



NORTHERN DEVELOPMENT PROGRAMME STANDARD POLICY



1.0 AIM

- 1.1 The Northern Development Programme (NDP) is a Government funded programme that provides equity assistance through grants to enterprises to improve the livelihoods of the people of the Northern Division.
- 1.2 Amidst the current triggers by Climate Change, International Conflicts, and the effects of COVID-19, pro-growth and support policies are essential to create a positive impact across the supply chain through the creation of jobs and economic activity.
- 1.3 Apart from providing funding to target sectors, the NDP undertakes training, monitoring and mentoring of projects to meet its core objectives.

2.0 BACKGROUND

- 2.1 The programme was established formally in the year 2008 following the Cabinet decision due to the depressed state of the northern economy which contributed significantly to the migration of people from rural Vanua Levu to the urban centers of Labasa, Savusavu, Taveuni and to the urban and peri-urban centers of Suva, Lautoka and Nadi in Viti Levu.
- 2.2 Additionally, the Programme is aimed to promote economic diversification and strengthen the supply chain.
- 2.3 Since 2008 the programme has invested about \$11.5m through 2,522 projects in the Northern Division under various Sectors. Assistance was provided to Sectors which have growth potential, such as Agribusiness, Fisheries, Forestry, Tourism, Processing and Manufacturing.
- 2.4 In order to further the development of the Northern Division it was decided to expand the range of sectors mentioned above to include Information, Communication and Technology, Textile, Clothing and Footwear, Financial Service Providers, Creative Arts, Renewable Clean Energy, and Recycling and Upcycling.
- 2.5 The programme targets registered Micro, Small and Medium Enterprises (MSMEs) that are already operational or have experience operating in the respective target sectors. The definition of MSME is categorised in the table:

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

- 2.6 The assistance is open to registered sole trader businesses, partnerships, co-operative businesses and companies. In addition it was noted that assistance was provided to Producers or those involved in the Primary level of production.
- 2.7 Given the significant investment that has been made by the Fiji Government in the primary producers it is proposed that the programme now shift the focus to those involved in secondary processing of the supply chain.
- 2.8 The shift in Policy direction is timely given the Sustainable Tourism Project being implemented by the Fiji Government and World Bank. The significant investment will give MSMEs in the northern division the market access to expand their distribution channels.
- 2.9 Finally, this shift will give the Northern primary producers the opportunity to pool together their resources, whether it be through Co-operative or Company business structures, to elevate their businesses.
- 2.10 For example, Dalo farmers who hire tractors to clear their land can now collectively apply through NDP (and a financial institution of their choice) for a tractor. This Tractor can be used by the farmers but also hired out to other farmers, thus creating a secondary stream of income. Through the increased production the collective group can export their produce or distribute it to the hotels.
- 2.11 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).
- 2.12 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 govern the processes and procedures of the NDP Programme.
- 3.2 Advertisements of Expression of Interest (EOI) will be placed in the local newspaper, Ministry's website 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 NDP.
- 3.3 Formerly the programme offered three products for the three business structures. The programme now offers one product (listed below). Much similar to how the programme is currently implemented, the total project cost will be catered through Government Grant (45%), Loan assistance from financial institutions (45%) and applicants cash contribution (10%).

Product	Equity Assistance
Equity Assistance of up to \$50,000	- Funding will be used for purchase of Capital items. - Operational items will be considered on a case by case basis. - Assistance will be available to New and Existing

	businesses.
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3.4 However upon submission of valid justification to the Permanent Secretary for Trade, Co-operatives, Small and Medium Enterprises, and Communications (Permanent Secretary), exceptions can be made on the assistance threshold.

3.5 Project applicants must provide the following documents with their submission:

- Completed NDP Application Form;
- Valid Business Registration Certificate;
- TIN Letter/Joint ID;
- Valid photo identity (ID) of director(s)/proprietor (Driver's License or Voter ID Card or Passport Biodata Page);
- Business Plan inclusive of 3 years Cash Flow Forecasts/Projections;
- Management Accounts for those in operations for 2 years;
- *Medium enterprises are required to provide audited financial statements
- *Micro and small enterprises can provide management accounts prepared by certified accountants;
- Support and Validity letter from relevant Ministry and Stakeholders; and
- Compliance to regulatory requirements as per business scope.

3.6 The Ministry reserves the right to request for additional information as and when required for clarification.

4.0 TYPES OF PROJECTS ELIGIBLE FOR FUNDING

NDP will provide funding for purchase and construction of capital projects, few examples are but not limited to:

- i. Procurement of manufacturing machines for value adding;
- ii. Construction of warehouse, storage facility and eco-tourism projects;
- iii. Product development for businesses;
- iv. Procurement of equipment for diversification purposes; and
- v. Farming Mechanisation and Implements.

