Applications for export credit insurance are made directly to the Central Bank of Barbados, Credit Insurance and Guarantees Department. The exporter must submit a proposal on the prescribed form. The Central Bank will issue an Offer of Insurance Cover, and once the exporter confirms his agreement with the conditions outlined in the offer, a policy will be issued. In the case of a blanket policy, the

exporter will be required to insure all shipments on credit terms under the policy.

Contact

Central Bank
Manager, Export Credit Insurance
and Guarantees Department
P.O. Box 1016
Church Village
Bridgetown, Barbados
Tel: (809) 436-6870
Fax: (809) 427-9559

Export Finance Guarantee

The Barbadian Central Bank's Export Finance Guarantee facility provides pre-shipment and post-shipment coverage for up to 90 percent of commercial bank short-term lending risk to exporters for pre- and post-export financing. During 1990, lines of credit valued at $600,000 were issued to exporters for pre-export activities.

The facility provides a 75, 85, or 90 percent guarantee of commercial bank pre-exempt loans and a 90 percent guarantee not to surpass 60 percent of a pre-subscribed export order. Loan guarantees are issued to a commercial bank for up to 1 year at a fee of 1 percent of the loan amount guaranteed.

Eligibility

To qualify for this finance guarantee, the exporter must have an export insurance policy with the Central Bank and a confirmed export order. Pre-export loans may be used to finance raw material and working capital. Post-shipment loans may be used to finance export receivables.

Application

Because the Export Finance Guarantee facility covers short-term commercial bank loans, the exporter should directly solicit a commercial bank in Barbados for financing of pre- or post-export activities.

Contact

See Appendix III for a list of commercial banks.

Export Rediscount Facility

The Export Rediscount Facility, a Barbadian Central Bank program, provides short-term financing for nontraditional exports through the commercial banking system. This facility was established in 1981 through an Inter-American Development Bank revolving letter of credit. During 1990, $70,000 in exports were rediscounted through this facility.

The Central Bank will ordinarily consider rediscount only for bills with credit periods of 30 to 90 days. Thirty- or 45-day bills will not be considered if the maturity date is less than 15 days from the original date of rediscount; 90-day bills must have a maturity date of at least 30 days from the original date of rediscount. Interest rates to the exporter are offered at a concessionary rate, currently 11 percent.

Eligibility

Export bills ranging from $5,000 to $150,000 with a credit period of 30 to 90 days may be eligible for rediscount. Eligible exports include all goods and services wholly or partially produced, processed or manufactured in Barbados, except the following: used good, reexports, exports under special financing facilities, traditional exports (sugar, molasses, and rum), and exports that according to the Central Bank do not contribute to the economic benefit of Barbados.

Application

An eligible company interested in pursuing financing through this facility must apply to the Central Bank, which forwards a letter of approval to the exporter's commercial bank. A commitment fee is required from an exporter who does not hold export credit insurance.

Contact

Central Bank
Manager, Export Credit Insurance and
Guarantees Department
P.O. Box 1016
Church Village
Bridgetown, Barbados
Tel: (809) 436-6870
Fax: (809) 427-9559

Industrial Credit Fund

The Industrial Credit Fund (ICF), a Barbadian Central Bank program, provides medium- and long-term credit through intermediary financial institutions to productive enterprises. ICF was established in 1983 through a World Bank loan and Government of Barbados funding, totaling $12 million. The fund has been supplemented by an additional $2.4 million in a special credit facility to finance agro-industrial enterprises. Manufacturing, tourism, and agro-industrial projects account for the majority of ICF commitments, which totaled $13.1 million in 1989.

Loans are available only in Barbadian dollars. ICF offers funds to financial institutions at 2 percent below weighted average prime. The interest rates offered to the final borrower are not subject to Central Bank restrictions. Financing can be used for fixed assets, working capital, and technical assistance. The maximum loan term available is 15 years, with up to a 3-year grace period for fixed assets and 5 years with up to a 2-year grace period for working capital and technical assistance. ICF may advance up to 90 percent of the loan made by the financial institution. This financing may not exceed 70 percent of the total cost of a new project or 80 percent of the total cost of a project expansion. All lending risk is assumed by financial institution.

Eligibility

New or expansion projects in agro-industry, manufacturing, fisheries, tourism, and mining, as well as essential services related to these sectors may be eligible for ICF support. To access ICF financing, the beneficiary must be a resident Barbadian national. However, the beneficiary can be a non-Barbadian if the proposed project will contribute to the growth of output and employment in Barbados.

Application

ICF resources are channeled to beneficiaries through qualified financial intermediaries that include commercial banks, the Barbados Development Bank, and the Caribbean Financial Services Corporation. Potential beneficiaries must select a financial intermediary and present a project proposal. For loans up to $150,000, financial institutions may provide financing immediately for projects that conforms to ICF's Statement of Policies. For loans of $150,000 to $250,000, ICF must assess the project and the World Bank must approve all loans valued at more than $250,000.

Contact

See Appendix III for a list of financial intermediaries.

BRITISH VIRGIN ISLANDS

The U.S. dollar is the legal tender of the British Virgin Islands (BVI). Interest rates are normally based on the current New York prime rates. The territory has no exchange control restrictions.

Development Bank of the British Virgin Islands

The Development Bank of the British Virgin Islands provides financing for industrial, agricultural, and tourism projects. The capital base of the bank includes $5 million from the Caribbean Development Bank (CDB) and $637,000 in equity from the Government of British Virgin Islands (BVI). Lending during 1988 expanded to 23 percent from the previous year to reach $2.1 million in 70 projects, concentrated in industry (60 percent), tourism (35 percent), and agriculture and fishing (5 percent).

Eligibility

Bank financing is available for industrial, agricultural, and tourism projects. Project sponsors must be BVI nationals or individuals with "Belonger Status."

Application

Applications for financing must be submitted directly to the bank. Upon receipt, the bank reviews the request based on the following criteria: viability, economic development contribution, employment generation, and adequate security offered.

Contact

Development Bank of the British Virgin Islands
P.O. Box 275
Wickham's Cay
Road Town, Tortola
British Virgin Islands
Tel: (809) 437-3718

DOMINICAN REPUBLIC

The Dominican financial system includes commercial banks, mortgage banks, savings and loan associations, and development banks. A total of 19 commercial banks, including 3 foreign banks (Citibank, Bank of Nova Scotia, and Chase Manhattan Bank) are the main sources of financing to the private sector. Most commercial lending is in the form of short-term lines of credit, with some medium- and long-term financing available, principally from Central Bank development fund resources.

Mortgage banks (20 in operation) traditionally have provided medium- and long-term loans for the construction and tourism sectors; however, due to the uncertain lending environment, medium-term, annually renegotiated loans are most common.

Savings and loan associations (18 in operation) provide medium- and long-term loans only for residential housing and may accept savings and certificates of deposit. Development banks (35 in operation), both public and private, offer medium- and long-term loans to finance projects in priority sectors, including agriculture, tourism, industry, services, and transportation.

Most short-term financing is offered through commercial banks, normally in the form of lines of credit. Finance companies (financieras), approximately 200 in number, provide short- and medium-term loans to commercial and industrial sectors. These companies provide loans when commercial banks are unable or reluctant to do so. Long-term lending is restricted to Central Bank funds, development banks, mortgage banks, and saving and loans. Foreign companies cannot obtain internal credit for a period greater than 1 year without prior approval from the Central Bank (Law 861, Article 28 of July 1978).

In January 1991, the Dominican Government enacted a foreign exchange system that allowed the Dominican peso (RD$) to reach a floating exchange rate and transferred control over foreign exchange transactions to commercial banks for most transactions. As of July 1992, the foreign exchange rate was 12.75 Dominican pesos to 1 U.S. dollar. Simultaneously, the Central Bank lifted controls over the interest rate. Interest rates currently range between 32 and 36 percent.

In addition to the above-mentioned economic stabilization measures, the Dominican Government is undertaking reforms to modernize the Dominican financial system. Such reforms will include the establishment of universal bankin--the combining of commercial, mortgage, and savings and loans functions.

Dominican Stock Market

The Dominican Republic established its first stock market in December 1991 for trading in corporate fixed income securities. Preferred stocks are being registered for future offerings. During the first 2 weeks of operation, the market traded almost $400,000 (RD$5 million).

Trading sessions are held on Wednesdays from 10:00 am to 11:30 am. Offers and bids are announced publically and also posted in writing. The market is currently unregulated; however, when public stock offerings are initiated, Dominican Government supervision will be established.

Contact

Dominican Republic Stock Market
Arzobispo Noel 206
Santo Domingo, Dominican Republic
Tel: (809) 567-6694, 567-6696

Agro-industry and Agriculture Production Loan Fund

The Agro-industry and Agriculture Production Loan Fund provides medium-term financing for projects that support diversification from sugar production. The $12.2 million (RD$156 million)

originally made available by the U.S. Agency for International Development and administered by the Reserve Bank of the Dominican Republic has been fully committed, but new loans based on reflows are available through eligible financial institutions.

The maximum loan size for eligible agro-industrial and agricultural projects is $700,000 million (RD$9 million). Lending terms range from 3 to 7 years with interest rates offered at the Central Bank-regulated level. The financial intermediaries actually extending the loan determine the exact lending terms and hold all commercial risk. All loans are in local currency. The investor is expected to commit at least 20 percent of total project costs in the form of equity.

Eligibility

Most agro-industrial and agricultural projects located on former sugar land of 78 or more acres are eligible for financing from the Agro-industry and Agriculture Production Loan Fund. Crops that are ineligible for financing include sugar production, and citrus and palm oil production for export. Privately administered Dominican firms and joint ventures are eligible for financing. Financing may be used for plant acquisition and construction, equipment, and working capital. Land acquisition cannot be financed through this fund.

Application

Application for the Agro-industry and Agriculture Production Loan Fund must be made directly through an eligible intermediary financial institution, a commercial bank or development bank. The financial institution must certify that the project meets eligibility requirements. The financial intermediary then requests financing from the Reserve Bank by submitting a project description (including impact on sugar diversification), loan amount and terms, and other support documentation. The Reserve Bank will review the project proposal to ensure eligibility and make a determination within 10 days.

Contact

Eligible commercial banks currently include: Chase Manhattan, Citibank, Banco del Progreso, Banco Nacional de Credito, and Banco Popular Dominicano.
See Appendix III for a listing of Dominican-based commercial banks.

Director of External Resources
Reserve Bank of the Dominican Republic
Isabel La Catolica 201
Santo Domingo, Dominican Republic
Tel: (809) 688-2241

Commercial Farming Systems Project: Bridge Credit Fund

The Commercial Farming Systems Project: Bridge Credit Fund provides short-term production credit for nontraditional agro-industrial projects. Administered by the Reserve Bank of the Dominican Republic and supported by the U.S. Agency for International Development (USAID), this financing is available through designated intermediary financial institutions. The Bridge Credit Fund was established in 1987 and currently includes $12.2 million in USAID and Dominican Republic Government counterpart resources.

Loans up to $700,000 (RD$9 million) are available in local currency for eligible agro-industrial projects. This short-term credit is available for up to a 3-year term. The financial intermediary actually extending the loan determines the exact terms and holds all commercial risk.

Eligibility

Nontraditional agro-industry, including industries that use aquaculture and livestock, for export as well as import-substitution-oriented production may be eligible for Bridge Credit financing. Loans are targeted for agro-industry that rely on contracted small farmers to produce a significant amount of their raw materials. Projects that are ineligible for financing include citrus and palm oil production for export, and sugar cane, tobacco, cocoa, rice, and coffee production. Privately administered Dominican firms or joint ventures are eligible for financing. This financing may be used only for working

capital, including seeds, fertilizers, pesticides, and soil preparation costs. Financed purchases must adhere to USAID country-of-origin requirements.

Application

Application for financing from the Bridge Credit Fund must be made directly through an eligible intermediary financial institution, a commercial bank, or development bank. The financial institution requests a project description, the loan amount and terms, and other support documentation and certifies that the project meets eligibility requirements. The Reserve Bank will review the project proposal to ensure eligibility and make a determination within 10 days.

Contact

A current list of eligible commercial banks and development banks is available from the Reserve Bank of the Dominican Republic.

Director of External Resources
Reserve Bank of the Dominican Republic
Isabel La Catolica 201
Santo Domingo, Dominican Republic
Tel: (809) 688-2241

Global Tourism Development Program

The Global Tourism Development Program (INFRATUR) is administered by the Central Bank of the Dominican Republic. Original project funds from the Inter-American Development Bank have been fully allocated, but new loans based on reflows are available through eligible intermediary financial institutions. Since its establishment, INFRATUR financing totaling $7.7 million (RD$98 million) has been extended to 21 projects.

Eligibility

Privately owned companies established in the Dominican Republic are eligible for INFRATUR financing. Construction and expansion of tourism facilities, as well as tourism services, may be eligible for INFRATUR financing. INFRATUR financing may be used for project costs, excluding general expenses and administration, acquisition of used machinery or real estate, stock purchases, or debt financing.

To qualify for INFRATUR financing for lodging, projects must be located in an established tourism development zone (this excludes Santo Domingo) and must not include a casino facility. For lodging facilities of more than 200 rooms, either an administrative contract with an internationally recognized hotel chain is required or the facility must be a hotel franchise of a known and qualified company.

To qualify for INFRATUR financing for tourism services, the project must offer a new service or supplement insufficient existing service. The proposed service must have a positive impact on tourism earnings and employment generation. Unlike lodging facilities, tourism services may be located anywhere in the Dominican Republic.

Application

General information on the INFRATUR financing program may be acquired either directly through INFRATUR or through a financial institution. The formal application must be submitted through commercial banks, mortgage banks, savings and loan associations, development banks, the Banco Nacional de Vivienda, or other financial intermediaries that are authorized by the Central Bank.

The application must include an approval resolution from the Director of INFRATUR. Additional documentation that is required includes the following: the project description, credit background, a list of services and property required for the project, a technical and financial analysis, a marketing study, a socioeconomic evaluation, and an environmental impact study.

The financial intermediary will study the request and verify the solicitor's eligibility, and then forward the request for financing to INFRATUR. INFRATUR will then analyze the project. INFRATUR Credit Committee and Central Bank, Monetary Board approval is required prior to loan approval.

Contact

See Appendix III for a list of financial institutions.

Director of INFRATUR
Central Bank of the Dominican Republic
Pedro Henriquez Urena
Santo Domingo, Dominican Republic
Tel: (809) 688-2939
Fax: (809) 686-7488

Investment Fund for Economic Development

The Investment Fund for Economic Development (FIDE), a program of the Central Bank of the Dominican Republic, provides medium- to long-term financing for projects in the industrial, agricultural and agro-industrial, and livestock sectors. Original resources from the Inter-American Development Bank and World Bank funding are fully committed, but new loans based on reflows will be available in 1992. FIDE resources are channeled through intermediate financial institutions. Some FIDE guarantees are available for beneficiaries lacking adequate securities.

Since the establishment of FIDE in 1966, $235 million (RD$3 billion) has been approved for qualifying projects concentrated in industry (49 percent), agriculture (33 percent), and livestock (18 percent).

FIDE lending programs have been established for specific sectors with varying program specific lending requirements.

Agriculture

Agricultural production loans are available for priority crops, including agriculture for export, basic staples, and crops that provide inputs to the agro-industrial sector. Financing may be used for land purchase and preparation, infrastructure, working capital, and certain machinery and equipment. Up to 90 percent of the total investment can be financed with a maximum loan of $157,000 (RD$2 million) available. Loans exceeding this maximum could be obtained upon the approval of the Monetary Board. A 5- to 12-year term is available, including a 1- to 5-year grace period. In addition, working capital loans for up to $78,000 (RD$1 million) are available on a 2- year basis. Interest rates are offered at 15 percent for projects along the border with Haiti and at 19 percent elsewhere in the country.

Agro-industrial loans are available for the production of industrialized, nontraditional export products of agricultural and livestock origin. Financing may be used for construction, machinery and equipment, and working capital. FIDE will finance up to 75 percent of the total investment amount. The maximum loan size ranges from $60,000 to $2.0 million, depending on the specific project. Financing is available for up to 12 years, including up to a 5-year grace period. Interest rates range from 15 percent for projects along the Haitian border to 21 percent for projects in urban Santo Domingo and Santiago.

Agribusiness financing is available for projects that generate nontraditional exports or substitute raw material agricultural, marine, or forestry imports. FIDE agribusiness financing is available only to Dominican citizens, to foreigners residing in the country for over 10 years, or to companies with at least 40 percent Dominican capital. Financing may be used for technical assistance, land, construction and buildings, machinery and equipment, and working capital. Up to 100 percent of total project costs may be financed with a maximum loan amount of $784,000 (RD$10 million). Loans are offered at a maximum term of 12 years, including up to a 5-year grace period. Interest rates range from 15 percent for projects along the Haitian border to 21 percent for projects in urban Santo Domingo and Santiago.

Livestock

FIDE's livestock financing is available for projects ranging from meat and egg production to aquaculture. Loans may be used for land development, construction, machinery and equipment, purchase of animals, and working capital. FIDE will finance up to 80 percent of the total project cost, up to $306,000 (RD$3.9 million). Loan are available on a 5- to 12-year term and on a 1- to 4-year term, including a 1-year grace period for working capital. Interest rates are offered at 15 percent for projects in the border region and 19 percent for all other locations.

Industry/Free Zone

FIDE provides financing to the industrial sector for manufacturing firms that either substitute import, produce for exports, or enhance local

production. Special terms are offered for projects that incorporate energy conservation measures into the investment plans. Loans can be used for construction, machinery and equipment, transportation, working capital, and for the modification of productive processes.
The maximum loan contribution as a portion of total project cost for start-up projects varies from 75 to 90 percent, depending on the location of the project. Expansion projects in Santo Domingo may receive no more than 40 percent financing while all other may receive up to 60 percent. FIDE loans of up to $304,000 (RD$4 million) are available with lending terms from 3 to 12 years, including a 1- to 5-year grace period. Interest rates are offered at 21 percent for projects in Santo Domingo and Santiago, 15 percent for projects in the border region, and 19 percent for all other locations.

A Dominican-majority owned project to establish a free zone or expand an existing free zone can borrow up to 75 percent of total investment costs from FIDE. Financing may be used for urbanization costs, and the cost of constructing industrial and administrative buildings. The loan amount available ranges from $784,000 (RD$10 million) to $1.3 million (RD$16.3 million) depending on the location. Loans are offered at a 24 percent interest rate for a term of up to 10 to 15 years, including a 4- to 5-year grace period, depending on the location of the free zone.

Free zone companies with 90 percent of capital held by Dominican citizens are eligible for FIDE financing. FIDE will provide up to 75 percent of the total investment, with a maximum loan of $235,000 (RD$3 million). Financing may be used only for the purchase of machinery, equipment, and spares, and for initial working capital. FIDE free zone loans are available for a 3- to 12-year term, including a grace period of up to 5 years. Interest rates are offered at 21 percent for projects in Santo Domingo and Santiago, 15 percent for projects in the border region, and 19 percent for all other locations.

Exports

Pre-export financing is available from FIDE for agro-industrial, manufacturing, and commercialization activities. In addition, the Dominican Government Center for Export Promotion (CEDOPEX) and the private Dominican Association of Exports (ADOEXPO) will provide technical assistance to exporters. Financing can be used for all export production costs, except land purchases, tax and debt payments, and raw material and part imports when produced in the Dominican Republic.
Financing is available for a 2- to 12-year term, including up to a 5-year grace period and is offered at a 21 percent interest rate for projects in Santo Domingo and Santiago, 15 percent for projects in the border region, and 19 percent for all other locations. FIDE credit available for pre-export financing ranges from a minimum of $1,570 (RD$20,000) to a maximum of $314,000 (RD$4 million).

Eligibility

Unless otherwise stated in the specific FIDE financing program description, FIDE financing is available only to Dominican citizens, to foreigners residing in the country for over 15 years, or to companies with at least 51 percent Dominican capital. All other eligibility requirements are outlined in the specific program description.

Application

FIDE financing is available through designated intermediary financial institutions. These include commercial banks, development banks, mortgage banks, and government banks. Applications should be made directly to one of these financial institutions. Guarantee requirements are established by the intermediary institution, the party holding project risk. If the guarantee offered by the beneficiary is insufficient, FIDE will provide a partial guarantee on its loan, thus share the risk with the financial intermediary. FIDE may guarantee up to 80 percent of a loan for export purposes and up to a 50 percent guarantee for agricultural or livestock loans.

Contact

See Appendix III for a list of financial institutions. Institutions eligible for FIDE financing include: all development banks, Banco de Reservas de la Republic Dominicana, Corporacion de Fomento Industrial, certain commercial banks (Bank of Nova Scotia, Chase Manhattan, Citibank, Banco Popular Dominicano, Banco Metropolitano, Banco

Dominicano de Progreso, Banco del Comercio Dominicano, Banco Nacional de Credito, Banco Regional Dominicano, Banco Gerencial y Fiduciario Dominicano, Banco Mercantil, Banco Dominico-Hispano, Banco Comercial B.H.D., Banco Antillano, Banco del Caribe Dominicano, Banco Panamericano, Banco Intercontinental, Banco del Exterior Dominicano), and certain mortgage banks (Banco Hipotecario Financiero, Banco Hipotecario Popular, Banco Hipotecario Central de Creditos, Banco Hipotecario Miramar, Banco Inmobiliario Dominicano, Banco Hipotecario Dominicano, Banco Nacional de la Construccion.

Director
Investment Fund for Economic Development
Central Bank of the Dominican Republic
Pedro Henriquez Urena
Santo Domingo, Dominican Republic
Tel: (809) 685-6688, ext. 260
Fax: (809) 686-7488

EASTERN CARIBBEAN

The Eastern Caribbean countries of Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts-Nevis, St. Lucia, and St. Vincent, and the Grenadines share a common currency and a harmonized monetary system. The unit of currency is the Eastern Caribbean dollar (EC$), issued by the Eastern Caribbean Central Bank (ECCB) and pegged to the U.S. dollar (EC$2.7:US$1). All Eastern Caribbean countries with the exception of Anguilla are members of the Organization of Eastern Caribbean States and beneficiaries of the Caribbean Basin Initiative.

During 1990, a deceleration in economic activity, largely due to slower growth in export earnings led to a reduction in liquidity and slowdown in credit supply. Credit to the business sector also slowed during 1990 to 17 percent down from the 26 percent level recorded in 1988 and 1989. Credit for the business sector concentrating in trade and tourism grew by 30 percent. Major recipients of this expanded bank credit were the tourism (up by 35 percent), agriculture (up by 18 percent), and manufacturing (up by 4 percent). Most commercial banks tend to concentrate on short-term consumer loans, with some medium-term and mortgage lending available. Interest rates rose gradually during mid-1989 to mid-1990, but halted as the liquidity situation stabilized.

In addition to commercial banks, most Eastern Caribbean countries have a development bank for medium- to long-term project and mortgage financing. National Development Foundations (NDFs), located in each country, provide financing for small business and micro-enterprise ventures. The NDFs are supported by resources of the U.S. Agency for International Development and offer loans up to approximately $5,000 to national borrower's in each country. (See Appendix III for a complete listing of the NDFs).

Antigua and Barbuda

A variety of banking services are available in Antigua and Barbuda through the nine banks in operation, including seven commercial banks, including four foreign banks, and two trust banks. Antigua offers full tax haven facilities to international business companies, offshore banks, insurance companies, and trust and finance companies. Lending to nonnationals is subject to exchange control approval.

During 1990, credit to the private sector expanded by 19 percent, concentrated in tourism (up by 16.8 percent) and distribution (up by 14.7 percent) sectors. In response to liquidity pressures, several banks increased interest rates to attract deposit resources. As of July 1992, prime lending rates rose somewhat to range from 10 to 12.5 percent, while effective lending rates range from 10 to 19 percent.

Antigua and Barbuda Development Bank

The Antigua Development Bank (ABDB) provides financing for agricultural, tourism, and industrial projects as well as low-income housing and higher education. ABDB was established in 1974 Caribbean Development Bank resources and is currently in the process of enhancing its capital base. During 1991, loans valued at $1.4 million (EC$3.7 million) were approved, concentrating in housing mortgages (68 percent), agriculture and fisheries (15 percent), services (3 percent), and tourism (2 percent).

Loans are generally approved for up to $37,000 (EC$100,000), but there is no rigid limit on loan size. The interest rate offered for project loans is 12 percent for up to a 10-year term. ABDB will finance up to 75 percent of total project costs. All loans are disbursed in local currency.

Eligibility

Privately controlled projects in agriculture, fishing, industry, and tourism, as well as low-income housing can be financed by ABDB. Borrowers must be nationals of Antigua and Barbuda.

Application

Interested borrower's should contact ABDB directly and present the project concept to a loan officer. If necessary, the loan officer can provide assistance in preparing the loan application and appraisal report.

Contact

Managing Director
Antigua Development Bank
27 St. Mary's Street
Box 1279
St. Johns, Antigua
Tel: (809) 462-0838
Fax: (809) 462-0839

Dominica

Five commercial banks, including one local bank, are operating in Dominica. Commercial banks generally offer short-term loans.

The Dominican banking system experienced a 13.8 percent decline in liquidity during 1990 primarly due to a fall in balances due from banks abroad. Lending to private businesses increased by 13.7 percent during 1990 down from a more than 20 percent expansion in 1989. As of July 1992, the prime lending rates was recorded at 9 to 10 percent and the interest rate for loans ranged between 9 and 18.2 percent.

Dominica Agricultural and Industrial Development Bank

The Dominica Agricultural and Industrial Development Bank (AIDBank) provides financing for agriculture, industry, housing, and education. Some technical assistance is also available. AIDBank is funded through loans from the Caribbean Development Bank and the Government of Dominica. As of June 1991, AIDBank's $17.6 million (EC$47 million) portfolio concentrated in the housing (41 percent), agricultural (25 percent), industrial and tourism (20 percent), and educational (14 percent) sectors.

Loans up to $534,000 (EC$1.4 million) are generally available on a medium- to long-term repayment period of up to 15 years, including a grace period on principal for up 3 years. AIDBank offers interest rates of 7.5 to 12 percent and may finance up to 80 percent of the total project cost. All loans are disbursed in local currency.

