



**GOVERNMENT OF THE
VIRGIN ISLANDS**

Ministry of Financial Services, Labour
and Trade

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**MICRO, SMALL, MEDIUM ENTERPRISE
GRANT PROGRAMME POLICY
AND ADMINISTRATION GUIDE**

Empowering Local Enterprises, Enriching Our Economy

Version History

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Background

The Virgin Islands boasts a vibrant economy fuelled by tourism, financial services, and the resilience and innovation of its local entrepreneurs. Micro, small, and medium enterprises (MSMEs) are the lifeblood of the Virgin Islands' economic success. These businesses drive innovation, create jobs, and propel overall growth. However, recent events have highlighted the unique challenges faced MSMEs in the Virgin Islands. Natural disasters, economic disruptions, and the COVID-19 pandemic have underscored the vulnerability of these businesses. Like many Small Island Developing States (SIDS), the territory faces unique challenges in nurturing a robust and sustainable MSME sector.

Recognising this vulnerability and the limitations faced by MSMEs, the Government of the Virgin Islands is committed to empowering this vital sector. To help address the hurdles and constraints often encountered by MSMEs, and unlock their full potential, the Ministry of Financial Services, Labour and Trade (MFSLT) has revitalised the National Business Bureau (NBB) within the Department of Trade, Investment Promotion and Consumer Affairs.

Through the NBB, the Ministry intends to offer a well-rounded suite of programmes designed to empower MSMEs, including financial support and capacity building.

- **Financial Support:** The MSME Grant Programme seeks to provide direct financial assistance to eligible MSMEs to help them overcome financial barriers and invest in their growth and expansion initiatives. Grants will be awarded based on a competitive selection process, with priority given to businesses that demonstrate innovation, sustainability, and potential for job creation.
- **Capacity Building:** Recognizing the importance of skills development and capacity building for MSMEs, the programme will offer training workshops, mentorship programmes, and technical assistance to enhance the management, marketing, financial literacy, and operational efficiency of participating businesses. These capacity-building initiatives aim to equip MSMEs with the knowledge and tools needed to navigate challenges, seize opportunities, and achieve long-term success.

Collaboration and partnership between government agencies, private sector organizations, civil society groups, academia, and international development partners are integral to the success of the programme. By leveraging the expertise, resources, and networks of diverse stakeholders, the NBB aims to maximize its impact and reach a wider range of MSMEs across the Virgin Islands.

Aligned with government priorities for economic expansion and local business ownership, the Ministry of Financial Services, Labour and Trade seeks to unlock the full potential of the MSME sector, fostering innovation, and building a more resilient and sustainable economy for the future.

1.0 Introduction

Small island economies like the Virgin Islands face unique challenges for their Micro, Small, and Medium Enterprises (MSME). These businesses often struggle to access financing and adopt new technologies. Recognizing the critical role MSMEs play in driving economic growth and fostering innovation, an MSME grant programme in the Virgin Islands is not just beneficial, it's essential to address these hurdles and empower this crucial sector.

Access to finance remains a significant obstacle for many MSMEs, especially those operating in sectors considered high-risk by traditional lenders. Grants can bridge this gap by providing much-needed capital for expansion, technology upgrades, and product development. Moreover, grant programmes can be structured to encourage private sector investment. By leveraging public funds, grants can attract additional financing from banks and investors, maximizing the overall impact on the MSME sector.

Furthermore, the grant programme can facilitate the transition to a more resilient and environmentally sustainable economy by supporting MSMEs in emerging sectors such as renewable energy and sustainable tourism. Additionally, targeted grants can encourage MSMEs to innovate and embrace digital transformation, positioning them to compete effectively in the global marketplace and seize new opportunities arising from trends like e-commerce and green technology.

By providing targeted grants to MSMEs, the government can stimulate entrepreneurship, encourage innovation, and create job opportunities, fostering economic empowerment at the grassroots level. Moreover, empowering MSMEs strengthens the resilience of the local economy.

This document outlines the Ministry of Financial Services Labour and Trade's administration of the MSME Grant Programme, delivered through the National Business Bureau in the Department of Trade, Investment Promotion and Consumer Affairs.

The Programme aligns with the *Institutional and Non-institutional Grant Framework for the British Virgin Islands* as approved by the Virgin Islands Cabinet. In the event of inconsistencies, the provisions of the overarching Grant Framework or relevant legislation takes precedence.

This is the first edition of the MSME Grant Programme Guidelines.

2.0 Programme Overview

The MSME Grant Programme aims to empower local businesses by providing financial assistance to overcome financial barriers and support growth initiatives. By investing in qualified MSMEs, the programme seeks to stimulate economic development and strengthen the Virgin Islands' business landscape.

This section provides an overview of the MSME Grant Programme, outlining the programme's objectives, eligibility criteria, and key components to ensure consistent application processing and award decisions.

2.1 Needs Assessment: Challenges Faced by MSMEs

A critical first step in establishing an effective MSME grant programme is understanding the specific needs and challenges faced by the Territory's micro, small, and medium-sized enterprises. This needs assessment identifies key areas where targeted support can have the most significant impact.

