



# SME Business Adaptation Grant Guidelines

2020/2021

## Introduction

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Business Link Pacific (BLP) is a private sector development programme delivered by DT Global and funded by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and the Australian Department of Foreign Affairs and Trade (DFAT).

This document outlines the eligibility criteria and application process for the Business Adaptation Grants managed by BLP and targeting Pacific based Small and Medium-Sized Enterprises (SMEs). The document provides information to help SMEs understand the process for application, and helpful resources in preparing their applications for submission, review, and approval.

These Adaptation Grants will assist SMEs to overcome the impacts of the COVID-19 crisis and help them to introduce changes and adaptive strategies that will help the business to grow in the future. Supported with subsidised business advisory support, Adaptation Grants will assist SMEs in adjusting to the current business environment and will provide funding for stabilisation and recovery of business operations and, where appropriate, lead to access to financial services and concessional loans through BLP's partner financial institutions.

SMEs in the participating Pacific Island countries are invited to present proposals that protect and expand their current revenue, safeguard, and create new jobs, keep businesses in operation and build better businesses for the long-term. As such, we are keen to see proposals from businesses seeking to adopt new technology to enable their digital transformation, as well as projects that support climate change resilience and adaptation.

BLP will evaluate grants from SMEs with up to 50 employees, and we encourage applications from women, youth, vulnerable and disadvantaged groups, as well as businesses looking to expand their market reach locally or internationally.

The Adaptation Grants are managed by BLP, with the assistance of BLP's network of local business advisory service providers and in-country partners such as the Chambers of Commerce, supported by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and the Australian Department of Foreign Affairs and Trade (DFAT).

## What funding is available?

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Business Adaptation Grants are available for eligible SMEs in Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu.

Grants will be awarded based on business size. Businesses with up to 5 employees are eligible to apply for grants up to NZD 5,000 equivalent. Businesses with up to 20 employees can apply for grants up to NZD 10,000 equivalent. For businesses with up to 50 employees, grants up to NZD 15,000 equivalent are available.

Your local Chamber of Commerce can assist with the submission of applications and, if required, applicants can access additional subsidised Business Advisory Support through BLP.

For successful applicants, Business Advisory Support is provided free of charge to further develop adaptation plans and support implementation.

## Who can apply?

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An owner or authorised manager of a business that meets the requirements of the following business and project eligibility checklists can apply for a Business Adaptation Grant. SMEs who previously applied for grants in first round of the Adaptation Grants and had incomplete applications or were unsuccessful can re-apply by accessing their applications in the BLP Grants Portal [finance.businesslinkpacific.com/adaptationgrants](https://finance.businesslinkpacific.com/adaptationgrants).

### Business Eligibility Checklist

To be eligible to apply for a grant, the applicant business must comply with the following:

- Be an existing business currently operating in the Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, or Vanuatu.
- Have all necessary licenses and/or registrations required to operate.
- Employ less than 50 people.
- Be in compliance with all tax requirements and payment obligations.
- Be meeting any loan obligations or adhering to an agreed payment plan.
- Not be subject to any bankruptcy proceedings.
- Not primarily trade in alcohol, drugs, tobacco, gambling, firearms or other harmful substances (see IFC policy<sup>1</sup>).
- Have up to date records and documentation to provide evidence of the above.
- Have no conflicting affiliation with DT Global, their national Government or the New Zealand and Australian Governments. Disclosures can be made in the application form.
- Not have already received an Adaptation Grant or have an Adaptation Grant in the approval stage from the first round.
- Applications from businesses with at least 50% ownership by national citizens will be given preference.

### Project Eligibility Checklist

Eligible project activities will contribute to your business adaptation plan. Your adaptation plan will help your business to change, access new markets or adjust to a new business environment, including the impacts of COVID-19.

The following project expenses are deemed eligible for consideration for grant funding:

- Contracting professional business advisory services
- Contracting technical/other services
- Purchasing materials or equipment
- Working capital (e.g., buying stock)
- Offering equity for a loan.

