


Fiji
Papua New Guinea
Samoa
Tonga
Solomon Islands
Kiribati
Cook Islands

FREQUENTLY ASKED QUESTIONS & ANSWERS- BLP'S FINANCE FACILITY

BACKGROUND

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

BLP connects small and medium-sized businesses in the Pacific to local advisory services. The BLP quality approved network of advisors offers accessible services for business growth.

Since Business Link Pacific was established in 2017, it has assisted over 2,500 small-medium sized businesses with online Business Health Checks, Continuity Plans and in-depth diagnostics. Also, it has facilitated 765 business advisory services subsidies, and contributed to the creation of an estimated 890 new jobs; 49% which are filled by women.

The over 100 business advisory firms members of the **Business Link Pacific** Advisor Network have helped to create new products, supported many digital transformations, and helped many businesses through a variety of crises, including the onset of COVID-19, contributing to economic growth across Samoa, Vanuatu, Fiji, Cook Islands, Solomon Islands and Papua New Guinea.

Case studies and stories about the business talent in the Pacific Islands have been captured and shared with the Business Link Pacific audience both in New Zealand and across the Pacific Region, and can be accessed via the **Business Link Pacific website.**

WHAT IS THE BUSINESS LINK PACIFIC'S FINANCE FACILITY?

BLP's Finance Facility is a new service that enables access to capital for stabilisation, recovery, and growth to viable but financially distressed SMEs due to COVID-19 impact in the regional economy.

The overall **goal** of the Facility is to assist Pacific Island SMEs to access the financial and advisory services they need to survive and prosper.

The specific **objective** is to create sustainable mechanisms for Pacific Island SMEs to access the financial and advisory services they need to survive and prosper.

WHY IS THE FINANCE FACILITY NEEDED?

SMEs in the Pacific have long-standing problems in accessing financial services due to both demand and supply-side factors, overlain by significant gender-related issues. These problems have become more acute since the onset of the COVID-19 crisis.

A survey undertaken by BLP in June 2020 with 361 SMEs, found that almost 80% of SMEs in the Pacific Islands are currently seeking financial support. Almost 90% reported that their revenue has declined and about half expected that their businesses would close in the next six months if business conditions do not improve, or if financial assistance is not forthcoming. Read the full report [here](#).

Hence, BLP's new offer provides access to the financial support and business advice that SMEs in the Pacific Islands need to overcome legacy barriers and current issues.

HOW DOES THE FINANCE FACILITY HELP SMEs AFFECTED BY COVID-19 IN THE PACIFIC?

The Facility will provide business adaptation grants, combined with concessional loans delivered in partnership with regional and local financial institutions, and supported by BLP's network of Business Advisory Service Providers and In-Country Network Representatives.

WHO IS THE FINANCE FACILITY FOR?

The Finance Facility programme is for SMEs affected by COVID-19 based in PNG, Fiji, Samoa, Kiribati, Solomon Islands, Cook Islands and Tonga, that have between 5 to 50 employees. It will allow them to access the financial and advisory services they need to survive and prosper.

HOW WILL BLP SELECT SMEs IN NEED OF FUNDING/APPROVE GRANTS?

Applications for Adaptation Grants will be made online and are open to SMEs in PNG, Fiji, Samoa, Kiribati, Solomon Islands, Cook Islands and Tonga. The grants are targeting businesses that have been impacted by COVID-19 and have innovative ideas on how to adapt to the current crisis, and take advantage of new business opportunities, markets and strategies.

HOW CAN SMEs APPLY FOR FINANCE THROUGH BLP?

Applications for Adaptation Grants will open in December 2020, all applications for grants will be made online at www.businesslinkpacific.com. Applications that meet the acceptance and validation criteria will be approved and paid directly to SMEs. Subsidies for Business Advisory Services will also be available to support SMEs' adaptation plans and facilitate access to BLP's concessional loans that will be available early 2021 through local financial institution partners.

HOW IS THE FINANCE FACILITY BEING FUNDED?

The Finance Facility is being supported by the New Zealand Ministry of Foreign Affairs and Trade and is operating under the current Business Link Pacific programme. Through the facility, the New Zealand Government is facilitating 6.9M NZD in support of the private sector in the Pacific Islands in response to the COVID crises and under the PACER Plus agreement.

Pacific Island countries face unique challenges participating in international trade. They have small land masses with limited productive capacity and employment opportunities, higher cost of economic infrastructure, distant markets, vulnerability to extreme climatic events and limited access to financial services. PACER Plus intends to help overcome these challenges by making it easier for countries to trade through a robust private sector, while creating jobs and increasing living standards and wealth for families.