Limited Access to Financing: Traditional lenders often view MSMEs, particularly those in emerging sectors, as high-risk borrowers. This restricts access to capital needed for crucial activities like expansion, equipment upgrades, and product development.

Technology Adoption Gap: Many MSMEs lack the resources and expertise to implement new technologies. This can hinder their ability to automate processes, improve efficiency, and compete effectively in the global marketplace.

Knowledge and Skills Development: MSMEs may require training and support in areas like business management, marketing, and e-commerce to navigate the complexities of the modern business environment.

Limited Market Reach: Many MSMEs struggle to reach a wider customer base, particularly those in international markets. This limits their growth potential and restricts their contribution to the local economy.

Sustainability Challenges: Integrating sustainable practices into their operations can be a challenge for some MSMEs. The grant programme can incentivize eco-friendly practices and support the transition to a more sustainable economy.

By addressing these key needs through targeted grants and support services, the MSME programme can empower Virgin Islands businesses to thrive, contribute to economic growth, and create a more vibrant and sustainable future for the Territory.

2.2 Programme Objectives

The objectives of the MSME Grant Programme directly contribute to achieving Goal 3 of the National Sustainable Development Plan (NSDP): *The Virgin Islands has a Prosperous, Vibrant, Thriving and Internationally Competitive Economy.*

The programme aims to achieve the following strategic objectives:

- **Support Fiscal Strength and Sustainability (National Outcome #4):** By fostering the growth of MSMEs, the programme contributes to increased tax revenue and economic activity, ultimately strengthening the Virgin Islands' fiscal position.
- **Enhance the Enabling Business Environment (National Outcome #5):** Financial assistance through grants will empower MSMEs to overcome financial hurdles, allowing them to invest in essential resources, training, and technology. This creates a more supportive environment for business growth and fosters entrepreneurship.
- **Drive Economic Diversification and Global Competitiveness (National Outcome #6):** The programme encourages innovation and supports businesses in emerging sectors, contributing to a more diversified economy less reliant on traditional industries. Grants may be targeted towards specific sectors with high growth potential, enhancing the Territory's global competitiveness.
- **Promote Green and Blue Economy Practices (National Outcome #7):** The programme can incentivize MSMEs to adopt sustainable practices by offering grants for eco-friendly technologies, renewable energy solutions, or waste reduction initiatives. This fosters a green and blue economy that protects the Virgin Islands' natural environment, a cornerstone of its tourism industry.
- **Advance the Smart Nation/Digital Economy (National Outcome #8):** Grants can be used to support MSMEs in adopting digital technologies, such as e-commerce platforms or online marketing tools. This empowers them to participate more effectively in the digital economy, enhancing their efficiency and reach.

2.3 Eligibility Criteria

To ensure the MSME grant programme effectively reaches its target businesses and delivers maximum impact, we've established clear eligibility criteria. This section defines what constitutes a Micro, Small, and Medium Enterprise (MSME) within the Virgin Islands context.

MSME Classification System

This programme proposes a classification system based on two primary criteria:

Employee Count: Total number of employees.

Annual Turnover: Total revenue generated in a financial year.

Weighting: Both employee count and annual turnover will be considered. However, significant strength in one area can offset a lower number in the other. Businesses exceeding a specific threshold in either category may qualify for a higher classification band, even if they don't meet the threshold in both areas.

Classification Bands:

Micro Enterprises:

- Employee Count: 1-5
- Annual Turnover: Up to \$100,000

Small Enterprises:

- Employee Count: 6-10
- Annual Turnover: \$100,001 to \$250,000

Medium Enterprises:

- Employee Count: 11-20
- Annual Turnover: \$250,001 to \$500,000

To ensure the system remains relevant and effective, it will be reviewed bi-annually. This review will consider factors such as economic changes, inflation, and sectoral growth trends. Additionally, regular engagement with the business community and industry associations will provide valuable insights to inform these updates.

Business Requirements

To participate in the programme, businesses must meet the following criteria:

1. **Local Ownership:** Be wholly-owned by Belonger(s) (residing in the Territory for at least 3 continuous years).

2. **Registration and Compliance:** Be registered in the Virgin Islands and hold a valid trade license with up-to-date payments.

Existing Businesses (First Round):

In addition to the above, existing businesses applying for the first round of funding must have been operational for at least one year.

Business Size Limitation (First Round):

Micro and small businesses as defined by the MFSLT classification bands, will be prioritized in the first round of funding.

Startups and New Businesses (Future Rounds):

Future rounds of funding may be open to startups, new businesses, and medium-sized enterprises.

2.4 Conditions for Grant Use

Grants awarded under this programme may only be used for the following allowable expenses:

Capital Expenditures: Purchase of essential equipment necessary for business operations (e.g., machinery, tools, technology).

Inventory Management: Replenishing or expanding inventory of raw materials or finished goods directly related to business operations, to meet customer demand and support growth initiatives.

Marketing and Sales Support: Funding for marketing and export development activities, such as website development, advertising campaigns, trade show participation, translation services, or market research.