Eligibility

Projects in the agriculturial, industrial, tourism, educational, and housing sectors are eligible for AIDBank financing. Private borrowers are eligible to access financing, regardless of nationality. Financing is available only for medium- and long-term periods. Refinancing and the purchase of land with AIDBank resources is prohibited.

Application

Interested borrowers should contact AIDBank directly. Once a formal application form is completed, AIDBank will appraise the project proposal. Loan requests exceeding $37,000 (EC$100,000) must be approved by the foreign lending agency as well as AIDBank.

Contact

General Manager
Dominica Agricultural and Industrial Development Bank
64 Hillsborough Street
Rosean, Dominica
Tel: (809) 448-2853 or 488-4167
Fax: (809) 448-4903

Grenada

Grenada's banking system consists of five commercial bank, including two locally owned banks. Non-Grenadian nationals must obtain Ministry of Finance approval to access bank financing. Commercial lending is offered on a short- to long-term basis.

The relatively tight liquidity of the commercial banking system pushed interest rates upward during 1990. Prime lending rates held at 10.5 percent, while other lending rates reached up to 15 percent. Credit to the business sector increased slightly, mostly to the manufacturing, tourism, and distribution sectors, while lending to households declined.

Grenada Development Bank

The Grenada Development Bank (GDB) provides short- to long-term project and working capital financing. The GDB accesses loan funds from the European Investment Bank (EIB), Caribbean Development Bank (CDB), and the National Insurance Scheme of Grenada. Assets total $15.5 million (EC$41.6 million). During 1991, the GDB approved $1.4 million (EC$3.6 million) in financing for 248 projects concentrated in the following sectors: mortgages (36 percent), agriculture/fishery (34 percent), industry (16 percent), education (10 percent), and tourism (4 percent).

Loans for up to $336,000 (EC$900,000) are offered at an interest rate of 8 to 11 percent. Terms of up to 10 years are available, including up to a 2-year grace period.

Eligibility

GDB financing is available to support projects in agricultureal, industry, tourism, housing, and education. Grenadian nationals must have a controlling interest in a project in order to be eligible for GDB financing. The debt-equity ratio should be 80:20 in most cases.

Application

Applicants are required to submit a formal application form and relevant information on the technical, financial, managerial, and legal aspects of the project. Once a GDB project appraisal is completed, the GDB Board of Directors makes a final determination on whether or not to offer financing.

Contact

Grenada Development Bank
Halifax Street
St. Georges, Grenada
Tel: (809) 440-3943
Fax: (809) 440-6610

Montserrat

Montserrat's recent banking law revision has resulted in the scaling back of banks to the current level of 40 licensed banks in operation. Offshore banking continues to dominate banking activity on Montserrat. Only four commercial banks are licensed for onshore banking, including two foreign banks (Barclay's Bank and the Royal Bank of Canada).

The expansionary credit policy of commercial banks led to a 85 percent increase in credit to the private sector during 1990, including a 75 percent expansion in credit to private businesses and an over 90 percent increase in lending to households. As of July 1992, the prime lending rate was 9.5 to 10 percent and the interest rate for loans ranged between 9.5 and 19.75 percent.

St. Kitts-Nevis

Seven commercial banks -- including three foreign banks, a trust company, and a domestic cooperative bank -- operate in St. Kitts-Nevis. Commercial banks offer primarily consumer loans, but are expanding into mortgage lending. As of July 1992, the prime lending rate was 10 to 12 percent, and lending rates were 10 to 23.3 percent. Domestic banks do not lend to nonnationals.

Private sector credit, which accounted for roughly 70 percent of domestic credit, expanded modestly by 3.5 percnet during 1990, down from a 31.6 percent increase during the previous year. Credit to the business sector rose by 3.5 percent in 1990, down from 33.5 percent in 1989. Commercial lending to the manufacturing and distributive trades sectors increased marginally, while lending to tourism, construction, and land development fell.

Development Bank of St. Kitts-Nevis

The Development Bank of St. Kitts-Nevis provides financing particularly for agricultural diversification and agribusiness projects. In addition, financing for tourism, industry, and low-income housing is available. The Development Bank resources includes a $5 million (EC$ 13.4 million) line of credit from the Caribbean Development Bank, European Investment Bank resources, and equity from the Government of St. Kitts. Since its establichment in 1981, the Development Bank has committed $17.9 million (EC$47.9 million) to projects concentrated in the following sectors: housing (39 percent), industry (20 percent), tourism (15 percent), agriculture (4 percent), and transportation (2 percent).

Loans are available up to $187,000 (EC$500,000) in size for agricultural, industrial, and tourism projects. An 8- to 10-year repayment term is available, and an interest rate of 11 percent is offered. The Development Bank will finance up to 80 percent of the total project cost, with the project sponsor contributing 20 percent in equity. All loans are disbursed in local currency.

Eligibility

Projects in tourism, agriculture, and industry are eligible for Development Bank financing. The current lending emphasis is agricultural diversification and agribusiness. Borrowers must be nationals or companies controlled by nationals.

Application

Interested borrower's should contact the Development Bank to discuss the project proposal with a project officer. A business plan must be developed, then it must be presented as a formal application. The Development Bank appraises the project for submission to the Board of Directors. For project loans of more than $37,000 (EC$100,000), CDB approval is required. Loan requests will generally be considered within 2 weeks from submission.

Contact

General Manager
Development Bank of St. Kitts-Nevis
Church Street
Box 249
Basseterre, St. Kitts
Tel: (809) 465-2288, 465-2964, 465-4041
Fax: (809) 465-4016

St. Lucia

Six banks, including two domestic banks, operate in St. Lucia. Generally, commercial banks offer short- to long-term financing. As of July 1992, prime lending rates were 9 to 10.5 percent and interest rates for loans ranged from 9 to 21 percent, depending on the nature of the loan. Non-St. Lucians must receive St. Lucian Government approval to borrow on the local market.

The St. Lucian banking system experienced a tightening of liquidity during 1990 and 1991. As a result, credit to the private sector increased by 4 percent down from an almost 12 percent rise during 1990. Disbursements to the private sector increased by a modest 4 percent, concentrated in households and private business. The productive sectors (agriculture, manufacturing, and tourism) absorbed approximately 10 percent of total domestic credit in 1991, down from 20 percent in 1990.

St. Lucia Development Bank

The St. Lucia Development Bank (SLDB) provides short- to long-term financing for agricultural, industrial, tourism, and housing projects. SLDB's capital base of $9.9 million is augumented by resources from the Caribbean Development Bank, European Investment Bank, and Caisse Centrale and National Insurance.

In addition, a Venture Capital Fund of $2 million has been established to provide equity financing for small- and medium-scale business. Since the establishment of the SLDB in 1980, the lending portfolio has expanded. During 1991, SLDB approved 422 loans valued at $5.9 million (EC$15.8 million), concentrated (by value) in the following sectors: housing (62 percent), education (25 percent), agriculture (9 per-

cent), and industry (4 percent).

Loans with a minimum size of $1,900 (EC$5,000) are available for up to a 20-year term, including up to a 5-year grace period. SLDB financing should not exceed 80 percent of the total project cost. Interest rates are assessed at a rate of 8.5 to 11 percent amortized for all loans.

Eligibility

Agricultural, fishing, industrial, tourism, mining, energy, transportation, and housing projects are eligible for SLDB financing. Other projects declared as development enterprises by the government may also qualify. SLDB will not finance retail investment, unrelated land purchases, or working capital not associated with a new investment. SLDB borrowers must be citizens, permanent residents, or companies duly incorporated under the laws of St. Lucia with local participation.

Application

A formal SLDB application form must be submitted by the interested project sponsor. SLDB will appraise the loan request based on the following criteria: foreign exchange impact; employment generation; enhancement of rural development; backward linkages into the economy; and technical, financial, and economic viability. A minimum internal rate of return of 10 percent is required. An appraisal fee of 0.5 percent of the loan request is charged for application processing.

Contact

St. Lucia Development Bank
P.O. Box 368
Waterfront
Castries, St. Lucia
Tel: (809) 452-1493
Fax: (809) 453-6720

St. Vincent and the Grenadines

Seven commercial banks, including three foreign banks, and a cooperative bank operate in St. Vincent. Many commercial banks offer loans for up to 10 years and mortgages for up to a 20-year term. Nonresidents and nonnationals must receive St. Vincent government exchange control approval in order to borrow on the local market.

The St. Vincent banking system experienced increased liquidity during 1990. Despite this expanded liquidity, lending rates remained virtually unchanged since 1988 at 11 to 15.5 percent as of July 1992. Credit to the private sector expanded at a lower rate of 7.9 percent in 1990 compared to 19.2 percent in 1989. This slowdown was mainly the result of a tightening in the lending policies of some banks and was reflected in the reduction of credit to the manufacturing and tourism sectors.

St. Vincent Development Corporation

The St. Vincent Development Corporation (DEVCO) provides loan financing for agricultural, fishery, tourism, and manufacturing projects. Some technical assistance is available. DEVCO was established in 1970 and has received resources from the Caribbean Development Bank (CDB) and the European Investment Bank (EIB).

Loans for up to $200,000 with a maximum repayment period of 10 years are available through CDB resources. Interest rates vary from 10 percent for agricultural projects to 11 percent for industrial projects. DEVCO may finance up to 80 percent of the total project cost. All loans are disbursed in local currency. The EIB line of credit provides loans for up to $333,000 (EC$900,000) with a maximum repayment term of 15 years. The interest rate offered through this credit line is currently 8.5 percent.

Eligibility

Projects in the agricultural, fishery, tourism, and manufacturing sectors are eligible for DEVCO financing. Borrowers must be nationals or companies controlled by nationals. Financing is primarily used for the purchase of fixed assets. Short-term working capital can only be financed if essential to a broader medium- to long-term project. No land or vehicle purchases are permitted with DEVCO financing.

Application

An interested borrower should contact DEVCO directly. If necessary, DEVCO loan officers are available to assist the applicant to develop a project plan. A formal application, including a detailed project plan, must be submitted to DEVCO for review.

Contact

Manager
St. Vincent Development Corporation
Halifax Street
Box 841
Kingstown, St. Vincent
Tel: (809) 457-1358
Fax: (809) 457-2838

GUYANA

Five commercial banks operate in Guyana, including two foreign-owned bank (Bank of Nova Scotia and Bank of Baroda). Banks currently hold substantial excess reserves and both short- and long-term credit are available to domestic or foreign qualified borrowers at interest rates averaging 35 percent.

The government sets the prime rate and commercial banks determine other rates. These nominal rates have remained stable since mid-1989 and until recently have fallen far below the local annual inflation rate of 75-100 percent. The projected decline in inflation during 1991 should protect against an increase in interest rates in the near future.

In March 1990, the Government of Guyana legalized freely set exchange rates at exchange houses and by February 1991, the official and market exchange rates were unified at a market rate of 125 Guyana dollars to 1 U.S. dollar. This market-based exchange rate has held relatively steady through 1991 at about 120 Guyana dollars to 1 U.S. dollar. Foreign exchange can be obtained legally for all imports of goods and services.

Guyana Co-operative Agricultural & Industrial Development Bank

The Guyana Co-operative Agricultural & Industrial Development Bank (GAIBANK) provides short- to long-term financing for agricultural, industrial, shipping, and mining projects. GAIBANK lending is based on funds recycled from an Inter-American Development Bank Industrial Reactivation Program -- approximately $18 million by the end of 1992. GAIBANK also anticipates $2.9 million (4 million ECUs) from the European Investment Bank for industrial loans in 1992.

The recycled funds from the Industrial Reactivation Program are about equally divided between local currency loans for the purchase of fixed assets and foreign exchange loans to provide working capital for exporters.

The local currency loans are available for up to a 10-year term with the possibility of a grace period. These funds were originally to be repaid in local currency with a value tied to the exchange rate. With an interest rate of 32 percent offered, these funds have been quite unattractive. It is likely that the terms will be altered to allow repayment in foreign exchange at a lower interest rate. The working capital loans are offered on a 2-year term with a 15 percent interest rate.

Eligibility

Lending is available for agricultural, horticulture, industrial, tourism, shipping, and mining projects for working capital and fixed asset purchases. Guyanese nationals and individuals residing permanently in Guyana are eligible for Development Bank financing.

Application

Those interested in development bank financing should contact the bank for an initial interview and provide validation of land ownership. Once the formal application form is submitted, the bank undertakes a project assessment and makes a determination on the loan request.

Contact

General Manager
Guyana Co-operative Agricultural & Industrial Development Bank
126 Parade & Barrack Streets
Kingston, Georgetown GUYANA
Tel: [592](2) 58808

JAMAICA

The Jamaican banking system consists of 3 foreign commercial banks, 8 domestic commercial banks, 22 merchant banks, 6 building societies, 3 development banks, and a small capital and money market. Commercial banks dominate the financial system and accounted for two-thirds of the assets held by financial institutions during 1990.

Nonbank financial institutions account for 17 percent of the assets held by financial institutions. Merchant banks offer a variety of services, including project identification, preparation of feasibility studies, and equity and loan financing. Trust companies perform all the functions of merchant banks as well as provide fiduciary services and mortgage lending. Other significant nonbank financial institutions include building societies and credit unions.

The financial sector reform, currently under way, aims at reducing the pressure on demand for foreign exchange, removing distortions in financial markets that affect credit allocation and interest rates, encouraging a more strict separation of monetary and fiscal policies, and strengthening of the capital market. This has led to a reduction in excess liquidity; however, real interest rates remain high. The devaluation of the Jamaican dollar and high interest rates, which average 35 percent, have increased the cost of living significantly. Inflation during 1991 is expected to rise to 56 percent.

In September 1991, the Jamaican Government liberalized the foreign exchange system in response to declining inflows of foreign exchange into the interbank foreign exchange system and an expanding gap between the official and black market exchange rates. As of July 1992, the foreign exchange rate was J$22.4:US$1.

The foreign exchange system allows persons or companies that earn or receive foreign exchange to retain it either in Jamaica or overseas. Payments in any currency acceptable to the buyer and seller are permitted. The main remaining restriction is that foreign exchange transactions must be made through a licensed dealer, and licenses are tightly restricted.

Jamaican Stock Exchange

The Jamaican Stock Exchange was incorporated as a limited liability company in 1969. The stock exchange has experienced tremendous growth and activity since 1979. As of October 1991, 45 companies were listed for trading on the stock exchange, up from 37 companies in 1980. These firms represent a range of sectors, including manufacturing, agriculture, financial institutions, tourism, and other services. Market capitalization at the end of September 1991 was $816 million [Jamaican dollar (J$)18.3 billion]. Securities are traded from Monday through Thursday.

The volume of trading activity during 1991 is projected to be 127 million shares valued at $41.7million (J$935 million). This represents a revaluation of securities and increased activity compared with 1990's performance. Recent bullish activity on the exchange can be attributed to a reduction in interest rates relative to inflation, reform of the corporate tax system, the impact of the government privatization program, and strong growth in corporate profits. Further strengthening of the stock exchange will require institutional reform. Measures including the establishment of a securities and exchange commission and securities legislation to ensure investor confidence in the stock market are expected to be implemented during 1992.

On April 1, 1991, cross-border trading commenced between Jamaica, Barbados, and Trinidad & Tobago. This allows nationals from these three countries to purchase shares on each others stock exchanges without having to obtain government foreign exchange approval.

Eligibility

Trading is restricted to brokers and members of the exchange. To become listed on the Jamaican Stock Exchange, a firm must be incorporated in Jamaica. It must also have a minimum equity capital base of $8,913 (J$200,000), with a minimum of 100 shareholders. There is a quarterly financial reporting regime.

Contact

General Manager
Jamaica Stock Exchange
3rd Floor, Bank of Jamaica Building
Nethersole Place
Kingston, Jamaica
Tel: (809) 922-0806
Fax: (809) 922-6966
Telex: 1265, 2167, 2173, 2144

Debt Conversion Program

Jamaica introduced a debt conversion program in July 1987 with the goals of reducing external debt to commercial banks and facilitating new investment in priority sectors, including tourism, export manufacturing, and export agriculture.

Almost 92 percent of the debt owed to commercial banks, $366 million, was included in the rescheduling agreement. At the end of September 1991, outstanding commercial bank debt totaled approximately $275.5 million. Commercial bank debt is divided into two tranches (Tranche A and Tranche B) that differ in maturity structures, but hold the same interest rate and quarterly payout. Tranche A is amortized quarterly between July 1990 and October 2000 while Tranche B is amortized quarterly between February 1998 and November 2004.

As of September 1991, debt cancelled under the program amounted to $85.1 million divided into $72 million under Tranche A and $13.1 million under Tranche B. This amount has been supplemented by a total fresh money injection of $20.9 million in 24 projects, including 7 in export agriculture, 6 in export manufacturing, 8 in tourism, and 3 miscellaneous sectors.

The price of Jamaica's debt has been increasing. At the beginning of the program, Tranche A debt traded at approximately $0.35 on the dollar. By November 1991, Tranche A debt traded for $0.76-0.78, while Tranche B debt traded for $0.68-0.71 Four large creditors hold approximately 50 percent of the debt; 66 percent of creditors hold less than $2 million of debt each.

Eligibility

The Jamaican debt conversion scheme is conducted through the following steps: The commercial bank sells Jamaican debt obligations to an investor at a discount. The investor presents the debt obligation to the Jamaican Government, which converts it at face value into Jamaican dollars. Equity Investment Bonds are issued by the Jamaican Government to raise local funds.

Converted debt may be invested in ordinary shares in public or private companies or in equity investment in noncorporate private sector companies. These investments must be approved by the Bank of Jamaica. Both Jamaican and non-Jamaican residents are eligible to use converted debt for investment purposes. Investors are encouraged to supplement the converted debt with fresh foreign exchange and assets.

Capital remittance is prohibited for 3 years in the case of investment in new facilities in priority sectors, and for 7 years in the case of other qualified investment. No profit may be remitted for a 3- year period.

Application

Bank of Jamaican approval is required for all investments based on converted debt. The formal Bank of Jamaica application form must be submitted in triplicate with an application fee of $250. Supplemental documentation on the proposed investment may be requested. An approval or disapproval notification will be forwarded by the Bank of Jamaica within 45 days of application. Once approved, the investor has 90 to 120 days to close the investment transaction. An extension of this deadline may be granted by the Bank of Jamaica.

Contact

Debt Capitalization Unit
Bank of Jamaica
Nethersole Place
P.O. Box 621
Kingston, Jamaica
Tel: (809) 922-0750
Fax: (809) 922-0854
Telex: 2144

Jamaica Agriculture Development Foundation

The Jamaican Agriculture Development Foundation (JADF) provides credit for agricultural and agribusiness projects in the form of loans, venture capital, training grants, and technical assistance. This nonprofit private sector institution encourages innovative projects and serves as a resource base for private sector-sponsored research and training. JADF's capital base consists of U.S. Agency for International Development equity of $9.1 million and local currency grants. Since the establishment of JADF in 1984, 155 projects have been approved for $11 million in loans, and 17 projects have received $925,000 in equity financing.

JADF loans are available from a minimum size of $13,000 to a maximum of $340,000. A 5- to 10-year term is offered, including a grace period that depends on specific project requirements. Interest rates are competitive. JADF exercises flexibility in financing projects by allowing moratoriums on both interest and principal, converting accrued interest into equity participation, and accepting a wide range of acceptable securities as collateral.

JADF will consider equity participation in agricultural and agro-industrial ventures where the project has an excellent chance of success but lacks the required capital. Equity shares are subscribed through direct purchase or by substituting equity participation in lieu of payment on interest and principal on its direct loans. JADF generally seeks an equity position with management participation.

In addition, JADF has limited grant funds available for training aimed at improving agricultural efficiency. Technical assistance is available to assist project sponsors in developing a project proposal and feasibility study.

Eligibility

Agricultural and agro-industrial projects that demonstrate economic viability are eligible for JADF financing and technical support. Adequate management ability in the specific project sector is also required. All ventures seeking JADF support must have a majority Jamaican ownership. Priority is given to those projects that benefit small farmers.

Application

Interested project sponsors should approach JADF to discuss the project. For eligible projects, a JADF project officer will work with the project sponsor to develop a business plan. In addition to a feasibility study, loan applicants must provide the following background information: audited financial statements, a list of shareholders, and bank references. The project must be evaluated by a technical team; then loan requests for more than $85,000 must be approved by the JADF Board. JADF monitors the project throughout the life of the loan and provides technical assistance whenever required. A 1.5 percent processing fee is collected on all loans.

Contact

Managing Director
Jamaica Agriculture Development Foundation
19 Dominica Drive
Kingston 5, Jamaica
Tel: (809) 929-8090
Fax: (809) 929-8093

Jamaica Pre-Investment Program

The Jamaica Pre-Investment Program (JPIP), under the auspices of the Planning Institute of Jamaica, provides financing for prefeasibility studies for industrial, manufacturing, tourism, agricultural, and energy projects. More specific technical, financial, economic, and engineering studies can also be financed. Established in 1977 with financing from the Inter-American Development Bank and the Government of

Jamaica, JPIP resources, which are revolving funds, currently amount to $8.4 million. JPIP financing is mainly available for private sector projects. Since 1986, 11 private projects in the tourism, agricultural, and industrial sectors have received prefeasibility study financing from JPIP.

JPIP will finance up to 80 percent of the cost of prefeasibility studies associated with projects in the eligible sectors. The loan size that JPIP will provide ranges from a minimum of $3,000 to a maximum of $700,000. A 4- to 10-year term, including a 1- to 2-year grace period, is offered with a concessional interest rate of 12 percent. Loans are disbursed in local currency, unless another currency is required for payment to a specific consultant. For other than local currency loans, the borrower repays the loan at the exchange rate on the day of disbursement and therefore does not assume exchange risk.

Eligibility

Private projects in the following sectors are eligible for JPIP investment study financing: industry, tourism, agriculture, and energy. Projects must be designed to contribute to foreign exchange earnings or savings and employment generation. JPIP financing is available to project sponsors, regardless of nationality.

Application

A project profile must be submitted as an application for JPIP investment financing. This profile requires the following information: a description and purpose of the study, a preliminary cost estimate, the guarantee offered, expected benefits, and the consultant to be used.

Contact

Manager
Jamaica Pre-Investment Program
Planning Institute of Jamaica
39-41 Barbados Avenue
Kingston 5, Jamaica
Tel: (809) 926-1480-8
Fax: (809) 926-4670

National Development Bank of Jamaica

The National Development Bank of Jamaica (NDB) provides financing for projects in the manufacturing, tourism, agro-industrial, and mining sectors. This financing is extended through NDB-approved financial intermediaries, which include commercial and merchant banks. NDB's capital base of $51 million is made up of loans from the World Bank, the Inter-American Development Bank, the European Investment Bank, and Caribbean Development Bank , plus the equivalent of $800,000 (J$18 million) in local currency from the Jamaican Government and U.S. Agency for International Development.

Since its establishment in 1981, NDB has committed the equivalent of $97 million in local currency and U.S. dollars to 305 projects. The concentration of local currency loans, by value, has been in tourism (59 percent), manufacturing (15 percent), and agroindustry (12 percent). The concentration of U.S. dollar loans has been more evenly spread among the following sectors: tourism (38 percent), manufacturing (35 percent), and agro-industry (23 percent).

NDB financing is provided to approved financial intermediaries for on-lending to the final borrower. The intermediary assumes all risk and determines the loan size that it is willing to provide, up to 25 percent of the intermediary's net worth to any single project. Generally, the project sponsor is expected to hold a minimum 25 percent equity position. Loans are provided for a 3- to 10-year term, including up to a 3-year grace period Both local currency and foreign currency loans are available. Interest rates offered by the financial intermediary to the project sponsor are at a below market rate, currently 15 percent for local currency loans and 16 percent for loans in foreign exchange. Foreign currency loans are designated in local currency amounts determined at the prevailing exchange rate on the date of each disbursement, thus imposing no exchange risk.

Eligibility

Projects in the manufacturing, tourism, agro-industrial, and mining sectors are eligible for NDB financing. Loan proceeds may be used for the following purposes: construction and expansion of structures; purchase of new or used machinery and equipment; purchase of movable fixed assets; permanent working capital; and rehabilitation of existing enterprises. Projects must contribute to the Jamaican economy through foreign exchange earnings, or savings, or employment generation. The project sponsor must demonstrate management capabilities associated with the specific endeavor. Any firm receiving the necessary Jamaica Central Bank approval for investment may access NDB financing.

Application

Applications for NDB financing must be made through an approved financial institution. Once the intermediary financial institution conducts an initial project appraisal, NDB financing is requested for selected projects. NDB requires the following information from loan applicants: project description, feasibility study, marketing plan, management experience, environmental impact statement, and specific loan request. These characteristics as well as a demonstrated net positive contribution to Jamaica's economic development will be considered. A minimum internal rate of return of 12 percent is required. The complete application process, including the required NDB Board of Director's approval, may be concluded within 1 month of the project request submission to NDB by the intermediary.

Contact

See Appendix III for a list of financial institutions. Those approved to access NDB financing include: Bank of Nova Scotia Jamaica Ltd.; Caldon Finance Merchant; Caribbean Trust; Century National Bank; CIBC Jamaica; Citibank N.A.; Dyoll Merchant Bank; Eagle Merchant Bank of Jamaica; George & Branday Ltd.; Investment & Finance Company Ltd.; Jamincorp International Merchant Bank; Jamaican American Merchant Bankers Ltd.; Jamaica Co-op Credit Union League; Jamaica Agricultural Development Foundation; Jamaica Citizens Bank; Jamaica Citizens Trust & Merchant Bank; Lival Investment, Ltd.; Mutual Security Bank; National Commercial Bank of Jamaica; National Development Foundation of Jamaica; Pan-Caribbean Merchant Bank; Solnar Ltd.; Trafalgar Development Bank; Workers Savings & Loan Bank; and Workers Trust & Merchant Bank.

