

NATIONAL EXPORT STRATEGY

STANDARD POLICY

1.0 AIM

- 1.1 The National Export Strategy (NES) policy framework aims to secure meaningful export-related projects that achieve sustainable economic growth in export competitiveness, value addition and diversification.
- 1.2 Amidst the current triggers by the COVID-19 pandemic, pro-growth and support policies are essential to create a positive impact across the supply chain through the creation of wealth, jobs and economic activity.
- 1.3 Current grant funding is targeted to businesses who are currently exporting or are on the verge of exports.

2.0 BACKGROUND

- 2.1 Since its inception, the NES programme has assisted about 118 existing and new exporters, amounting to over \$15.8 million in achieving competitiveness, value addition, export diversification and growth in targeted markets overseas. As a result, this has led to significant increase in export earnings, markets and employment in the majority of the businesses that have been supported.
- 2.2 Assistance is provided in sectors which have the growth potential in the development of niche products and services for exports, such as Fisheries, Forestry, Agri-Business and Manufacturing. Additionally, the NES programme encourages applications from the Tourism, Hospitality, Information, Communication and Technology Services, Textile, Clothing, and Footwear, Financial Service Providers, Outsourcing Industry and Renewable Clean Energy sectors.
- 2.3 The Ministry encourages applications from Micro, Small and Medium Enterprises (MSMEs) that are in the export business or those on the verge of exporting. The Ministry will assist interested MSMEs by providing advice on the criteria, application process and relevant documents that are required for the application.
- 2.4 The definition for MSME is categorized in the table below:

| Enterprise Type | Annual Turnover in FJD |
|-----------------|-------------------------------|
| Micro | From \$0 to \$50,000 |
| Small | From 50,001 to \$300,000 |
| Medium | From \$300,001 to \$1,250,000 |

- 2.5 Circular and Digital Economy and the potential of digital transformation represents a significant avenue for Fiji's economic development and fulfilling Sustainable Development Goals (SDGs).

2.6 Therefore, the Ministry encourages applications which promotes Circular Economy, empower local resource owners, develop digital transformation and demonstrate how proposals meet any of the SDGs.

3.0 POLICY

3.1 The Policy shall also govern the processes and procedures of the NES Programme.

3.2 Advertisements of Expression of Interest (EOI) will be placed in the local newspaper, Ministry's website on https://www.mcttt.gov.fj/divisions/msme_fiji/programmes/national-export-strategy/ and through other social media platforms upon confirmation of the National Budget. This will enable businesses to familiarise and understand the application process, requirements and policy implications of the grant funding under the NES.

3.3 Proposals must be submitted using the NES online portal on https://www.mcttt.gov.fj/divisions/msme_fiji/programmes/national-export-strategy/

3.4 Project applicants must provide following essential documentations:

- i. Completed NES Application Form;
- ii. Valid Business Registration Certificate;
- iii. Valid Photo Identification (Driver's License or Voter ID Card or Passport Biodata Page);
- iv. Latest Business Tax Compliance Certificate;
- v. Valid Fiji National Provident Fund (FNPF) compliance letter;
- vi. Detailed business plan inclusive of 3 years Cash Flow (Forecasted/ Projections);
- vii. Management Accounts for those in operations for at least 2 years; Medium enterprises are required to provide audited financial statements and Micro and Small enterprises can provide management accounts prepared by certified accountants;
- viii. Valid export license, if applicable;
- ix. Approved Export Premises Certificate, if applicable;
- x. **Existing Exporter** – Export data for last 2 years (customs entry/commercial invoice of exports);
- xi. **New Exporter** – Contract/Support letter to be provided by the potential customer, if applicable; and
- xii. Detailed construction and local authority approval plan, if proposals are for construction of buildings, warehouse or processing facility.

4.0 TYPES OF PROJECTS ELIGIBLE FOR FUNDING

The type of projects eligible for funding are:

- i. Procurement of manufacturing machines for value adding;
- ii. Infrastructure development;
- iii. Enhancement of Standards and Certifications;
- iv. Product development for businesses on the verge of exporting;
- v. Procurement of equipment for diversification purposes;
- vi. Equity funding with financial institutions; and
- vii. All projects should be export related.

5.0 CRITERIA FOR FUNDING

5.1 GENERAL CRITERIA

Proposals for assistance through the NES must meet the following criteria:

- i. Proposals will be invited from businesses in the target sectors;
- ii. Proposals should demonstrate how exports will commence or increase;

- iii. Proposals must target increasing exports, value addition, employment creation, diversification and expanding our economic base;
- iv. Proposals must show a positive impact on foreign exchange earnings in the medium-term; and
- v. Proposals must demonstrate benefits to the livelihood of the general population.