Employee Development: Costs associated with training and skills development programmes for employees, enhancing their capabilities and contributing to improved productivity.

Technology and software: Funding for essential software (including FinTech), licenses or subscriptions needed for business operations.

Professional fees: This could cover fees for consultants or specialists required for specific projects funded by the grant.

Business certification costs: Costs associated with obtaining relevant industry certifications.

2.5 Grant Amounts and Allocation

The MSME Grant Programme features a tiered grant structure to support a diverse range of qualified MSMEs across the Virgin Islands. The first round offers grants ranging from \$1,000 to \$7,000, with a total funding pool of **\$100,000**.

Competitive Evaluation Process

Grant amounts will be determined through a competitive evaluation process that prioritizes applications demonstrating:

- **Strong Needs Justification:** A clear connection between the requested funding and the applicant's identified business needs.
- **Growth Potential:** A viable business plan demonstrating strong growth potential.
- **Economic Impact:** The applicant's project's potential to create jobs or contribute to the economic development of the Virgin Islands.

The number and size of grants awarded will consider:

- **Number of Qualified Applicants:** The total number of qualified applicants will influence how funding is distributed to support a diverse range of MSMEs.
- **Project Budget Justification:** Grants will be awarded based on the strength of the proposal and the justification for the requested funding amount in relation to the project's scope.

This competitive selection process ensures programme funds are distributed effectively to achieve the programme's overall goals.

2.6 Training and Support Services

The MSME Grant Programme recognizes that a strong foundation is essential for business success. This includes a well-defined business plan, a robust financial management system, and effective reporting practices. These tools allow businesses to track progress, measure success, and make adjustments as needed.

As part of the application process, an assessment will be made of the applicant's current business infrastructure, including their business plan and processes for tracking income, expenses, and overall financial performance.

For applicants who may lack essential business tools, the MSME Grant Programme will provide access to a range of support services delivered through the National Business Bureau. These services include training programmes, mentorship, counselling, technical assistance and networking opportunities.

3.0 Selection Process

This section outlines the competitive process used to select recipients for the MSME Grant Programme. The programme prioritizes businesses demonstrating the highest potential for success and positive impact on the Virgin Islands economy.

3.1 Application Requirements

To ensure a smooth application process, MSMEs are required to submit the following complete documentation to the National Business Bureau:

1. Grant Application Form: A fully completed copy of the official MSME Grant Programme application form.

2. Business Documentation:

- **Existing Businesses (operating at least one year):**

Business Statement: A concise business statement outlining current operations, target market, and how grant funds will drive growth and long-term sustainability.

- **Start-ups and New Businesses:**

Business Plan: A comprehensive document outlining the business concept, target market, financial projections, and a clear path to profitability.

3. Business Verification:

- **Valid Trade License:** A current copy of the business's trade license.
- **Proof of Virgin Islands Ownership:** Documentation establishing ownership by Belonger(s).
- **Police Certificates:** Criminal background checks for all business owners and directors.

4. Government Compliance:

- Good standing certificates or authorized payment plans for:
 - National Health Insurance (NHI)
 - Social Security Board (SSB)
 - Inland Revenue Department (IRD)

5. Optional Supporting Documents (where applicable):

Financial Statements: Copies of recent financial statements (revenue and expenditure reports) to demonstrate financial health. (Not required for micro enterprises.)

Evidence of Payable Accounts: Documentation such as invoices and unpaid bills to substantiate financial needs.

Frequency of Applications: Businesses are eligible to receive only one grant within a 12-month period under this programme. The 12-month period begins on the date of the first grant award. Subsequent grant applications within this period will be deemed ineligible.

3.2 Review and Selection Process

The National Business Bureau will conduct a preliminary review of all applications and supporting documents. This review includes:

- **Eligibility Verification:** Ensuring applications meet all established eligibility criteria, including business ownership type and compliance with statutory obligations.
- **Compliance Check:** Confirming the validity of information provided regarding compliance with relevant government bodies (NHI, SSB, IRD).

Following this initial screening, eligible applications will be presented to the Committee for further evaluation. This evaluation process may involve interviews with applicants to gain a deeper understanding of their business needs and goals.

3.2.1 Selection Criteria

To ensure the MSME Grant Programme awards funding to businesses with the greatest potential for success and positive impact, a competitive selection process will be conducted based on clearly defined criteria. These criteria prioritize businesses that demonstrate:

Strong Business Viability: A solid track record and financial foundation for future growth.

Alignment with Programme Goals: A clear understanding of the programme's objectives and a project proposal that directly contributes to achieving those goals.

Meaningful Impact: The potential to create jobs, stimulate economic activity, and contribute to the Virgin Islands' development.

Responsible Use of Funds: A well-defined budget and a plan for using grant funds effectively.

3.2.2 Evaluation Weighting

Applications will be assessed based on several key factors; each assigned a weight to reflect its importance. While detailed documentation is encouraged, clear and concise explanations are sufficient.

Business Viability and Capacity (Weight: 20%)

- **Experience and Capability:** Demonstrated experience and knowledge relevant to the business's operations.
- **Financial Planning:** A clear and realistic explanation of how the grant will be used and its impact on the business's future success.

