

**Implementation of Budget Proposals – 2018**

**Market Access Support Programm**

# Guidelines for Applicants

**Business Support Unit  
Information Technology Division  
Sri Lanka Export Development Board**

# **MARKET ACCESS SUPPORT PROGRAMME**

## **1.0 THE PROGRAMME**

Market Access Support Programme envisages to encourage enterprises interested in expanding the markets, modernize / upgrade products / services and production processes and increase market access to connect and compete by introducing improved value added products and services.

Effective period of the programme will be three years commencing from July 2018.

The programme will be operative under the following two categories based on: a) the quantum of assistance offered b) project / activity period;

### **Category 1**

Assistance will be up to a maximum of Rs.1.0 Mn for projects / activities to be completed within 6 months on reimbursement basis.

### **Category 2**

Assistance will be over Rs. 1.0 Mn and up to a maximum of Rs.5.0 Mn for projects / activities to be completed within 18 months. 40% of the assistance will be provided at the time of signing the agreement with the Sri Lanka Export Development Board and the balance will be provided on reimbursement basis depending on the project activities.

## **1.1 OBJECTIVES OF THE PROGRAMME**

- Improving competitiveness in the market
- Enhancing value addition
- Accessing / upgrading technology
- Improving productivity
- Conformity to international quality, environmental, and other standards
- Encouraging Sri Lankan home grown brands.

## **2.0 ELIGIBILITY CRITERIA**

Enterprises producing products or services (including providers of services as a direct input to the manufacturing process) with a local ownership (private sector) of 51% or more are eligible to apply for assistance under this programme.

### 3.0 QUALIFYING ACTIVITIES FOR ASSISTANCE

Enterprises will be assisted for activities implemented for product/ production process upgradation and increasing market access including activities for trade adjustments to be competitive in a more liberalized trading environment. Companies may also propose creative and innovative business strategies and activities to increase market access which may be considered for assistance.

#### 3.1 PRODUCT & PRODUCTION PROCESS UPGRADATION

Activity	Eligible Item
- Development of Company business plan	To obtain services of consultant/ consultancy company
- Modernization / expansion/ automation of existing plants	Acquiring machinery & equipment, technology/ accessories and obtaining services of experts/ consultants.
- Purchasing of product / machinery specific software	Cost of purchasing and installing software
- Testing and Compliance audits	Cost of product testing, implementing activities/corrective measures recommended by the compliance Auditor as per the requirement of the buyer. Product analysis for chemical, nutritional and health properties. Product analysis for Minimum Residue Levels (MRLs) and organic certification etc.
Establishment of quality systems and obtaining Certifications	Cost of quality/ system upgradation /development Audit and consultancy fees Cost of initial product quality /system certification ie ROHS, REACH, PAH, ISO 9001, ISO 50001, ISO 14001 , ISO 22000/HACCP, GAP, GMP. Organic, Halal, BRC, Kosher and any other Product specific certificates to meet international standards
- Product improvement/ product adaptation, design development/	Cost of obtaining services of experts/consultants - professional fee,

technical / market development	machinery & equipment, license fees etc
- Introduce New / improved packaging and labelling to meet international standards	To obtain services of designers, packaging & labeling material experts, acquire appropriate machinery nutrition fact labelling etc.,
- Productivity improvement	To acquire new technology/ Machinery Obtain services of consultants
- Skill development / training	Cost of training, hiring of resource personnel/ experts/ consultants
- Enhancing energy efficiency	Cost of acquisition, installation, remodeling and upgrading of existing energy saving equipment, technologies, energy audits etc.,
- Introducing green technology, Climate Smart Practices etc.	Cost of factory upgrading , acquiring machinery, accessories, software and to obtain consultants/ expert to introduce green technology
- Any other product and process development activities (specify)	Direct costs of the activity

### 3.2 INCREASE MARKET ACCESS

Activity	Eligible Item
Market Research / Surveys for assessing business opportunities or projects	Economy class air fare for travelling to markets and consultancy fees
Purchasing / accessing market intelligence	Direct cost of purchasing/accessing market intelligence
Marketing / B2B Missions	Economy class air fare for travelling to markets for one delegate of the firm
Conferences, Workshop / Seminars which provide technical / marketing and supply development knowledge	Cost of workshop / seminar and registration fees.
Inward Buyer Visits to Sri Lanka	Cost of economy class return airfare for maximum of 2 delegates of one company for direct travel to Sri Lanka and 3 night accommodation on BB basis.

