



YOUTH ENTERPRISE REVOLVING FUND LOAN APPLICATION PROCESS

The YERF is making a call for loan applications from the Eswatini Youth (18-35 years) on the **01st October 2021** and shall be closed on the **29th October , 2021**.The application process shall be as follows:

1. Where to get application forms

- i. Forms are available on YERF website as well as distributed to among other stakeholders, Tinkhundla Centres, and Eswatini National Youth Council, Junior Achievement, ENACTUS, IDCE, SEDCO, etc.

2. Filling of Application Forms

The applicant fills in the forms providing information which shall among others include:

- i. Information about the applicant(s)
- ii. Form is taken to Umphakatsi or Zone Leader for vetting where they append their signature and stamp the form
- iii. The form is taken for further vetting at Inkhundla through signature and stamp
- iv. The form with all the attachments is submitted to The Fund offices, ENYC Offices or left at Inkhundla centre where it shall be collected.
- v. Applicants should ensure that before submission, attachments are included as guided in the requirements checklist found in the last page of the application form.

3. Attachments

The following attachments shall be necessary to accompany the submission of the application form:

- i. Certified copy of ID
- ii. Certified copy of Certificate of Incorporation (for a registered company)
- iii. Certified Copy of Form J
- iv. Certified Copy of Memorandum & Articles of Association
- v. Premises / Land right (Chief's Letter, Title Deed, Lease Agreement, etc.)
- vi. Business Plan (include relevant CV)

- vii. Market Contract/Letter of Intent as proof of market
- viii. Trading Licenses (where applicable)
- ix. The applications received shall not be interpreted as deserving for funding.

Only relevant requirements shall be attached by the applicants, i.e. not all the above requirements will be applicable to all applications.

4. Loan Appraisal Process

The appraisal process shall be as follows:

- i. **Stage 1** - YERF pre-screening to ensure, compliance, eligibility and feasibility
- ii. **Stage 2** - Qualifying applications are referred to the Intermediary for viability analysis including site visits.
- iii. **Stage 3**- Viable applications are recommended to YERF by the Intermediary, where the Board of Directors shall approve projects deserving funding.
- iv. **Stage 4** – Feedback is sent to applicants. Those that are not successful shall be given reasons for non-approval and they will be assisted to improve them and re-submit in the next cycle.
- v. The Fund strives to take approximately one (1) month in the processing of the loan application.

5. Funding

The disbursement of funds shall follow the process below:

- i. All successful applicants shall undergo and intense business training
- ii. The successful applicants shall proceed to sign loan agreements
- iii. All applicants will be expected to open bank accounts for their businesses.
- iv. A mentor/advisor shall be assigned to the applicants before disbursement of funds. The mentor shall also be co-signatories to procurement or expenditure requisitions.
- v. Disbursements shall be made direct to suppliers as much as possible.

5.1 Lending maximum limits:

- Sole traders/Individuals - E50,000.00
- Companies - E100,000.00
- Cooperatives - E150,000.00

5.2 Loan terms to be provided:

- a) Seasonal term - 12 Months
- b) Short term - 24 Months
- c) Medium term - 36 Months

5.3 Interest rates

The fund will endeavour to price loans below market rate due to developmental mandate. The interest rate charge is prime plus 2%

6. Deferred Loans

- i. YERF shall engage applicants with deferred loans with a purpose to assist them improve and re-submit in the subsequent cycles.

7. Loan repayments

- i. All loans to be granted shall be repaid in full with interest.
- ii. Loans shall be repaid with the Intermediary through bank accounts.
- iii. The onus is upon all fund beneficiaries to repay their loans within the agreed terms. The Fund will make all possible means to recover all granted loans to ensure sustainability of the Fund.

The above lending conditions are subject to review in due course in response to risk assessment, economic outlook, etc.

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“Giving You a Head Start to Success”