Project Impact and Sustainability (Weight: 25%)

- **Outcomes:** A description of the expected benefits of the project for the business and the community (e.g., job creation, increased sales).
- **Sustainability Plan:** A basic explanation of how the business plans to continue operating successfully after the grant period.

Cost-Effectiveness (Weight: 25%)

- **Budget Breakdown:** A simple breakdown of the requested grant amount and how it will be used.

Alignment with Programme Objectives (Weight: 30%)

- **Project Description:** A clear explanation of the proposed project and how it aligns with the programme's goals (refer to the Goals and Objectives section). This may include job creation, increased revenue, or improved practices.
- **Classification Tier:** The applicant's classification tier (Tier 1, Tier 2, or Tier 3) based on their growth potential and financial need (refer to section 3.2.3).

Additional Considerations

Up to five (5) additional points may be awarded in each of the following categories:

- **Sister Islands Operation:** Businesses operating on the Sister Islands will receive additional consideration to promote balanced economic development throughout the Virgin Islands.
- **Environmentally Friendly Practices:** Businesses demonstrating a commitment to environmental sustainability will be looked upon favourably.
- **Innovation:** Businesses demonstrating innovative approaches, unique products, or services will be given additional consideration.

- **Youth-Owned Businesses:** Businesses owned and operated by persons under 30 years old will receive additional consideration to foster youth entrepreneurship and economic participation.

3.2.3 Classification Tiers for Programme Goal Alignment

Applications will be evaluated within a tiered classification system, with priority given to businesses demonstrating both high growth potential and significant financial need.

Tier 1: High Potential, High Need (Priority for Grants) – 30%

- **Industry:** Businesses operating in sectors identified as critical for economic development, including:
 - Agriculture
 - Green and Blue Economy
 - Manufacturing
 - Technology
 - Tourism
 - Culture and Heritage
- **Growth Potential:** Demonstrated potential for significant job creation, increased exports, or market expansion within a defined timeframe.
- **Financial Need:** Clear evidence of a financial constraint hindering growth, such as insufficient capital for equipment purchase, marketing initiatives, or technology adoption.

Tier 2: Moderate Potential, Moderate Need (Eligible for Grants, Subject to Availability) – 15%

- **Industry:** Businesses operating in a variety of sectors, demonstrating potential for growth and contribution to the economy.
- **Growth Potential:** Shows potential for moderate job creation, increased revenue, or market expansion within a defined timeframe.
- **Financial Need:** Proven financial need for grant support to achieve growth objectives, but the need may not be as critical as Tier 1.

Tier 3: Low Potential, Low Need (Generally Not Eligible for Grants) – 0%

- **Industry:** Businesses in any sector with limited growth potential or those not aligned with economic development priorities.
- **Growth Potential:** Limited potential for job creation, revenue growth, or market expansion within a defined timeframe.

- **Financial Need:** Minimal or no demonstrable need for financial assistance to sustain or achieve growth objectives.

3.3 Selection Committee

To oversee the evaluation and selection process, a Selection Committee will be established, adhering to the guidelines outlined in the "Protocol for the Appointment and Removal of Statutory Board Members." This Committee will serve a term of one to two years and consist of three to five individuals representing diverse stakeholder groups, including:

- A senior staff member from the Department of Trade, Investment Promotion and Consumer Affairs.
- Representatives from the local business community, such as the Banking Association, BVI Chamber of Commerce, and private businesses.
- Members from the broader community (optional).

3.3.1 Committee Functions

The Selection Committee will leverage the combined experience and expertise of its members to fulfil the following critical functions:

- **Review grant applications:** This ensures a thorough evaluation of each proposal against programme criteria.
- **Conduct interviews with shortlisted applicants (optional):** Interviews can provide deeper insights into the viability of business proposals.
- **Select grant recipients:** The committee will make informed decisions on which businesses will receive funding.
- **Determine grant distribution amounts:** This involves allocating grant funds based on established criteria and the specific needs of each recipient.

3.3.2 Conflict of Interest

No member of the committee, nor any staff member of the Department of Trade, Investment Promotion and Consumer Affairs (the Department), shall directly or indirectly receive any benefit from his/her position that could create a conflict of interest.

Definition of Conflict of Interest

A member of the Committee or staff member of the Department is considered to be in a "conflict of interest" whenever they themselves, or members of their family, business partners, or close personal associates, **may** personally benefit **either directly or indirectly** from their position.

A conflict of interest may be "real," "potential," or "perceived"; the same duty to disclose applies to each.

Full disclosure in itself does not remove a conflict of interest.

Principles for Dealing with Conflict of Interest

Disclosure: The member or staff member must openly disclose a potential, real, or perceived conflict of interest **as soon as the issue arises** and before the committee addresses an application.

Uncertainty: If the member or staff member is unsure about a potential conflict, they should bring the matter to the Chairman of the Committee or their supervisor within the Department for advice and guidance.

Determination of Conflict: If there is any question or doubt about the existence of a real or perceived conflict, the Committee will determine by vote if a conflict exists. The person potentially in conflict shall be absent from the discussion and vote.