Trade Fairs / Exhibitions including trade displays and Promotions	Stall cost of 9 sqm/10sqft –space, construction of stand, Rental of furniture and equipment, listing in official exhibition directory, electricity, or registration fees / Application Fee, cost of electricity, exhibition insurance, web promotion and media entry.
Promotions in international e commerce platforms	Registration fee including advertising and getting inquiries.
Promotion of company owned Sri Lankan (Indigenous) branding to enhance market revenue.	Development and promotion of own brands including consultancy fees
Obtaining space (shelves, gondolas, shops) in leading supermarkets, hyper markets etc and instore promotions.	Direct cost including rental of capturing space / shelves and in store promotions (Rental could be extended for a further period of 2 years based on the success of the operation within the first year)
Establishment of international offices, warehousing, appointing agents etc.	Direct costs of the projects including rental other than air travel and personal expenses (Rental could be extended for a further period of 2 years based on the success of the operation within the first year)
*Acquisitions of brands and companies	Direct costs of the projects other than the air travel and personal expenses.

Note : \*For acquisitions please refer schedule 1 for eligibility criteria / activities

#### 4.0 QUANTUM OF ASSISTANCE:

##### Category 1

Assistance up to a maximum of Rs.1.0 Mn for projects / activities to be completed within 6 months on reimbursement basis.

##### Category 2

Assistance over Rs. 1.0 Mn and up to Rs.5.0 Mn for projects / activities to be completed within 18 months on reimbursement basis depending on the project activities. 40% of the assistance will be provided at the time of signing the agreement with the Sri Lanka Export

Development Board and the balance will be provided on reimbursement basis depending on the project activities.

#### **4.1 GRANT MATCHING**

##### **Category 1 & 2**

- Grant of 80% of cost on reimbursement for SMEs
- Grant of 50% of cost on reimbursement for Large companies

##### **Definition:**

SME - Annual Turnover – Rs. 16 Mn to Rs. 750 Mn

Large - Annual Turnover > Rs 750 Mn

(Source: National Policy Framework for SME Development – Ministry of Industry and Commerce)

A company may apply for maximum of two activities listed in item 3.0 under category 1 or 2 based on the requirement. Assistance that could be obtained under both categories will be limited to two times up to a total of Rs. 5 Mn within a calendar year. New applications will be entertained only for companies who successfully complete the project /activity within the approved project period for previously approved Sri Lanka Export Development Board projects under the programme.

#### **5.0 APPLICATION PROCEDURE**

The request for Sri Lanka Export Development Board assistance should be made on the format given in the specimen application form together with the Business plan of the company for the next 3 years and proposals for specific activity/activities in the Business plan to be completed within the period stipulated under item 4 for which Sri Lanka Export Development Board assistance is requested. The proposal should give specific details on the following, based on the activity where necessary.

- a. Project Proposal - Detailed description of the proposed project with implementation plan & expected outcome, project budget (detailed cost estimate for each activity), projected production capacity for the next three years, projected revenue for three years, Benefits to the suppliers/farmers linked to the project (income, employment generation).

#### **5.1 DOCUMENTS TO BE SUBMITTED ALONG WITH THE APPLICATION**

- Business Plan of the company for the next 3 years
- Company/Business Registration
- Form 15 of Article of Association

- P&L and Balance Sheet for last financial year (Management Certified)
- Copy of the last annual returns filed at the Registrar of Companies
- Cost estimate for each activity / programme
- Quotations
  - Project cost up to Rs. 3Mn – 01 quotation
  - Project cost over Rs. 3Mn – 02 quotations