5.2 SPECIFIC CRITERIA

For further assessment, the following specific criteria must be met:

- i. Business ownership should be at least 51% Fijian owned. Ownership structures below this threshold will be considered on a case-by-case basis;
- ii. Businesses must be in operation for at least 2 years and supply in the local market;
- iii. Businesses must provide past two years annual financial statements. Medium enterprises are required to provide audited financial statements and micro and small enterprises can provide management accounts prepared by certified accountants;
- iv. NES will only fund proposals up to a maximum of \$100,000. The recipient will be required to contribute the excess of the total cost of the project if proposal exceeds \$100,000;
- v. Provide relevant quotations for all activities proposed to be undertaken;
- vi. Proof of Fijian Citizenship, if proponents are deemed foreigners;
- vii. Proposals from businesses who are on the verge of exporting should provide market confirmation;
- viii. Proposals (including inter-related entities) from those businesses previously assisted through the NES programme, prior to 2017, will only be considered on a case-by-case basis;
- ix. Businesses that are indirectly contributing towards the development of Exports in Fiji will be given consideration for funding on a case-by-case basis. The same eligibility conditions will be applied to these businesses.
- x. The Ministry reserves the right to request for additional information as and when required for clarification; and
- xi. Proposals that require construction works must set clear timelines, provide copy of Land Title or proof of Land Ownership, City, Town and/or Rural Local Authority Approved Plan, Budgetary Requirements and an Implementation Plan.

6.0 EXCLUSIONS

The following will not be considered for funding if:

- i. Proposals do not impact exports;
- ii. Proposals for debt refinancing;
- iii. Proposals from businesses that are deemed bankrupt;
- iv. Proposals for operational expenditure;
- v. Recipients (including inter-related entities) that have been funded under the NES programme in the last 5 years and not showcase any export activity and growth;
- vi. Similar enterprise activity was assisted through any other grant funding from other Government Ministry or donor funding agencies in the last 5 years;
- vii. Acquisition and licensing of intellectual property rights;
- viii. Registration of patents, trademarks and designs;
- ix. Funding of start-ups;
- x. Payment for customs or import duty, value added tax and any other associated fees and charges for clearance of equipment and items imported from overseas will be recipients responsibility; and
- xi. Proposals from the members and immediate family members of MSME Fiji programme secretariat;

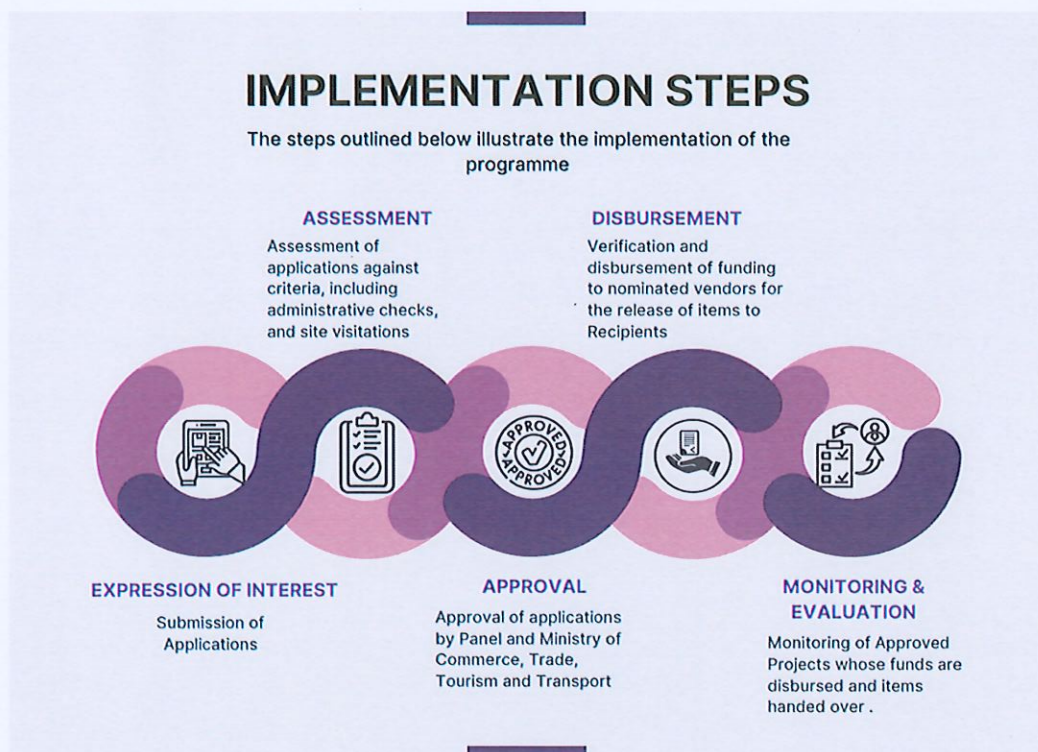
- xii. Proposals from Governments Entities or Statutory Organisations.