Responsibility to Raise Concerns: Other members or staff who are aware of a potential conflict of interest on the part of a colleague have a responsibility to raise the issue for clarification, first with the member or staff member and, if still unresolved, with the Chairman or supervisor, respectively.

Abstention and Recusal: The member or staff member in a conflict situation must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter, and unless otherwise decided by the Committee or supervisor, must leave the meeting room for the duration of any such discussion or vote.

Documentation: The disclosure and decision on whether a conflict exists shall be recorded in the meeting minutes or departmental file, as appropriate. The time the person left and returned to the meeting or resumed their duties should also be documented.

4.0 Grant Award and Management

4.1 Notification of Grant Application Decisions

The MSME Grant Programme is committed to transparent communication with all applicants. Applicants will be informed about the outcome of their application as follows:

Award Notification:

Successful applicants will be notified in writing by the Selection Committee. The notification will detail the awarded grant amount, along with any specific terms and conditions attached to the funding. It will also outline the next steps for accepting the grant and initiating the disbursement process (refer to section 4.3 for details).

Unsuccessful Applications:

Applicants who are not awarded a grant will also be notified in writing by the Selection Committee. The notification will inform the applicant of the decision and may provide a brief explanation (e.g., not meeting eligibility criteria, limited funding available).

Unsuccessful applicants will be directed to the Application Reconsideration Process outlined in section 4.2.

Communication Timeline:

Applicants can expect to receive notification of the decision within six weeks of the application deadline.

4.2 Application Reconsideration Process

Unsuccessful applicants who wish to inquire about the decision made on their application may submit a written request for reconsideration.

The request for reconsideration must be addressed to the Permanent Secretary of the Ministry responsible for trade. The written request must be received by the Ministry within 14 days of the applicant's receipt of the initial decision notification.

The Selection Committee will review the request for reconsideration along with the applicant's original application and respond to the applicant in writing within 14 days of receiving the reconsideration request.

4.3 Disbursement Process

The MSME Grant Programme is primarily funded by allocations designated for the MSME sector within the annual government budget. Additional funding may also be secured from international development partners, donors, or other reputable external sources. Regardless of the funding source, all funds will be managed according to the corresponding financial regulations to ensure transparency and accountability. The programme prioritizes the timely delivery of funds to recipients through a clear and efficient process. This process adheres to Cabinet-approved policy guidelines and financial regulations.

Upon grant award notification, successful applicants will proceed through the following steps to receive funding:

4.3.1 Grant Agreement and Acceptance

Successful applicants will receive a formal grant agreement outlining the terms and conditions of the award. This standardized agreement defines key components to ensure a clear understanding of expectations for both the programme and the recipient.

Key Components of the Grant Agreement:

Grant Amount and Purpose: A clear description of the awarded grant amount and its intended use to achieve the applicant's project goals.

Payment Schedule and Disbursement Conditions: The agreement will outline the timeframe for grant disbursement, including any conditions that need to be met before each payment is released.

Performance Expectations with Measurable Indicators: The agreement will specify the expected performance outcomes of the project, along with measurable indicators that will be used to track progress towards achieving those goals.

Reporting Requirements with Clear Timelines: The agreement will detail the types of reports required (financial and progress reports) and the deadlines for submitting them.

Monitoring and Evaluation Procedures: The agreement will outline the programme's monitoring and evaluation procedures to assess the project's impact and ensure compliance with the terms of the grant.

Signing and Returning the Agreement

To accept the grant, successful applicants will be required to sign and return a copy of the standardized grant agreement.

This approach ensures consistency and transparency in the grant award process, while also establishing clear expectations for both the programme and the grant recipient.

4.3.2 Disbursement of Funds

Once the signed grant agreement is received, the Ministry of Financial Services, Labour and Trade will initiate the disbursement process to deliver the awarded funds to the recipient.

Disbursement Method: The programme will work with recipients to determine the most efficient and secure method for receiving funds. This may involve options such as direct bank transfer or check, based on programme guidelines and recipient preference.

Payment Schedule: The disbursement schedule will be clearly outlined in the grant agreement. Payments may be made in full upfront for projects with a short timeframe or specific equipment purchases. Alternatively, disbursements may be made in instalments tied to achieving specific project milestones, as outlined in the approved project plan and budget. This instalment approach helps ensure funds are used as intended and project progress aligns with expectations.

Transparency and Communication

The MSME Grant Programme is committed to clear communication with grant recipients throughout the disbursement process. Recipients will be informed of the chosen disbursement method, payment schedule, and any required documentation for each instalment (if applicable).

4.3.3 Financial Management Standards

To ensure responsible use of grant funds and programme transparency, the MSME Grant Programme requires recipients to adhere to high financial management standards. This involves maintaining accurate and up-to-date financial records for all grant-related transactions.

Grant recipients must maintain a comprehensive and current record-keeping system for all financial transactions related to the grant. This includes invoices, receipts, payroll records, and any other relevant documentation.