Managing Director
National Development Bank of Jamaica, Limited
11a-15 Oxford Road
Kingston 5, Jamaica
Tel: (809) 929-6124-8
Fax: (809) 929-6996
Telex: NDBJAM KINGSTON

National Export-Import Bank of Jamaica

The National Export-Import Bank of Jamaica (Ex-Im Bank) provides institutional and financial support to industry with particular emphasis on the nontraditional export sector. Ex-Im Bank was established by the Jamaican Government in 1988 following a reorganization of the Jamaican Government's trade financing support programs. A range of trade financing facilities are available for all phases of export development. These include: Export Credit Insurance, Lines of Credit, the Export Development Fund, Pre-Shipment, the Export Credit Facilities, Banker's Export Guarantee Facility, and the Small Business Discount Facility .

During 1990-91 (April-March), approximately $138 million was provided to the productive sector by the various Ex-Im Bank financing facilities. Lines of credit constituted 75 percent of this total financing.

Export Credit Insurance

The Export Credit Insurance scheme provides insurance coverage against political and commercial risks associated with exporting. Two main policies are offered: a Shipment Policy that protects the exporter or financial institution from the time of shipment and a Services Policy that covers contract services rendered to the overseas buyer. Premiums are based on the type of goods sold, the importing country, terms

of sale, and other factors. Coverage is available for up to 80 percent of the loss amount.

Eligibility

All persons or corporations with business activities in Jamaica may be eligible for the export credit insurance facility. Exports of consumer goods and general commodities sold on a short term, ranging from sight draft to 90-day open account are eligible. The export of capital goods and services under special contractual arrangements may also be insured.

Application

Application should be made directly to Ex-Im Bank. A composite rate will be determined based on the specifics of the export arrangement. Where feasible, this rate will apply to all of an exporter's shipments as a rate per $100 of gross invoice value. A nonrefundable deposit premium of $100 is required upon acceptance of the policy.

Lines of Credit

Lines of credit have been established to facilitate the import of raw material, equipment, capital goods, and technology required to maintain and enhance productive capacity in the nontraditional manufacturing sector and to expand exports. A number of lines of trade credit have been extended to Ex-Im Bank by foreign institutions and bilateral donors. The terms and conditions for operation of each line of credit vary; however, a number of guidelines are common to all the lines of credit.

Eligibility

All manufacturing companies operating in Jamaica may apply for assistance under the lines of credit. The limitations vary regarding the kind of goods and services that can be purchased, the country of origin, and the terms of repayment. Most lines are offered with 180-day credit.

Application

Applications for lines of credit should be submitted directly to Ex-Im Bank. In addition to a formal application, the following must be included: a pro forma invoice from the foreign buyer; a valid import license, where necessary; a guarantee from an approved financial institution for cash payment for 100 percent of the c.i.f. value of the goods to be financed, plus all interest charges; and a signed promissory note for the full amount to be financed. Fees and interest charges vary from line to line. An Ex-Im Bank fee is also collected from the borrower.

Export Development Fund

The Export Development Fund (EDF) is a revolving foreign exchange fund made available through commercial banks to facilitate the import of raw materials, spare parts, and equipment required for the production of export products. Short-term foreign exchange credit is offered through commercial banks to Jamaican exporters for this purpose. Loans must be repaid in foreign exchange and are currently extended at an interest rates of 14 percent.

Eligibility

Companies established and operating in Jamaica are eligible for EDF financing if they are exporters of nontraditional manufactured goods or agricultural products. Foreign exchange loans are limited to the import content of the projected export sales for exporters to CARICOM countries and to the equivalent of 65 percent of projected export sales for exporters to other markets.

Application

Qualifying exporters must apply for EDF financing through a commercial bank. Upon receipt of an EDF commitment by the commercial bank on behalf of the exporter, specific payment terms are established. A commitment fee of 1 percent of the credit limit is payable to the EDF by the borrower.

Pre-Shipment Finance Facility

The Pre-Shipment Financing Facility (PSF) provides financing for preshipment activities associated with exporting, including the purchase of local raw materials and domestic trading company purchases of finished goods. PSF credit

enables commercial banks to extend lines of credit to qualifying firms beyond existing limits. All credit risk is absorbed by Ex-Im Bank. Financing is limited to 65 percent of the f.o.b. value of an order or the value of export projections for a period of 90 days. The exporter may be granted extensions on financing for intervals of 90 days, up to a maximum of 360 days. The interest rate on PSF credit is currently 15 percent.

Eligibility

Jamaican-owned entities exporting products manufactured in Jamaica are eligible for PSF credit. A nonnational exporter may qualify if substantial contribution to the Jamaican economy is demonstrated (that is, high foreign exchange earnings and large employment). The firm must hold a valid Ex-Im Bank insurance policy to qualify for PSF financing.

Application

An exporter seeking PSF financing must submit a formal Pre-Shipment Application to Ex-Im Bank. Upon approval of the application, Ex-Im Bank will grant the exporter either a revolving or a nonrevolving credit limit and will inform the commercial bank of the amount and type of the limit approved. Once the exporter requires financing, the following information must be submitted to the commercial bank: a pro forma invoice; a promissory note for the term and interest rate of the credit; the prescribed Ex-Im Bank Pre-Shipment Application; and assignment of export proceeds. A commission of 1 percent of the face value of the promissory note is payable to the commercial bank by Ex-Im Bank.

Export Credit Facility

The Export Credit Facility (ECF) is a discounting mechanism designed to assist and encourage the exports of Jamaican manufactured goods by ensuring the continued availability of working capital at a preferred interest rate. An exporter can obtain financing for up to 65 percent of the f.o.b. value of an export order; export projections for a period of 90 days; or the equivalent of 80 percent of the c.i.f. value of shipments already made for a period of 180 days from the date of shipment. These funds are made available by Ex-Im Bank through commercial banks and other financial institutions at a preferred interest rate, currently 15 percent.

Eligibility

Jamaican-owned entities exporting products manufactured in Jamaica are eligible for ECF credit. A nonnational exporter may qualify if substantial contribution to the Jamaican economy is demonstrated (that is, high foreign exchange earnings and large employment).

Application

Eligible firms interested in utilizing ECF must apply through their commercial banks. The firm must provide proof of a confirmed order or evidence that the goods have been shipped. The commercial bank will endorse the promissory note to Ex-Im Bank with recourse and forward it along with a completed ECF Schedule. The Ex-Im Bank will then discount the promissory note and provide payment to the commercial bank. Commercial banks and other financial institutions are paid a commission of 3 percent by the exporter.

Banker's Export Guarantee Facility

The Banker's Export Guarantee Facility (BEGF) is intended to assist the export of Jamaican manufactured goods by providing working capital at a preferred rate of interest, currently 15 percent. An exporter may obtain financing equivalent to 80 percent of the c.i.f. value of a shipment already made by presenting documentary proof of such shipment to a commercial bank. Financing is provided for a period not exceeding 180 days from the date of shipment. Credit risk is absorbed by the Ex-Im Bank.

Eligibility

Jamaican-owned exporting entities are eligible for BEGF financing. A nonnational exporter may qualify if the export production generates substantial contributions to the Jamaican economy, such as high foreign exchange earnings or significant employment. The exporter must be the holder of a valid Ex-Im Bank export credit insurance policy.

Application

Applications must be made in writing to Ex-Im Bank. The bank may approve a credit limit for an export company based on its export projections and creditworthiness. Some form of security for the loan may be requested by the bank.

To utilize the approved credit facility, the exporter must submit to a commercial bank the following: shipping documents, a promissory note, and an assignment of export proceeds. The commercial bank will endorse the promissory note to Ex-Im Bank without recourse and forward it along with a completed Banker's guarantee schedule to Ex-Im Bank. The promissory note will then be discounted by Ex-Im Bank and a check for the amount paid to the commercial bank will be issued. Commercial banks are paid a commission of 1 percent by Ex-Im Bank.

Small Business Discount Facility

The Small Business Discount Facility (SBDF) is a revolving local currency fund available to commercial banks and other financial institutions for on-lending of working capital financing to small manufacturers and users. Financial institutions currently offer this financing to final users at an interest rate of 14 percent and receives a 3 percent commission from Ex-Im Bank. Financing is limited to $4,500 (J$100,000) for an entity producing solely for the domestic market and $6,670 (J$150,000) for an entity producing for the export market, either wholly or partially. Loan terms range from 180 days to 4 years inclusive of an option grace period of up to 6 months.

Eligibility

Small manufacturing entities established and operating in Jamaica for the domestic and/or export market may qualify for SBDF financing.

Application

Applications for SBDF financing must be submitted to a financial institution that will conduct a credit assessment. Once the loan has received financial institution approval, the applicant must sign a promissory note recognizing its debt to the financial institution, which in turn extends a promissory note to Ex-Im Bank. The financial institution also submits to the Ex-Im Bank its own loan request with a completed customer profile sheet. Once Ex-Im Bank is satisfied with the application, a disbursement is made to the financial institution.

Contact

For EDF, ECF, and SBDF, contact a commercial bank or financial institution. See Appendix III for a list of these institutions.

For all other Ex-Im Bank facilities:

Managing Director
The National Export-Import Bank of Jamaica
48 Duke Street
Kingston, Jamaica
Tel: (809) 92-29690-4

Trafalgar Development Bank

The Trafalgar Development Bank (TDB), a privately owned development bank, provides medium- and long-term financing and limited equity investment for manufacturing, agricultural and agribusiness, tourism, mining and quarrying, services, and construction projects. In addition, TDB offers technical assistance for the development of project proposals. TDB capital is based on local and overseas shareholder equity of $3.7 million, and loans from bilateral donors, including $13.5 million from the U.S. Agency for International Development and $3.8 million from the Netherlands Development Finance Company.

TDB's lending activity has expanded since its establishment in 1985. During fiscal year 1989-90, TDB committed $3.4 million (J$76.4 million) in loans. The initial resources are now almost fully committed. New loan agreements have been signed with the European Investment Bank for an equity loan line of $1.4 million (ECU 1 million) and the Commonwealth Development Corporation for $7.6 million (L4 million). Total revenues have expanded by 87 percent over 1990 to reach $35.4 million.

TDB financing is available in both foreign and local currency. Individual project loans are normally not for less than $15,000. Loans are offered for a 2- to 10-year term, including a

maximum 2-year grace period. Interest rates are competitive and set on a variable basis. Repayment of foreign currency loans is in local currency.

TDB may also participate in projects through equity investment. Equity participation in a single project is limited to 5 percent of TDB's net worth. TDB's Technical Assistance Bureau (TAB) offers full project preparation services to assist the entrepreneur in developing a complete business plan. TAB can also assist established businesses to restructure and diversify operations through a variety of financial and management services.

Eligibility

New or expansion projects in the agribusiness, manufacturing, tourism, mining and quarrying, services, and construction sectors are eligible for TDB financing. TDB financing can only be used for the acquisition of capital assets for locally registered companies. Companies seeking TDB financing must be privately owned and controlled. Where the ownership of a company is 50 percent or more non-Jamaican, Central Bank foreign exchange regulations require government approval for a loan.

Application

Entrepreneurs interested in TDB financing should submit a complete business plan for review and discussion. If necessary, assistance in developing a business plan is available through TDB's Technical Assistance Bureau. A formal application must be submitted. The application requires the following information: the project description and equity ownership, financing requirements and other financing sources, securities offered, and bank references. TDB will review the application giving consideration to management capability, adequate security, financial and economic internal rates of return, net foreign exchange earnings and savings, employment impact, and environmental impact. The complete TDB appraisal will be completed within 30 days from receipt of the application.

Contact

General Manager
Trafalgar Development Bank, Ltd.
"The Towers" 25 Dominica Drive
P.O. Box 8927 CSO
Kingston 5, Jamaica
Tel: (809) 929-4761
Fax: (809) 929-6494

NETHERLANDS ANTILLES AND ARUBA

The Netherlands Antilles and Aruba are entities within the Kingdom of the Netherlands. They share a monetary unit, the florin, which maintains a fixed exchange rate of 1.78 per 1 U.S. dollar. In the Netherlands Antilles, this currency is refered to as the Netherland Antillean Florin (Naf), and in Aruba it is refered to as the Aruban Florin (Afl).

In Aruba, six commercial banks and one investment bank provide complete financial services to the local and foreign business community. The rapid expansion of the Aruba economy during the last 5 years has increased the level of investment and consumer spending. Through an agreement between the Central Bank and commercial banks aimed at building up foreign exchange, local money supply expansion has been limited through the establishment of an annual credit ceiling (12 percent for 1991). Business credit grew by 7.8 percent during 1990, far below the 37 percent increase in consumer credit recorded for 1989.

The Netherlands Antilles has a well-developed banking system and various nonbanking financial intermediaries. The offshore financial sector, based on the island of Curacao, represents a substantial portion of the economy of the Netherlands Antilles. At the end of 1988, 58 offshore banks were operating in the offshore banking sector.

Fourteen banks operate in the onshore banking sector, with most providing both local and international services. Credit to the domestic private sector has increased substantially in recent years, enabling private banks to extend medium- and long-term loans to firms and individual

entrepreneurs. Lending to the private sector expanded by 5 percent during the first half of 1989 concentrated in the agricultural/forestry/fishing sector, the manufacturing sector, and the other services sector. Lending rates ranged from 10 to 13 percent during 1989.

Aruban Investment Bank

The Aruban Investment Bank N.V. (AIB) provides medium- and long-term loans, equity, and feasibility study financing for private investment in Aruba. AIB also assists investors to mobilize domestic and international financial and technical resources. AIB, a private bank, was established in 1987 as a result of joint government and private sector efforts. Its capital base includes subscribed capital of $6.7 million (Afl 11.9 million) and incorporates a Government of Aruba subordinated loan for $11.2 million (Afl 20 million). From its establishment through May 1991, AIB disbursed $21.4 million (Afl 38.1 million) for projects in the tourism, manufacturing, real estate, oil, transportation, industrial services, and other sectors.

To supplement general operations, AIB has established a Small Business Scheme with a capital base of $6.2 million (Afl 11.1 million) for loans under $56,000 (Afl 100,000). The Government of Aruba offers a 33 percent guarantee for loans within this scheme.

AIB loans are available for up to 15 years, including a 5-year grace period. Loan requests for less than $56,000 (Afl 100,000) may qualify for the Small Business Scheme. No more than 70 percent of total project costs, including loan and equity participation, can be financed by AIB. Interest rates are offered at 11 percent per annum with a one time 1 to 1.5 percent service charge on the principal amount. A quarterly commitment fee of 1/4 percent is also charged on the undisbursed portion of the loan.

For projects that lack a sufficient equity base, AIB may provide equity for up to a maximum of 25 percent of the total paid-in capital of the company. In cases of AIB equity investment, the risk accepted by AIB will be similar to that of the other project shareholders. If requested by the project sponsors, AIB will agree to a payback clause under mutually acceptable terms.

AIB acts as a financial advisor, arranges loan syndication, and organizes loan consortium when requested. The bank may also underwrite new share issues and consider guarantees required to facilitate additional financing.

Feasibility studies may also be financed by AIB through a special arrangement with AIB. A service fee of 1 percent of the total cost of the project is charged to project sponsors receiving feasibility study financing.

Eligibility

Tourism, services, industrial, agribusiness, and fishing projects are eligible for AIB financing. AIB will not finance infrastructure, education, health care, or other public projects, nor will it finance purely retail ventures. Feasibility study a financing is available to project sponsors, regardless of nationality or residence. AIB may also invest equity in technically sophisticated projects involving foreign partners.

Application

Applicants should submit project proposals directly to AIB. Requests must include a feasibility study on the technical, financial, and economic aspects of the project, as well as background on the project sponsors and government concessions granted. If requested, AIB will assist the project sponsors in preparing these documents. Projects are assessed on the following criteria: the availability of financing for requested project from other resources; the financial viability and profitability of the project; and an economic project appraisal, including a determination of employment generation, foreign exchange earning potential, technical and training transfer, environmental impact, and potential socio-cultural effects of the project.

Applicants for feasibility study financing should submit a business plan to AIB that includes the following: the project description, background on sponsors and equity involved, the technology to be used, preliminary marketing plans, implementation timetable and cost estimate for the feasibility study, and the proposed consultant. AIB will review the request and, if approved, will recruit a consulting firm to prepare the study.

Contact

Aruba Investment Bank
P.O. Box 1011
Middenweg #20
Oranjestad, Aruba
Tel: [297](8) 27327, 28027
Fax: [297](8) 27461
Telex: 5053 AIBNV

Development Bank of the Netherlands Antilles

The Development Bank of the Netherlands Antilles provides medium- and long-term financing for projects in industry, tourism, agriculture, transportation, and services. Loan and equity financing are available. The bank's issued and paid-in capital amounts to $7.2 million (Naf 13 million), made up of resources from government (69 percent) and the private sector (31 percent). Since its establishment in 1981, through 1991, the Development Bank has committed $40.8 million (Naf 73.4 million) to 610 projects concentrated in the following sectors: tourism (41 percent), industry (27 percent), transportation/services (21 percent), and agriculture (11 percent).

Loans are available with terms varying between 3 and 15 years. Interest rates for agricultural projects range between 7 and 9 percent and for other sectors rates are 10 percent. All loans are disbursed in local currency. The bank may also provide equity of up to $170,000 (Naf 300,000) in a single project. As a guideline, the bank may finance up to 65 percent of the total project cost.

Eligibility

Financing is available for projects in industrial, tourism, agricultural, and transportation sectors. Both private individuals and Netherlands Antillian companies are eligible for financing.

Application

Interested investors should contact the bank directly. A formal application is required and must include the following information: a complete project description, including marketing and cashflow projections; a background of promotors(s); breakdown of total investment amount of own equity; and financing requested.

Contact

Managing Director
Development Bank of the Netherland Antilles
P.O. Box 267
Curacao, Netherlands Antilles
Tel: [599](9) 615551
Fax: [599](9) 612802

TRINIDAD AND TOBAGO

Eight commercial banks, including three foreign banks (Citibank, Bank of Nova Scotia, and Bank of Commerce) provide lending terms comparable to those in the United States. The availability of local currency credit to the private sector is good and has been relatively constant in recent years. The major concentration of loans are to the distributive services and manufacturing (including agro-industry and assembly industries) sectors.

Interest rates on prime rate term loans from commercial banks range from 13 and 14 percent. Nonnationals may borrow on the local market subject to approval from the Central Bank exchange control department. In practice, foreign investors are required to independently provide needed foreign exchange. As of July 1992, the foreign exchange rate was 4.24 Trinidadian dollars (TT$) to 1 U.S. dollar.

Trinidad and Tobago Stock Exchange

The Trinidad and Tobago Stock Exchange (TTSE) has a market capitalization of $700.9 million as of September 1991, up 74 percent compared to the whole of 1990. TTSE lists 28 companies concentrated in manufacturing, banking, and merchandising sectors. During 1990, the number of shares traded daily averaged 467,511 and were valued at an average of $389,915. Only ordinary and preference shares are traded: no government securities or treasury notes are traded.

On April 1, 1991, cross-border trading commenced between Jamaica, Barbados, and

Trinidad and Tobago. This allows nationals from these three countries to purchase shares on each others stock exchanges without having to obtain government foreign exchange approval.

Eligibility

The Foreign Investment Act of 1990 states that foreign investors may acquire up to 30 percent of a local public company providing the stock broker has informed the Ministry of Finance, the Registrar of Companies, and the Central Bank. Nonresidents and nonnationals require exchange control approval from the Central Bank of Trinidad and Tobago for remittance of profits or sales proceeds.

Contact

General Manager
Trinidad and Tobago Stock Exchange
65 Independence Square
Port-of-Spain, Trinidad
Tel: (809) 625-5107/8/9
Fax: (809) 623-0089

Agricultural Development Bank

The Agricultural Development Bank (ADB) provides financing for small- and medium-scale agricultural and agribusiness projects. The ADB also provides technical support services in the areas of farm management, marketing, and other related fields.

ADB's approximately $38 million in available loan funds consist of Caribbean Development Bank and Inter-American Development Bank resources. Between 1978 and 1988, this government development bank financed approximately 10,000 agricultural and agribusiness projects valued at $133 million. In 1990 alone, 1,184 projects were approved for $10.7 million in loan financing.

Loans generally do not exceed $50,000 and are available for up to a 12-year term. Interest rates are negotiable, but are subsidized and do not exceed 12 percent. ADB may finance up to 80 percent of capital investment (excluding land purchase) plus 100 percent of initial working capital. All loans are disbursed in local currency.

Eligibility

Small- and medium-scale projects in the agricultural and agribusiness sectors are eligible for ADB financing. Financing is available to nationals and locally controlled companies.

Application

Interested borrowers must apply directly to ADB. Loan applications must include the following: adequate financial collateral, business registration, a feasibility study, and documentation of relevant management ability.

Contact

General Manager
Agricultural Development Bank
87 Henry Street
Port-of-Spain, Trinidad and Tobago
Tel: (809) 623-6261
Fax: (809) 624-3087

Export Credit Insurance Company

The Export Credit Insurance Company (EXICO) is a government entity that provides political and comprehensive (political and commercial) risk insurance to local exporters. In addition to its general operations, EXICO has administered special export credit lines from international or foreign financial institutions on behalf of the Central Bank.

EXICO provides insurance coverage for up to 95 percent of export receivables, covering commercial and political risk of nonpayment. A company must acquire insurance for all exports, not just selected high risk exports. Premium rates are based on the credit risk of the purchaser. Insurance coverage is issued annually. EXICO does not insure foreign exchange risk.

Eligibility

Private or public companies registered in Trinidad and Tobago are eligible for EXICO insurance coverage for exports. Exports involving all sectors are eligible.

Application

Interested exporters should contact EXICO directly for premium quotations. A formal application form must be completed.

Contact

Manager
Trinidad and Tobago Export Credit Insurance Company, Ltd.
92 Queen Street
Port-of-Spain, Trinidad
Tel: (809) 624-0028
Fax: (809) 624-0028

Trinidad and Tobago Development Finance Company

The Trinidad and Tobago Development Finance Company (DFC) provides medium- and long-term project financing through loans, loan guarantees, and equity. Limited technical assistance may also be available.

The DFC's sources of capital are the local bond market and European Investment Bank (EIB) and other international financial institutions. The DFC is owned by the following interests: 35 percent by the Trinidad and Tobago Government; 40 percent by foreign financial institutions (the International Finance Corporation, Commonwealth Development Corporation, and European Investment Bank); and 25 percent by the local private sector. During 1990, loan disbursements totaled $11.4 million (TT$48.5 million) and were concentrated in petroleum and industrial services, tourism and agro-industrial projects.

The minimum loan considered is $35,000 (TT$150,000) and the maximum is $2.6 million (TT$11 million). Interest rates vary between 13.75 and 14.75 percent depending on the project risk. The repayment period is up to 12 years, but most loans are long term with a minority revolving short-term credit. All loans are disbursed in local currency, but the DFC can arrange foreign currency financing if required by the project.

In addition, DFC's Corporate Financing Services program provides support to existing firms involved in financial restructuring or rescheduling. This program also facilitates leverage buyouts, joint ventures, and consortium loans.

Eligibility

Private projects in all sectors, excluding primary agriculture, home mortgages, and merchandising are eligible for DFC financing.

Application

Requests for loans must be made directly to the DFC. Requests for equity participation must be part of the overall financing plan. All applicants must include market, technical, and financial feasibility studies, as well as an assessment of project requirements for management and manpower when applying for DFC financing.

Contact

Trinidad and Tobago Development Finance Company
8-10 Cipriani Boulevard
P.O. Box 187
Port-of-Spain, Trinidad and Tobago
Tel: (809) 625-0007
Fax: (809) 624-3563

SECTION VI: CENTRAL AMERICAN COUNTRY FINANCING SOURCES

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BELIZE

The four commercial banks in Belize, including two foreign banks (Barclays Bank and the Bank of Nova Scotia), concentrate on short-term and trade loans rather than medium- to long-term investment loans.

Interest rates in Belize are relatively high. As of the fall of 1991, the Central Bank established minimum lending rate was 10 percent. The commercial bank prime lending rate is currently 12 percent. Foreigners may borrow from local commercial capital markets. However, given the restrictive bank lending policies, including requirements of fixed equity and redeposit of a percentage of the loan, foreigners should not expect to qualify for a loan without some loan security in Belize.

Foreign exchange is readily available, but a permit from the Central Bank is required for all transactions. The Belize dollar (Bz$) is pegged at Bz$2:US$1 and has remained unchanged since the currency was established.

Development Finance Corporation

The Development Finance Corporation (DFC), a government development bank, provides financing and technical assistance for agriculture, tourism, and manufacturing projects. DFC's capital base is currently $25 million (Bz$50 million) from sources including the Caribbean Development Bank , Commonwealth Development Corporation, European Investment Bank , and the U.S.Agency for International Development. Since DFC was established in 1973, 11,1061 projects have received $44.5 million (Bz$88.7 million) in DFC financing, concentrated in the following sectors: agriculture (43 percent -- 50 percent of this in traditional crops), construction (32 percent), tourism (8 percent), manufacturing (6.5 percent), and fishing and forestry (4 percent).

The loan size available depends on the specific project. Almost 50 percent of all loans have been larger than $25,000 (Bz$50,000). Financing is available for up to a 20-year term with a 12 percent interest rate. All loans are disbursed in local currency.

Eligibility

Private and public projects in the agricultural, fishing, tourism, manufacturing, and construction sectors are eligible for DFC financing. Belizian nationals and foreign residents of more than 5 years may borrow from DFC; however, only Belizians may borrow for small tourism projects. Loans for agricultural projects are available primarily for the expansion of existing enterprises, but the loans may also finance new ventures. No refinancing is available through the DFC.

Application

A formal application form must be completed by an eligible project sponsor. The application is submitted directly to DFC .

Contact

Development Finance Corporation
Bliss Parade
Belmopan, Belize
Tel: [501](8) 22360 or
in Belize City [501](2)77041
Fax: [501](8) 23096

National Development Foundation of Belize

The National Development Foundation of Belize (NDF) provides financing and technical assistance for micro- and small-business development. NDF capital base includes $1.5 million (Bz$3 million) plus $1 million (Bz$2 million) in working capital from the U.S. Agency for International Development, the Inter-American Foundation, the European Community , and Belize Government resources. Since NDF was established in 1983, 1,892 loans amounting to $4.2 million (Bz$8.3 million) have been provided, concentrated in the following sectors: services and trade (46 percent), agribusiness (24 percent), and manufacturing and industry (28 percent).

