



Office of the Vice President
Autonomous Bougainville Government
Member for Halia Constituency and Minister for Commerce, Trade and Economic
Development

CONSTITUENCY ECONOMIC DEVELOPMENT PROGRAM

IMPLEMENTATION POLICY GUIDELINE

1. INTRODUCTION

In alignment with ABGs Independence ready plans, the Ministry and Department of Commerce, Trade and Economic Development will be rolling out the Constituency Economic Development Program, worth at K8.8 million by June 2022 as per the BEC decision No.148 of 2021 (24.11.2021).

The Constituency Economic Development Program is aimed at providing an incentive for constituency driven economic projects, through established business arms of our local institutions that already have a role in mobilizing and coordinating development activities for our community and specific target groups.

The Members of the House of Representatives (MHR), in partnership with their respective Community Government (CGs) will be responsible for ensuring that the support of K200,00.00 to the business arms of CGs is received and invested in sound business ventures.

2. PURPOSE OF THE POLICY GUIDELINE

Whilst this program is an opportunity to support our local institutions improve their ability to raise their own internal revenue and practice self-reliance, through their business ventures and engagement with the 98% subsistence farmers, their business ventures

have a huge potential to contribute to the growth of primary industries, and other economic activities in Bougainville and ultimately improve the economic environment. It is therefore imperative, that government investment funds, are expended responsibly to ensure returns in the medium to long term.

This policy guideline therefore, has been drafted with the objective to guide the Members of the House of Representatives (MHR), and their respective Community Government (CG), in their application to not only access the K200,000.00 for their business venture proposals under the Constituency Economic Development Program, but to also ensure they are prepared to responsibly manage the investment funds and bring back returns to ABG.

The policy guideline will provide a smooth transition of funds through mechanisms which promote transparent and accountable principles. These mechanisms will frame the basis for the monitoring and evaluation of the use of the funds and the successful implementation of the business ventures in the program.

3. ELGIABILITY TO ACCESS ASSITANCE FROM CONSTIUENCY BUSINESS INVESTMENT PROGRAM.

Only CGs that have a registered business venture are eligible to access funds from the Constituency Economic Development Program.

All applications must demonstrate that consensus has been reached through their governing mechanisms and in consultation with the Member of the House of Representatives on all aspects of the business entity and proposed business activity.

The President, will be allocated K200,000.00 to support a business of the existing business arm of ABG, Bougainville Public Investment Corporation Ltd. Several business activities have already been established under the BPICL, and will be presented to the President for his consideration and awarding. (Toniva Water Bottling, Bougainville House Moni, Shares into BSP or Central etc).

4. BUSINESS NAME

Business Name of each business arm must carry the name of the constituency, CG must end with investment limited.

With Constituencies where there is more than one CG in a constituency, the name of the business arm, can also be an abbreviation of the CGs in that constituency.

5. REGISTRATION WITH INVESTMENT PROMOTION AUTHORITY (IPA) AND INTERNAL REVENUE COMMISSION (IRC)

Applicants may choose to establish a business entity, cooperative or invest their funds into an impact economic project in their constituency.

All applications must demonstrate that their entity has been registered with IPA and IRC.

6. BANK ACCOUNTS

All businesses must demonstrate that they have a business account with a commercial bank of the director's choice. Signatories of the bank account must also be made known in the application.

7. CONSTITUTION OF COMPANIES

All applications must demonstrate that their business has adopted a memorandum and articles of association (constitution) to guide its operations and decision-making process.

Other policies required for guiding the businesses operations such as financial management policies, staff policies and etc will also be develop with assistance from officers from the lead department.

8. BUSINESS CONCEPTS THAT WILL BE SUPPORTED.

With the initial steps of establishing the business entity, (Register with IPA, IRC and open a bank account), the entity must develop a Business activity Concept to access their first tranche of K50,000.00.