These records should be well-organized, easily accessible, and maintained for a specified period (as outlined in the grant agreement) to facilitate audits and programme monitoring.

5.0 Grant Reporting and Accountability

5.1 Grant Recipient Responsibilities

Grant recipients are required to provide clear documentation to demonstrate that grant funds were spent on approved activities. This includes copies of invoices, receipts, payroll records, and any other relevant documents supporting expenditures. Additionally, grantees may be required to submit photos of equipment purchased with grant funds, contracts for services obtained through the grant, or attendance records for training programmes funded by the grant.

The programme encourages the inclusion of quantifiable data whenever possible to measure the impact of the grant on the business. This could include increases in sales or revenue, the number of new jobs created, or the number of new customers acquired. Qualitative data is also valuable. Grantees can describe improvements in business processes, increased customer satisfaction, or enhanced skills and knowledge of their employees.

The specific deadlines and format for submitting reports will be clearly outlined in the grant agreement. The programme will offer flexible options to accommodate grantees' needs, potentially including online forms, downloadable templates, or a combination of both.

Timely and accurate reporting is crucial for several reasons. It ensures transparency and accountability in the use of grant funds, strengthening the programme for future applicants. Reports also allow grantees to showcase the positive outcomes achieved with the grant funding. Furthermore, the data collected helps the programme evaluate its effectiveness and make improvements to benefit future grant recipients and potentially attract additional investment.

5.2 National Business Bureau's Role in Data Collection

A central repository of data on programme recipients will be instrumental in understanding the needs of assisted businesses. This database will track the types of businesses receiving support and the specific assistance provided. By analysing this information, we can effectively shape future economic assistance policies and optimize the use of taxpayer funds.

To ensure transparency and accountability, the NBB will generate comprehensive quarterly reports on programme performance and grant distribution. These reports will be submitted to the Ministry for review and inform the development of future initiatives.

5.3 Programme Audit

To ensure the continued effectiveness and responsible use of grant funds, the programme will undergo periodic audits conducted by the Internal Auditor. This audit will extend beyond a simple financial review, delving into the programme's efficiency, effectiveness, and overall impact.

By taking a comprehensive approach, the internal audit will identify areas for improvement, potential gaps in programme design, and opportunities to optimise resource allocation. This valuable information will be used to refine the programme, ensuring it delivers the greatest possible impact for participating businesses and the overall Virgin Islands economy.

5.4 Communication Strategy

The MSME Grant Programme is committed to open communication with all stakeholders throughout the programme cycle. This includes not only successful applicants but also those whose applications were not chosen for funding.

Transparent Communication Channels

The programme will utilize a variety of communication channels to ensure accessibility and keep stakeholders informed. This may include:

- Publication of programme updates and resources on the government's website.
- Informative press releases and media announcements.
- Social media platforms to share programme updates and success stories.
- Workshops and information sessions to provide programme information and answer questions.

Communication for All Stakeholders

- **Successful Applicants:** Recipients will receive ongoing communication regarding reporting requirements, grant disbursement procedures, and programme support services.
- **Unsuccessful Applicants:** The programme will provide feedback (where possible) and guidance on potential areas for improvement in future applications. Additionally, unsuccessful applicants will be informed about upcoming programme opportunities and eligibility requirements.
- **General Public:** Periodic updates will be shared on the Programme's achievements, lessons learned, and the overall impact on the Virgin Islands' economic development.

6.0 Risk Management

The MSME Grant Programme acknowledges the potential for risks to impede programme objectives. A proactive risk management approach will be implemented, encompassing risk identification, assessment, and mitigation. To safeguard resources, optimize fund utilization, and maximize programme impact, the following risk mitigation strategies will be employed:

Risk Category	Specific Risk	Likelihood (H/M/L)	Impact (H/M/L)	Mitigation Strategies
Economic	Economic Downturn	M	H	<ul style="list-style-type: none"> • Diversify funding sources (public and private) • Prioritize sectors less vulnerable to economic fluctuations.
Environmental	Natural Disasters	M	H	<ul style="list-style-type: none"> • Require disaster preparedness plans as part of large grant applications. • Establish a disaster relief fund for affected businesses.
Operational	Fraud and Misuse of Funds	L	H	<ul style="list-style-type: none"> • Implement robust financial controls and audits. • Require detailed expense reports and receipts. • Conduct random checks and site visits.
	Operational Inefficiencies	M	M	<ul style="list-style-type: none"> • Streamline application and disbursement processes. • Invest in staff training and technology upgrades. • Regularly review and optimize workflows.
Grant-Specific	Insufficient Grant Amount	H	M	<ul style="list-style-type: none"> • Conduct thorough needs assessments before awarding grants. • Offer technical assistance to help businesses optimize grant use. • Consider offering matching grants to leverage additional funds.
	Poor Project Implementation	M	M	<ul style="list-style-type: none"> • Require detailed project plans and timelines. • Provide ongoing monitoring and support to grant recipients. • Offer training and resources on project management best practices.
	Lack of Measurable Impact	L	L	<ul style="list-style-type: none"> • Establish clear performance indicators for each grant. • Require regular progress reports and evaluations. • Use data to inform future grant making decisions.