Loans are available from a minimum size of $250 (Bz$500) to a maximum of $12,500 (Bz$25,000). A 12 percent interest rate is offered and up to 100 percent of the project cost may be financed by the NDF. All loans are disbursed in local currency.

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Eligibility

Private sector projects in agriculture, industry, and retail and distribution are eligible for financing. Borrower nationality restrictions depend on the specific project.

Application

A formal application must be submitted directly to NDB.

Contact

National Development Foundation of Belize
109 Cemetary Road & Lakeview Street
Belize City, Belize
Tel: [501](2) 72874 or 72139
Fax: [501](2) 78434

COSTA RICA

The banking system includes 4 state-owned commercial banks and 18 private banks. Since the banking system was nationalized in 1948, private bank activities have been limited to capture funds of 90-day term and more. The nation's public banking system controls all savings and checking account holdings. Private lending rates are based on a base rate established by the Costa Rica Central Bank (from 30-34 percent during 1991), plus a maximum 9 percent interest spread, a maximum 3.5 percent commission, and fees.

The financial sector is quite liquid. In constant colones (C), credit expanded by 15 percent in 1990 to reach $860 million. Reform has recently begun to improve the local financial system through the government's strengthening of internal bank management practices and review of the regulatory system.

In early 1992, the Costa Rican Government began liberalizing the foreign exchange regime. Commercial banks are now permitted full involvement in foreign exchange transactions and importers are no longer required to make a domestic currency deposit in order to obtain foreign exchange. As of July 1992, the foreign exchange rate was C 133.7:US $1.

The 25 active registered nonbank finance companies, including Citicorp, constitute a minor portion of the total financial system. These companies generally provide short-term loans and offer trust transactions. The U.S. Agency for International Development (USAID) has provided the Costa Rican Industrial Financing Corporation (COFISA) and the Agro-industrial and Export Bank (BANEX) with resources for medium-term (up to 7 years) financing of nontraditional export projects. Although the original USAID resources have been exhausted, lending is available from reflow.

National Stock Exchange

The National Stock Exchange, established in 1973, lists 79 companies and institutions. These include 9 government institutions, 17 private banks, 11 nonbank institutions, 5 savings and loan institutions, and 42 companies concentrating in industry, commerce, and services. The exchange is a private institution, held 60 percent by the private sector and 40 percent by the Costa Rican Government (CODESA).

Transactions totaling a daily average of $15 million (C 2 billion) primarily involve short-term (90-180 day) bonds, but also include common and preferred stocks, bonds, certificates of deposit, and foreign exchange certificates.

Eligibility

Securities are traded through registered brokerage firms. Currently, 21 firms have received authority from the National Stock Exchange.

Contact

National Stock Exchange, S.A.
P.O. Box 1736-1000
San Jose, Costa Rica
Tel: (506) 22-80-11
Fax: (506) 55-01-31
Telex: 2863 BONAVA CR

Agriculture and Industrial Reactivation Fund

The Agriculture and Industrial Reactivation Fund (AIR), a Costa Rica Central Bank fund, provides short- and medium-term financing for investment in nontraditional agricultural and industrial projects, as well as free zone and

tourism development. All of the $7.7 million in U.S. Agency for International Development funds have been disbursed but reflows are expected to be available during 1992.

The Central Bank channels the AIR funds through the private commercial banking system. Dollar loans of up to $500,000 are available at 2 to 3 percent over LIBOR with a 3- to 7-year repayment term. A 1 percent commission is payable upon loan disbursement. Short-term credit can also be secured through the AIR fund, if deemed more appropriate for a specific project. Interest and principle are repayable in colones at the exchange rate at time of payment.

Eligibility

Foreign and domestic investors are eligible for AIR financing for fixed assets associated with nontraditional agricultural and industrial projects.

Application

Application to access this Central Bank fund is made through private commercial banks.

Contact

See Appendix III for a list of private commercial banking institutions.

Industrial Development Fund

The Industrial Development Fund (FODEIN), a Costa Rica Central Bank fund, provides medium- and long-term credit and feasibility study financing for manufacturing, tourism, and agro-industrial projects. FONDEIN has received loans from World Bank, Inter-American Development Bank (IDB), and Central American Bank for Economic Integration (CABEI), including a 1988 IDB loan for industrial and tourism development and a $3 million CABEI line of credit for agricultural development. Since its establishment in 1981, FODEIN has provided $50 million in project financing to over 500 projects.

The Central Bank channels FODEIN funds through the private and public banking system. Loans are available in colones at 6.5 percent above the Costa Rican base rate and are also available in U.S. dollars. A maximum 15-year repayment term is offered, including a grace period of up to 3 years. FODEIN financing may cover up to 80 percent of project costs, not to exceed $5 million.

Eligibility

Foreign and local investors may utilize FODEIN financing for feasibility studies, land improvement, infrastructure, construction, machinery and equipment, and working capital to support manufacturing, tourism, or agro-industrial projects.

Application

Applications for FODEIN financing are made through private or public commercial banking institutions.

Contact

See Appendix III for a list of public and private commercial banking institutions.

Private Investment Corporation

The Private Investment Corporation (PIC) offers medium- to long-term financing and equity participation for export-oriented projects. In addition, PIC offers a variety of financial services to assist investors in developing financial packages that utilize other capital sources.

PIC's total resources of $45 million consist of $11 million in equity capital and $20 million in loan funds from the U.S. Agency for International Development, German Finance Company, and Commonwealth Development Corporation. Since its establishment in 1984, PIC has provided $30 million in financing for over 50 projects. Projects have included the textile, nontraditional agricultural, seafood, footwear, and plastics sectors. PIC support for major tourism projects is also available.

PIC may accept up to a 20 percent equity position in a project, and financing can cover up to 60 percent of the total project cost. Current PIC lending capacity for a single project ranges from $150,000 to $3 million. Financing terms are

variable at LIBOR plus 4 percent with a minimum 5-year repayment period. All loans and repayments are made in U.S. dollars.

Eligibility

Although PIC financing may be available for projects throughout Central America, all PIC financing has gone to projects in Costa Rica. PIC offers financing to support fixed assets and permanent working capital associated with local and foreign investment in export-oriented and tourism projects. Financing is not available for projects involving real estate, land purchases, citrus, palm oil, or the refinancing of existing liabilities.

Application

Interested borrowers should contact the PIC directly. Applications require a formal feasibility study; company background and financial history; financial and organizational information on the proposed project, including stockholder names and percent participation; expected foreign exchange earnings and new employment generation; and an assessment of the project's environmental impact.

Contact

Managing Director
Private Investment Corporation
P.O. Box Postal 8609-1000
San Jose, Costa Rica
Tel: [506] 33-6422
Fax: [506] 33-6541

Program for the Financing of Nontraditional Exports

The program for the Financing of Nontraditional Exports (FOPEX), a Costa Rica Central Bank fund, provides financing for export development, including preexport and export financing. Currently, $7 million remains available for lending based primarily on World Bank and Inter-American Development Bank loans. Since the establishment of FOPEX in 1983, $45 million in project financing has been disbursed.

This short-term credit is available at 3 percent above LIBOR for loans denominated in U.S. dollars or a 3 percent above the Costa Rican base rate for loans denominated in local currency, plus fees.

Eligibility

Foreign and local investors may utilize FOPEX for preexport financing or for short-term export financing. Preexport financing may be used for the import of raw materials or inputs, or the purchase of replacement equipment or machinery.

Application

Request for FOPEX financing is submitted through commercial banking institutions.

Contact

See Appendix III for a list of private and public commercial banking institutions.

EL SALVADOR

Since the bank nationalization in 1981, all commercial lending banks in El Salvador have been controlled by the government. However, in July 1989, the El Salvador Government embarked on a financial reform program which will result in the reprivatization of the banking system. In 1990, the government liquidated three insolvent banks and established the legislative framework for a privatized banking system. The remaining two state-owned commercial banks are expected to be privatized by the end of 1992.

The government is phasing in deregulated interest rates, and commercial banks and savings and loans are free to fix loan rates up to ceiling rates, currently 20 percent for short-term and 21 percent for medium-term commercial loans. Interest rates should continue to fall as inflation is kept under control, although the government is reluctant to completely liberalize interest rates. Net credit to the private sector expanded by 10 percent in 1990.

In June 1990, the government adopted a free market exchange rate regime. Simultaneously, the government legalized foreign exchange trading houses and authorized commercial banks to compete freely in the foreign exchange market. The government continues to require coffee exporters to turn over foreign exchange proceeds to the Central Bank in exchange for market rate local currency.

The Salvadorean colon (C) was trading at 8.4 colones to the dollar as of July 1992. There are no restrictions on foreign exchange, and foreign companies are free to borrow on the local market.

Stock Exchange of El Salvador

The Stock Exchange of El Salvador was established in February 1992. Trading activity includes primarily government bonds, bank certificates of deposit, and Central Bank monetary stabilization certificates. Weekly trading activity is approximately $120,000 (C 1 million).

Contact

Stock Exchange of El Salvador
Alameda Roosevelt #3107
Edificio La Centroamericana
San Salvador, El Salvador
Tel: (503) 232215
Fax: (503) 982324

Agrarian Reform Financing Project

The Agrarian Reform Financing Project provides support for investment in agricultural cooperatives. This project's capital base consists of $50 million, provided by U.S. Agency for International Development (USAID). Loans are administered by the Central Reserve Bank (BCR) through local commercial banks.

There is no specific loan size criteria and financing terms are flexible. The standard market interest rate, as established by BCR is offered. All loans are disbursed in local currency.

Eligibility

Private investment in conjunction with existing agricultural cooperatives (that is, joint ventures or expansion) are eligible for financing. No borrower nationality restrictions are imposed.

Application

Application for this Central Bank/USAID local currency project financing is made through the commercial banking system.

Contact

See Appendix III for a list of commercial banks.

Local Currency Credit Fund

The Local Currency Credit Fund provides loan and equity support for agro-industrial, industrial, and micro-enterprise projects. The funds, valued at $95 million (800 million colones), are generated by Economic Support Funds (ESF) from resources provided by the U.S. Agency for International Development (USAID). The Central Reserve Bank (BCR) administers the funds through local commercial banks.

Loans up to $950,000 (8 million colones) in size are available through this fund. The standard market interest rate, as established by BCR, is offered. All loans are disbursed in local currency. Equity is also available through this fund.

Eligibility

Private projects in the agribusiness, industrial, and micro-enterprise sectors are eligible for financing. No borrower nationality restrictions are imposed.

Application

Application for this Central Bank/USAID local currency project financing is made through the commercial banking system.

Contact

See Appendix III for a list of commercial banks.

Salvadoran Foundation for Economic and Social Development

The Salvadoran Foundation for Economic and Social Development (FUSADES), an entity supported by the U.S. Agency for International Development (USAID) and designed to encourage investment and export promotion, oversees a number of related financing programs. The following four financing opportunities are available through FUSADES programs -- Development of Assembly Industry for Export (FIDEX) and Promotion of Exports (PRIDEX).

Agribusiness Development Project

The Agribusiness Development Project, under the auspices of FUSADES/FIDEX, provides financing and technical support for investment projects in the development of nontraditional agricultural exports. This project has a capital base of $10 million, made available by USAID.

Loans are available with a minimum 3-year term, and no specific criteria limits the loan size. Interest rates are offered at 1 percent above the prime rate for U.S. dollar loans and the standard bank rate for local currency loans. For U.S. dollar loans, the borrower assumes all foreign exchange risk.

Eligibility

Private sector borrowers of any nationality involved in nontraditional agricultural projects with production for export are eligible for financing. Financing is restricted to medium- and long-term investment.

Application

Interested investors should contact FUSADES/FIDEX directly. Application procedures are extremely flexible.

Contact

Director
Agribusiness Development Project, FIDEX
FUSADES Building
Santa Elena, El Salvador
Tel: [503] 78-3366
Fax: [503] 78-3369

Export Promotion Program

The Export Promotion Program (PRIDEX), an operation of FUSADES, provides financing on a grant basis for feasibility studies, technical assistance, and export promotion-related travel. A $3.2 million annual capital base is made available by USAID.

Eligibility

PRIDEX support is available to private business, regardless of nationality, interested in investing in El Salvador. Feasibility study financing is offered on a cost-sharing basis, with PRIDEX covering up to 75 percent of expenses. Travel to the United States for export promotion purposes may also be financed by PRIDEX.

Application

Interested investors should contact FUSADES/PRIDEX directly. Application procedures are extremely flexible.

Contact

Director
Export Promotion Program
Edificio Omnimotores, Tercer Piso
Carretera Santa Tecla
San Salvador, El Salvador
Tel: [503] 98-0231, 98-0237
Telex: 20-438
Fax: [503] 98-0390

Free Trade Zone Project

The Free Trade Zone Project, an operation of FUSADES/PREDIX, is designed to stimulate free zone development in El Salvador by extending financing for free zone construction, improvement, and promotion.

This $20 million fund based on USAID resources is available in the form of short- to medium-term working capital of up to 5 years with up to 1- year grace period or long-term financing of up to 20 years with a 5-year grace period. Financing can cover up to 75 percent of the total cost of free zone construction and development and is offered at market interest rates in either colones or dollars.

Eligibility

Free zone financing is available to private Salvadoran or foreign investors. Resources can be utilized for working capital, including promotion; site improvement; construction of interior infrastructure; construction of factory buildings and offices; installation of related internal infrastructure; and other capital equipment. All goods and services financed by this resource must come from the United States or another Central American country.

Application

Interested investors should apply for this free trade zone project financing through the local banking system.

Contact

See Appendix III for list of banks.

Industrial Development Project

The Industrial Development Project, under the auspices of FIDEX, provides financing for light industrial projects for export outside of the Central American Common Market. FUSADES established this $15 million financing institution in 1986, with funds provided by USAID.

Financing is offered on a minimum 3-year term, and there is no specific criteria for loan size. Interest rates are offered at 1 percent above the prime rate for U.S. dollar loans and the standard bank rate for local currency loans. For U.S. dollar loans, the borrower assumes all foreign exchange risk.

Eligibility

Private investment projects in light industry or drawback operations for export outside of the Central American Common Market are eligible for financing. Foreign and domestic investors may access this financing. Resources cannot be used for short-term working capital.

Application

Interested investors should contact FUSADES/FIDEX directly. Application procedures are extremely flexible.

Contact

Director
Industrial Development Project, FIDEX
FUSADES Building
Santa Elena, El Salvador
Tel: [503] 78-3366
Fax: [503] 78-3369

Water Management Project

The Water Management Project, under the auspices of FIDEX, provides medium- to long-term financing for nontraditional export and irrigation projects. Loan and feasibility study financing as well as technical assistance are available. The project has a $10 million capital base, with funds provided by USAID. Loan size and lending terms are flexible. Interest rates are offered at 1 percent above the prime rate for loans in U.S. dollars and the standard bank rate for local currency loans. For U.S. dollar loans, the borrower assumes all foreign exchange risk.

Eligibility

Financing is available for nontraditional export processing projects and irrigation projects. Borrowers must be in the private sector but can be of any nationality. Financing is not available for short-term working capital.

Application

Interested investors should contact FUSADES/FIDEX directly. Application procedures are extremely flexible.

Contact

Director
Water Management Project, FIDEX
FUSADES Building
Santa Elena, El Salvador
Tel: [503] 78-3366
Fax: [503] 78-3369

GUATEMALA

The Guatemalan financial system consists of commercial banks, government banks, and finance companies. All financial institutions are regulated by the Monetary Board. With the liberalization of the financial sector in November 1989, the local currency, the Quetzal (Q), was floated. In addition, lending rates are no longer controlled by the central bank, the Bank of Guatemala.

Commercial banks, consisting of 2 foreign banks (including 1 U.S. bank, Citibank) and 19 private national banks, provide most private sector credit, with short-term lending to the manufacturing and agricultural sectors. While most commercial loans are extended for periods of less than 1 year, in many cases, these loans are extended for up to 5 years as revolving credits. A number of Bank of Guatemala lines of credit, channeled through the commercial banking system, allow medium- and long-term lending in certain cases.

Most commercial banks also house mortgage departments for long-term lending. The three government banks offer medium- and long-term loans. As of October 1989, commercial banks constituted 85 percent of lending with the remaining 15 percent provided by government banks (this data exclude finance company lending).

Investment banks (financieras) offer medium- and long-term lending and are legally prohibited from lending on the short term. Currently, seven finance companies, including one public finance company, are in operation. These banks finance their operations primarily through the issuance of securities, stock issues, and domestic borrowing.

Market interest rates for loans provided by commercial banks and finance companies range between 16 and 23 percent. Some government bank loans are offered at concessional rates. Collateral for loans are regulated by law -- loans of less than 1 year require at least a trustee/fiduciary; for all other loans, a mortgage valued at 200 percent of the loan is required.

Foreign borrowers are not restricted from involvement in the local financial market. Foreign exchange is readily available on the Guatemalan market and may be purchased directly from commercial banks. Central bank regulations restrict commercial bank holdings of foreign exchange to $300,000. At the end of each day, commercial banks must sell any excess foreign exchange to the Bank of Guatemala. Although the Guatemalan financial sector has been fairly liquid in recent years, credit tightening is expected during 1992.

National Stock Exchange

The Guatemalan Stock Exchange, established in 1987, is currently limited to the trading of bonds and certificates of deposits issued by the Central Bank. Trading levels have expanded from $28,000 (Q 140 million) in 1987 to reach $200,000 in 1991. Securities exchange regulations were established in November 1989 for the establishment of private securities; however, such securities have not yet been exploited.

Contact

Bolsa de Valores Nacional, S.A.
7 Avenida 5-10, Zona 4
Centro Financiero, Torre II, Nivel II
Tel: [502](2) 311752, 311-753
Fax: [502](2) 321722

Debt Conversion Program

Guatemala's debt conversion program was approved on September 22, 1988 through Junta Monetaria Resolution JM-177-88. The aim of the program is to stimulate long-term investment in order to increase the productive capacity of the country and to lower the external debt.

Within this program, the Junta Monetaria annually fixes the amount that will be accepted for debt conversion. During 1989, this amount was fixed at $15 million. Only 1988 Debt Stabilization Bonds are accepted for debt conversion. In the future, other commercial debt may also become eligible for conversion upon approval by the Junta Monetaria. To date, two projects (a macadamia plant and a cracker factory) valued at $2.9 million have been approved for debt conversion. Almost 50 percent ($7 mil-

lion) of the bonds eligible for conversion during 1989 were used for wheat purchases, thus reducing the debt eligible for conversion. Eight debt conversion projects valued at approximately $30 million are under consideration by the External Financing Commission of the Institution (COFE).

Once an investment receives Guatemalan Government approval by the Bank of Guatemala through COFE, the debt in Stabilization Bonds is deposited with the Bank of Guatemala, which in turn makes disbursements on an established schedule. Guatemalan debt on the secondary market is currently sold at a discount of $0.30 on the dollar.

Investment within the conversion program must be registered with the Bank of Guatemala as a national investment. It is preferred that a fresh money infusion accompany a request for investment based on converted debt. The disbursement schedule in local currency will be determined on a case-by-case basis. Capital repatriation on an investment based on converted debt is not permitted. Profit repatriation is prohibited for 3 years, after which it cannot exceed 25 percent of the original investment amount.

Eligibility

The debt conversion program is open to both foreign and local investors. An individual, corporation, consortium, or cooperative may seek debt conversion status. Investments in the following areas are eligible for conversion: production for export, especially nontraditional products; tourism; educational and health services and related construction or modernization; low- and medium- cost housing; and other areas of economic activity deemed of interest to Guatemala. Investment with converted debt may be in the form of new machinery and equipment, construction or modernization of plants, or infrastructure development.

Application

The Bank of Guatemala must authorize each debt conversion request, based on the recommendation of COFE. To solicit a review, a potential investor must submit an official application, available from the Bank of Guatemala. This must be accompanied by a deposit equal to $1,000 in local currency. If the request is denied, the deposit will be refunded. The investor will be notified within 60 days regarding Bank of Guatemala determination on the request for debt conversion.

Contact

Bank of Guatemala
7a Avenida 22-01 Zona 1
Guatemala City, Guatemala
Tel: [502] (2) 534053
Fax: [502] (2) 28509
Telex: 5231 Guaban Gu

Agricultural Development Bank

The Guatemalan Agricultural Development Bank (BANDESA), a Guatemalan Government-owned bank, provides loans for small- and medium-sized agricultural and livestock projects. Established in 1973, BANDESA's capital base is $15.6 million (Q 80.5 million) derived from Government of Guatemala, Inter-American Development Bank, and U.S. Agency for International Development sources. BANDESA lending during 1990-91 is expected to have reached $32.2 million (Q 166 million) in more than 35,000 projects.

The loan size may not exceed $13,600 (Q 70,000), and the maximum loan term is 25 years. BANDESA is willing to finance up to 100 percent of the project cost, depending on the collateral offered. For 100 percent of collateral in the form of crops, BANDESA will finance 70 to 90 percent of the project cost and for collateral in the form of land or buildings, up to 50 percent of the project cost will be financed. Subsidized interest rates of either 10 or 21 percent are available, depending on the source of resources utilized. All loans are disbursed and repaid in local currency.

Eligibility

Agricultural and livestock projects are eligible for BANDESA financing. Projects must be controlled by private Guatemalan individuals or companies incorporated in Guatemala. Loans from BANDESA can be used only for direct costs associated with the eligible commercial activity, excluding land purchases.

Application

BANDESA headquarters located in Guatemala City are supported by 70 offices throughout Guatemala. Application for BANDESA financing can be made at any of these locations. The following information must be submitted by the potential borrower: the legal certification of ownership, rent, or lease of landholding, and a complete business plan. For loan requests exceeding $2,900 (Q15,000) approvals must be made by BANDESA headquarters.

Contact

Agricultural Development Bank
9a Calle 9-47 Zona 1
Guatemala City, Guatemala
Tel: [502](2) 22641

Agribusiness Credit Program

The Agribusiness Credit Program, a Bank of Guatemala program, provides loans and technical assistance for agricultural and livestock projects through financial intermediaries. This program is supported by a $40 million loan from the Inter-American Development Bank (IDB) and $13.3 million from the Guatemalan Government. As of October 1991, 174 projects have received approval for financing for a total of $46.4 million (Q 239 million). By value, 90 percent of the projects financed are in the export sector with 80 percent in traditional agricultural production (bananas and coffee) and the remaining projects in nontraditional production, such as citrus and macadamia.

The maximum loan size is $252,000 (Q 1.3 million) for individual projects or $777,000 (Q 4 million) for projects of producer associations. Projects exceeding this amount require IDB approval. The maximum term offered is 12 years, including up to a 5-year grace period for investment capital loans. A shorter term is available for working capital loans. Interest rates to the beneficiary range from 22 to 25 percent, depending on the loan term. Up to 90 percent of total project cost may be financed by the Credit Program, with the remaining cost financed either by the financial intermediary or by the beneficiary. Loans are disbursed in both U.S. dollars and local currency. The Bank of Guatemala will absorb foreign exchange risks affiliated with the Credit Program.

Eligibility

Agricultural and livestock projects with production both for export and for the domestic market are eligible for Credit Program financing. Beneficiaries must be Guatemalan nationals or residents. Financing may be used for working capital and capital investment financing, as well as for technical assistance. Land purchases and refinancing cannot be covered by Credit Program loans.

Application

Firms or individuals interested in the Bank of Guatemala's Agribusiness Credit Program must apply through an intermediary financial institution, either a commercial bank or private finance company. The financial institution will review the eligibility of the loan request and submit a formal application to the Bank of Guatemala, Agriculture Credit Unit. The Bank of Guatemala then assesses the project and loan request.

Contact

See Appendix III for a list of commercial banks and private finance companies.

Agribusiness Guarantee Fund

The Agribusiness Guarantee Fund of the Bank of Guatemala offers a partial guarantee to financial intermediaries for loans made for agricultural and livestock projects. The fund was established in 1983 with initial capital of $2.6 million (Q 13.5 million) and currently stands at $2.7 million (Q 13.8 million), including fund earnings.

Through the fund, the Bank of Guatemala can guarantee up to 50 percent of a loan made by a bank based on the borrower's mortgage and other assets. In effect, the fund guarantee coupled with the legally required guarantee of 50 percent of mortgage, allows the banks to secure 100 percent guarantee on loans for eligible projects. The maximum amount of guarantees available through the fund is 10 times the fund capital, currently $28 million.

Eligibility

Access to the Agribusiness Guarantee Fund is limited to the banking sector, representing borrowers with eligible agribusiness projects. Eligible projects include those involving agricultural planting, cultivating and harvesting, and livestock exploitation.

Application

Banks interested in utilizing the Bank of Guatemala guarantee fund must submit the following information for consideration: the name of the bank and borrower; project information (location, size, and production period); the loan term; the description and amount of guarantee offered by the borrower; and the amount of guarantee requested. The Bank of Guatemala charges a 0.25 percent commission per year to the bank, and the bank collects a 0.75 percent service commission from the borrower.

Contact

See Appendix III for a list of commercial banks.

Bank of Guatemala
7a Avenida 22-01 Zona 1
Tel: [502](2) 534053
Fax: [502](2) 28509
Telex: 5231 Guaban Gu

Revolving Credit for Nontraditional Exports

The Revolving Credit for Nontraditional Exports, a Bank of Guatemala credit line, provides pre- and post-export financing for Guatemalan exporters of nontraditional products. The credit line is offered through intermediate financial institutions (IFIs). This revolving nontraditional export credit line of $1 million was established in 1986 through an Inter-American Development Bank (IDB) loan and Government of Guatemala resources.

Working capital import and export financing required in the export production process is available for up to 100 percent of the value of the export contract. Loans are offered for up to 180 days at an interest rate of 13.3 percent. Loans are disbursed in local currency and in U.S. dollars. The Bank of Guatemala does not assume risk related to this credit line. IFI collateral requirements must be consistent with the Guatemalan banking law.