Exceptions to the above 4.0 Types of Projects Eligible for Funding, 5.0 Criteria for Funding and 6.0 Exclusions can be made on a case by case basis subject to recommendation by the NES Committee and approval of the Permanent Secretary of Trade, Co-operative and Small and Medium Enterprises and Communications.

7.0 GENERAL PROCEDURES

The general procedures undertaken in the selection of projects are as follows:

- i. Internal assessment and site visitations by Ministry officials;
- ii. Scrutiny by the NES Committee which comprises of relevant Government and private sector agencies;
- iii. Submission to the Ministry for Trade, Co-operatives, Small and Medium Enterprises, and Communications for approval/decline;
- iv. Signing of Memorandum of Agreement (MOA) for Disbursement of Grants; and
- v. Monitoring and Evaluation of Projects.



8.0 SUBMISSIONS

- 8.1 Those businesses interested in applying are strongly encouraged to submit proposals for the NES Application to the Ministry through the online portal: <https://bit.ly/44wQ0mR>
- 8.2 The Ministry requires the applicant to demonstrate that the proposal is viable and meets the criteria for funding.
- 8.3 The Ministry encourages women and youth businesses to apply.
- 8.4 The Ministry will prioritise projects that can clearly demonstrate that they can contribute and address SDGs.
- 8.5 The Ministry reserves the right to request for additional information as and when required for clarification and reject proposals that are not submitted within the criteria for funding.

9.0 ASSESSING NES APPLICATIONS

- 9.1 NES applications will be assessed by the Secretariat based on the criteria for funding in Section 5.0.
- 9.2 The Secretariat for the NES Committee will be the Ministry of Trade, Co-operatives and Small and Medium Enterprises and Communications through MSME Fiji Unit.
- 9.3 NES applications that submit all the essential documentations and satisfy the criteria for funding based on the NES assessment score sheet will be shortlisted.
- 9.4 Shortlisted applicants that score 50% and above on total scoring will be submitted to the NES Committee for processing. Unless a waiver is provided by the NES Committee, applications that score below 50% can be presented to the NES Committee with strong justification on the merits of the proposal.
- 9.5 Shortlisted applicants may be invited to present their proposal to the NES Committee.
- 9.6 Site inspections will be conducted by the Secretariat for shortlisted applicants on a case by case basis.

10.0 NES COMMITTEE

- 10.1 The Chairperson of the NES Committee will be the Permanent Secretary for Trade, Co-operatives and Small and Medium Enterprises and Communications.
- 10.2 The Committee Members will comprise representatives from the Ministry, statutory and independent agencies that are relevant to the NES applications received.
- 10.3 Additional members may be co-opted as and when the need arises.
- 10.4 The NES Committee members will be invited by the NES Committee Chairperson.
- 10.5 The quorum for any NES committee meeting shall be general rule of thumb; 50% plus one.
- 10.6 Processing of applications can also be done through flying minutes and email approvals are to be considered as final endorsements. The quorum for any NES flying minute shall be general rule of thumb; 50% plus one.

11.0 MONITORING MECHANISM

- 11.1 The NES programme will be monitored to verify performance and ensure compliance in honoring recipients commitments stipulated in the MOA signed with the Ministry.
- 11.2 The Ministry is responsible to monitor the NES recipients as per the Monitoring and Evaluation Plan and will be submitted to the Permanent Secretary of Trade, Co-operatives and Small and Medium Enterprises and Communications.

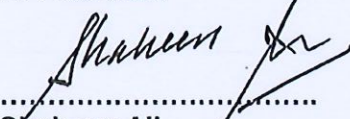
12.0 MEMORANDUM OF AGREEMENT

- 12.1 The NES recipient must utilise the Government grant as efficiently and effectively as possible solely for the intended purpose as stipulated in the MOA.
- 12.2 The Grant Recipient must notify the Ministry in writing, to change the vendor and/or change of procured items. This change shall be reflected through a Deed of Variation.

- 12.3 The Grant Recipient also agrees to maintain the Goods in good condition during the period of 5 years and shall not sell, mortgage, transfer, lease or dispose of the Goods or otherwise create a Security Interest in the Goods without prior written consent of the Government.
- 12.4 Should the Grant Recipient fails to punctually perform any of its obligation or is in breach of any of its obligations stipulated in the MOA, the Grant Recipient would be required to refund the Government grant in the currency in which it was disbursed or the Ministry may opt to physically retrieve the procured item.
- 13.0 **POLICY REVIEW**
- 13.1 This Policy can be reviewed every two (2) years effective date of approval of the Permanent Secretary for Trade, Co-operatives and Small and Medium Enterprises and Communications or as need arises.

EFFECTIVE DATE: 10 August 2023
REVIEW DATE: 9 August 2025

APPROVED:


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Shaheen Ali
Permanent Secretary for Trade, Co-operatives,
and Small and Medium Enterprises
and Communications

10 August 2023
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Date

THE END