7.0 Monitoring, Evaluation and Learning

The National Business Bureau, in collaboration with the Selection Committee, will implement a comprehensive Monitoring, Evaluation, and Learning (MEL) process. This process serves three key functions: assessing programme effectiveness, guiding continuous improvement, and informing future policy interventions for the MSME sector.

7.1 Monitoring Activities

The NBB will undertake the following monitoring activities:

- **Tracking Grant Disbursement and Activity:** Monitor the disbursement of grant funds and ensure their use aligns with approved budgets. This involves collecting receipts, invoices, and progress reports from grant recipients.
- **Tracking Key Performance Indicators (KPIs):** Establish and track KPIs to gauge programme performance and impact. These measures will provide valuable insights for informing future policy interventions aimed at supporting MSMEs.

The table below outlines both output and outcome indicators that may be used:

OUTPUT INDICATORS	OUTCOME INDICATORS
Number of grant applications received	Number of jobs created or retained by grant recipients
Number of grants awarded	Increase in revenue for grant recipients
Amount of grant funding disbursed	Expansion into new markets or product lines by grant recipients
Number of businesses receiving grants by sector and business type	Level of innovation fostered within recipient businesses
\$ value granted by business	Proportion of businesses receiving grants still operational after six (6) months
\$ value expenditure of funds by business and by expenditure category	Percentage increase in revenue for businesses receiving grants.
	Percentage of grant recipients satisfied with the MSME Grant Programme.

7.2 Evaluation Activities

Periodic Reviews: The NBB, in collaboration with the Committee, will conduct periodic reviews to assess the programme's effectiveness in achieving its goals. These reviews may be internal or external (conducted by independent experts).

Impact Assessment: The NBB will evaluate the programme's long-term impact on the MSME sector and the broader Virgin Islands economy. This will involve analysing data on job creation, business growth, and overall economic activity.

Stakeholder Feedback: The NBB and the Committee will regularly seek feedback from stakeholders, including grant recipients, industry experts, and government agencies. This feedback will be used to identify areas for improvement and ensure the programme stays relevant to MSME needs.

A robust Monitoring, Evaluation, and Learning (MEL) process will allow the MSME Grant Programme to continuously refine its approach, maximising its impact and significantly contributing to a thriving MSME sector in the Virgin Islands. The learnings and data collected will also inform future policy decisions aimed at supporting the Territory's business sector.

To ensure transparency throughout the process, the MEL framework along with key findings will be clearly communicated to grant recipients and the public.

8.0 Conclusion

The MSME Grant Programme represents a cornerstone initiative within our comprehensive strategy to nurture and empower the Virgin Islands' micro, small, and medium-sized enterprises. This programme, built on transparency, accessibility, and a commitment to long-term success, goes beyond simply providing financial aid. It fosters a supportive ecosystem through ongoing mentorship, targeted training, technical advice and support, and valuable networking opportunities.

However, we must acknowledge the reality of our fluctuating economy. The Virgin Islands' MSMEs are especially vulnerable due to our reliance on tourism and the constant threat of natural disasters. To ensure their continued success, we must prepare for potential economic downturns and identify growth opportunities that go beyond traditional sectors. As such, sustained government intervention may be required over the medium and long term to provide economic support and stimulation for the MSME sector.

Through rigorous monitoring and evaluation, we will ensure the programme's effectiveness in achieving its core objectives. The data collected will inform continuous improvement, allowing us to tailor the programme to best serve the evolving needs of our vibrant MSME sector in a dynamic economic environment.

By investing in our MSMEs, we are not just supporting individual businesses; we are laying the foundation for a thriving and resilient economic landscape. A robust MSME sector will fuel job creation, innovation, and broader prosperity for the Virgin Islands. We are confident that this programme, coupled with our unwavering commitment to MSME development, will serve as a catalyst for innovation, job creation, and a more diversified and resilient Virgin Islands economy.



MSME Grant Programme Application Form (First Round)

Eligibility Verification:

- *Wholly-owned by Belonger(s) (residing for at least 3 years) - Yes/No*
- Registered in the Virgin Islands with a valid trade license, with all payments up to date (Yes/No)
- In operation for at least one year (Yes/No)
- Have 20 employees or less (full-time equivalent) (Yes/No with a space to enter the number of employees)
- Have annual gross revenue that does not exceed \$250,000 (Yes/No with a space to enter the annual gross revenue)

Please note: You will be required to submit documentation verifying your business registration, trade license payments, number of employees, annual turnover, and total asset value during the application process.