Eligibility

Nationals and residents of Guatemala exporting nontraditional goods and services totally or partially produced, processed, or manufactured in Guatemala are eligible to access the nontraditional export credit line. Preexport financing can be used either to purchase input materials from another IDB developing country, or from other countries if at least 50 percent of the f.o.b. price of the final export produced from that input is added in Guatemala.

Application

Application for financing from the Revolving Credit for Nontraditional Exports must be made to an eligible commercial bank or private finance company. To secure working capital, a financial confirmation of the export contract must be provided. To receive financing for the import of inputs for export production, an export contract, import documentation, and a description of the production process must be submitted. For export financing, the export document and a copy of the letter of credit or collection are required.

Contact

See Appendix III for a list of commercial banks and private finance companies.

HONDURAS

The 14 commercial banks operating in Honduras account for over 80 percent of the Honduran financial system assets. In addition, private finance companies, savings and loans and two government-owned development banks operate within the financial sector. Long-term lending is generally available only through special funds of the Central Bank of Honduras (BCH) and the U.S. Agency for International Development, while short- and some medium-term lending is generally available from private

bank resources. Foreign companies are allowed to borrow from the commercial banking system under the same conditions as local firms.

Nominal commercial loan interest rates range between 20 and 25 percent. While aggregate credit limits are established by the Central Bank as a component of the country's monetary program, the high cost of credit has been the main determinant in restricting credit availability. The Honduran financial sector faces excess liquidity as a result of such high interest rates and onerous collateral requirements set by the commercial banks.

Through early 1990, Honduras maintained a fixed official exchange rate of 2 lempires (Lps) to the U.S. dollar. However in March 1990, with the passage of a sweeping economic reform package, the BCH decided to review periodically the value of the lempira vis-a-vis the dollar and adjust it if necessary. This new system of currency valuation, the interbank rate of exchange, is used for all purposes, except payment of official debt which was maintained at the Lps 2:US$1 rate. The interbank rate of exchange was initially set at Lps 4:US$1, and as of July 1992 was Lps 6.6:US$1.

The Foreign Exchange Repatriation Law passed in September 1990 requires all Honduran exporters, except those operating in duty-free zones and industrial parks, to repatriate 100 percent of their export earnings through the commercial banking system. This foreign exchange is then divided among the BCH (currently 40 percent), the commercial bank of deposit (currently 30 percent), and the exporter to meet import and debt servicing needs (currently 30 percent). All transactions are carried out at the prevailing interbank rate of exchange.

Honduran Stock Exchange

The Honduran Stock Exchange (Bolsa Hondurena de Valores, S.A.) was authorize by Decree Number 115-88 on February 24, 1988. The exchange, based in San Pedro Sula, began operations on September 25, 1990. Public debt bonds and commercial paper are the only securities traded. The Exchange recorded transactions totaling $10 million (Lps56 million) during 1991, its first year of operations. The exchange has registered 23 member companies and 9 brokerage firms. It has 113 associates and operates with $196 million (Lps 1.1 billion) in capital. Future plans include expansion of trading into government bonds, bank certificates of deposit, bank guaranteed commerical paper, and eventually long-term corporate debt and equity.

Eligibility

Foreign firms established in Honduras may participate in the stock exchange.

Contact

Honduran Stock Exchange, S.A.
P.O. Box 161
Edificio Martinez Valenzuela, First Floor
San Pedro Sula, Honduras
Tel: (504) 53-4410
Fax: (504) 53-4480

Debt Conversion Program

The debt conversion program was established in December 1988 by Legislative Decree 149-88 and enacted by Presidential Decree No. 470 in June 1989. The program aims at reducing the amount of external debt while promoting investment in productive activities that generate foreign exchange, create new sources of employment, and utilize local materials. New investments, social projects, privatizations, and the payment of obligations to the government or to its autonomous institutions can be financed through the debt conversion program. As of the end of 1990, projects valued at more than $180 million have been reviewed by the Special Commission for External Debt Conversion (SCEDC), several of which await final approval by the Ministry of Finance.

The Honduran Government must approve all requests for debt conversion. Honduran debt eligible for debt conversion initially amounted to $230 million, but has been reduced to the current level of $50 million, and most of the paper is currently not for sale. The Honduran Government is interested in being able to use official bilateral debt for such equity swaps but has not yet reached agreement with any foreign

governments. The annual limit for debt conversion is determined in accordance with the government's monetary plan -- for 1990 this was $25 million. Debt conversions for privatization projects are excluded from this annual limit.

Once a project is approved, the commercial debt is converted into a Conversion Bond at the official exchange rate (Lps 2:$US1), after an approved discount is applied. The Honduran Government discounts the face value of a debt instrument from zero to 30 percent based on the nature of the project (for new investment zero to 10 percent, for social projects 10 to 20 percent, for payment obligations to the government 15 to 25 percent, and for privatizations 20 to 30 percent). The interest rate and maturity on a bond is negotiated for the specific project. Capital repatriation is prohibited for 4 years and dividend remittances are prohibited for 2 years. Debt conversion-based investments may be required to include external capital over and above that used to purchase the debt paper.

Eligibility

Converted debt can be used for new investments, social projects, and privatizations. Local investors and foreign firms registered in Honduras are eligible to apply for debt conversion. Funds can be used for the following purposes: acquisition of land, buildings, or preexisting installations and related machinery and equipment; infrastructure construction; acquisition of locally sourced raw materials and inputs; and payment of personal services. Debt conversion-based resources cannot be used to finance imports or debt service payments.

Application

Requests for debt conversion are made to the Special Commission for External Debt Conversion (SCEDC) through the Chief Clerk. A formal application including the following documents must be submitted: the project proposal, including a technical and economic prefeasibility study; documentation identifying the investor and the existing company; the investor's financial background and appropriate supporting documents. The Technical Advisory Sub-Commission conducts an assessment of the project and presents to SCEDC initial drafts of the recommendations. SCEDC then forwards the recommendations regarding approval for debt conversion to the Minister of Finance. In determining the merit of a project, the following factors are considered: employment creation, foreign exchange generation, geographic location, value added, and other related factors.

Contact

Ministry of Finance
Special Commission for External Debt Conversion
Tegucigalpa, Honduras
Tel: [504] 22-7160
Fax: [504] 22-5271

Agribusiness Credit Project

The Agribusiness Credit Project (UPCA), a Central Bank fund, provides long-term financing and technical assistance for agribusiness projects through financial intermediaries. UPCA's capital is based on World Bank resources and is currently valued at approximately $58.6 million (Lps 328 million). Since the establishment of UPCA in 1970, $75.5 million (Lps 423 million) has been lent to 7,430 projects concentrated in livestock (58 percent), agriculture (31 percent), heavy agricultural machinery (6 percent), and rural industry (5 percent).

Loans up to $2.6 million (Lps 14.6 million) in size are available for up to 12 years, including up to a 5-year grace period. The interest rates, currently 25 percent, are reviewed semiannually. UPCA will finance up to 90 percent of total project costs, with up to 80 percent financing available for farmers with small- to medium-sized productions. Historically, 15 percent of loans have gone to small producers. All UPCA financing is disbursed in local currency, and the financial intermediary holds all lending risk.

Technical assistance is available on a grant basis to farmers requesting UPCA financing. In addition, contracted technical assistance can be financed through UPCA loans either for project formulation or project implementation for an amount not exceeding 10 percent of total project costs.

Eligibility

Private sector agribusiness projects in Honduras are eligible for UPCA financing. Project sponsors may be nonnationals, but must conform to Honduran law. Financing is made available for technically and economically well-developed projects. UPCA financing can be used for working capital in conjunction with a full project investment. While land purchases cannot be financed by UPCA, land titling and land improvement costs are acceptable.

Application

Application for UPCA financing must be made through one of the 14 eligible commercial banks (domestically owned commercial banks) or through the National Agriculture Development Bank (BANDESA). Commercial banks have been involved in 60 percent of UPCA loans, with BANDESA involved in the remaining 40 percent. Once the financial intermediary conducts an initial project review and submits the loan request to the the Central Bank's UPCA, projects may be assessed and a lending decision made in 1 to 2 weeks, depending on the specific project. Loan requests for more than $1.6 million require World Bank approval.

Contact

See Appendix III for a list of commercial banks.

Director
Agribusiness Credit Project
Central Bank of Honduras
Edificio Amato
Tegucigalpa, Honduras
Tel: [504] 37-2270
Fax: [504] 37-1876

Honduran Pre-Investment Fund

The Honduran Pre-Investment Fund (FOHPREI) provides feasibility study financing for private and public sector projects consistent with the national development priorities of the Honduran Government. FOHPREI's current capital available for loan and grant financing includes $6.7 million (Lps 37.6 million) in loans and $375,000 (Lps 2.1 million) for grants from the Inter-American Development Bank (IDB) and the Honduran Government. Since the establishment of FOHPREI in 1986, 52 feasibility studies valued at $7.6 million (Lps 43 million) have received financing, divided into loans (85 percent) and grants (15 percent). This financing is concentrated in the following sectors: health (33 percent), agriculture (21 percent), mining (15 percent), transportation (14 percent), industry (13 percent), tourism and energy (1 percent), and other (3 percent).

Loans for a feasibility study are available for terms of 1 to 10 years, with up to a 3-year grace period. The minimum loan size is $8,929 (Lps 50,000) and while no maximum exists, in practice, loans up to $625,000 (Lps 3.5 million) have been offered. From 90 to 100 percent of feasibility study costs can be covered by FOHPREI. A 6 percent interest rate is offered on loans either in local currency or U.S. dollars, depending on project needs. A complete guarantee in the form of bank guarantee or mortgage is required.

Eligibility

FOHPREI financing for feasibility studies is available for public or private sector projects that have received Honduran Government approval as priority projects consistent with the national development plan. Borrowers must be either Honduran nationals or residents. Government projects have benefited from two-thirds of FOHPREI financing, including all grant financing. Consultants must be registered with FOHPREI in order to conduct FOHPREI-financed feasibility studies.

Application

Applications including a project proposal and financing plan must be submitted directly to FOHPREI. Private sector requests for financing are generally processed within 1 month. For grants and loan request for more than $679,000 (Lps 3.8 million), the IDB must provide authorization.

Contact

Executive Director
Honduran Pre-Investment Fund
Col. Palmira, Calle Venezuela, No. 2036
Frente a Vivero Palmira
Tegucigalpa, Honduras
Tel: [504] 32-3360
Fax: [504] 32-2999

National Agriculture Development Bank

The National Agriculture Development Bank (BANDESA), a government bank created in 1980, provides short-term financing for agricultural and livestock projects. In addition, BANDESA offers technical assistance to borrowers. BANDESA's capital includes funds from the Government of Honduras, the Inter-American Development Bank (IDB), and its own resources.

Loans are available for up to a 18-month term with interest rates of 23 percent. No maximum loan size is specified with the exception of loans based on IDB resources, in which case a maximum of $7,143 (Lps 40,000) for individuals and $71,430 (Lps 400,000) for cooperatives is imposed.

Eligibility

Agricultural and livestock projects, including commercial and basic agriculture, are eligible for BANDESA financing. Financing may be used for short-term working capital and the acquisition of machinery and equipment. Small and medium-sized Honduran borrower's are eligible to access BANDESA financing.

Application

Interested borrowers should contact BANDESA directly to request financing.

Contact

Chief, Agriculture Credit Section
National Agriculture Development Bank
P.O. Box 212
Tegucigalpa, Honduras
Tel: [504] 37-5663
Fax: [504] 37-5187

National Industrial Development Fund

The National Industrial Development Fund (FONDEI) provides medium- to long-term financing for industrial, agribusiness, and tourism projects. Financing for feasibility studies is also available. Loans and loan guarantees are also available through a special Fund for Small and Medium Business (FOPEME).

FONDEI was established in 1978 with World Bank and Honduran Central Bank funds. The available financial resources of FONDEI for 1990 are $11.6 million (Lps 65 million) for any eligible project plus $1.2 million (Lps 6.6 million) for tourism projects. FONDEI's total credit operations of $43.9 million (Lps 246 million) during 1979-89 are concentrated in medium-sized industry (75 percent), small business and micro-enterprise (15 percent), and tourism (10 percent). FONDEI total lending portfolio at the end of 1990 amounted to $23.9 million (Lps 133.7million).

The FONDEI loan size and term varies according to the specific use. Loans for fixed and working capital are available from $700 (Lps 4,000) to $714,000 (Lps 4 million) with a 3- to 10-year term, for up to a 2-year grace period. Technical assistance loans ranging from $893 (Lps 5,000) to $14,300 (Lps 80,000) are available for up to a 5-year term, including a 1-year grace period. Feasibility study loans range from $893 (Lps 5,000) to $8,930 (Lps 50,000) with a 5-year term, including a 1-year grace period. For FONDEI loans, a 25 percent interest rate is offered and disbursement is in local currency.

In 1989, FOPEME was established within FONDEI to expand lending to small-scale enterprises by Honduran private-sector intermediaries. FOPEME manages two financial components, a rediscount line of credit and a guarantee fund. FOPEME loan and guarantee funds were financed by U.S. Agency for International Development with local currency resources equivalent to $14 million for loans and $1 million for loan guarantees.

From January 1989 through September 1991, FOPEME made 2,705 loans totaling $16 million (Lps 90.1 million) and issued 797 guarantee certificates for a total amount of $3.5 million (Lps 19.4 million). Its outstanding credit portfolio by October 1991 was $6.2 million (Lps 34.5 million). The 1992 lending amount is approximately $5 million (Lps 28 million). Approved loans concentrated in industry (39 percent), commerce (11 percent), and services (50 percent). However, commerce has been excluded from the program due to its limited impact on employment generation.

FOPEME financing differs somewhat from FONDEI lending criteria. Within FOPEME, a 5-year term, including a 1-year grace period, is provided with a maximum loan size of $8,929 (Lps 50,000). The interest rates are offered at market rates and a maximum of 70 percent of project costs can be covered by FOPEME loans and guarantees.

Eligibility

FONDEI funds can be used for fixed assets and original working capital as well as feasibility studies, consultant fees, and technical assistance costs. However, funds cannot be used to refinance debt, purchase land, or purchase used machinery, unless the purchase of used machinery is technically and economically justified. Majority Honduran ownership is required to be eligible for FONDEI financing. In certain cases of substantial technology transfer, firms with up to 60 percent foreign ownership may be deemed eligible.

FOPEME financing is available only for investment in fixed assets and working capital. In addition, the beneficiary of FOPEME financing must be a small industry or service, measured as under 99 employees and assets (less land and buildings) valued at less than $89,300 (Lps 500,000).

Application

Requests for FONDEI financing must be submitted through an intermediary financial institution, including most private commercial banks and the Center for Industrial Development. The selected intermediary will review the request for eligibility and then forward the request to FONDEI. FONDEI evaluates the project based on the following criteria: employment generation, use of local inputs, capacity to repay, and administrative and technical capacity to execute the project.

Selected commercial banks and financial intermediaries have received from FONDEI approval authority for loans of up to $37,000 (Lps 200,000); projects approved under this limit are sent to FONDEI only for disbursement. Loans of up to $179,000 (Lps 1 million) are approved by FONDEI's credit committee and require the authorization of FONDEI's Executive Committee. Approximately 3 weeks are required for the FONDEI review; authorization by the Executive Committee requires an additional week.

Contact

See Appendix III for a list of private commercial banks.

Director
National Industrial Development Fund
Edificio Las Cumbres, 3er piso
Avenida Cervantes, 3a Calle
Tegucigalpa, Honduras
Tel: [504] 37-2625

Nontraditional Export Revolving Credit

The Nontraditional Export Revolving Credit Line provides loans and guarantees for nontraditional export projects. The Credit Line, financed by U.S. Agency for International Development resources, is administered by the Central Bank and channeled through financial intermediaries. The current capital base of the credit line is $16.4 million (Lps 92 million). Since its establishment in 1986, $16 million (Lps 90 million) in local currency and $10 million in foreign exchange loans have been extended for agribusiness (60 percent) and manufacturing (40 percent) projects.

Loans for working capital are available for up to a 2-year term and for investment are available up to a 7-year term, including a 2- year grace period. Financing for construction of export processing zones is also available for up to a 15-year term. Projects can be completely financed by the revolving fund, as long as financing does not exceed $2.7 million (Lps 15 million). The interest rate offered to the borrower by the financial intermediary is open. Loans are available in local currency or in foreign exchange through letters of credit.

Eligibility

Projects involving nontraditional export development are eligible for the Nontraditional Export Credit Line. Ineligible production includes raw wood, coffee, sugar, meat, and

banana projects. Private sector producers and exporters established in Honduras may access these funds. Working capital and investment funds may be used to finance the purchase of goods and services required for the approved project.

Application

Applications for the credit line must be submitted through any private bank.

Contact

See Appendix III for a list of private banks.

NICARAGUA

Since the Chamorro administration assumed control of the presidency in April 1990, the government has moved to transform Nicaragua's financial sector. This financial reform effort has entailed the establishement of private banks, the modernization of the state banking system, and the drafting of a new Central Banking Law. State banks are being restructured through mergers, and long-term plans include the privatization of these banks. As of August 1992, two state-controlled banks and five private banks are operating, with two additional private banks authorized, but not yet established.

Entities legally established in Nicaragua are eligible to access local financing. Private commercial banks generally offer short-term financing with some lending available for up to a 5-year term. Interest rates to the private sector range from 20 to 24 percent for Cordoba Oro loans.

Nicaragua maintains a fixed official exchange regime, with 5 Cordoba Oro pegged to 1 U.S. dollar. The Nicaraguan Government continues to support this exchange rate in an effort to maintain price stability. Private exchange houses and banks are allowed to buy and sell foreign exchange without reference to the official exchange rate, while state-owned banks and exchange houses continue to use the official rate.

Current foreign exchange regulations compel exporters to surrender 100 percent of all export foreign exchange earnings to the Central Bank. Exporters may then access a portion of these funds to import raw materials and to pay certain bills due in foreign exchange. The Foreign Investment Law (Law Number 127) states that foreign investors may access domestic financing for short-term credit for use as working capital.

Nicaraguan Investment Fund

The Nicaraguan Investment Fund (FNI), a Central Bank entity, provides medium- and long-term financing for private sector activity. Main FNI programs include administering lines of credit from the Central American Bank for Economic Integration (See Section II for details) and the Export Promotion Fund (FOPEX),

FOPEX provides working capital and fixed asset financing for nontraditional export companies involved in industry, agro-industry, fisheries, and mining. FOPEX resources are derived from the governments of Switzerland and Norway, and the United National Fund for Capitalization Development.

Working capital loans are offered on up to an 18-month term with up to a 6-month grace period. Fixed asset loans are available on a term of up to 5 years with up to an 18-month grace period. For loans under $500,000, FNI can finance up to 80 percent of the total project cost, and for loans over $500,000, the FNI financed portion of a project can reach up to 70 percent of the total project cost. Loans are extended to the final borrower at an interest rate based on LIBOR plus 6 points.

Eligibility

Private, state, and mixed companies producing nontraditional exports in the industry, agro-industry, fisheries, and mining sectors are eligible for FOPEX financing. Fixed asset resources can be used for machinery and equipment purchases and related production support. Working capital financing can be used for primary and intermediary inputs, technical assistance, marketing and promotion, and other operating costs associated with exporting.

Application

Companies interested in accessing FOPEX financing should approach any Nicaragua-based commercial bank. Applicants must demonstrate their eligibility under the FOPEX loan criteria, as well as management, financial, and export capacity that will ensure U.S. dollar repayment of the loan principal and interest.

Contact

See Appendix III for a listing of Nicaragua-based financial institutions.

PANAMA

Panama's international banking center is well known in the region, with 104 banks from 31 countries supplying full banking services to the domestic and international marketplace. Total assets within the banking center are valued at approximately $20 billion. Banking services available include traditional lending, as well as sophisticated merchant, investment, and electronic banking services for both domestic and international business.

Banks operate under one of the following arrangements: (1) 60 banks, including two govenment-owned banks, operate under a general license that allows them to service the international and domestic market; (2) 27 utilize an international license that allows them to serve only international clientele; and (3) 17 hold a representative license that allows banks to maintain formal representation in the country's banking center.

In 1991, lending for domestic private sector activities increased by $533 million, primarily to finance commerce (63 percent, consumer spending (16 percent), financial services (8 percent), and housing (7 percent). The government-owned National Bank of Panama (BNP) operates as a para-central bank by serving as a depository of public funds; however, the BNP does not perform the regulatory functions of most central banks nor is it responsible for foreign exchange and monetary policy formulation.

The U.S. dollar circulates freely and is legal tender in Panama, although the official Panamanian currency is the Balboa, which maintains a fixed one-to-one exchange rate with the U.S. dollar.

Panamanian Stock Exchange

The Panamanian Stock Exchange, established during the 1970s, was overshadowed by local biases favoring bank financing until the bank withdrawals and liquidity crunch during the 1987-89 crisis led businesses to reconsider stock exchange financing options.

The exchange is controlled by a group of private banks and entrepreneurs and has a registered capital of $1 million divided into 10,000 shares. All shares have been sold, and according to Panamanian law, individual stockholders can only own up to 2.5 percent of registered capital. Thirty-four private enterprises and six government entities are already registered with the exchange to participate in its activities. During 1991, recorded transactions reached $31.5 million, peaking during September 1991 with a monthly trading volume of $8 million. Some private companies have issued bonds on the local securities market; however, of 16 issues during 1991, 12 were undersubscribed or not subscribed at all. This trading constituted less than 2 percent of the exchange activity during 1991.

Contact

Panamanian Stock Exchange
P.O. Box 87-0878
Panama, Republic of Panama
Tel: (507) 69-1966
Fax: (507) 69-2457

APPENDICES

APPENDIX I: Financing Sources by Country, Sector, and Type of Financing

FINANCING SOURCE	SECTOR						TYPE OF FINANCING						U.S. COMPANIES MAY BE ELIGIBLE*
	Industry	Agriculture/ Agribusiness	Tourism	Infrastructrure	Mining	Other	Loan	Loan Guarantee	Equity	Feasibility Study	Technical Assistance	Insurance	
BILATERAL FINANCING SOURCES													
Export-Import Bank of the United States	X	X	X	X	X	X	X	X				X	YES
Overseas Private Investment Corporation	X	X	X	X	X	X	X	X				X	YES
Puerto Rico's Caribbean Development Program (IRC Section 936)	X	X	X	X			X						YES
Small Business Administration	X	X	X	X	X	X	X	X					YES
Trade Development Program	X	X	X	X	X	X				X	X		YES
Canadian International Development Agency	X	X	X	X	X	X	X			X	X		NO
Commonwealth Development Corporation	X	X	X	X	X	X	X		X				YES
European Investment Bank	X	X	X	X	X		X		X				YES
German Finance Company for Investments in Developing Countries	X	X	X		X	X	X		X		X		YES
Industrialization Fund for Developing Countries	X	X	X	X	X	X	X	X	X	X			NO
Netherlands Development Finance Company	X	X				X			X	X	X		YES
Overseas Economic Cooperation Fund		X			X		X		X	X			YES
INTERNATIONAL AND REGIONAL FINANCING SOURCES													
Andean Development Corporation	X	X	X	X	X	X	X		X	X	X		NO
Caribbean/Central American Business Advisory Service	X	X	X	X	X	X					X		YES
Caribbean Development Bank	X	X	X	X	X	X	X			X			YES
Central American Bank for Economic Integration	X	X	X	X			X			X	X		YES
Eastern Caribbean Central Bank	X	X						X					YES
Financial Fund for Plata Basin Development	X	X		X		X	X	X		X	X		NO
Inter-American Investment Corporation	X	X	X	X	X	X	X		X	X	X		YES
International Finance Corporation	X	X	X	X	X	X	X	X	X				YES
Multilateral Investment Guarantee Agency	X	X	X	X	X	X						X	YES
United Nations Development Program	X	X	X	X	X	X				X			YES
PRIVATE FINANCING SOURCES													
Caribbean Financial Services Corporation	X	X	X			X	X		X		X		YES
High Impact Agricultural Marketing and Promotion Program		X							X		X		YES
Latin American Agricultural Development Bank		X					X			X			YES
Latin American Export Bank	X	X			X	X	X						YES

* U.S. companies with majority U.S. ownership may be eligible to access these resources. Additional criteria may be required, such as the company being legally established in the host country.

