



Business Advisory Subsidy Guidelines

Business Link Pacific – Phase II

January 2023

Introduction

Business Link Pacific (BLP) supports Small and Medium Enterprises (SMEs) in Pacific Island countries to access good quality business advisory services, that include accounting, business planning, marketing, loan facilitation and other services specific to SME business needs.

This document outlines the criteria and application process for BLP's Business Advisory Subsidy. The document provides information to help SMEs and Business Advisory Service Providers (BASPs) understand the process of the submission and approval of these subsidies.

The BLP Business Advisory Subsidy uses a flexible approach to assist with partial payment of services that enable SMEs to trial new services at a reduced cost. Once the value of business advisory services are realised, it is expected that SMEs will pick up the full cost of these services over time. The subsidy is intended to stimulate the local market for business advisory services and in this way, BLP aims to establish a sustainable and resilient market for business advisory and financial services in participating Pacific Island countries.

The BLP Business Advisory Subsidy is designed to target support for SMEs to access business advisory services that focus on the following areas:

1. **Innovation:** business advisory services that support business innovation
2. **Growth:** business advisory services that support business growth
3. **Inclusion:** business advisory services that support increased social inclusion
4. **Climate:** business advisory services that support mitigation, adaption or increase business resilience to climate change
5. **Finance:** business advisory services that assist with securing finance or investment.

Who can apply?

The BLP Business Advisory Subsidy can be accessed by SMEs through any BLP quality approved business advisory service provider (BASP). A searchable database of quality approved BASPs is available on the BLP website at www.businesslinkpacific.com.

In order to access a business advisory subsidy, an SME must first complete a business diagnostic with their local Chamber of Commerce or BLP Partner.¹

BLP encourages subsidy proposals from women, youth entrepreneurs, rural businesses, people with disabilities, and vulnerable and disadvantaged groups.

Business Eligibility Checklist

To be eligible to apply for a business advisory subsidy, SMEs must meet the following criteria:

1. Be an existing business currently operating in the Cook Islands, Fiji, Kiribati, Niue,

¹ Please refer to the BLP website www.businesslinkpacific.com to find your local BLP contacts.

Nauru, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu or Vanuatu.

2. Have a business license and/or registration as required to operate in their country.
3. Employ less than 50 people.
4. Not be subject to any bankruptcy proceedings.
5. Not primarily trade in alcohol, drugs, tobacco, gambling, firearms or other harmful substances (see IFC policy²)
6. Have no conflicting affiliation with DT Global, their national Government or the New Zealand Government.
7. Applications from businesses with at least 50% ownership by national citizens will be given preference for support over foreign owned businesses.

Subsidy Project Eligibility

In order to be eligible for a subsidy, the business advisory project must demonstrate how the scope of work will contribute to business growth, innovation, social inclusion, climate adaptation and/or access to finance.

Total project costs should not exceed NZD 10,000 equivalent and projects must be completed within a maximum of 6 months. As a guide, BLP will consider subsidizing up to a maximum of 50% of total project costs. Higher percentage subsidies may be considered for projects that demonstrate broader community benefits, particularly in areas related to social inclusion and climate adaptation or from businesses that are operating in underserved communities.

When do applications open and close?

Applications for Business Advisory Subsidies will open on a rolling basis, country by country and will be promoted through BLP's local PSO partners. Please, check the BLP website or with your local BLP contact whether subsidies are currently available in your location.

What is the subsidy application process?

Step 1 - Submitting a subsidy proposal: Once an SME has completed a business diagnostic and a scope of work is agreed between the SME and a BLP approved BASP. The BASP submits the subsidy proposal to BLP using the online Subsidy Proposal Form on the BLP Portal. Business advisory subsidy proposals detail the scope of work to be carried out, the expected outcomes from the work, costs and cost sharing arrangements, invoicing schedule and timelines for implementation.

Step 2 - Subsidy approvals: The submitted subsidy proposal is reviewed by BLP based on the extent to which it meets at least one of the 5 focus areas. There may be further questions,

² https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

information or revisions required before the subsidy application is approved. If the subsidy application does not meet the criteria and/or cannot be revised to meet the criteria, it may be rejected. Confirmation and acknowledgement in writing of the agreed scope of work, deliverables and budget (and client cost-share split) is required from the SME client before final approval of the subsidy application.

Step 3 - The subsidy agreement: Once the proposal has been approved by BLP, the subsidy proposal document is sent to the BASP and SME for signing. The signed subsidy proposal forms part of the subsidy agreement and sets out the terms and conditions for the subsidy, along with reporting and other requirements.

If the scope of work in the proposal is not completed within **6 months** from the date the subsidy proposal was approved, BLP reserves the right to cancel the subsidy. The service provider will be notified and will need to reapply for the subsidy, if it is still required. If the subsidy project has started, but not completed, an extension may be provided or if no further progress is being made, the project will be deemed completed.

Step 4 - Implementation: Once approved, the service provider will begin to deliver the agreed scope of work. There may be specific delivery milestones agreed in the subsidy proposal and these may also be linked to invoicing and relevant payments for each milestone or deliverable, with a maximum of 3 payment milestones per subsidy application.

Step 5 - Completion: Once the agreed scope of work is completed, The BASP provides a report on completion of the agreed deliverables and the SME confirms by email to BLP that the work has been completed satisfactorily, including any changes that may have been agreed with the BASP subsequent to the original subsidy proposal, and that they have paid their agreed portion of the fees.

STEP 6 - Subsidy Payment: A final invoice is submitted by the BASP to the SME for the agreed amount. Once the SME has completed payment, the BASP invoices BLP along with evidence of work completed and proof of SME payment. Once these documents have been received and validated the BASP is paid the agreed subsidy amount by BLP.

