

**MINISTRY OF INDUSTRIAL DEVELOPMENT, SMEs AND COOPERATIVES  
(COOPERATIVES DIVISION)**

**BOOST TO LOCAL PRODUCTION SCHEME  
FOR COOPERATIVE SOCIETIES (BUDGETARY MEASURE 2020/2021)**

The Covid-19 pandemic has negatively impacted our economy and it is crucial to promote local production. The Cooperative Sector has, over its 107 years of existence, contributed considerably in local production especially agricultural products. In the wake of such pandemic, cooperatives are being encouraged through this scheme to embark in or increase the local production of agricultural produce and food items with a view to giving a boost to our economy and also assisting the country in attaining food security.

**DETAILS OF THE SCHEME**

The Scheme finances 90% of the costs of the following up to a maximum of Rs150,000 per cooperative related to local production of agricultural produce and food items:

- (a) Purchase of livestock; and
- (b) Acquisition of equipment, machineries and other related accessories.

**OBJECTIVES**

- Boosting up local production of agricultural produce and food items
- Reducing our dependency on imports
- Assisting the country in achieving food security
- Diversifying and increasing the source of income of cooperatives

**TARGET GROUP:**

The scheme targets the following cooperatives:

- (a) Cooperatives already engaged in local production of agricultural produce and food items;
- (b) New cooperatives formed for undertaking local production of agricultural produce and food items; and
- (c) Cooperatives operating in other sectors and willing to diversify into local production of agricultural produce and food items.

**ELIGIBILITY CRITERIA**

Cooperatives should:

- (i) be active and compliant to the Cooperatives Act;
- (ii) keep a proper record of its business transactions and should not be under any inquiry;
- (iii) have paid any sum due to the Cooperatives Division;
- (iv) have appropriate farm/site for the project; and
- (v) hold required permits/clearances/licences/cards for the project.

## **CONDITIONS OF THE SCHEME**

- (a) The cooperative society applying for financing should show evidence of having in its possession the remaining 10% or otherwise which it would use to finance the project;
- (b) The cooperative society applying for financing should submit copies of quotations which would be approved and paid directly to the supplier/s;
- (c) The beneficiary should make use of the “Co-op Moving Forward Together” Logo on its letterheads, signage, products and website;
- (d) All the items financed by this scheme should be in the registered name and inventory of the beneficiary;
- (e) The beneficiary should submit to the Ministry copies of receipts and all other relevant documents regarding items financed by this scheme; and
- (f) The beneficiary cooperative should ensure proper management of its farm/site.

## **OPERATION OF THE SCHEME**

- The Scheme is operated by the Ministry of Industrial Development, SMEs and Cooperatives (Cooperatives Division) and the Ministry reserves the right to cease the operation of the scheme for reasons which it may deem appropriate without having any obligation to assign any reason whatsoever.
- The Ministry will assist and guide the applicant cooperatives with respect to the scheme but the latter will be solely responsible for the implementation of its project/activity.

## **APPLICATION PROCEDURE FOR THE SCHEME**

The applicant should fill in the appropriate form and submit the following supporting documents, where applicable to the Ministry:

- A copy of Certificate of Registration of the society
- A copy of the Minutes of Proceedings of the meeting where the society has approved the following:
  - (a) the project to be undertaken by the cooperative, details of the project (description, location, cost, financing etc.) and the amount of financial assistance being sought under this scheme; and
  - (b) the relevant quotations.
- Relevant quotations and other appropriate documents
- Proof of funds of the remaining 10% or otherwise which would be used to finance the project
- A copy of Audited Financial Statements for the last two years (where applicable)