FINANCING SOURCE	ELIGIBLE ANDEAN AND CARIBBEAN BASIN COUNTRIES									
	BAHAMAS	BARBADOS	BELIZE	BOLIVIA	BRITISH VIRGIN ISLANDS	COLOMBIA	COSTA RICA	DOMINICAN REPUBLIC	EASTERN CARIBBEAN	ECUADOR
BILATERAL FINANCING SOURCES										
Export-Import Bank of the United States	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Overseas Private Investment Corporation	X	X	X	X	X	X	X	X	X	X
Puerto Rico's Caribbean Development Program (IRC Section 936)		X					X	X	(2)	
Small Business Administration	X	X	X	X	X	X	X	X	X	X
Trade Development Program	X	X	X	X	X	X	X	X	X	X
Canadian International Development Agency	X	X	X	X	X	X	X	X	X	X
Commonwealth Development Corporation		X	X		X		X		X	X
European Investment Bank	X	X	X		X				X	
German Finance Company for Investments in Developing Countries	X	X	X	X		X	X	X	(3)	X
Industrialization Fund for Developing Countries	X		X	X		X	X	X	(3)	X
Netherlands Development Finance Company	X	X	X		X		X	X	X	
Overseas Economic Cooperation Fund	X	X	X		X		X	X	X	
INTERNATIONAL AND REGIONAL FINANCING SOURCES										
Andean Development Corporation				X		X				X
Caribbean/Central American Business Advisory Service	X	X	X		X		X	X	X	
Caribbean Development Bank	X	X	X		X				X	
Central American Bank for Economic Integration							X			
Eastern Caribbean Central Bank									X	
Financial Fund for Plata Basin Development				X						
Inter-American Investment Corporation	X	X		X		X	X			X
International Finance Corporation	X	X	X	X		X	X	X	(4)	X
Multilateral Investment Guarantee Agency		X	X	X	X		X	X	(5)	X
United Nations Development Program				X						
PRIVATE FINANCING SOURCES										
Caribbean Financial Services Corporation		X	X						(6)	
High Impact Agricultural Marketing and Promotion Program		X			X				X	
Latin American Agricultural Development Bank	X	X	X	X	X	X	X	X	X	X
Latin American Export Bank		X		X		X	X	X		X

(1) Contact Eximbank for current status of programs in each country
(2) Dominica, Grenada, St. Lucia
(3) Excluding Montserrat
(4) Antigua and Barbuda, Dominica, and St. Lucia
(5) Grenada, St. Lucia, St. Vincent
(6) Excluding Montserrat and St. Vincent

FINANCE SOURCES	ELIGIBLE ANDEAN AND CARIBBEAN BASIN COUNTRIES (CONTINUED)									
	EL SALVADOR	GUATEMALA	GUYANA	HONDURAS	JAMAICA	NETHERLANDS ANTILLES/ ARUBA	NICARAGUA	PANAMA	PERU	TRINIDAD AND TOBAGO
BILATERAL FINANCING SOURCES										
Export-Import Bank of the United States	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		(1)
Overseas Private Investment Corporation	X	X	X	X	X	X	X	X		X
Puerto Rico's Caribbean Development Program (IRC Section 936)				X	X					X
Small Business Administration	X	X	X	X	X	X	X	X		X
Trade Development Program	X	X	X	X	X	X	X	X		X
Canadian International Development Agency	X	X	X	X	X		X	X		X
Commonwealth Development Corporation			X	X	X					X
European Investment Bank			X		X	X				X
German Finance Company for Investments in Developing Countries	X	X	X	X	X		X	X	X	X
Industrialization Fund for Developing Countries	X	X	X	X	X		X	X	X	X
Netherlands Development Finance Company	X	X	X	X	X	X		X		X
Overseas Economic Cooperation Fund	X	X	X	X	X	X		X		X
INTERNATIONAL AND REGIONAL FINANCING SOURCES										
Andean Development Corporation									X	
Caribbean/Central American Business Advisory Service	X	X	X	X	X	X	X	X		X
Caribbean Development Bank			X		X					X
Central American Bank for Economic Integration	X	X		X			X			
Eastern Caribbean Central Bank										
Financial Fund for Plata Basin Development										
Inter-American Investment Corporation	X	X	X	X	X				X	X
International Finance Corporation	X	X	X	X	X				X	X
Multilateral Investment Guarantee Agency	X		X		X	X	X			X
United Nations Development Program			X	X			X			
PRIVATE FINANCING SOURCES										
Caribbean Financial Services Corporation										
High Impact Agricultural Marketing and Promotion Program										
Latin American Agricultural Development Bank	X	X	X	X	X	X	X	X	X	X
Latin American Export Bank	X	X		X	X		X	X	X	X

ANDEAN AND CARIBBEAN BASIN FINANCING SOURCES	SECTOR						TYPE OF FINANCING						U.S. COMPANIES MAY BE ELIGIBLE*
	Industry	Agriculture/ Agribusiness	Tourism	Infrastructrure	Mining	Other	Loan	Loan Guarantee	Equity	Feasibility Study	Technical Assistance	Insurance	
BAHAMAS													
Bahamas Development Bank	X	X	X			X	X	X	X		X		NO
BARBADOS													
Barbados Development Bank	X	X	X			X	X		X				YES
Export Credit Insurance Scheme	X	X										X	YES
Export Finance Guarantee	X	X						X					YES
Export Rediscount Facility	X	X					X						YES
Industrial Credit Fund	X	X	X		X	X	X				X		YES
BELIZE													
Development Finance Corporation	X	X	X	X			X				X		NO
National Development Foundation	X	X				X	X				X		YES
BOLIVIA													
Debt-Equity Investment Bonds	X	X	X	X	X	X			X				YES
Eastern Lowlands Project Facility		X		X		X	X						NO
Export Financing Line	X	X				X	X						NO
Market Town Capital Formation Project	X	X	X			X	X						YES
Mining Loan Project Facility					X		X						NO
Multisectoral Credit Line	X	X	X				X				X		YES
Private Enterprise Development Project	X		X				X				X		YES
BRITISH VIRGIN ISLANDS													
Development Bank of the British Virgin Islands	X	X	X				X						NO
COLOMBIA													
Agriculture Fund		X					X						YES
Business Capitalization Fund	X	X					X				X		YES
Industrial Financial Fund	X				X		X						YES
Industrial Reconversion Fund	X						X						YES
National Export Bank	X	X					X			X	X		YES
National Fund for Development Projects	X	X								X			YES
Private Investment Fund	X		X		X	X	X						YES
Tourism Credit			X				X						YES
COSTA RICA													
Agriculture and Industrial Reactivation Fund	X	X	X	X			X						YES
Industrial Development Fund	X	X	X				X			X			YES
Private Investment Corporation	X	X	X				X		X				YES
Program for Financing of Nontraditional Exports	X	X					X						YES
DOMINICAN REPUBLIC													
Agro-industry and Agriculture Production Loan Fund		X					X						NO
Commercial Bridge Credit Fund		X					X						NO
Global Tourism Development Program			X			X	X						YES
Investment Fund for Economic Development	X	X		X			X						NO
EASTERN CARIBBEAN													
Antigua and Barbuda Development Bank	X	X	X			X	X						NO
Dominica Agricultural & Industrial Development Bank	X	X				X	X				X		YES
Grenada Development Bank	X	X	X			X	X						NO
Development Bank of St. Kitts-Nevis	X	X	X			X	X						NO
St. Lucia Development Bank	X	X	X	X	X	X	X		X				NO
St. Vincent Development Bank	X	X	X				X				X		NO

ANDEAN AND CARIBBEAN BASIN FINANCING SOURCES	SECTOR						TYPE OF FINANCING						U.S. COMPANIES MAY BE ELIGIBLE*
	Industry	Agriculture/ Agribusiness	Tourism	Infrastructrure	Mining	Other	Loan	Loan Guarantee	Equity	Feasibility Study	Technical Assistance	Insurance	
ECUADOR													
National Development Bank	X	X	X			X	X						YES
National Financial Corporation	X	X	X				X				X		YES
National Preinvesment Fund	-- Priority Development Projects --									X			YES
EL SALVADOR													
Agrarian Reform Financing Project		X					X						YES
Local Currency Credit Funds	X	X				X	X						YES
Salvadoran Foundation for Economic and Social Development	X	X		X			X		X	X	X		YES
GUATEMALA													
Debt Conversion Program	X	X	X	X		X			X				YES
Agricultural Development Bank		X					X						YES
Agribusiness Credit Program		X					X				X		NO
Agribusiness Guarantee Fund		X						X					YES
Revolving Credit for Nontraditional Exports	X	X					X						NO
GUYANA													
Guyana Cooperative Agricultural and Industrial Development Bank	X	X	X		X	X	X						NO
HONDURAS													
Debt Conversion Program	X	X	X		X	X			X				YES
Agribusiness Credit Project		X					X				X		YES
Honduran Pre-Investment Fund	X	X	X			X				X			NO
National Agriculture Development Bank		X					X				X		NO
National Industrial Development Fund	X	X	X				X	X		X	X		NO
Nontraditional Export Revolving Credit	X	X					X	X					YES
JAMAICA													
Debt Conversion Program	X	X	X			X			X				YES
Jamaica Agriculture Development Foundation		X					X		X		X		NO
Jamaica Pre-Investment Program	X	X	X	X						X			YES
National Development Bank of Jamaica	X	X	X		X		X						YES
National Export-Import Bank of Jamaica	X	X					X	X				X	YES
Trafalgar Development Bank	X	X	X		X	X	X		X				YES
NETHERLANDS ANTILLES AND ARUBA													
Aruba Investment Bank	X	X	X			X	X		X	X	X		YES
Development Bank of the Netherlands Antilles	X	X	X	X		X	X		X				YES
NICARAGUA													
Nicaraguan Investment Fund	X	X			X		X						YES
TRINIDAD AND TOBAGO													
Agricultural Development Bank		X					X				X		NO
Export Credit Insurance Company, Ltd.	X	X										X	YES
Trinidad & Tobago Development Finance Company	X	X	X	X	X	X	X	X	X		X		YES

APPENDIX II: MAJOR FINANCIAL INDICATORS, BY COUNTRY

Country	Lending 1/ Rate	Inflation 2/ Rate	Local Currency	Exchange 3/ Rate
Aruba	10-13%	6%	Aruban Florin	Afl 1.78:US$1
Bahamas	14-19%	9%	Bahamian Dollar	B$1:US$1
Barbados	16%	6.2%	Barbados Dollar	BD$2:US$1
Belize	12%	1.8%	Belize Dollar	Bze$2:US$1
Bolivia	32-36%	382%	Boliviano	B3.87:US$1
BVI	NY Prime	1%	U.S. Dollar	US$1
Colombia	45-50%	26.8%	Colombian Peso	$707.4:US$1
Costa Rica	up to 49%	25%	Costa Rican Colon	C133.7:US$1
Dominican Republic	32-36%	9%	Dominican Peso	RD$12.75:US$1
Eastern Caribbean	9-23%	6.8%	Eastern Caribbean Dollar	EC$2.7:US$1
Ecuador	49%	49%	Sucre	s/1,535:US$1
El Salvador	20-21%	12%	Salvadoran Colon	C8.4:US$1
Guatemala	16-23%	50%	Quetzal	Q5.15:US$1
Guyana	35%	100%	Guyana Dollar	G$125:US$1
Honduras	20-25%	26%	Lempira	Lps5.6:US$1
Jamaica	35%	80%	Jamaica Dollar	J$22.4:US$1
Netherlands Antilles	10-13%	3.9%	Antilles Florin	Naf1.78:US$1
Nicaragua	20-24%	2,741%	Cordoba Oro	C$5:US$1
Panama	NYPrime	2%	Balboa	B1:US$1
Peru	73% (monthly) 4/	132%	Nuevo Sol	S1.24:US$1
Trinidad and Tobago	13-14%	11%	Trinidadian Dollar	TT$4.24:US$1

1/ Local currency lending rate as of approximately first quarter 1992
2/ End of year 1991
3/ As of August 1992
4/ Monthly rate as of May 1992

APPENDIX III: ANDEAN AND CARIBBEAN BASIN FINANCIAL INSTITUTIONS

ARUBA

Algemene Bank Nederland, NA
Caya G.F. (Betico) Croes 89
Oranjestad, Aruba
Tel: [297](8) 21515/21200
Telex: 5032 ABNAR
Fax: [297](8) 21856

Aruba Bank, Ltd. NV
Caya G.F. (Betico) Croes 41
L.G. Smith Blvd. 108
Oranjestad, Aruba
Tel: [297](8) 21550
Telex: 5040 ABANKNA
Fax: [297](8) 29152

Banco di Caribe NV
Caya G.F. (Betico) Croes 90-92
Oranjestad, Aruba
Tel: [297](8) 32168/31942
Telex: 5157
Fax: [297](8) 32422

Caribbean Merchantile Bank
Nassaustr 53
Oranjestad, Aruba
Tel: [297](8) 23118
Telex: 5041 CAMEB

First National Bank of Aruba NV
Nassaustr 67
Oranjestad, Aruba
Tel: [297](8) 24666
Fax: [297](8) 21756
Telex: 5036 CITIB NA

Interbank Aruba N.V.
L.G. Smith Blvd. 146
P.O. Box 96
Oranjestad, Aruba
Tel: [297](8) 31080
Fax: [297](8) 24058
Telex: 5224 INTER AW

BAHAMAS

For a complete list of banks contact:

Association of International Banks and Trust Companies in The Bahamas (AIBT)
P.O. Box N-7880
Nassau, Bahamas
Tel: (809) 326-0041
Telex: 20197

BARBADOS

Commercial Banks

Public

Barbados National Bank
P.O. Box 1002
Broad Street
Bridgetown, Barbados
Tel: (809) 427-5920
Telex: 2271 NAEANBRO WB
Fax: (809) 426-5048

Private

Bank of Nova Scotia
Broad Street, P.O. Box 202
Bridgetown, Barbados
Tel: (809) 431-3000
Telex: 2223 SCOBAR WB
Fax: (809) 426-0969

Barclays Bank PLC
Broad Street, P.O. Box 301
Bridgetown, Barbados
Tel: (809) 429-5151
Telex: 2348 BARCLADOM WB
Fax: (809) 436-7957

Canadian Imperial Bank of Commerce
Broad Street, P.O. Box 405
Bridgetown, Barbados
Tel: (809) 426-0571
Telex: 2230 CANBANK WB
Fax: (809) 426-9034

Caribbean Commercial Bank
Broad Street, P.O. Box 1007 C
Bridgetown, Barbados
Tel: (809) 426-5022
Telex: 2289 CARICOL WB
Fax: (809) 426-7739

The Royal Bank of Canada (Barbados) Limited
Broad Street, P.O. Box 68
Bridgetown, Barbados
Tel: (809) 426-5200
Telex: 2242 ROYALBNK WB
Fax: (809) 436-8393

Finance Corporations

Barbados Mortgage Finance Company Limited
First Floor, Home Centre Building, White Park
P.O. Box 714 C
St. Michael, Barbados
Tel: (809) 427-5780

Barclays Finance Corporation of Barbados Ltd.
Hincks Street, P.O. Box 1014 C
Bridgetown, Barbados
Tel: (809) 431-5060

Consolidated Finance Co., Ltd.
Bridge House, Cavans Lane
P.O. Box 401
Bridgetown, Barbados
Tel: (809) 429-8818
Telex: 2244 STOBYN WB

General Finance Corporation Limited
1st Floor, Trident House, Broad Street
P.O. Box 673 C
Bridgetown, Barbados
Tel: (809) 427-5882
Telex: 2402 GENFIC WB

Royal Bank (Barbados) Financial Corporation
Royal Bank House, Garrison
P.O. Box 48 B
St. Michael, Barbados
Tel: (809) 436-6596
Fax: (809) 436-9675
Telex: 2459 Royshore WB

BELIZE

Atlantic Bank Ltd
6 Albert Street
Belize City, Belize
Tel: [501](2) 77124
Fax: [501](2) 77736

Barclays Bank PLC
21 Albert Street
Belize City, Belize
Tel:[501](2) 77211
Fax: [501](2) 78572

Belize Bank
#1 Market Square
Belize City, Belize
Tel: [501](2) 77132
Fax: [501](2) 72712

The Bank of Nova Scotia
Albert Street
Belize City, Belize
Tel: [501](2) 77027

BOLIVIA

Commercial Banks

Public

Banco del Estado
Mercado esq. Colon
La Paz, Bolivia
Tel: [591](2) 352-868

Private

BHN Multibanco, S.A.
Av. 16 de Julio 1630
La Paz, Bolivia
Tel: [591](2) 353-479
Fax: [591](2) 391-358

Banco Boliviano Americano
Av. Camacho esq. Loayza
La Paz, Bolivia
Tel: [591](2) 361101
Fax: [591](2) 353984

Banco Do Brasil
Av . Camacho 14 4 8
La Paz, Bolivia
Tel: [591](2) 350724
Telex: 2316
Banco de Cochabamba, S.A.
Av. Camacho esq. Colon
La Paz, Bolivia
Tel : [591](2) 351-916
Fax: [591](2) 327-633

Banco Economico, S.A.
Ayacucho 166
La Paz, Bolivia
Tel: [591](2) 361177
Fax: [591](2) 331184

Banco Industrial, S.A.
Av 16 de Julio 1628
La Paz, Bolivia
Tel: [591](2) 323-343
Fax: [591](2) 392-013

Banco Industrial y Ganadero del Beni, S.A.
Av. 6 de Agosto Edif. Bigbeni
La Paz, Bolivia
Tel: [591](2) 344-000
Fax: [591](2) 345-331

Banco Internacional de Desarrollo, S.A.
Potosi 1385
La Paz, Bolivia
Tel: [591](2) 356-892
Fax: [591](2) 331-130

Banco de Inversion Boliviano, S.A.
Av. 16 de Julio 1571
La Paz, Bolivia
Tel: [591](2) 354-233
Fax: [591] (2) 326-536

Banco Mercantil, S.A.
Calle Ayacucho esq. Mercado
La Paz, Bolivia
Tel: [591](2) 352-891
Fax: [591](2) 391-442

Banco de la Nacion Argentina
Av. 16 de Julio 1486
La Paz, Bolivia
Tel: [591](2) 359-211
Telex: 2282

Banco Nacional de Bolivia
Camacho esq. Colon
La Paz, Bolivia
Tel: [591](2) 379-989
Fax: [591](2) 371-279

Banco de la Paz
Av. 16 de Julio 1473
La Paz, Bolivia
Tel: [591](2) 390950
Fax: [591](2) 8112875

Banco Popular de Peru
Colon esq. Mercado
La Paz, Bolivia
Tel: [591](2) 355-023
Fax: [591](2) 391-044

Banco Real, S.A.
Av . Camacho 1355
La Paz, Bolivia
Tel: [591](2) 366-603
Fax: [591](2) 391-413

Banco Santa Cruz de la Sierra, S.A.

Junin esq. 21 de Mayo
Santa Cruz, Bolivia
Tel: [591] (2) 339-911
Fax: [591] (2) 350-114

Mercado 1070
La Paz, Bolivia
Tel: [591](2) 351-213
Fax: [591](2) 358-259

Banco de la Union, S.A.
Av. Camacho 1416
La Paz, Bolivia
Tel: [591](2) 352-963
Fax: [591](2) 352-880

Caja Central de Ahorro y Prestamo
para la Vivienda
Mariscal Santa Cruz 1364
La Paz, Bolivia
Tel: [519](2) 371-280
Telex: 5611

Citibank
Plaza Venezuela 1434
La Paz, Bolivia
Tel: [591](2) 355-755
Fax: [591](2) 8112894

BRITISH VIRGIN ISLANDS

Bank of Nova Scotia
434 Wickhams Cay 1
Road Town, Tortola, BVI
Tel: (809) 42526/7
Telex: 7951 SCOTIA
Fax: (809) 44657

Barclays Bank PLC
Box 70 Wikchmas Cay 1
Road Town, Tortola, BVI
Tel: (809) 42171/3
Telex: 7932 BARDCO
Fax: (809) 44315

Chase Manhattan Bank NA
Box 435
Road Town, Tortola, BVI
Tel: (809) 42662/3/4/
Telex: 7935 CHASEBK
Fax: (809) 43863

First Pennsylvania Bank NA
Box 67, Main St.
Road Town, Tortola, BVI
Tel: (809) 42117/8/9
Telex: 7970 PENNBVI
Fax: (809) 45294

COLOMBIA

Commercial Bank

Public

Banco Popular
Calle 17, No 7-43, Piso 4
Bogota, Colombia
Tel: [57](1) 342-2169
Fax: [57](1) 286-7426

Banco de Colombia
Calle 30A, No. 6-38
Bogota, Colombia
Tel: [57](1) 232-9817
Fax: [57](1) 288-7198

Banco Cafetero
Calle 28, No. 13A-15
Bogota, Colombia
Tel: [57](1) 243-1481
Fax: [57](1) 284-0041

Caja Agraria
Cra 8, No 15-43
Bogota, Colombia
Tel: [57](1) 334-9066
Fax: [57](1) 241-1160

Banco Ganadero
Cra. 9, No 72-21
Bogota, Colombia
Tel: [57](1) 271-0100
Fax: [57](1) 235-9829

Banco Central Hipotecario
Cra. 6, No. 15-32
Bogota, Colombia
Tel: [57](1) 281-3840

Private

Banco de Bogota
Calle 36, No. 7-47, Piso 15
Bogota, Colombia
Tel: [57](1) 288-0192
Fax: [57](1) 288-4590

Citibank
Av. Jimenez, No. 8-89
Bogota, Colombia
Tel: [57](1) 286-8300
Fax: [57](1) 282-2669

Banco Santander
Cra. 10, No. 28-49, Piso 8-13
Bogota, Colombia
Tel: [57](1) 283-2910
Fax: [57](1) 283-2930

Banco de Occidente
Cra. 13, No 27-47, Piso 21
Bogota, Colombia
Tel: [57](1) 287-0311
Fax: [57](1) 282-2705

Banco Comercial Antioqueno, S.A.
Cra. 46, No. 52-36, Piso 5
Medellin, Colombia
Tel: [57](1) 251-8890
Fax: [57](1) 251-2154

Banco Industrial Colombiano
Calle 50, No 51-66
Medellin, Colombia
Tel: [57](1) 511-5516
Fax: [57](1) 231-4304

Banco Real de Colombia
Cra. 7, No. 33080
Bogota, Colombia
Tel: [57](1) 287-9300
Fax: [57](1) 287-0507

Banco Anglo Colombiano
Cra. 8, No. 15-46, Piso 3-6
Bogota, Colombia
Tel: [57](1) 286-3[illegible]55
Fax: [57](1) 281-5857

Banco de Credito
Calle 27, No. 6-48
Bogota, Colombia
Tel: [57](1) 284-8564
Fax: [57](1) 286-7256

Banco de Comercio
Calle 13, No. 8-52
Bogota, Colombia
Tel: [57](1) 283-2201
Fax: [57](1) 284-6362

Banco Andino
Cra. 7, No. 14-23
Bogota, Colombia
Tel: [57](1) 282-3004
Fax: [57](1) 288-2108

Banco de Caldas
Cra. 22, No. 21-03
Manizales, Colombia
Tel: [57](1) 840-086
Fax: [57](1) 843-017

Banco Colpatria
Cra. 7, No. 24-89, Piso 10
Bogota, Colombia
Tel: [57](1) 334-0600
Fax: [57](1) 286-1186

Banco Union Colombiano
Calle 72, No 8-56, Piso 2
Bogota, Colombia
Tel: [57](1)

Banco Extrebandes de Colombia
Calle 74, No 6-65
Bogota, Colombia
Tel: [57](1) 212-8691
Fax: [57](1) 212-5786

Banco Colombo Americano
Cra. 7, No. 16-36, Int. 2
Bogota, Colombia
Tel: [57](1) 334-5530
Fax: [57](1) 283-2939

Banco de los Trabajadores
Calle 13, No. 7-60
Bogota, Colombia
Tel: [57](1) 334-1920
Fax: [57](1) 342-4320

Banco Tequendama
Diagonal 27, No. 6-70
Bogota, Colombia
Tel: [57](1) 232-7714
Fax: [57](1) 287-7020

COSTA RICA

Commercial Banks

Public

Banco Anglo de Costa Rica
Apartado 10038
1000 San Jose, Costa Rica
Tel: (506) 22-3322
Telex: 2132 ANGLO
Fax: (506) 57-1845

Banco Credito Agricolo de Cartago
Apartado 5572
1000 San Jose, Costa Rica
Tel: (506) 51-3011
Telex: 8006 CACRE
Fax: (506) 51-3011

Banco de Costa Rica
Apartado 10035
1000 San Jose, Costa Rica
Tel: (506) 55-1100
Telex: 2103 BANCOST
Fax: (506) 55-0911

Banco Nacional de Costa Rica
Apartado 10015
1000 San Jose, Costa Rica
Tel: (506) 23-2166
Telex: (506) 23-2166
Fax: (506) 55-2436

Private

Banco Banex, S.A.Apartado 7983
1000 San Jose, Costa Rica
Tel: (506) 33-4855
Telex: 3065 BANEX CR
Fax: (506) 23-7192

Banco BCT., S.A.
Apartado 7698
1000 San Jose, Costa Rica
Tel: (506) 33-6611
Telex: 3153 BCT
Fax: (506) 33-6833

Banco Continental, S.A.
Apartado 7969
1000 San Jose, Costa Rica
Tel: (506) 57-1155
Telex: 3115 BANKCO
Fax: (506) 55-3983

Banco Cooperativo Costarricense
Apartado 8593
1000 San Jose, Costa Rica
Tel: (505) 33-6044
Telex: 3230 BANCOP
Fax: (506) 33-9661

Banco del Comercio, S.A.
Apartado 1106
1000 San Jose, Costa Rica
Tel: (506) 33-6011
Telex: 2741 COMEBK C.R.
Fax: (506) 22-3706

Banco de Fomento Agricola, S.A.
Apartado 6531
1000 San Jose, Costa Rica
Tel: (506) 31-4444
Telex: 3508 BFASA
Fax: (506) 32-7476

Banco Capital, S.A.
Apartado 5099
1000 San Jose, Costa Rica
Tel: (506) 21-5811
Telex: 2473 BANCON
Fax: (506) 22-6567

Banco Cofisa
Apartado Postal 10507
1000 San Jose, Costa Rica
Tel: (506) 21-2212
Telex: 2305 COFISA
Fax: (506) 21-2212

Banco de la Industria, S.A.
Apartado 4254
1000 San Jose, Costa Rica
Tel: (506) 21-3355
Telex: 3177 BAISA CR

Banco de San Jose, S.A.
Apartado 4254
1000 San Jose, Costa Rica
Tel: (506) 21-3355
Telex: 3177 BAISA CR
Fax: (506) 22-8208

Banco Federado de Cooperativas
Ahorro y Credito, S.A.
Apartado 4748
1000 San Jose, Costa Rica
Tel: (506) 22-3323
Telex: 2902 FABAN
Fax: (506) 57-1724

Banco Fincomer, S.A.
Apartado 57
Cartago, Costa Rica
Tel: (506) 51-1351, 33-7822
Telex:3306 FINCO CR
Fax: (506) 22-0405

Banco Interfin, S.A.
Apartado 6899
1000 San Jose, Costa Rica
Tel: (506) 21-8022
Telex: 2868 INTRFN CR
Fax: (506) 33-4823

Banco Internacional de Costa Rica, S.A.
Apartado 6116
1000 San Jose, Costa Rica
Tel: (506) 23-6522
Telex: 2771 OBISCA CR
Fax: (506) 33-6572

Banco Lyon, S.A.
Apartado 10184
1000 San Jose, Costa Rica
Tel: (506) 21-2611
Telex: 2577 LYON
Fax: (506) 21-6795