Applicant Information

1. Administrative Details

- **Legal Name of the Business:**
- **Type of Organisation:** (e.g., Sole Proprietorship, Limited Liability Company, Non-Profit Organisation)
- **Trade License Number:**
- **Head Office Physical Address:**
- **Postal Address:**
- **Contact Information:**
 - Name of Owner(s):
 - Nationality of Owner(s):

- Name and Position of Authorised Representative (if applicable):
- Phone Number:
- Email Address:
- Website address (URL):
- **Primary Sector:** (e.g., Tourism, Retail, Manufacturing)
- **Islands of Operation:** (Select all that apply)
 - Tortola
 - Virgin Gorda
 - Anegada
 - Jost Van Dyke
 - Other (Please Specify)

2. Business Profile and Grant Impact *(see the attached guidance notes)*.

- Provide a concise overview of your business operations, including the products or services you offer and your target market. Following this, explain how you plan to utilize the grant funding if awarded, specifically highlighting how it will directly contribute to the growth and sustainability of your business.
- Quantify the impact whenever possible (e.g., increased sales, new jobs created, improved efficiency).

3. Funding Request and Allowable Expenses

- **Total Grant Request:**
- **Detailed Budget Breakdown:**
 - Clearly outline how you plan to use the grant funding, specifying which allowable expense category (listed below) each item falls under.
 - Provide a detailed breakdown for each expense category (e.g., amount for specific equipment under Capital Expenditures, amount for specific software under Technology and Software).
 - Attach additional sheets if necessary.

Allowable Expenses:

- **Capital Expenditures:**
 - Purchase of essential equipment necessary for business operations (e.g., machinery, tools, technology). **(Please specify type and quantity of equipment)**
- **Inventory Management:**

- Replenishing or expanding inventory of raw materials or finished goods directly related to business operations, to meet customer demand and support growth initiatives. **(Please specify type and quantity of inventory items)**
- **Marketing and Sales Support:**
 - Funding for marketing and export development activities **(Please specify activities, e.g., website development, advertising campaign, trade show participation)**.
- **Employee Development:**
 - Costs associated with training and skills development programmes for employees **(Please specify type of training and number of employees)**.
- **Technology and Software:**
 - Funding for essential software (including FinTech), licenses or subscriptions needed for business operations **(Please specify software name and purpose)**.
- **Professional Fees:**
 - Costs associated with consultants or specialists required for specific projects funded by the grant **(Please specify type of consultant/specialist and project details)**.
- **Business Certification Costs:**
 - Costs associated with obtaining relevant industry certifications **(Please specify certification type)**.

4. Verification Documents

Please attach the following verification documents:

- Proof of nationality and length of residence.
- Police Certificate(s)
- Trade License
- Company Incorporation Certificate (if applicable)
- Financial Documents (e.g. bank statements, financial statements, business plan, financial projections)
- Payroll Records (verifying number of employees)
- Good standing certificate or authorised payment plan from NHI
- Good standing certificate or authorised payment plan from SSB
- Good standing certificate or authorised payment plan from the Inland Revenue Department

6. Supporting Documents

Please attach any additional documents that support your application, such as:

- Vendor quotations or cost estimates.
- Resumes of key personnel involved in the project
- Letters of support from partners or collaborators

7. Certification

By submitting this application, I/we certify that all information provided is true and accurate to the best of my/our knowledge. I/we understand that the selection process considers the information provided in this application according to the MSME Grant Programme guidelines, with a focus on allowable expenses.

Signature:

Date:

Please submit your completed application form and any supporting documents to bvitrade@gov.vg by **30 September 2024**.

MSME Grant Programme Application

Guidance Notes for Business Profile and Grant Utilisation Overview (section 2)

1. Operations and Grant Utilization

In 250 words (or less), please provide an overview of your business operations, including the products or services you offer and your target market. Following this, describe how you plan to utilize the grant funding if awarded. Clearly specify which allowable expense categories (listed in Section 3) the funds will be directed towards and how these expenses directly support your operational growth.

Example:

- Our company, [Business Name], specialises in handcrafted [products] made from locally sourced materials. We primarily cater to tourists and eco-conscious consumers.
- If awarded the grant, we plan to utilise the funding for [Allowable Expense Category 1] (e.g., purchase of new equipment) and [Allowable Expense Category 2] (e.g., marketing and sales support). The new equipment will allow us to increase production capacity and meet growing demand, while the marketing funds will be used to expand our online presence and reach a wider audience.

2. Sustainability and Job Creation

(Optional)

- If your business prioritises environmentally friendly practices and sustainability, highlight your efforts here.
- Briefly explain how your business contributes to job creation within the Virgin Islands.

Example:

- [Business Name] is committed to environmental sustainability. We utilise recycled materials in our production process and minimise our carbon footprint through [specific practices].
- Currently, we employ [Number] full-time employees and anticipate creating [Number] additional jobs with the anticipated growth supported by the grant.

3. Innovation or Unique Offering

(Optional)

- If your business offers a unique product or service, or demonstrates innovation in your industry, showcase this aspect.

Example:

- [Business Name] is a pioneer in [industry] by offering [unique product/service]. This innovative approach allows us to [explain the benefit of your innovation].

4. Post-Grant Sustainability

In 250 words (or less), describe your strategies for ensuring the continued success of your business beyond the grant period. Explain how the grant funding will contribute to your long-term growth and financial stability.

Example (introduction):

- By utilising the grant funding to invest in [equipment/marketing/etc.], we aim to achieve [specific growth target] within the next [timeframe]. This expansion will allow us to generate additional revenue and become self-sufficient after the grant period.