

MINISTRY PAPER NO.:_____

PERFORMANCE OF THE MICRO INVESTMENT DEVELOPMENT AGENCY FOR FINANCIAL YEAR 2006/2007 AND FOCUS FOR FINANCIAL YEAR 2007/2008

1.0 Introduction

The purpose of this Ministry Paper is to inform Parliament and the Public about the performance of the Micro Investment Development Agency (MIDA) for Financial Year 2006/2007 and its strategic focus for Financial Year 2007/2008.

2.0 Mission

MIDA exists to promote sustainable growth in the micro enterprise sector through the provision of financial services while networking with partners in the sector to promote and facilitate the delivery of non-financial services to those wishing to start or expand their micro businesses.

3.0 Vision

The Agency's vision is to build a revolving pool of sustainable credit for on-lending to the micro enterprise sector through an island-wide network of sustainable Community Development Funds (CDF's) facilitating progressive, competitive micro entrepreneurs contributing to sustainable employment.

4.0 Background

MIDA was established in 1991 to provide a focused approach to the development of the micro enterprise sector by providing critical micro credit support necessary for the growth and sustainability of the sector.

5.0 Corporate Objective

The primary objective of MIDA is to facilitate and support the creation of sustainable employment through the development of micro enterprises. In this respect, MIDA may be regarded as an agency of Government that is geared toward fostering micro-business activity through promotion of entrepreneurship. .

6.0 Functions

The major functions of MIDA are to:

- a) Act as a wholesaler of funds to Community Development Funds (CDF's)
- b) Provide of technical assistance to the CDF's to enable them to lend to their target group, collect repayments and keep arrears at a sustainable level, develop and grow their portfolios
- c) Monitor CDF performance and take corrective action as necessary to protect funds lent
- d) Facilitate the development of entrepreneurial production centers (EPC's)
- e) Collaborate with providers of business development services to facilitate final micro borrowers and operators located in EPC's.

7.0 Main Achievements

(a) Credit Operations

Since its inception, MIDA has disbursed approximately \$1.60 billion, financing approximately nineteen thousand six hundred (19,600) micro enterprises, with an average loan size of some eighty two thousand dollars (\$82,000).

For the Financial Year 2006/2007 the Agency disbursed \$198.98 Million to finance one thousand six hundred and four (1,604) micro businesses, while generating employment for three thousand and forty four (3,044) persons for the period.

The classification of loans based on the Financial Year 2006/2007 disbursements is as follows:

a) Service-type loans	85.36%
b) Agriculture	10.62%
c) Manufacturing	3.82%
d) Institutional loan CDF	<u>0.20%</u>
	100.00%

(b) Non-Financial Services

(i) Entrepreneurial Production Centre

MIDA was instrumental in establishing its first Entrepreneurial Production Centre (EPC) in the "Back Bush" area off Mountain View Avenue, Eastern St. Andrew, taking a "least cost" approach. This EPC is involved in metal work, woodwork and other productive operations. MIDA is not financially exposed in this venture as it is a community effort supported by private companies.

(ii) Music Production Centre

MIDA has commenced work to assist a group of micro entrepreneurs to establish an EPC that is expected to operate as a music production center. This is at an embryonic stage of development and work will continue during the current financial year, provided key private players can broker a viable partnership.

8.0 Gender & Age Group

For the Financial Year 2006/2007 women continued to outnumber men in accessing loans from the MIDA/CDF credit network, receiving 60.9% of the total number of loans granted while individuals in the age group 36 years and over received 70% of the total number of loans granted.

9.0 Loans by Parish

For Financial Year 2006/2007 loans disbursed by parish were as follows:

Clarendon	\$43.2M	Portland	\$12.6M
Kingston & St. Andrew	39.1	St. Ann's Bay	7.7
Clarendon	27.5	St. Thomas	7.4
St. James	18.8	Westmoreland	6.3
Trelawny	14.6	St. Elizabeth	5.4
Hanover	13.5	Manchester & St. Mary	2.88

Phillip Paulwell
Minister
Ministry of Industry, Technology, Energy and Commerce
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Corporate Plan – Summary of Main Programmes for Financial Years 2006/2007 to 2008/2009

Priority Policy Issues	Objectives/ Policy Outcome	Strategies	Performance Measures Outcome indicators	Major Tasks, Targets, Resources and Cost		
				Year 1 2006/2007	Year 2 2007/2008	Year 3 2008/2009
Provision of wholesale micro enterprise credit, job creation and poverty eradication	Accessing wholesale micro enterprise funds. deepening access to retail micro enterprise credit, and employment generation	Loan disbursement through an island-wide network of sustainable Community Development Funds (CDF's)	(a) Loans (\$)	Loan disbursement \$115 million	Loan Disburse \$201 million	Loan Disbursed \$200 million
			(b) Community Dev. Centres (CDC) or (EPC)	(1)	(5)	(10)
			(c) Number of businesses Funded	Financed 1,020 micro enterprises	Finance 1,840 micro enterprise	Finance 1,820 micro enterprise
		Institutional Strengthening of CDF's	(d) Loan Recovery	96%	96%	96%
			(e) Employment	Generate and sustain 1,040 jobs	Generate and sustain 2,200 jobs	Generate and sustain 2,040 jobs
			(f) Funding	Source \$0.0M	\$70.0 million	\$70.0 million
		Sourcing of wholesale funds	Training	Train & support CDFs' personnel (12 CDF's)	Train & support CDFs' personnel	Train & support CDFs' personnel
			Collections	\$160 million	\$258.0M	\$220.0M
	Sustainable Agency	Best lending practices	Low arrears	4 – 10%	2 – 10%	2 – 10%