Banco Mercantil de Costa Rica, S.A.
Apartado 32101
1000 San Jose, Costa Rica
Tel: (506) 31-0724/55-3636
Telex: 2718 CREDIT CR
Fax: (506) 55-3976

Banco Metropolitano, S.A.
Apartado 3932
1000 San Jose, Costa Rica
Tel: (506) 33-8111
Telex: CR 48541 BAMET
Fax: (506) 22-8840

Banco Solidarista Costarricense, S.A.
P.O. Box 320-1002
San Jose, Costa Rica
Tel: (506) 33-9230
Fax: (506) 23-2146

DOMINICAN REPUBLIC

Commercial Banks

Banco Comercial BHD, S.A.
P.O. Box 21721
Dr. Luis F. Thomen esq. Winston Churchill
Torree BHD
Santo Domingo, Dominican Republic
Tel: (809) 562-7373
Fax: (809) 562-4396

Banco del Caribe Dominicano, S.A.
P.O. Box 2769
Gustavo Mejia Ricart esq. Agustin Lara
Santo Domingo, Dominican Republic
Tel: (809) 562-2662
Fax: (809) 562-1915

Banco del Comercio Dominicano, S.A.
P.O. Box 1440
Ave. 27 de Febrero esq. Ave Winston Churchill
Santo Domingo, Dominican Republic
Tel: (809) 545-5100
Fax: (809) 544-1298

Banco del Exterior Dominicano, S.A.
P.O. Box 1459
Ave. Abraham Lincoln No. 756
Santo Domingo, Dominican Republic
Tel: (809) 565-5540
Fax: (809) 565-5547

Banco de los Trabajadores de
la Republica Dominicana
P.O. Box 1446
Calle El Conde esq. Arzobispo Nouel
Santo Domingo, Dominican Republic
Tel: (809) 688-0181
Fax: (809) 686-0788

Banco de Reservas de la Republica Dominicana
P.O. Box 1353
Isabel la Catolica No. 72
Santo Domingo, Dominican Republic
Tel: (809) 688-2241
Fax: (809) 685-0602

Banco Dominicano del Progreso, S.A.
P.O. Box 1329
Ave. John F. Kennedy No. 3
Santo Domingo, Dominican Republic
Tel: (809) 566-7171
Fax: (809) 566-8645

Banco Dominico Hispano, S.A.
P.O. Box 20705
Ave. 27 de Febrero No. 102
Santo Domingo, Republica Dominicana
Tel: (809) 567-2261
Fax: (809) 542-5171

Banco Gerencial & Fiduciario Dominicano, S.A.
P.O. Box 30-119
Ave. 27 de Febrero No. 50
Santo Domingo, Dominican Republic
Tel: (809) 541-9400
Fax: (809) 541-4466

Banco Intercontinental, S.A.
P.O. Box 825
Ave. Abraham Lincoln, Edificio Alico, 1st Floor
Santo Domingo, Dominican Republic
Tel: (809) 535-5500
Fax: (809) 532-2474

Banco Mercantil, S.A.
P.O. Box 20203
Ave. Bolivar No. 308
Santo Domingo, Dominican Republic
Tel: (809) 685-7151
Fax: (809) 688-0608

Banco Metropolitano, S.A.
P.O. Box 1872
Ave. Lope de Vega esq. Gustavo Mejia Ricart
Santo Domingo, Republica Dominicana
Tel: (809) 562-2442
Fax: (809) 540-1566

Banco Nacional de Credito S.A.
P.O. Box 1592
Ave. Lope de Vega No. 95
Santo Domingo, Dominican Republic
Tel: (809) 542-7556
Fax: (809) 566-1605

Banco Panamerico, S.A.
P.O. Box 21533
Ave. Abraham Lincoln esq. Roberto Pastoriza
Torre Panamericana
Santo Domingo, Dominican Republic
Tel: (809) 542-7661
Fax: (809) 565-2525

Banco Popular Dominicano
P.O. Box 1441
Isabel La Catolica No. 214
Santo Domingo, Dominican Republic
Tel: (809) 544-5900
Fax: (809) 685-3915

Banco Regional Dominicano S.A.
P.O. Box 308
Ave. San Martin No. 200
Santo Domingo, Dominican Republic
Tel: (809) 544-4334
Fax: (809) 567-0059

Citibank N.A.
P.O. Box 1492
Ave. John F. Kennedy No. 1
Santo Domingo, Dominican Republic
Tel: (809) 566-5611
Fax: (809) 567-2255

The Bank of Nova Scotia
P.O. Box 1494
Ave. Lope de Vega esq. John F. Kennedey
Santo Domingo, Dominican Republic
Tel: (809) 544-1700
Fax: (809) 542-6302

The Chase Manhattan Bank, N.A.
P.O. Box 1408
Ave. Tiradentes esq. John F. Kennedy
Santo Domingo, Dominican Republic
Tel: (809) 540-4441
Fax: (809) 567-4620

Development Banks

Banco Agricola de le Republica Dominicana
Ave. George Washington
Santo Domingo, Dominican Republic
Tel: (809) 533-171
Fax: (809) 533-1064

Banco Continental de Desarrollo, S.A.
Calle Alma Mater esq. Pedro H. Urena
Santo Domingo, Dominican Republic
Tel: (809) 541-5166
Fax: (809) 541-9581

Banco Desarrollo Agroindustrial y del Turismo
Hnos Sarita esq. Luis Ginebra
Puerto Plata, Dominican Republic
Tel: (809) 586-8150

Banco de Desarrollo Agropecuario, S.A.
Ave. Independencia esq. Maximo Gomez
Santo Domingo, Dominican Republic
Tel: (809) 686-0984
Fax: (809) 687-0825

Banco de Desarrollo Agropecuario Norcentral, S.A.
Calle Duarte 186, 2do Piso
Bonao, Dominican Republic
Tel: (809) 522-5877

Banco de Desarrollo del Arroz, S.A.
Chefito Batista 6
La Vega, Dominican Republic
Tel: (809) 573-4611
Fax: (809) 573-4242

Banco de Desarrollo BHD, S.A.
Ave. Winston Churchill esq. Luis F. Thomen
Santo Domingo, Dominican Republic
Tel: (809) 562-4393
Fax: (809) 562-4396

Banco de Desarrollo Bancomercio, S.A.
Ave. 27 de Febrero
Edificio Bancomericio
Santiago, Dominican Republic
Tel: (809) 575-1535
Fax: (809) 575-1639

Banco de Desarrollo y Capitalizacion, S.A.
Jose Contreras esq. Lincoln
Santoomingo, Dominican Republic
Tel: (809) 535-5777
Fax: (809) 535-5681

Banco de Desarrollo Citicorp, S.A.
Ave. John F. Kennedy No. 1
Santo Domingo, Dominican Republic
Tel: (809) 566-5611
Fax: (809) 567-2255

Banco de Desarrollo Cotui, S.A.
C/Duarte esq. Sanchez
Cotui, Dominican Republic
Tel: (809) 585-2636
Fax: (809) 585-2930

Banco de Desarrollo Crediamerica, S.A.
Ave. 27 de Febrero No. 492
Santo Domingo, Dominican Republic
Tel: (809) 530-2161
Fax: (809) 530-1589

Banco de Desarrollo Credibanca, S.A.
Calle Colon esq. El Carmen
Jarabacoa, Dominican Republic
Tel: (809) 574-2376
Fax: (809) 541-3130

Banco de Desarroilo Corporativo, S.A.
Gustavo Mejia Ricart No. 32
Santo Domingo, Dominican Republic
Tel: (809) 567-9231
Fax: (809) 562-6373

Banco de Desarrollo Dominicano, S.A.
Ave. Bolivar No. 752
Santo Domingo, Dominican Republiic
Tel: (809) 685-9151
Fax: (809) 686-5497

Banco de Desarrollo del Este, S.A.
Francisco Richiez 13 esq. Altagracia
La Romana, Dominican Republic
Tel: (809) 556-4042

Banco de Desarrollo de Exportacion
Ave. Abraham Lincoln 601
Santo Domingo, Dominican Republic
Tel: (809) 566-5841

Banco de Desarrollo Finagro, S.A.
Ave. Tiradentes
Edificio La Isla
Santo Domingo, Dominican Republic
Tel: (809) 567-4441

Banco de Desarrollo Financiero del Caribe, C. por A.
Ave. San Martin
Edificio Santanita, 2 P.
Santo Domingo, Dominican Republic
Tel: (809) 567-0100
Fax: (809) 541-9019

Banco de Desarrollo Finempresa
Ave. John F. Kennedy
Santo Domingo, Dominican Republic
Tel: (809) 562-3011
Fax: (809) 562-1222

Banco de Desarrollo y Fomento Empresarial, S.A.
Luperon Km. Q, Plaza Turrisol
Puerto Plata, Dominican Republic
Tel; (809) 586-4506
Fax: (809) 542-3862

Banco de Desarrollo Miramar
Calle Castillo esq. Colon
San Francisco de Macoris, Dominican Republic
Tel: (809) 588-2778
Fax: (809) 540-2952

Banco de Desarrollo Cofinasa, S.A.
Av. Tiradentes Edificio La Cumbre
Santo Domingo, Dominican Republic
Tel: (809) 565-5571

Banco de Desarrollo Industrial, S.A.
Ave. Sarasota N 27 Ens. L JuliaA
Santo Domingo, Dominican Republic
Tel: (809) 535-8586
Fax: (809) 535-6069

Banco de Desarrollo Interamerica, S.A.
Ave. Tiradentes 35
Santo Domingo, Dominican Republic
Tel: (809) 540-6629
Fax: (809) 540-6628

Banco de Desarrollo Intercontinental, S.A.
Ave. Abraham Lincoln Edif. Alico
Santo Domingo, Dominican Republic
Tel: (809) 535-5500
Fax: (809) 532-2474

Banco de Desarrollo Mercantil, S.A.
Juan Isidro Perezno. 1, Gazcue
Santo Domingo, Dominican Republic
Tel: (809) 686-6323
Fax: (809) 686-1473

Banco de Desarrollo La Moneda, S.A.
Ave. Lope de Vega 108 esq. Jose Amado Soler
Santo Domingo, Dominican Republic
Tel: (809) 541-5354
Fax: (809) 565-1655

Banco de Desarrollo Nacional, S.A.
Ave. Lope de Vega 95
Santo Domingo, Dominican Republic
Tel: (809) 542-7556
Fax: (809) 542-7556

Banco de Desarrollo Osaka, S.A.
Ave. 27 de Febrero 208, El Vergel
SantooDomingo, Dominican Republic
Tel: (809) 541-4122
Fax: (809) 541-0845

Banco de Desarrollo Peravia, S.A.
Ave. Duarte 2da Sur esq. 27 de Febrero
Bani, Dominican Republic
Tel: (809) 522-5877

Banco de Desarrollo y Produccion, S.A.
Ave 27 de Febrero 469
Santo Domingo, Dominican Republic
Tel: (809) 530-7736
Fax: (809) 530-7734

Banco de Desarrollo del Valle, S.A.
Sanchez esq. Juan Rodriguez
La Vega, Dominican Republic
Tel: (809) 573-4839

Banco Gerencial de Desarrollo, S.A.
Calle Anacaona Moscoso esq. Rafael Deligne
San Pedro de Macoris, Dominican Republic
Tel: (809) 529-5370

Banco Industrial de Desarrollo e Inversion, S.A
Ave. San Martin edif. Fuedas Dominicanas
Santo Domingo, Dominican Republic
Tel: (809) 685-3194
Fax: (809) 688-7235

EASTERN CARIBBEAN

Antigua and Barbuda

Antigua and Barbuda Investment Bank, Ltd.
High St. and Corn Alley
P.O. Box 1679
St. John's, Antigua
Tel: (809) 462-1652
Fax: (809) 462-0067

Antigua Commercial Bank
P.O. Box 95
St. Johns, Antigua
Tel: (809) 462-1217
Fax: (809) 462-1220

Bank of Antigua Ltd.
Corner High & THames Streets
Box 315
St. Johns, Antigua
Tel: (809) 462-4282
Telex: 2180 REGAL AK

Bank of Nova Scotia
The High St.
Box 342
St. Johns, Antigua
Tel: (809) 462-1578
Telex: 2118 SCOTIA AK

Barclays Bank PLC
High St.
Box 225
St. Johns, Antigua
Tel: (809) 462-0334
Fax: (809) 462-1630

Canadian Imperial Bank of Commerce
High St. Box 225
St. Johns, Antigua
Tel: (809) 462-0836
Fax: (809) 462-4439
Telex: 2150 CANBANK

Caribbean Banking Corporation
High Street
P.O. Box 1324
St. John's Antigua
Tel: (809) 462-4217
Fax: (809) 462-5040

Royal Bank of Canada
The High and Market Sts.
St. Johns, Antigua
Tel: (809) 462-0325
Fax: (809) 462-1304
Telex: 2120 ROYBANK

Swiss American Bank, Ltd.
High St. Box 1302
St. Johns, Antigua
Tel: (809) 462-4460
Fax: (809) 462-0274
Telex: 2181 AIT SAB AK

Dominica

Banque Francaise Commerciate
Antilles - Guyane Queen Mary St.
Box 166
Rousea, Dominica
Tel: (809) 84040/83335/83019
Telex: 8629 BANTIL
Fax: (809) 85335

Barclays Bank PLC
Old St., Box 4
Roseau, Dominica
Tel: (809) 82571
Telex: 8618 BARDOM DO
Fax: (809) 83471

Bank of Nova Scotia
28 Hillsborough St., Box 520
Roseau, Dominica
Tel. (809) 85800
Telex: 8671 SCOTIA

National Commercial Bank of Dominica
64 Hillsborough St. Box 271
Roseau, Dominica
Tel: (809) 84401/3
Telex: 8620 NATDOM
Fax: (809) 83982

Royal Bank of Canada
The Bay St.
Roseau, Dominica
Tel: (809) 82771/5
Telex: 8637 ROYAL
Fax: (809) 85398

Grenada

Bank of Nova Scotia
Halifax St. Box 194
St. George's, Grenada
Tel: (809) 440-3274
Telex: 3452 SOCTIA GA

Barclays Bank PLC
Box 37 Church & Halifax St.
St. George's, Grenada
Tel: (809) 440-3232
Telex: 3421 BARINT GA
Fax: (809) 440-4130

Grenada Bank of Commerce Ltd.
Box 4
St. George's, Grenada
Tel: (809) 440-3521/2472
Telex: 3467 BANCOM GA
Fax: (809) 440-4153

Grenada Co-operative Bank Ltd
8 Church St.
St. George's, Grenada
Tel: (809) 440-2111

National Commercial Bank of Grenada Ltd.
Box 57 Cnr Halifax & Hillsborough Sts.
St. George's, Grenada
Tel: (809) 440-3566/7/8
Telex: 3413 NACO GA
Fax: (809) 440-4140

The People's Bank
The Greenville St.
St. George's, Grenada
Tel: (809) 440-3077
Fax: (809) 440-4141

Montserrat

Bank of Montserrat Ltd.
Parliament St. Box 10
Plymouth, Montserrat
Tel: (809) 491-3843
Telex: 5740 BANKMON MK
Fax: (809) 491-3189

Barclays Bank PLC
Church St., Box 131
Plymoth, Montserrat
Tel: (809) 491-2501
Telex: 5718 BARBANK
Fax: (809) 491-3801

Guardian International Bank, Ltd.
Marine Dr.
Box 389
Plymouth, Montserrat
Tel: (809) 491-2096
Fax: (809) 491-2610
Telex: 5746 GIBANK

Royal Bank of Canada
Parliament St.
Box 222
Plymouth, Montserrat
Tel: (809) 491-2426
Fax: (809) 491-3991
Telex: 5713 ROYBANK

St. Kitts-Nevis

Bank of Nevis Ltd.
Box 450 Main St.
Charlestown, Nevis
Tel: (809) 469-5564
Telex: 6862 NEVBANK KC
Fax: (809) 469-5798

Bank of Novia Scotia
Box 433 Fort St.
Basseterre, St. Kitts
Tel: (809) 465-4141/4142
Telex: 6882 SCOTIA KC

Barclays Bank PLC
Box 42
Basseterre, St. Kitts
Tel: (809) 465-2449/2264
Telex: 6823 BARBANK KC
Fax: (809) 465-1041

Caribbean Basin Investment Bank & Trust Co.
Princes St.
Basseterre St. Kitts
Tel: (809) 465-2979/1082
Telex: 6843 OCIB P ODC KC

National Bank Ltd.
Central St.
St. Kitts
Tel: (809) 465-2204/7362

Nevis Co-operative Banking Co. Ltd.
Chapel St. Box 60
Charlestown, Nevis
Tel: (809) 469-5277
Telex: NECOB

Royal Bank of Canada
The Circus, Box 91
Bassaterre, St. Kitts
Tel: (809) 465-2239/2259
Telex: 856 ROYBANK KC
Fax: (809) 465-4374

St. Kitts-Nevis Anguilla National Bank Ltd.
Cnr Central & Church Sts. Box 343
Basseterre, St. Kitts
Tel: (809) 465-2204/5
Telex: 6826 NATBAN SKB KC
Fax: (809) 465-1050

St. Lucia

Bank of Nova Scotia
6 William Peter Boulevard
Castries, St. Lucia
Tel: (809) 452-2292
Telex: 6385 SCOBANK
Fax: (809) 453-1051

Barclays Bank PLC
Bridge St., Box 335
Castries, St. Lucia
Tel: (809) 452-3306
Telex: 6348 BACLADOM
Fax: (809) 452-6860

Canadian Imperial Bank of Commerce
William Peter Boulevard, Box 350
Castries, St. Lucia
Tel: (809) 452-3751
Telex: 6352 CANBANK
Fax: (809) 452-3735

National Commercial Bank of St. Lucia
Bridge Street
P.O. Box 1031
Castries, St. Lucia
Tel: (809) 452-2103
Telex: 22103
Fax: (809) 453-1604

Royal Bank of Canada
William Peter Boulevard, Box 280
Casteries, St. Lucia
Tel: (809) 452-2245
Telex: 6309 ROYALBK
Fax: (809) 452-7855

St. Lucia Co-operative Bank
Bridge Street
Castries, St Lucia
Tel: (809) 452-2880/1
Telex: 6261/6308 COOPBNK
Fax: (809) 453-1630

St. Vincent

Bank of Nova Scotia
76 Halifax St
Box 237
Kingstown, St. Vincent
Tel: (809) 457-1601
Telex: 7546 SCOTIABK

Barclays Bank LPC
Halifax St
Box 604
Kingstown, St. Vincent
Tel: (809) 457-1601
Fax: (809) 457-2985
Telex: 7520 BARFAX

Canadian Imperial Bank of Commerce
Box 212
Kingston, St. Vincent
Tel: (809) 457-1587
Fax: (809) 457-2873
Telex: 7532 CANBANK

Caribbean Banking Corp. Ltd.
81 South River Rd.
Box 118
Kingstown, St. Vincent
Tel: (809) 456-1501
Fax: (809) 456-2141
Telex: 7540 CBCBANK VQ

First St. Vincent Bank, Ltd.
Lot 112 Grandby St.
Kingstown, St. Vincent
Tel: (809) 456-1873

National Commercial Bank of St. Vincent
Corner of Halifax and Egmont Streets
P.O. Box 880
Kingstown, St. Vincent
Tel: (809) 457-1844
Fax: (809) 456-2612
Telex: 7522 VINBANK VQ

The New Bank Ltd.
Blue Caribbean Building, Bay St.
Box 1045
Kingstown, St. Vincent
Tel: (809) 457-1230
Fax: (809) 457-2610
Telex: 7529 BANKOWEN VQ

St. Vincent Co-operative Bank, Ltd.
Corner, Long Lane Upper & Sth River Rd
Box 886
Kingstown, St. Vincent
Tel: (809) 456-1894

National Development Foundations

National Development Foundations (NDFs) are a source of both financial and technical assistance for micro-enterprises and small business. For further information on the services offered in each OECS nation, contact the NDFs at the following addresses:

National Development Foundation of Antigua and Barbuda
P.O. Box 502
Long Street
St. Johns, Antigua
Tel: (809) 462-1704

National Development Foundation of Barbados
Suite 8
1st Floor, Wildey Plaza
Wildey, St. Michael, Barbados

National Development Foundation of Dominica
28 Kennedy Avenue
Roseau, Dominica

National Development Foundation of Grenada
P.O. Box 123
11 Halifax Street
St. Georges Grenada

National Development Foundation of Montserrat
c/o Montserrat Credit Union
Plymouth, Montserrat

Foundation for National Development of St. Kitts/Nevis
P.O. Box 507
St. Kitts

National Development Foundation of St. Luica
Barbados Hill
P.O. Box 1097
Castries, St. Lucia

National Development Foundation of St. Vincent and the Grenadines
P.O. Box 827
Blue Caribbean Building
Kingston, St. Vincent

ECUADOR

Commercial Banks

State

Banco Nacional de Fomento
Ante 107 Y Av. 10 de Agosto
Quito, Ecuador
Tel: [593](2) 549—828
Fax: [593](2) 580-586

Banco Ecuatoriano de Desarrollo
Paez 655 y Ramirez Davalos
Quito, Ecuador
Tel: [593](2) 551-033
Fax: [593](2) 563-725

Banco Ecuatoriano de la Vivienda
Av. 10 de Agosto y Cordero
Quito, Ecuador
Tel: [593](2) 521-311
Fax: [593](2) 566-785

Private

Banco Continental
Victor M. Rendon 811 y General Cordoba
Guayaquil, Ecuador
Tel: [593](4) 303-300
Fax: [593](4) 312-669

Banco de Guayaquil
P. Icaza 105 y Pichincha
Guayaquil, Ecuador
Tel: [593](4) 309-300
Fax: [593](4) 327-373

Banco de los Andes
Amazonas 477 y Roca
Quito, Ecuador
Tel: [593](2) 554-215
FAX: [593](2) 564-786

Banco Popular
Av. Amazonas3535 y P. Sanz
Quito, Ecuador
Tel: [593](2) 444-700
Fax: [593](2) 444-793

Banco de la Produccion
Av. Amazonas 3775 y Japon
Quito, Ecuador
Tel: [593](2) 431-798
Fax: [593] 447-319

Banco del Pichincha
Av. 10 de Agosto y Bogota
Quito, Ecuador
Tel: [593](2) 565-589
Fax: [593](2) 568-511

Banco de Prestamos
Venezuela 659 y Pasaje Amador
Quito, Ecuador
Tel: [593](2) 216-360
Fax: [593[(2) 570-239

Banco del Pacifico
P. Icaza 200
Guayaquil, Ecuador
Tel: [593](4) 311-744
Fax: [593](4) 311-636

Banco General Ruminahui
Orellana y Amazonas
Quito, Ecuador
Tel: [593](2) 444-374
Fax: [593](2) 569-734

Banco Holandes Unido
Av. 10 de Agosto 911 y Buenos Aires
Quito, Ecuador
Tel: [593](2) 524-200
Fax: [593](2) 567-308

Banco Internacional
Av. Patria 660
Quito, Ecuador
Tel: [593](2) 565-547
Fax: [593](2) 565-758

Banco Sociedad General de Credito
9 De Octubre 1404
Guayaquil, Ecuador
Tel: [593](4) 286-700
Fax: [593](4) 564-209

Banco la Previsora
9 De Octubre y Pichincha Esq.
Guayaquil, Ecuador
Tel: [593](4) 306-100
Fax: [593](4) 313-832

Banco la Filantropica
9 De Octubre 203 y Pichincha
Guayaquil, Ecuador
Tel: [593](4) 322-780
Fax: [593](4) 326-916

Banco de Cooperativas del Ecuador
Av. 10 De Agosto 937
Quito, Ecuador
Tel: [593](2) 551-066

Citibank
Juan Leon Mera 130 y Av. Patria
Quito, Ecuador
Tel: [593](2) 563-300
Fax: [593](2) 566-895

Lloyds Bank
Av. Amazonas 590 y Carrion
Quito, Ecuador
Tel: [593](2) 564—177
Fax: [593](2) 568—997

EL SALVADOR

Commercial Banks

Public

Banco de Comercio del Salvador
Alameda Roosevelt y 43 Avenida Norte
San Salvador, El Salvador
Tel: (503) 24-5785
Fax: (503) 24-3238

Banco Salvadoreno, S.A.
Calle Ruben Dario No. 1236
Apartado Postal 06-73
San Salvador, El Salvador
Tel: (503) 22-2144
Telex: 20172, 20382
Fax: (503) 71-6135

Private

Banco Agricola Comercial de El Salvador
Paseo General Escaion 3635
Apartado Postal (06) 31
San Salvador
Tel: (503) 71-6126
Fax: (503) 71-4694
Telex: 20092

Banco Cuscatlan, S.A.
6a. Avenida Sur No. 118
Aprtado Postal 626
San Salvador, El Salvador
Tel: (503) 71-1233, 24-2355
Telex: 20220

Banco de Desarrollo e Inversion
Blvd. San Antonio Abad y 67 Ave. Norte
San Salvador, El Salvador
Tel: (503) 23-7888
Fax: (503) 24-4316

Banco de Londres y Montreal
75 Avenida Norte No 101- 2a planta
Frente a Fuentes Beethoven
San Salvador, El Salvador
Tel: (503) 24-3011
Fax: (503) 24-2906

Citibank, N.S.
Alameda Dr. Manuel Enrique Araujo No. 3530
Edificio SISA
San Salvador, El Salvador
Tel: (503) 24-5785
Fax: (503) 24-3238

GUATEMALA

Commercial Banks

Public

Banco Nacional de la Vivienda
6a. Ave. 1-22 Zona 4
01004 Guatemala City, Guatemala
Tel: [502](2) 325777
Telex: 5371 BANVI-GU

Credito Hipotecario Nacional
7 Avenida 22-77 , zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 82041

Private

Banco Agricola Mercantil
7a. avenida 9-11 Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 511116
Telex: 5347 PAGMERCJ
Fax: [502](2) 531515

Banco de Exportacion
Ave. Reforma 11-49 Zona 10
01010 Guatemala City, Guatemala
Tel: [502](2) 373861
Telex: 5896 BANEXGU
Fax: [502](2) 322879