10% variation within the activities will be allowed in the final quotation

- Following documents should be submitted for market access activities
  - Market Research/Surveys – Proposal with estimate
  - Purchasing / Obtaining market intelligence - Cost estimate
  - B2B meetings – Documentary evidence
  - Conferences/workshop/seminars – cost estimate
  - Inward buyer missions to Sri Lanka – Cost estimate
  - Trade Fairs/Exhibitions – Cost estimate
  - Promotions in e commerce platforms – Cost estimate
  - Promotion of Sri Lankan Brands – Proposal with cost estimates for brand development & promotional activities
  - Obtaining space (shelves, gondolas, shops) in leading supermarkets, hyper markets etc and instore promotions.- Proposal with cost estimates

## **5.2 APPLICATION PROCESS**

- Dully completed applications with all relevant information/documents submitted before commencing the project will be processed and decision will be conveyed within 4 weeks for applications under category 1 and within 6 weeks for applications under category 2. Sri Lanka Export Development Board reserves the right to request for additional information/documentation if necessary.
- Applicant may proceed with the proposed activity / project once the complete application is submitted to the Sri Lanka Export Development Board. However, Sri Lanka Export Development Board assistance will be confirmed only once the evaluation committee recommendation and approvals are obtained.
- No assistance will be granted to participate in trade fairs/exhibitions/other programmes organized by the Sri Lanka Export Development Board or other government organizations.

## **6.0 DISBURSEMENT OF FUNDS**

### **Category 1**

- Assistance will be given on reimbursement basis

## **Category 2**

- 40% of the assistance at the time of signing the agreement.
- Balance 50% after completion of the project/activities and upon submission of relevant documentary evidence to the Sri Lanka Export Development Board.
- 10% after completing final evaluation by the Sri Lanka Export Development Board ( within three (03) months).

## **7.0 GENERAL GUIDELINES / PROCEDURES**

- (i) The applicant is wholly responsible for providing all the information and documents requested to evaluate the project proposal. Incomplete applications will be rejected and returned to the applicant.
- (ii) Companies who have defaulted Sri Lanka Export Development Board loans are not eligible to apply unless all outstanding dues to Sri Lanka Export Development Board are settled before sending the application.
- (iii) The evaluation committee will evaluate the application based on the presentation made by the company and recommend the assistance to be granted which will be approved by the Chairperson & Chief Executive, Sri Lanka Export Development Board.
- (iv) The companies eligible to receive grants under category 2 are required to enter in to a legal agreement with the Sri Lanka Export Development Board.
- (v) Beneficiaries are required to submit quarterly progress reports (within 30 days of quarter closing) pertaining to the project progress, describing in detail all previously and currently on going activities as well as actions planed for the upcoming period including financial activities of the programme
- (vi) On completion of the project, the company should submit, the project completion report along with following documents relevant to the project Bills / receipts /e-ticket/ boarding pass (self-attested), expenditure statement, Bank remittance/statement detailing payments released for qualified activities/components of the project along with a declaration that no deviation has been made from the approved project.
- (vii) Any documents / bills / quotations /certificates furnished found to have false information, the Sri Lanka Export Development Board has the right to refrain from reimbursement of approved grant component.
- (viii) A company could be blacklisted (i.e. disqualified for assistance) if any false information is provided and on breach of Agreement.



- (ix) In principal approval is valid for a specific time period (stipulated by the Sri Lanka Export Development Board, depending on the project) from the date of signing the agreement. Claims for payment to be submitted within the agreed time limits and any pending claims will not be carried beyond the planned period.
- (x) The final decision for granting assistance will be at the discretion of the Sri Lanka Export Development Board
- (xi) Sri Lanka Export Development Board or Sri Lanka Export Development Board nominated representative will visit the applicant's factory /production facility prior to disbursement of funds and reserve the right to visit during the project period.
- (xii) Activities assisted by any other Government Organization will not be considered for assistance under this programme

## **SCHEDULE 1**

## **ACQUISITIONS OF BRANDS AND COMPANIES**

### **Eligibility criteria**

- 1) Companies with 100% local ownership are eligible to apply for assistances under this activity
- 2) Holding company should be in Sri Lanka
- 3) Company dividend declaration policy should contain that 50% of the profits to be declared as dividends.

### **Eligible Activities**

- 1) Due diligence reports
- 2) Rent for warehouses and office facilities (first year 50% second year 25%)