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<sup>1</sup> [Link to IFC Exclusion list policy:](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist)  
[https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/company-resources/ifcexclusionlist](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist)

Examples of ineligible activities include funding payroll, paying rent and meeting other normal day-to-day operating overheads, purchasing goods and services not directly related to your business adaptation plan, paying debts, property acquisition.

## When do applications open and close?

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Applications for the second round of the Adaptation Grants will open on the BLP Portal on 27th June 2021 and will close on 27th July 2021 midnight (NZ time).

## What is the application process?

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The application process follows the steps outlined below. Applications are made online via the BLP Grants Portal [finance.businesslinkpacific.com/adaptationgrants](https://finance.businesslinkpacific.com/adaptationgrants).

Applicants who are unable to access the portal should email [grants@businesslinkpacific.com](mailto:grants@businesslinkpacific.com) or contact their local Chamber of Commerce for assistance with their application.

Application steps:

- Step 1. Go to [finance.businesslinkpacific.com/adaptationgrants](https://finance.businesslinkpacific.com/adaptationgrants) to complete the online 'Business and Project Eligibility Checklist' and be directed to the online Adaptation Grant Application Form.
- Step 2. Complete ALL sections of the online Adaptation Grant Application Form. Save your work as you go, and you can return to the form at any time.
- Step 3. Make sure you submit your fully completed form to BLP before the close date. A confirmation email will be sent to the email address you provided in the application. Please note, unsubmitted application forms will not be assessed.
- Step 4. After the close date, submitted applications will be assessed by the BLP Business Adaptation Grant Assessment Panel
- Step 5. Successful applicants will be advised if their application has been shortlisted. Unsuccessful applicants will be informed that their application has been unsuccessful.
- Step 6. Successful shortlisted applicants will be connected to a local business advisor who will validate the information provided in the application form and review your Adaptation Plan with you.
- Step 7. The Business Adaptation Grant Assessment Panel will review the validated documents and your Adaptation Plan.
- Step 8. If approved by the Grant Assessment Panel, BLP will contact successful grant recipients to confirm grant payment and next steps.

Applications close at midnight on 27th July 2021 (NZ time). BLP expects the final selection of successful Adaptation Grants to have been made by the end of September 2021.

## What business documentation will I need to apply?

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The following business information will be needed for consideration for grant funding:

- General business information: details of business owners, business license or registration number, business contact details, number of employees, industry sector, products and services, and target market.
- Business financial information: tax status and tax returns, quarterly sales, and financial statements (2019, 2020), profit (earnings before interest and tax), business plan and adaptation plans: what, why and how are you planning to adapt your business?
- Impact of the adaptation grant including employment and job retention, job creation, financial forecasts for your business adaptation, expected turnover with and without the adaptation grant.
- Grant usage and budget: Amount request, detailed budget of grant usage and purchasing.
- Additional financial resources: any other resources you will be using or accessing to carry out your adaptation plans (e.g. bank loans, government assistance, loans from family or friends, or other grants), including any government or other grant assistance your business has applied for, even if it is yet to be granted or confirmed.

## How will applications be assessed?

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The Adaptation Grant Assessment Panel will consider the extent to which the application:

- Provides a compelling and viable description of WHAT the business will adapt and WHY, including the extent to which these strategies are based on previous experience, well-founded assumptions, market research and/or risk analysis.
- Describes HOW the business will implement their adaptation plans and that they have adequately considered the activities, timelines and resourcing required to achieve the stated adaptation objectives.
- Presents a positive (indicative) Return on Investment over two years, based on the proposed budget and projected turnover; in terms of business performance, improved efficiencies, and increased employment. Forecasts and market assumptions must be well-founded and realistic.
- Contributes to the development of women, youth, vulnerable and disadvantaged groups, expands market reach through export and offshore provision of business services, seeks to adopt new technology or enable digital transformation, or supports climate change resilience and adaptation.