STEP 6 - Reporting: Both the BASP and the SME agree to complete periodic feedback surveys at 6, 12 and 18 months after the subsidy has been approved and the scope of work has been completed. BASPs and SMEs may also be asked to participate in interviews and case studies for monitoring and evaluation purposes.

Appendix 1 - Business Advisory Service Areas

The services work should fall within one or more of the following service categories

Service Areas	Service provider competency requirement
<p>1. Strategic and business planning</p>	<p>The knowledge and skills business advisors need to facilitate the development of effective business and strategic plans for SMEs</p>
<p>2. Accounting and financial management</p>	<p>The knowledge and skills business advisors need to identify the compliance, accounting and financial management needs of an SME and help the client put appropriate and robust accounting systems in place</p>
<p>3. Financing and loan facilitation</p>	<p>The knowledge and skills business advisors need to identify the financing and investment needs of an SME and help the client put sustainable financing strategies in place</p>
<p>4. Information technology systems</p>	<p>The knowledge and skills business advisors need to identify, recommend and implement information technology systems that meet SME data management needs</p>
<p>5. Organisational Management</p>	<p>The knowledge and skills business advisors need to analyse organisational management structures and recommend structural changes and strategies appropriate to SME needs</p>
<p>6. Marketing Strategy</p>	<p>The knowledge and skill business advisors need to conduct market research, market segmentation and pricing strategies for products and services</p>
<p>7. Standards and certification</p>	<p>The knowledge and skills business advisors need to identify relevant industry and sectoral standards, advise on compliance and implementation of standards and certification systems relevant to SMEs</p>
<p>8. Advertising & Promotion</p>	<p>The knowledge and skill business advisors need to facilitate the development of effective advertising and marketing plans, including e-commerce</p>

<p>9. Recruitment and HR systems</p>	<p>The knowledge and skills business advisors need to develop position descriptions, conduct recruitment, analyse HR systems, identify needs and advise on the HR requirements of SMEs</p>
<p>10. Export and market linkages</p>	<p>The knowledge and skills business advisors need to support clients' plans to enter into and manage their performance in export markets</p>
<p>11. Commercial Legal Services</p>	<p>The knowledge and skills business advisors need to provide relevant legislative and regulatory advice and support clients in a legal dispute, potential dispute and negotiation</p>
<p>12. Business Coaching & Training</p>	<p>The knowledge and skills business advisors need to understand principles of adult learning and apply relevant techniques to deliver coaching and/or training confidently in accordance with a plan, in a clear and logical format, engage groups or individuals in workplace learning activities</p>
<p>13. Diversity, Equity & Inclusion</p>	<p>The knowledge and skills business advisors need to assess existing Diversity, Equity and Inclusion (DEI) practices in a business place using qualitative and quantitative tools, advise and support business owners to incorporate DEI strategies, develop relevant KPIs to monitor impacts and help SMEs to improve the success of the <i>DEI</i> initiatives</p>
<p>14. Business Continuity Planning</p>	<p>The knowledge and skills business advisors need to identify potential risks, develop evidence-based business continuity plans and/or disaster/risk management strategies to mitigate the impacts on a business and help to enable business continuity with minimum disruptions</p>
<p>15. Digital & Online Solutions</p>	<p>The knowledge and skills business advisors need to facilitate the implementation of effective digital and/or online solutions to enhance business performance and resolve relevant technology-related issues faced by a business</p>

Appendix 2 - Roles and Responsibilities

Role of the BLP partner PSOs: Trained local BLP representatives, based at partner PSOs (Chambers of Commerce) will provide business diagnostic services to SMEs, review their business advisory needs and refer them to suitable BLP quality approved BASPs. PSOs will assist with the management of the Business Advisory Subsidy, provide local insights and be involved with the review and approval process for submitted subsidy proposals.

Role of the BLP approved BASP: The BASP will work with the SME to agree a scope of work and submit the subsidy proposal to BLP. The BASP will quote fees to deliver the scope of work which are in line with local market rates for the delivery of similar work to other SME clients. The BASP's fees should be realistic and affordable to the SME with the intention of developing a long-term relationship with the SME client in the absence of a subsidy. Upon being approved as a BLP advisor following the competency assessment, the service provider signs a subsidy agreement with BLP that covers the delivery work for the first and any future approved subsidy proposals. The service provider agrees to provide progress reports and data for BLP's internal monitoring and evaluation periodically and any other relevant information when requested.

Role of the SME: In order to access a business advisory subsidy, an SME must first complete a business diagnostic with their local Chamber of Commerce or BLP PSO Partner. The SME agrees the scope of work with the BASP, the proportion of fees to be paid and for the subsidy proposal to be submitted to BLP for consideration under the subsidy scheme. The SME will, provide any necessary information for the initial assessment and to establish clear goals and deliverables, expected results and longer-term impact. The SME agrees to pay their agreed proportion of the service provider's fees on the completion of each stage of work as outlined in the subsidy Proposal. The SME agrees to complete periodic surveys at 6, 12 and 18 months after the subsidy has been approved and the scope of work has been completed. SMEs may also be asked to participate in interviews and case studies for monitoring and evaluation purposes.

Role of BLP: BLP will review all Subsidy Proposals submitted by approved BASPs. BLP will provide guidance and support to BASPs on preparing subsidy proposals and understanding the requirements of the subsidy scheme. Once a subsidy proposal has been approved by BLP, and signed, this forms the basis of the agreement between BLP, BASP and SME. In line with the milestones in the approved subsidy proposal, BLP will pay the agreed subsidy on the completion of work by the BASP and after payment by the SME of their agreed proportion of the fees has been received by the BASP.