



## **TECHNICAL ASSISTANCE GUIDELINES**

### **1.0 OBJECTIVES**

The objectives in providing Technical Assistance are:

- (a) To ensure that the project sponsors of investee companies have the optimum production, service delivery and human resources infrastructure necessary to manage their businesses, in order to efficiently and effectively achieve maximum growth and financial returns.
- (b) To ensure that quality business advisory services are provided to investee companies.
- (c) To ensure that training is provided to personnel who will ultimately replace the Technical Assistance provider.
- (d) To assist investee companies in achieving self-sufficiency in their business operations.

### **2.0 TECHNICAL ASSISTANCE COMPONENTS**

**[Technical Assistance will not be provided for the preparation of business plans, which are to be submitted to Enterprise Growth Fund Limited for evaluation in respect of an application for funds.]**

Technical Assistance (TA) will be provided to investee companies only. It will be provided in those critical "core areas" when it is determined that the business lacks the relevant expertise. TA will not be used to fund ongoing expenditures for normal operations of the business necessary to maintain commercial viability. It will be provided to assist with developing solutions to clearly defined and unforeseen problems that occur in the functional operations of investee companies. In most instances effective solutions to such problems will be provided by use of resources external to the company.

Technical Assistance can be provided but is not limited to the following areas:

#### **① Financial**

Development and design of management information systems which would allow companies to produce financial statements, cash flow projections, and budgets, etc., in a timely, accurate and relevant basis for management decision making. Technical Assistance will not be used to fund the data entry and maintenance of accounting records.

#### **② Marketing**

Provision of marketing expertise in areas such as product development, promotion, pricing, market research, packaging, labelling, market segmentation. High priority will be given to those investee companies which are seeking Technical Assistance for expansion into export markets or to improve their competitiveness in export markets.

### **③ Production**

Provision of expertise in the production of products and delivery of services including but not limited to product design, plant layout, quality control, production scheduling, customer service, quality performance measurement/improvement and process re-engineering.

### **④ Information Technology**

Designing, implementing and maintaining management information systems or utilising technology to enhance the marketing of goods and services.

### **⑤ Technology Transfer and Training**

Provision of industry expertise when necessary. For example, the utilisation of external expertise to train and develop human resources in a specific area of specialisation, which may not be readily available locally.

As part of the development process of these companies, training will be provided by professionals in "core areas" to enhance the skill base of the company with the objective of reducing the level of Technical Assistance required and ultimately eliminating it over the short to medium term. TA will not be provided for ongoing routine human resource development or funding of development cost associated with training human resources for the start-up or expansion of a business.

TA which is used for training purposes will be allocated to provide external expertise for the training/technology transfer for specific technical and non-routine human resource development problems.

## **3.0 ELIGIBILITY CRITERIA AND GENERAL FUNDING PROVISIONS**

Applications for Technical Assistance will be evaluated by the Investment Committee of the EGFL on the basis of the following criteria:

- (a) Applications for funding for the acquisition of capital assets of the business (e.g. cars, computers, fixtures & furnishings, etc.), working capital or items that should have been included in the project cost of the business plan will not be eligible for financing from EGFL's Technical Assistance fund.
- (b) Applicants must demonstrate that the company is not in a financial position to fund the Technical Assistance from its own resources.
- (c) Applicants must be able to furnish EGFL with up-to-date financial statements and management accounts for the last financial year no later than 60 days after the financial year-end.
- (d) Applicants must illustrate in financial terms that Technical Assistance is likely to generate a financial return that significantly exceeds the cost of providing the Technical Assistance.
- (e) Applicants should be in compliance with all the terms and conditions as contained in the Shareholders' Agreements. EGFL may make exceptions in extenuating circumstances.

- (f) Technical Assistance will be funded on the basis of a contribution ratio of 80% for the account of EGFL and 20% for the account of the investee company.
- (g) The total value of Technical Assistance provided to an individual investee company shall not exceed \$70,000. A request for Technical Assistance shall not exceed \$25,000 per annum.

#### **4.0 APPLICATION PROCEDURE**

Portfolio companies should submit a proposal outline of their request for Technical Assistance to EGFL for appraisal and subsequent approval. The proposal submission should outline the need for TA and its potential benefits to the company.

The proposal may include, inter alia:

- (a) An outline of the need for Technical Assistance.
- (b) A description of potential benefits (impact on cost efficiency, profitability and financial return).
- (c) An analysis of the long term sustainability of the benefits derived from the Technical Assistance programme.
- (d) An implementation plan.
- (e) A schedule of the project cost, pricing.
- (f) Resumes and references of resources persons/ consultants and contractors to the project should demonstrate the relevant core competencies and experience to manage the execution of the project.

#### **5.0 AWARDING OF CONTRACTS**

All procurement contracts exceeding \$10,000 for the provision of goods and services in the execution of Technical Assistance to a portfolio company should be made on the basis of tenders either in response to advertisements or in response to letters of invitations to at least three qualified contractor or suppliers. The procedure for and form of solicitation must in either event be approved by EGFL.

#### **6.0 DISBURSEMENT GUIDELINES**

Provided approval has been obtained from the Investment Committee of EGFL and the underlying contracts for procurement of goods or services have been executed in accordance with the above, disbursement of funds will be made in accordance with the following guidelines:

- (a) Presentation to EGFL of pro forma invoices, certificates for payment or other documentary evidence presented by suppliers or contractors satisfactory to EGFL.
- (b) Disbursement will be made directly to the account of suppliers or contractors. Disbursement will not be made, under any circumstances, to the account or benefit of the investee company.