The group may have at least 3 business concepts that they are considering to invest into. The K50,000.00 will be earmarked to further establish the business entity, mobilize some resources and conduct some scoping and consultations for the development of a detailed Business Operations Plan on the activity eventually agreed to.

Types of business activities that will be supported include:

- a) Small scale down stream processing;
- b) Cocoa and copra buying and marketing;
- c) Food security projects like commercial poultry, hatchery and food farming, commercial fisheries and etc;
- d) Whole sale of basic store goods;

Other business proposals the project owners come up with other than the once describe above will be considered if the proposal has a high return on investment.

The remaining K150,000.00 will be made available to groups who have acquitted their K50,000.00 establishment funds, and who have further developed a thorough business plan which they wish to venture into.

These business plans plus their acquittals of their establishment fund must be submitted to the Steering Committee for vetting.

9. CAPACITY TO MANAGE BUSINESS OPERATIONS

The business ventures are required to employ professionally trained managers who have business qualification from a recognized institution. A list of capable staff for the

business ventures should be attached to the application, as evidence of capacity to manage the business operations of the business.

10. GOOD GOVERNANCE AND REPORTING ON ISSUES THAT ARISE

All businesses, must demonstrate that they have sound systems and procedures in place to manage their issues whether related to funds or other aspects of the business activity. This system should show the role of the governing body of the business entity, the manager and other staff.

MHOR, CG Members, RWF Members, and RVF Members, are discouraged from having a role in managing the funds of the business entity, however, the Business Entity has a responsibility to provide monthly reports on the operations of the business to their MHOR and Community Government executive Committees and other issues they may be facing or require the assistance to deal with.

MHOR, Community Governments Chair- persons, may report to the Minister for Commerce, Trade and Economic Development any complaints of mis-management or other issues faced in the course of implementing the program. Issues related to financial management may lead to investigations on the management of funds disbursed and a negative reputation in this regard may prevent the business entity from benefitting from future ABG economic programs including those which are in collaboration with development partners.

11. BUSINESS PERFORMANCE MONITORING

All business must make quarterly financial reports to the Department of Commerce, Trade and Economic Development. Reports will be presented the **Constituency Economic Development Program Steering Committee (CEDPSC)**, as part of the monitoring and evaluation process.

The CEDPSC will consolidate reports provided from the business entities and these shall be tabled in BEC and eventually in Parliament. In this way, all MHOR will be kept

informed on the progress of their business entities and on the program implementation in the region.

12. IMPLEMENTATION TIME LINE

Two weeks after the formal launching of the Program an initial induction/awareness will be conducted in the three (3) regions of Bougainville to all MHOR, CGs and relevant Federations.

Concluding the initial induction, the CGs and relevant Federations will conduct further awareness and inductions with their respective organizations to ensure all members are clear of the requirements of the program.

Proceeding this, all organizations must conduct formal meetings to appoint the board of directors, company secretary and a manager and establish their business entity as prescribed by this guideline.

Once all requirements are prepared, the CGs and relevant Federations can submit their applications to the CEDPSC, care of the Department of Commerce, Trade and Economic Development. A cover page and submission layout is attached to this policy guideline.

13. TRAINING ON FINANCIAL LITERACY AND ROLES AND RESPONSIBILITIES

After vetting of the applications by the CEDPSC, applications that have met all the requirements, will be informed of the approval of their business proposals and subsequent release of K50,000.00 of the funds will be effected.

Further training on the expectations of the program will be provided to groups who have succeeded with their proposals. The training will cover financial management, roles and responsibilities, monitoring and evaluation and reporting on their business activities.

14. EXTENSION SERVICES OF THE DEPARTMENT OF COMMERCE, TRADE AND ECONOMIC DEVELOPMENT IN MENTORING AND MONITORING.

The Department of Commerce, Trade and Economic Development in collaboration with other sector Departments will arrange for bi-annual extension services to all businesses benefitting from the program, after at least 4 months of operating the business. The extension service will be aimed at mentoring the groups, providing technical advice and monitoring progress of the business activities.

