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Business Development Programmes

* Mauritius Business Growth Scheme
  The MBGS provides grants on a cost-sharing principle to bring in outside expert services or technical assistance.

* Leasing Equipment Modernisation Scheme (LEMS)
  The government provides a line of credit to SMEs to providing affordable financing to SMEs for purchasing of equipment.

* Schemes under the Development Bank of Mauritius
  The DBM provides an array of flexible support facilities to all companies, micro, small and medium, engaged in the socio-economic activities with value addition.

* SME Partnership Fund
  Provides equity financing to small and medium companies with significant growth potential.

* AFD Green Lending Scheme
  Companies having a green investment initiative can benefit from the Green Lending Scheme developed by L'Agence Francaise de Development in partnership with four commercial banks.

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1 Mauritius Business Growth Scheme

The Mauritius Business Growth Scheme (MBGS) was set up by the Government of Mauritius in collaboration with the World Bank and became fully operational in March 2011. The objective of the MBGS is to facilitate the maximum possible growth in private sector economic activity by supporting enterprise productivity and competitiveness, specifically in areas of skills and training, technology upgrading, innovation, quality standards and business development.

MBGS offers two financial schemes to Mauritian private sector companies which can be exciting as well as established businesses or innovative start-ups.

Scheme 1: 90-10 Payback Technical Assistance

The objective of the scheme is to propose a business growth scheme enabling Mauritian enterprises to bring in outside technical expertise (such as the services of specialists or consultants in very specific fields) in order to grow their business and become more globally competitive. MBGS indeed supports enterprise growth, competitiveness and employment creation, in the manufacturing and services sectors.

Eligibility

MBGS is open to all private firms operating for profit and in all size categories. Businesses in all economic sectors are eligible to the 90-10 Scheme except those operating in the financial services industry and those involved in 'pure trading' activities.

Assistance to individual enterprises will be directed along core areas, including:

- ✓ Technical Assistance:
- ✓ Production planning
- ✓ Lean and efficient manufacturing
- ✓ Process engineering; etc
- ✓ Business Development Services / Marketing / Branding / Repositioning on the market
- ✓ Product Design/ Research and Development
- ✓ Logistics (Value Chain)
- ✓ Compliance, Norms, etc (Social, Technical, Environmental)
- ✓ Any type of assistance that bring direct business growth to the enterprise

For additional information, please refer to the website of the MBGS on http://mbgs.govmu.org

Contact:
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Phone : + (230) 211 0641/212 9818
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Scheme 2: Payback Start-ups Entrepreneurship

The aim of the scheme is to enable Mauritian start-up enterprises (less than one year in operation) to offer innovating, unique, exciting or new products, services or business models.

The overall objective is to pay a basic monthly allowance of Rs20,000 (twenty thousand) for a maximum period of one year to creative entrepreneurs who may not otherwise have the necessary income to jump into starting an innovating company. This initiative is expected to foster a spirit of innovative and creative entrepreneurship.

Eligibility

Private start-up operations in all sub-sectors of the economy are eligible for MBGS assistance, with the following explicit exceptions: Illegal trade/ products/ services, Weapons, armament, Liquor, tobacco, gambling.

For additional information, please refer to the website of the MBGS on http://mbgs.govmu.org

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2 Leasing Equipment Modernization Scheme (LEMs)

The Government provides a line of credit to leasing companies under the Leasing for Equipment Modernisation Schemes (LEMS) so as to provide affordable finance to SMEs to shore up their productivity and competitiveness.

The objective of the Scheme is:

- to provide assistance to SMEs and other eligible enterprises to enhance their competitiveness through the modernisation of their production processes (Under Lems I, II & III); and
- to ease cash-flows of SMEs through refinancing of their existing assets (Under Lems IV & ERCP Credit Financing Scheme)

The following schemes are being operated:

- ✓ **LEMS I** – Leasing facility of a maximum of Rs5million for the purchase of new equipment by SMEs with turnover not exceeding Rs 50 million per annum with an interest rate of 7.25% per annum.
- ✓ **LEMS II** – Leasing facility not exceeding Rs15million for the purchase of new equipment by SMEs with turnover per annum up to Rs150 million with an interest rate of 7.25% per annum.
- ✓ **LEMS III** – Leasing facility of a maximum of Rs50million for the purchase of new equipment by SMEs with turnover per annum exceeding Rs150million with an interest rate of 7.25% per annum.
- ✓ **LEMS IV** – Leasing facility of a maximum of Rs150million to ease cash flow of SMEs through refinancing of their existing assets by Sale & Lease Back -applicable to SMEs as recommended by the Independent Financial Analyst with an interest rate of 7.25% per annum.
- ✓ **ERCP Credit Financing Scheme (ECFS**) – Leasing facility of a maximum of Rs100 million to ease the Cash Flow of the SMEs by allowing them to discount/factor their Sales Credit Invoices to CIM Finance Ltd applicable to SMEs having an Annual Turnover not greater than Rs50million.

