

FINANCIAL ASSISTANCE SCHEME FOR THE AGRICULTURE AND FISHERIES EXPORT ENTERPRISES TO MOVE UP IN THE VALUE CHAIN

GUIDELINES FOR APPLICANTS

1.0 THE PROGRAMME

The Program envisages to encourage Sri Lankan export enterprises to move up in the value chain by introducing innovative high value products to expand their export product basket.

Assistance to be provided as a grant up to a maximum of Rs 2.0 Mn per company to cover 50% of the cost of following activities.

- a) Conduct joint R&D to develop high value products jointly with reputed local research institutions engaged in the innovative product development
- b) Acquire a high value innovative product already developed by a local R&D institution for commercialization for export purpose

The scheme to be implemented during two years commencing from January 2021, incurring an expenditure not exceeding Rs.20.3 Mn from the EDB Budget 2021/2022.

2.0 OBJECTIVES OF THE PROGRAMME

- Introduce 8-10 new products to the export product basket
- Ensure efficient usage of raw material for highest value addition
- Link Sri Lankan innovative products with global supply chains.
- Increase foreign exchange earnings by US\$ 3.0 Mn within 04 years

3.0 ELIGIBILITY CRITERIA

3.1 Companies engaged in the Manufacturing and exports of following products are eligible to apply.

- Food & Beverages,
- Fruits & Vegetables
- Spices & Concentrates
- Coconut based products
- Ayurveda, Herbal & SPA products
- Seafood & Aquaculture products

3.2 Registered Business and having more than 51% local ownership.

3.3 Experience more than two years as a manufacturing exporter.

4.0 APPLICATION PROCEDURE & SELECTION OF BENEFICIARIES

The request for assistance should be made as per the format given in the specimen application form issued by the EDB together with a detailed project proposal on R & D activities for new product development for which EDB assistance is requested.

4.1 DOCUMENTS TO BE SUBMITTED WITH APPLICATION

- Project Proposal on the proposed R & D activity
- The general Business Plan of the company including the activities for the next 03 years
- Company Business Registration
- Form 15 & Articles of Association of the company
- Audited Financial Report for the last 2 financial years
- Quotations from the R&D Institution

The project proposal should contain the project idea, implementation plan for R&D, Project budget (detailed cost estimate), selected R&D institution, value addition percentage to the raw material, potential for commercialization of the product, international market demand, opportunities to link with global value chains and expected export income to be earned by marketing the product within 3 years after launching.

The proposal to be evaluated by a panel appointed by the EDB and assistance to be granted for the best proposals fulfilling the objectives of the scheme.

Short listed applicants will be called for an interview by the panel.

5.0 DISBURSEMENT OF FUNDS

EDB to make the payment directly to the R & D institution based on the on the activity plan of the project.

Triparty agreement to be signed between EDB, R&D institution and the Beneficiary Company.

6.0 GENERAL GUIDELINES AND 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 or any other means) are not eligible to apply unless all outstanding dues are settled before sending the application.
- (iii) The assistance to be granted will be approved by the Chairman/Director General of the Sri Lanka Export Development Board.
- (iv) The companies eligible to receive grants are required to enter into 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 with the details of new product to the EDB
- (vii) Any documents furnished found to have false information, the Sri Lanka Export Development Board has the right to refrain from releasing approved grant component OR the EDB has right to recover the payments already made to the company
- (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) If the companies have received assistance from any other Government Organization for a similar activity the proposal will not be considered for assistance under this programme
- (xii) In case if the project is not successfully implemented as per the agreed plan, EDB reserves the right to terminate the grant and recover entire financial assistance provided under the scheme

7.0 MONITORING OF PROGRESS

Progress of the beneficiaries will be monitored for 04 years.