15. THE STRUCTURE OF THE ADMINISTRATIVE MECHANISM OF THE PROGRAM

A **Constituency Economic Development Program Steering Committee (CEDPSC)** will be established to guide the implementation of the Program. The CEDPSC will be Chaired by the Secretary of the Department of Commerce, Trade and Economic Development and will be supported by the members of the Committee, including the Ministry of Commerce, Trade and Economic Development.

The Chairman may delegate his role as chair for CEDPSC to either a Director from his Department or to a senior member of Parliamentary Services who is also a member of the committee.

16. MEMBERS OF THE CEDPSC

The committee will be comprised of the following representatives from the following Departments:

- Department of Commerce, Trade and Economic Development (Policy and SME Unit)
- Department of Community Government
- Parliamentary Services
- Department of Primary Industries and Marine Resources
- Department of Lands & Physical Planning
- Office of the Minister for Commerce, Trade and Economic Development.
- Other Department and Technical Officers will be called in from time to time to address matters relating the industries.

17. FUNCTIONS OF THE CEDPSC

The steering committee will have the following functions:

- Carry out vetting and deliberate on the applications submitted.
- Inform the Department of Finance and Treasury on successful applicants and request for the release funds for the business group.
- Approve extension services from respective Departments in response to the need to mentor, provide technical advice and monitor the business entities benefiting from the program.
- Receive and deliberate on any complaints of mis-conduct, mis-appropriation reported about the business activity in relation to the program.
- Conduct preliminary investigations on reports of mis-conduct or financial misappropriation.
- Conduct inspections of the business activities, on agreed times with the business groups.
- Escalate reports of issues encountered by the beneficiaries of the program to the Minister for Commerce, Trade and Economic Development.
- Receive and consolidate progressive reports on the implementation of the program by the different groups.
- Review the program implementation activity plan and budget.
- Prepare information paper to BEC and report to Parliament on the progress of the program.

18. COMMITTEE MEETING TIMES

The committee will meet on a monthly basis to deliberate on the applications. Quarterly meetings will be scheduled to receive reports for monitoring and evaluation.

The committee may decide to hold a meeting in other locations of AROB, apart from Buka, as a means to visit some of the business groups and conduct inspections on the progress of the business activities under the program.

19. REPORTING LINES OF THE CEDPSC

The CEDPSC is accountable to the Minister for Commerce, Trade and Economic Development.

All reports on the implementation of the program will be provided to respected Heads of Department represented in the Committee, and their respective Ministers.



ABG CONSTITUENCY ECONOMIC DEVELOPMENT PROGRAM 2022
APPLICATION
COVER PAGE

1. Name of group (CG/Regional BWF/ Regional VF):

2. Name of the Business entity:

3. Type of Business being proposed:

4. Signatures:

a. MHOR: _____

b. Community Government Chair: _____

c. Chair of Business Entity Board of Directors:

5. Date of Submission: _____

6. Common Seal of MHOR: _____

Application layout and Checklist

Please tick the boxes indicating that you have provide the following information in the following layout.

- Business Name and address
- Area of group of people representing
- Business Concept
- Justification of why this business venture is the appropriate for this CG/Federation
- Business plan for 2 – 3 years
- Business organization structure
- Break-up of K200,000.00
- Implementation Plan/Action Plan
- Attachments:
 - Copy of IPA Certificate
 - Copy of IRC Certificate
 - Bank Account Details and signatories
 - Minutes of meetings held regarding the business name, venture and selection/appointment of the board of directors for the business entity:
 - Constituency Member of House of Representatives and respective CG
 - Regional Women’s Member of House of Representatives and respective Regional Bougainville Women’s Federation.
 - Regional Ex-Combatant Member of House of Representatives and respective Regional Veterans Federation.