To benefit from this scheme, an SME can contact any duly registered leasing company.

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3 Development Bank of Mauritius (DBM) Scheme

The Development Bank of Mauritius operates several schemes which would empower and boost entrepreneurship in the country. These schemes are mainly axed towards Micro and Small and Medium Enterprises. Some of the schemes include:

Business Development Scheme

The scheme enables the financing of projects including the manufacturing sector, trade and services, Health, Tourism, ICT, Art, participation in overseas trade fairs & surveys and setting up of market fair and craft villages. The maximum loan amount is up to 75% of cost of project up to a ceiling of Rs 5 million. The interest rate is Repo Rate + 3 % per annum. The repayment period is up to 8 years with up to 3 years moratorium period. Refer to link.

Booster Micro Credit Loan Scheme

The purpose of this scheme is to finance projects with value addition including SMEs in various sectors such as Manufacturing, Tourism, ICT etc and working capital requirements with value addition up to a ceiling of Rs 75,000. The maximum loan amount is Rs 150,000, refundable in up to 5 years with one year moratorium and with an interest rate of repo rate + 3%.

Further information on the Booster Micro Credit Loan Scheme can be consulted from the website of the DBM.

Quasi-equity financing scheme

Under this scheme, the DBM provides equity and quasi-equity to SMEs offering a maximum investment of 75% of project cost up to a ceiling of Rs 500,000 in form of redeemable preference shares, debentures or equity loan. Further information on the Quasi-equity financing scheme can be consulted from the website of the DBM.

Scheme for agricultural sector

The Development Bank of Mauritius operates 2 schemes namely:

- ✓ the normal scheme to fund projects in sugarcane sector, livestock breeding, fishing and seafood, agro processing etc. The maximum loan amount is 80% of project cost up to a ceiling of Rs 5 million with an interest rate repo rate + 3 % per annum.
- ✓ the special scheme to finance projects in sugarcane, biotechnology, off-lagoon, storage of agricultural products and production of agricultural seedlings. The maximum loan amount is 80% of project cost up to a ceiling of Rs 1 million with an interest of repo rate + 3 % per annum.

Further information on the normal scheme and special scheme can be consulted from the website of the DBM.

Contacts

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Rue La Chaussée, Port-Louis
Tel : 203 3600
Fax : 208 8498
Email : dbm@intnet.mu

4 SME partnership fund

The SME Partnership Fund Ltd (SPF), a Rs170M fund, provides equity financing to small and medium companies in Mauritius. The Fund has been set up by the Government in collaboration with State Investment Corporation Ltd, Development Bank of Mauritius Ltd and commercial banks. The Fund which was set up in August 2006, invests in viable projects with significant growth potential.

Main Investment Criteria

- ✓ SPF provides equity financing to small and medium companies in Mauritius
- ✓ Investment range of SPF: minimum Rs 300,000 and maximum Rs 10m
- ✓ SPF financing should represent up to 49% of the SME's equity capital
- ✓ Promoters invest at least 51% in share capital
- ✓ SPF investment is primarily towards capital expenditure
- ✓ All productive sectors are eligible for financing
- ✓ SPF invests in start-ups, expansion projects and new lines of business
- ✓ Only viable and feasible projects are considered

Additional information is accessible on the website of the SME Partnership Fund, www.partnershipfund.com

5 L'Agence Française de développement (AFD) Green Lending Scheme

In 2009, the partnership sealed between AFD and four Mauritian banks namely Banque des Mascareignes, Mauritius Commercial Bank, State Bank of Mauritius, Standard Bank Mauritius to finance "green" projects materialized with the implementation of a €40m green credit line. Under this scheme, partner banks have been able to develop their environmental lending initiatives. They include customized loans, advisory services for clients and a grant.

In addition, green growth stimulates several markets, particular in the area of sustainable energy and natural resources management.

The scheme is applicable to companies, individuals or associations having a green investment project which can be related to: Renewable energies, Energy Efficiency, Environment Performance or Eco-businesses.