



NATIONAL EXPORT STRATEGY (NES)

CRITERIA AND GUIDELINES FOR FINANCIAL ASSISTANCE

1.0 INTRODUCTION

- 1.1 The National Export Strategy (NES) Policy framework was implemented in 2007 with the hope to achieve sustainable growth by encouraging exports, competitiveness, value adding and diversification.
- 1.2 Amidst the current challenges in closing the widening trade deficit gap between exports and imports and the need to stabilize our foreign reserve position, Government allocated F\$2 million to the Ministry to support the growth of export sectors in 2008 to restore the earning capacity of the economy in the short-term.
- 1.3 The budgetary support was earmarked to assist the **6 major sectors** prioritized from the 13 sectors in the National Export Strategy (NES) to improve our export performance under current economic conditions. These sectors include **Agro-business, Forestry, Marine Products, Mineral Water, ICT and Audio-Visual**. The Sugar Industry and Tourism sector are being addressed separately given their pivotal role to the economy.

2.0 OBJECTIVES

2.1 To ensure maximum impacts and achievement of the NES, projects must address achieve these broad objectives:

- (i) articulate how it aims to increase exports, value add and diversify products;
- (ii) validate direct and positive impact on foreign exchange earnings in the short-term; and
- (iii) demonstrate benefits to the livelihood of the general populace other than individuals.

3.0 ELIGIBILITY

3.1 To be eligible for NES assistance, applicants must satisfy the following criteria:

3.1.1 Projects will be invited from "Small and Medium Enterprises" (SME) within the 6 prioritized sectors, namely, Agro-Business, Forestry, Marine Products, Mineral Water, ICT and Audio Visual.

3.1.2 SME's are defined as:

- (i) 'Small Enterprises' with an annual turnover between \$30,000 to \$100,000 employing 6 to 20 persons.
- (ii) 'Medium Enterprises' with an annual turnover in excess of \$100,000 but less than \$1 million and employing 21 to 50 persons.

3.1.3 Government will provide NES assistance with the balance of the project costs to be provided by the applicants as follows:

- (i) 'Small Enterprises' will be provided assistance up to 90% of total project cost; and
- (ii) 'Medium Enterprises' will be provided assistance up to 85% of total project cost.

3.1.4 Submissions must clearly reflect their contributions (aid in kind or cash) on the budget proposal.

3.1.5 Submissions must address a specific project in the areas of training, product development, packaging, infrastructure and standards. However, submissions must clearly indicate the linkage in meeting the overall objectives of the NES.

4.0 PRE-QUALIFICATION CRITERIA

4.1 To ensure proper and faster approvals for NES assistance, the NES Sector Teams will conduct a preliminary qualification rounds of submissions.

4.2 Submissions must meet the following requirements:

- (i) fill in the appropriate NES application form;
- (ii) provide specific activities and timelines to implement the project; and
- (iii) provide detailed breakdown of the project cost. Note that quotations of project works to be carried out, for instance, construction works and equipments must be provided where applicable;
- (iv) agree to abide by the conditions of the Ministry.

4.3 It must be noted that the Ministry reserves the right to reject any submissions that fail to meet the pre-qualification requirements in paragraph 4.2. Alternatively, only those submissions that abide by these requirements will be passed onwards to the NES Sector Team for evaluation. The final assessment will be conducted by the Steering Committee.

5.0 EXCLUSION

5.1 These areas are ineligible for NES assistance:

- (i) projects that are majority foreign owned SME's;
- (ii) debt or cash flow financing;
- (iii) recipient of government assistance in this programme or related programme or any other financial assistance provided by any other government ministry/department over the last 2 years (to avoid double dipping); and
- (iii) projects whose owners are bankrupt.

6.0 ASSESSMENT AND MONITORING MECHANISM

- 6.1 The assessment of NES assistance will be carried out at two levels:
- (i) NES Sector Teams - preliminary screening of submissions in accordance with the pre-qualification and eligibility criterion (set out above) will be conducted by the appropriate NES Sector Team. For instance, any forestry related project will be assessed by the Forestry Sector Team; and
 - (ii) Steering Committee - will be responsible for assessing those submissions recommended by the NES Sector Teams. It will then present its final recommendations to the Permanent Secretary for Industry, Tourism, Trade and Communications for funding approval.
- 6.2 As mentioned earlier, the Ministry reserves the right to reject submissions that do not meet the criteria and guidelines specified in this document.
- 6.3 The Steering Committee is to be Chaired by CEO FTIB and consist of the following personnel: DS Industry, DS Finance, CE Industry, Director Cooperatives, DS Communications, CEO NCSMED and Registrar of Companies.
- 6.4 It must be clear to successful applicants that NES assistance will be performance based. Successful applicants will be required to sign a Memorandum of Understanding with the Ministry of Industry, Tourism, Trade and Communications to ensure proper accountability of funds and delivery of project in accordance with requirements of the Fiji government.
- 6.5 The Ministry will monitor projects on a quarterly basis to verify performance and ensure compliance with Memorandum of Understanding. However, the Ministry reserves the right to carry out site inspections or seek further details/clarifications on the projects without due notice.

7.0 CONCLUSION

- 7.1 It is envisaged that addressing the constraints in the supply-side will have a lasting impact that will boost Fiji's exports, increase competitiveness, value adding, diversification and lead to sustainable economic growth.

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