5.0 CRITERIA FOR FUNDING

Proposals for assistance through NDP must meet the following criteria:

- i. Members must be all Fijian citizen between the ages of 18-60 years;
- ii. Operating in the Northern Division of Fiji;
- iii. Available to existing and new registered enterprises;
- iv. All applications to acquire a loan component with a credible Financial institution;
- v. Registered entity must be majority Fijian owned (51% and more);
- vi. Proposal must clearly demonstrate the ability to repay its loan commitments from its expected revenue; and
- vii. The proposal must provide suitable security that is acceptable to the bank or the respective financial institution as cover for the loan portion of the investment package.

6.0 EXCLUSIONS

The following will not be considered for funding if:

- i. Proposal submitted from a NDP grant recipient (including inter-related entities) that was assisted within the last 5 years;
- ii. Proposals from former recipients that do not showcase any diversification or growth or the proposal is similar to previously assisted project the recipient received;
- iii. Similar enterprise activity was assisted through any other grant funding from other Government Ministry or donor funding agencies in the last 5 years;
- iv. Proposal for Debt refinancing;
- v. Proposals that have non-enterprise activities;
- vi. Proposals with business turnover (sales) of more than \$1.25million per year;
- vii. Proposals requesting Infrastructure development, i.e. roads, community hall, evacuation center, jetties etc (case by case basis – exceptions to utilities upgrade);
- viii. Costs associated with regulatory approvals required from relevant authorities e.g. Rural Local Authority, Environment, TLTB, National Fire Authority, Ministry of Health and Medical Services etc;
- ix. Applicant that has been assisted through Government Grant Facilities available with other Government Ministries in the year of NDP application;
- x. Proposals that are for the purchase or maintenance of second fixed asset; and
- xi. Funding high risk equipment such as generic motor vehicles.

Exceptions to the above 4.0 Types of Projects Eligible for Funding, 5.0 Criteria of Funding and 6.0 Exclusions can be made on a case by case basis subject to recommendation by the NDP Committee and approval of the Permanent Secretary.

7.0 GENERAL PROCEDURES

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

- i. Internal assessment and selected site visitations will be carried out either by NDP Secretariat;
- ii. Scrutiny by the NDP Committee which comprises of relevant Government and private sector agencies;
- iii. Approved projects are presented with an Offer Letter to complete processing with the respective financial institutions;
- iv. Submission of recommendations to the Ministry for final clearance;
- v. Signing of Memorandum of Agreement (MOA)
- vi. Disbursement of Grant funding; and
- vii. Monitoring of projects as per monitoring and evaluation plan.

8.0 SUBMISSIONS

8.1 Those businesses interested in applying are strongly encouraged to submit proposals and necessary requirements to Ministry's Office in Vanua Levu and completing either:

- i. the online application form available on (<https://ee.kobotoolbox.org/x/XtlLPSUo>); or
- ii. the printable application form available on ([NDP Application Form \(mcttt.gov.fj\)](https://mcttt.gov.fj)).

- 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, youths and persons with disabilities to apply.
- 8.4 The Ministry will prioritise projects that can clearly demonstrate that they 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 ASSESSMENT OF APPLICATIONS

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

10.0 NDP COMMITTEE

- 10.1 The chairperson of the NDP committee will be the Permanent Secretary.
- 10.2 The Committee Members will comprise representatives from the Ministry, statutory and independent agencies that are relevant to NDP applications received.
- 10.3 Additional members may be co-opted as and when the need arises.
- 10.4 The NDP Committee members will be invited by the NDP Committee Chairperson.
- 10.5 The quorum for any NDP committee meeting shall be general rule of thumb; 50% plus one. The same rule of thumb shall be for the decisions and approvals of the NDP committee.
- 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 NDP flying minute shall be general rule of thumb; 50% plus one.

11.0 MONITORING MECHANISMS

- 11.1 The NDP programme will be monitored to verify performance and ensure compliance in honouring recipients commitments stipulated in the MOA signed with the Ministry.
- 11.2 All purchases are to be closely monitored and tracked. Records are to be kept of all deliveries and operating expenditures.
- 11.3 The Ministry is responsible to monitor the NDP recipients as per the Monitoring and Evaluation Plan and will be submitted to the Permanent Secretary.

12.0 MEMORANDUM OF AGREEMENT

- 12.1 The NDP 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 stipulated in the Grant Agreement, and shall not sell, mortgage, transfer, lease or dispose of the Goods or otherwise create a Security Interest in the Goods without the prior written consent of the Government.
- 12.4 Should the Grant Recipient fail to punctually perform any of its obligations 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.

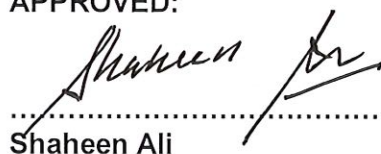
13.0 POLICY REVIEW

- 13.1 This policy can be reviewed every 2 years effective date of approval of the Permanent Secretary 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, Small and Medium Enterprises and Communications

10 August 2023
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Date