Banco del Agro
9a. Calle 5-39 Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 514026
Telex: 5449 BANGROGU
Fax: [502](2) 514026

Banco del Cafe
Ave. Reforma 9-00 Zona 9
01009 Guatemala City, Guatemala
Tel: [502](2) 311311
Telex: 5123 BANCAF-GU
Fax: [502](2) 311418

Banco de la Construccion, S.A.
12 Calle 4-17, Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 539827
Fax: [502](2) 536042

Banco Continental, S.A.
5 Avenida 12-38, Zona 1
01001 Ciudad de Guatemala
Tel: [502](2) 510909
Fax: [502](2) 510897

Banco Corporativo, S.A.
6 Avenida, 4-38, Zona 9
01009 Guatemala City, Guatemala
Tel: [502](2) 343468, 343469
Fax: [502](2) 319108

Banco del Ejercito
5a. Avenida 6-06 Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 5321146
Telex: 5574 BENEJE-GU
Fax: [502](2) 519105

Banco de los Trabajadores
8a. Avenida 9-41 Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 24341/6
Telex: 9212 BANTRA-GU

Banco de Occidente, S.A.
7 Avenida 11-15, Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 531333
Fax: [502](2) 538119

Banco del Quetzal
7a. Ave. 6-26 Zona 9
Plaza El Roble
01009 Guatemala City, Guatemala
Tel: [502](2) 318333
Fax: [502](2) 326937

Banco Granai & Townson
7a. Ave. 1-86 Zona 4
01004 Guatemala City, Guatemala
Tel: [502](2) 365981
Telex: 5159 BARYT-GU
Fax: [502](2) 366376

Banco Inmobiliario
8a. Ave. 10-57 Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 519022
Telex: 4117 BISA-GU
Fax: [502](2) 26663

Banco Industrial
7a. Ave. 5-10 Zona 4
01004 Guatemala City, Guatemala
Tel: [502](2) 312323
Telex: 5236 BAINGS-GU
Fax: [502](2) 319437

Banco Internacional
7a. Ave. 11-20 Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 512021
Telex: 5488 BANCOGU
Fax: [502](2) 27390

Banco Metropolitano
5 Ave. 8-30 Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 25361
Telex: 5188 BANMETGU
Fax: [502](2) 84073

Banco Promotor
10a. Calle 6-47 Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 512928
Telex: 9238 BANPROGU
Fax: [502](2) 534238

Banco Reformador
Ave. Reforma y 8 Calle, Zona 9
01009 Cuatemala City, Guatemala

Banco Uno, S.A.
11 Calle 5-07, Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 512266
Fax: [502](2) 516296

Citibank
Avenida La Reforma 15-45, Zona 10
01010 Guatemala City, Guatemala
Tel: [502](2) 336853

Lloyds Bank-Sucursal Guatemala
8 Ave. 10-67, Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 24615
Telex: 05263
Fax: [502](2) 534238

Finance Company

Financiera de Inversiones
10a. Calle 3-17 Zona 10
01010 Guatemala City, Guatemala
Tel: [502](2) 311266
Fax: [502](2) 311267

Financiera del Pais
Ave Ref. 9-00 Zona 9
01004 Guatemala City, Guatemala
Tel: [502](2) 340051/340054
Telex: 6148 FIPASAGU
Fax: [502](2) 340051

Finenciera Guatemalateca, S.A.
1a. Ave. 11-50 Zona 10
01010 Guatemala City, Guatemala
Tel: [502](2) 316051
Fax: [502](2) 322879

Financiera Industrial
7a. Ave. 5-10 Zona 4
Centro Financiero, Torre II
Guatemala City, Guatemala
Tel: [502](2) 311161
Fax: [502](2) 321751

Financiera Industrial y Agropecuria
Ave. Reforma 10-00 Zona 9
01009 Guatemala City, Guatemala
Tel: [502](2) 31303
Fax: [502](2) 318223

Financiera de Occidente, S.A.
7 Ave. 11-15, Zona 1
01001 Guatemala City, Guatemala
Tel: [502](2) 531333
Fax:[502](2) 538119

GUYANA

Bank of Nova Scotia
ALICO Building
The Regent & Hincks Streets
Georgetown, Guyana
Tel: [592](2) 64031
Fax: [592](2) 57985

Bank of Baroda
10 Avenue of the Republic
Georgetown, Guyana
Tel: [592](2) 64006
Fax: [592](2) 51691

Guyana Bank for Trade and Industry, Ltd.
47-48 Water Street
P.O. Box 10280
Georgetown, Guyana
Tel: [592](2) 68431
Fax: [592](2) 71612

Guyana National Cooperative Bank
1 Lombard & Cornhill St.
Georgetown, Guyana
Tel: [592](2) 57810
Fax: [592](2) 60231

National Bank of Industry and Commerce Ltd.
38-39 Water Street
Georgetown, Guyana
Tel: [592](2) 64091
Telex: [592](2) 3044 NBICGY
Fax: [592](2) 72921

New Building Society Ltd.
1 Avenue of Republic
Georgetown, Guyana
Tel: [592](2) 64068

HONDURAS

Commercial Banks

Banco del Ahorro Honduras, S.A.

P.O. Box 3185
Tegucigalpa, D.C.
Honduras
Tel: (504) 37-5161
Fax: (504) 37-4638

P.O. Box No. 173
San Pedo Sula, Cortes
Honduras
Tel: (504) 53-1578
Fax: (504) 52-7257

Banco Atlantida, S.A.

P.O. Box 3164
Tegucigalpa, D.C.
Honduras
Tel: (504) 32-0884
Fax: (504) 31-4138

P.O. Box No. 48
San Pedro Sula, Cortes
Honduras
Tel: (504) 53-1215
Fax: (504) 57-5856

Banco La Capitalizadora Hondurena, S.A.

P.O. Box 344
Tegucigalpa, D.C.
Honduras
Tel: (504) 37-1171
Fax: (504) 37-2775

P.O. Box 315
San Pedro Sula, Cortes
Honduras
Tel: (504) 52-6780
Fax: (504) 57-3227

Banco del Comercio, S.A.

P.O. Box No. 343
Tegucigalpa, D.C.
Honduras
Tel: (504) 37-4771
Telex: 1194 BACOMER HO
Fax: (504) 37-3053

P.O. Box No. 160
San Pedro Sula, Cortes
Honduras
Tel: (504) 53-3600
Telex: 5548 BANCOMER HO
Fax: (504) 53-3128

Banco Continental, S.A.

P.O. Box No. 327
Tegucigalpa, D.C.
Honduras
Tel: (504) 33-3288
Fax: (504) 31-0422

P.O. Box 390
San Pedro Sula, Cortes
Honduras
Tel: (504) 53-1310
Fax: (504) 52-2750

Banco Financiera Centroamericana, S.A.

P.O. Box No. 1432
Tegucigalpa D.C.
Honduras
Tel: (504) 32-0884
Fax: (504) 32-0898

P.O. Box No. 1292
San Pedro Sula, Cortes
Honduras
Tel: (504) 53-0034
Fax: (504) 57-2922

Banco de las Fuerzas Armadas, S.A.

P.O. Box No. 877
Tegucigalpa, Honduras
Tel: (504) 31-2051
Fax: (504) 31-3832

P.O. Box 443
San Pedro Sula, Cortes
Honduras
Tel: (504) 53-0907
Fax: (504) 52-2491

Banco Hondureno del Cafe

P.O. Box No. 583
Tegucigalpa D.C., Honduras
Tel: (504) 32-8370
Fax: (504) 32-8332

P.O. Box No. 162
San Pedro Sula, Honduras
Tel: (504) 53-4006
Fax: (504) 52-7839

Banco de Honduras, S.A.

P.O. Box 3434
Tegucigalpa, D.C.
Honduras
Tel: (504) 32-6122
Fax: (504) 32-=6164

P.O. Box No. 81
San Pedro Sula, Honduras
Tel: (504) 552-3151
Telex: 5541 BANCO Ho
Fax: (504) 53-2293

Lloyd's Bank

P.O. Box 3136
Tegucigalpa D.C., Honduras
Tel: (504) 32-1864
Telex: 1117 LONMONT HO
Fax: (504) 31-1417

P.O. Box No. 152
San Pedro Sula, Cortes
Honduras
Tel: (504) 53-0460
Telex: 5510 LONMON HO
Fax: (504) 52-1449

Banco Mercantil, S.A.

P.O. Box No. 116
Tegucigalpa, D.C.
Honduras
Tel: (504) 32-0006
Fax: 32-3137

P.O. Box 1914
San Pedro Sula, Cortes
Honduras
Tel: (504) 53-4444
Fax: (504) 52-2400

Banco de Occidente, S.A.

P.O. Box 3284
Tegucigulpa, D.C.
Honduras
Tel: (504) 37-0310
Fax: (504) 37-0486

P.O. Box 376
San Pedro Sula, Cortes
Honduras
Tel: (504) 53-2208
Fax: (504) 37-2275

Banco SOGERIN, S.A.

P.O. Box 320
Tegucigalpa D.C., Honduras
Tel: (504) 37-4551
Fax: (504) 37-2934

P.O. Box 440
San Pedro Sula, Honduras
Tel: (504) 53-3888
Fax: (504) 57-2001

Banco de Los Trabajadores

P.O. Box 2246
Tegucigalpa, D.C.
Honduras
Tel: (504) 37-9501
Fax: (504) 37-8422

P.O. Box No 631
San Pedro Sula, Honduras
Tel: (504) 53-1270
Fax: (504) 52-3238

JAMAICA

Commercial Banks

Bank of Commerce
Jamaica Ltd.
1 King St.
Kingston, Jamaica
Tel: (809) 922-2960
Fax: (809) 922-5330

Bank of Nova Scotia
Jamaica Ltd.
Duke and Port Royal St.
Kingston, Jamaica
Tel: (809) 922-1000
Fax: (809) 922-1810

Century National Bank
14-20 Port Royal St, Seabed Bldg.
Kingston, Jamaica
Tel: (809) 922-3105
Fax: (809) 922-8276

Citibank, N.A.
63 Knutsford Blvd.
Kingston, Jamaica
Tel: (809) 926-3270

Eagle Commerce Bank Ltd.
6 Grenada Way
Kingston 5, Jamaica
Tel: (809) 929-9355

First Jamaica National Bank
88 Harbour St.
Kingston, Jamaica
Tel: (809) 922-0110

Jamaica Citizens Bank Ltd.
4 King St.
Kingston, Jamaica
Tel: (809) 922-5850

Mutual Security Bank Ltd.
30 Knutsford Blvd.
Kingston 5, Jamaica
Tel: (809) 929-8950

National Commercial
Bank Jamaica Ltd.
The Atrium
32 Trafalgar Rd.
Kingston 5, Jamaica
Tel: (809) 929-9050
Fax: (809) 929-8399

Workers Bank
134 Tower St.
Kingston, Jamaica
Tel: (809) 922-8650
Fax: (809) 922-4272

Merchant Banks

Blaise Trust Company & Merchant Bank Ltd.
53 Knutsford Blvd.
Kingston, Jamaica
Tel: (809) 929-1120
Fax: (809) 929-1123

Caldon Finance Merchant Bank Ltd.
52-60 Grenada Crescent
Kingston 5, Jamaica
Tel: (809) 926-7544
Fax: (809) 926-5710

Citi-merchant Bank Ltd.
63 Knutsford Blvd.
Kingston 5, Jamaica
Tel: (809) 926-3270
Fax: (809) 929-3745

Dyol Merchant Bank Ltd.
40 Knutsford Blvd.
Kingston 5, Jamaica
Tel: (809) 926-6786
Fax: (809) 929-7546

Eagle Merchant Bank of Jamaica Ltd.
24 Grenada Crescent
Kingston 5, Jamaica
Tel: (809) 926-5335
Fax: (809) 926-4729

Investment & Finance Merchant Bankers Ltd.
16A H.W. T. Rd.
Kingston 5, Jamaica
Tel: (809) 926-3640
Fax: (809) 929-7772

Mutual Security Merchant Bank & Trust Co., Ltd.
18 Trafalger Rd.
Kingston 5, Jamaica
Tel: (809) 927-3820
Fax: (809) 927-3820

Pan Caribbean Merchant Bank Ltd.
60 Knutsford Blvd.
Kingston 5, Jamaica
Tel: (809) 929-5583
Fax: (809) 926-4385

West India Company of Merchant Bankers Ltd.
Socita Bank Center
Kingston, Jamaica
Tel: (809) 922-1000
Fax: (809) 922-6548

Jamaica Citizens Trust & Merchant Bank Ltd.
4 Kings St.
Kingston, Jamaica
Tel: (809) 922-5850

Tower Investments Ltd.
c/o Motta and Oppenheim
125 Tower St.
Kingston, Jamaica
Tel: (809) 922-7450
Fax: (809) 922-4510

Trust Companies

Bank of Commerce Trust Co., Ltd.
31 Kingston Mall
Kingston , Jamaica
Tel: (809) 922-3721
Fax: (809) 922-2320

Bank of Nova Scotia
Trust Co. of Jamaica Ltd.
30 Duke St.
Kingston,Jamaica
Tel: (809) 922-1810
Fax: (809) 922-3378

Issa Saving & Trust
c/o E.A. Issa and Bros.
9-12 Princess St.
Kingston, Jamaica
Tel: (809) 922-9170
Fax: (809) 922-0482

West Indies Truest Co., Ltd.
The Atrium
32 Trafalgar Rd.
Kingston 5, Jamaica
Tel: (809) 929-9050
Fax: (809) 922-4272

Workers Bank Trust Co., Ltd.
134 Tower St.
Kingston, Jamaica
Tel: (809) 922-8651

Finance Companies

Caribbean Trust Ltd.
c/o Clinton Hart & Co
58 Duke St.
Kingston, Jamaica
Tel: (809) 924-9175

Citifinance Ltd.
63 Knutsford Blvd.
Kingston 5, Jamaica
Tel: (809) 926-3270
Fax: (809) 926-3270

Deaner Ltd.
31 Tobago Ave.
Kingston 10, Kingston

George & Branday Ltd.
1 St. Lucia Crescent
Kingston 5, Jamaica
Tel: (809) 926-1275
Fax: (809) 926-1279

Lival Investments Ltd.
c/o Livingston Alexander& Levy
72 Harbour St.
Kingston,Jamaica
Tel: (809) 922-6810

NCB Trust & Merchant Bank
The Atrium
32 Trafalger Rd.
Kingston 5, Jamaica
Tel: (809) 929-9050
Fax: (809) 968-1344

Partner Finance Ltd.
3 Duke St.
Kingston,Jamaica
Tel: (809) 922-6123
Fax: (809) 929-3815

Solnar Ltd.
c/o Myers Flectcher & Gordon Manton & Hart
21 East St.
Kingston, Jamaica
Tel: (809) 922-5860
Fax: (809) 922-4811

Mortgage Banks/Building Societies

Hanover Benefit Bldg. Society
Lucea P.O.
Hanover, Jamaica
Tel: (809) 956-2344

Jamaica Mortgage Bank
33 Tobago Ave.
Kingston 5, Kingston
Tel: (809) 929-6350

Jamaica National Building Society
10 Grenada Crescent
Kingston 5, Jamaica
Tel: (809) 926-1344
Fax: (809) 926-7661

Jamaica Savings & Loan
3 Barbados Ave.
Kingston 5, Jamaica
Tel: (809) 926-4816

National Housing Trust
4 Park Blvd.
Kingston 5, Kingston
Tel: (809) 929-6500
Fax: (809) 929-6187

Victoria Mutual
6 Duke St.
Kingston, Jamaica
Tel: (809) 922-5751
Fax: (809) 922-4237

NETHERLANDS ANTILLES

Algemene Bank Nederland N.V.
Pietermaai 17, Willemstad
P.O. Box 469
Curacao, Netherlands Antilles
Tel: [599](9) 612624
Telex: 1104 RDABN NA

Banco di Caribe N.V.
Schottegatweg Oost 205
P.O. Box 3785
Curacao, Netherlands Antilles
Tel: [599](9) 616588
Telex: 1266 BACAR NA

Banco Industrial de Venezuela
Heerenstraat 19, Willemstad
P.O. Box 701
Curacao, Netherlands Antilles
Tel: [599](9) 611621
Telex: 1103 BIVCA

Bank of Nova Scotia
Banckstreet 61
P.O. Box 303
Philipsburg, St. Maarten
Netherlands Antilles
Tel: [599](5) 22262
Telex: 8036 BNSSM NA

Barclays Bank PLC
Front Street
P.O. Box 141
Philipsburg, St. Maarten
Netherlands Antilles
Tel: [599](5) 3511/2491
Telex: 8022 BANCO NA

Banco Mercantil C.A.
Abraham de Veerstraat 1
P.O. Box 565
Curacao, Netherlands Antilles
Tel: [599](9) 611566
Telex 1162 BMV NA

The Chase Manhattan Bank N.A.
Soualign Building
P.O. Box 221
St. Maarten, Netherlands Antilles
Tel: [599](5) 23726
Telex: 8003 CHASB NA

Citco Bank Antilles N.V.
Schottagatweg Oost 44, Willemstad
P.O. Box 707
Curacao, Netherlands Antilles
Tel: [599](9) 70388
Telex: 3394 CACBK
Fax: [599](9) 77902

McLaughlin Bank N.V.
Wilhelminaplein 14-16, Willemstad
P.O. Box 763
Curacao, Netherlands Antilles
Tel: [599](9) 61282
Telex: 1083/3302 McLBNA

Maduro & Curiel's Bank, N.V.
Plaza Jojo Correa 2-4, Willemstad
P.O. Box 305
Curacao, Netherlands Antilles
Tel: [599](9) 611100
Telex: 1127 MCBNK/NA

The Windward Islands Bank Ltd.
Pondfill
P.O. Box 220
Philipsburg, St. Maarten
Netherlands Antilles
Tel: [599](5) 22335/22313
Telex: 8016

Pierson, Heldring & Pierson N.V.
John B. Gorsiraweg 6, Willemstad
P.O. Box 3889
Curacao, Netherlands Antilles
Tel: [599](9) 613955
Telex: 3303 PHPC NA

Girodienst Curacao
Scharlooweg 35
Curacao, Netherlands Antilles
Tel: [599](9) 614999

Orco Bank N.V.
Dr. H. Fergusonweg 10
P.O. Box 3987
Curacao, Netherlands Antilles
Tel: [599](9) 72000
Telex: 3374
Fax: [599](9) 7[illegible] 741

NICARAGUA

Commercial Banks

Public

National Development Bank
Km 4 1/2 Carretera a Masaya
Managua, Nicaragua
Tel: [505](2) 67-1771
Fax: [505](2) 67-4222

Nicaraguan Bank of Industry and Commerce
Edificio Oscar Perez Caser
Carratera a Masaya
Apartado 549
Managua, Nicaragua
Tel: [505](2) 727306

Private

Banco de America Central
Km. 3 1/2 Carretera a Masaya
Managua, Nicaragua

Banco de Credito Centroamericano
Edificio Bancentro
Carretera Masaya, Km 4.5
Managua, Nicaragua
Tel: [502](2) 678030
Fax: [505](2) 678034

Banco de Exportacion
Managua, Nicaragua
Tel: [505](2) 670496, 7
Fax: [505](2) 670-499

Banco Mercantil
Plaza Banco Mercanti
Managua, Nicaragua
Tel: [505](2) 668228
Fax: [505](2) 668024

Banco de la Produccion
Plaza Libertad, contiguo a Metrocentro
Apartado Postal 2309
Managua, Nicaragua
Tel: [505](2) 72346, 4772902
Fax: [505](2) 74058

Banco de Prestamos
Managua, Nicaragua
Tel: [505](2) 623046
Fax: [505](2) 623057

Interbank
Managua, Nicaragua
Tel: [505](2) 662010
Fax: [505](2) 663-036

PANAMA

For a complete list of banks contact:

Panama Banking Association
Calle Samuel Lewis
P.O. Box 4554
Panama 5, Panama
Tel: (507) 63-7044
Fax: (507) 63-7783
Telex: 2015 STORTEX PA

PERU

Banco CCC del Peru
Camilo Carrillo No. 114
Lima 11
Apartado Postal 4429
Lima, Peru
Tel: [51] (14) 331614, 336230
Fax: [51] (14) 325193, 339947
Telex: 25917 PE CCC

Banco Central Hipotecario del Peru
Jr . Carabaya No . 4 4 2
Apartado Postal 1005
Lima 100, Peru
Tel : [51] (14) 285647
Fax: [51] (14) 329677
Telex: 25827

Banco de Credito del Peru
Calle Centenario No. 156
Sta. Patricia, La Molina
Lima 1, Peru
Tel : [51] (14) 373838, 376366
Fax : [51] (14) 379293
Telex: 25192 PE CREBAN

Banco de Desarrollo Bandesco
Jr . Camana No . 700
Apartado Posta 15056
Lima 1, Peru
Tel: [51] (14) 286360, 277665
Fax: [51] (14) 329742, 277665
Telex: 20437 PE

Banco de Lima
Esquina Puno y Carabaya No. 698
Apartado Postal 3181
Lima 100, Peru
Tel: [51] (14) 275860, 282930
Fax: [51] (14) 332443
Telex: 25267

Banco del Progreso S.A.
Av. Javier Prado Ests No. 595
Apartado Postal 1270273
Lima 27, Peru
Tel: [51] (14) 409686, 409590
Fax: [51] (14) 416104
Telex: 21594 PE -21044 PE PROBANK

Banco del Sur del Peru
Moral No. 101
Apartado Postal 1017
Lima 27, Peru
Tel: [51] (14) 215310
Fax: [51] (14) 215491
Telex: 51096

Banco Financiero del Peru
Av. Ricardo Palma No 278
Lima 18, Peru
Tel: [51] (14) 475560
Telex: 21557 FINBANCO

Banco Industrial del Peru
Jr . Lampa No . 535
Apartado Postal 1230
Lima 100, Peru
Tel: [51] (14) 281831, 276530
Fax: [51] (14) 310467
Telex: 20092

Banco Latino
Av . Carabaya No 341
Apartado Postal 4099
Lima 100, Peru
Tel: [51] (14) 283589, 287870
Fax: [51] (14) 327124
Telex: 25531 PE BCOLATIN

Banco Mercantil del Peru, S.A.
R. Rivera Navarrette No 641
Apartado Postal 5926
Lima, 100 Peru
Tel: [51] (14) 428000
Fax: [51] (14) 421073
Telex: 20386 PE MERCANTI L

Banco Regional Sur Medio y Callao Surmeban
Av. Nicolas de Pierola No 745, Callao
Apartado Postal 5938
Lima, Peru
Tel: [51](14) 291917, 299289
Fax: [51](14) 310768
Telex: 25953

Banco Wiese Ltdo.
Jr. Cuzco No 245
Apartado Postal 1235
Lima 100, Peru
Tel: [51] (14) 283400, 275060
Fax: [51] (14) 330011, 334077
Telex 20164 PE BANKWIE

Banco Internacional del Peru
Jr. Union No 600
Apartado Postal 148
Lima 1, Peru
Tel: [51](14) 273850, 275210
Fax: [51](14) 311027
Telex: 25270 PE BIPLIMA

Inversiones Nacionales el Sol, S.A.
Jr. Zepita No 268
Of. 302, Callao 1
Lima, Peru
Tel: [51](14) 299060, 292494
Fax: [51](14) 291347

U.S. Bank Representative Offices:

Citibank, N.A.
Juan de Arona 830, 5th Floor
San Isidro
Lima 27, Peru
Tel: [51](14) 411034
Fax: [51](14) 414278
Telex: 21227

First Interstate Bank
Edificio La Positiva
Francisco Masias 370, 13th Floor
San Isidro
Lima 100, Peru
Tel: [51](14) 402715, 403062
Fax: [51](14) 403017
Telex: 25275 PE FICAL

TRINIDAD AND TOBAGO

Commercial Banks

Bank of Commerce Trinidad and Tobago Ltd.
72 Independnece Square
Port-of-Spain, Trinidad
Tel: (809) 627-9325
Fax: (809) 627-0904

The Bank of Novia Scotia Trinidad and Tobago Ltd.
Scotia Centre, Park & Richmond Streets
Port-of-Spain, Trinidad
Tel: (809) 625-3566
Fax: (809) 627-5278

National Commercial Bank of Trinidad and Tobago
Corner Park & Henry St.
Port-of-Spain, Trinidad
Tel: (809) 623-2423
Fax: (809) 627-5956

Citibank (Trinidad and Tobago) Ltd.
74 Independence Square
Port-of-Spain, Trinidad
Tel: (809) 625-1040
Fax: (809) 624-8131

Republic Bank Ltd.
11-17 Park St.
Port-of-Spain, Trinidad
Tel: (809) 625-3611
Fax: (809) 623-0371

The Royal Bank of Trinidad and Tobago Ltd.
3B Chancery Lane
Port-of-Spain, Trinidad
Tel: (809) 623-4292
Fax: (809) 623-4291

Other Financial Institutions

Bank of Commerce Trust Company of Trinidad & Tobago, Ltd.
72 Independence Square
Port-of-Spain, Trinidad
Tel: (809) 627-9325
Fax: (809) 627-0904

The Bank of Nova Scotia Trust Company of Trinidad and Tobago, Ltd.
Scotia Centre
Partk & Richmond Streets
Port-of-Spain, Trinidad
Tel: (809) 623-3566
Fax: (809) 627-5278

Citicorp Merchant Bank
74 Independence Square
Port-of-Spain, Trinidad
Tel: (809) 623-3344
Fax: (809) 624-8131

International Industrial Merchant Bank of Trinidad and Tobago, Ltd.
45 Abercromby Street
Port-of-Spain, Trinidad
Tel: (809) 625-8116
Fax: (809) 627-3370

Republic Bank Finance & Merchant Bank
11-17 Park St. Complex, First Floor
Port-of-Spain, Trinidad
Tel: (809) 623-3733
Fax: (809) 623-3734

Royal Bank Trust Company
55 Independence Square
Port-of-Spain, Trinidad, W.I.
Tel: (809) 625-3511
Fax: (809) 625-0585

* U.S. G.P.O.:1992-341-831:60764