

Implementation of Budget Proposals – 2021

**NATIONAL EXPORT BRANDS DEVELOPMENT PROGRAMME
TO ASSIST SRI LANKAN ENTREPRENEURS TO DEVELOP AND
PROMOTE HOMETGROWN BRANDS IN OVERSEAS MARKETS
2021 – 2024**

Guidelines for Applicants

**MARKET DEVELOPMENT DIVISION
SRI LANKA EXPORT DEVELOPMENT BOARD
NO. 42, NAVAM MAWATHA, COLOMBO 02**

National Export Brands Development Programme to Assist Sri Lankan Entrepreneurs to Develop and Promote Homegrown Brands in Overseas Markets 2021 – 2024

1.0 THE PROGRAMME

Sri Lanka needs to develop a strong export sector to stabilize the economy by increasing foreign exchange earnings, especially in the context of the current COVID 19 pandemic where the income from the other economic activities such as tourism, FDIs, and foreign remittance is severely disrupted. Building strong home-grown brands with a value-added portfolio of products and services in overseas markets will play a crucial role in the new normal trading environment.

Differentiation, creativity, innovation, and value addition in the exports sector is a main focus of the Sri Lanka government and therefore, the programme envisages to encourage exporters to develop and promote creative, innovative high-value products.

Strengthening local enterprises and establishing Sri Lanka as a global innovation hub is identified as a key development strategy to achieve economic prosperity of the country under the government policy framework, “Vistas of prosperity and splendor”.

In the above context, the National Export Brands Development Programme has been formulated to provide financial assistance to Sri Lankan entrepreneurs in the below categories to develop and promote homegrown brands in overseas markets. Financial assistance will be in the form of a 50% matching grant on a reimbursement basis. The scheme is applicable only for 100% Sri Lankan-owned brands.

The effective period of the programme will be 3 years commencing from July 2021.

The programme will be operative under the following two categories.

Category I - Established export companies:

Exporters, having an established brand and previous branding experiences in international markets with established supply chain and adequate infrastructure. Companies should have more than 3 years of export experience.

Category II - Export-ready companies:

Companies having a strong local brand presence with a commitment towards entering the international markets. The company should have a strong local supply chain, adequate resources, and infrastructure

1.1 OBJECTIVES OF THE PROGRAMME

1. Build globally competitive local brands for products originated in Sri Lanka.
2. Position Sri Lanka as a high-quality product manufacturer.
3. Increase foreign exchange earnings via exports of branded products
4. Encourage companies to export value-added branded products.
5. Increase the level of competency in international marketing, distribution, and supply chain management among exporters.
6. To transform exporters from commodity export mindset to value-added branded exports mindset.

2.0 ELIGIBILITY CRITERIA

To qualify for assistance under the scheme, the applicants should fulfill the following criteria.

1. The applicant should be a registered company in Sri Lanka with more than 51% local ownership and the brand should be 100% Sri Lankan-owned.
2. In the case of a group of companies, assistance will be offered for only one company under the Group.
3. Total annual sales turnover should **not** be less than Rs. 16 Mn. for both categories based on the latest financial reports. Also, the trend in overall revenue growth will be considered.
4. The company should possess the required international quality certifications.
5. The product/s to be promoted under the brand should be of Sri Lankan origin and value addition within Sri Lanka should be more than 30 %.
6. The trademark of the company should be registered in Sri Lanka under National Intellectual Property Organization (NIPO).
7. Companies who have been financially assisted for brand development & promotion programmes previously by EDB or any other government promotional institution during the last 5 years will not be eligible to apply.

3.0 QUALIFYING ACTIVITIES FOR ASSISTANCE

The assistance will be extended to cover the cost of developing and promoting one brand per company. Companies can apply for assistance for any of the following expenses involved in brand development and promotion.

1. Brand Promotion

(a) Execute brand communication (A&P):

- Media (social, digital, print, electronic, and any other media as found suitable for a specific market)
- Venue Cost

(b) Displays in International Departmental Stores and In-store Demonstration:

- In-store demonstration and promotion, promotion tie-up with local distributors or major stores for display
- Enhancement of brand website and digital marketing

(c) Customer relationship management system to monitor brand performance

2. Brand Development:

- Conduct market research(secondary and primary) to understand the consumer and market insights
- Obtaining advisory services/consultancy for the development of Product/Branding /Marketing Strategy
- Logo design, Registration of Sri Lankan Brands/ Trade Marks
- Develop packaging options to suit the market/customer
- Experiential marketing, events, Exhibitions, Signage's in retail branding , Retail merchandising, Retail and store design

- Listing in online B2B platform to create awareness & reach prospective customers and consumers
- Obtain quality certificate for the export brand

(Note: list of eligible activities is only a guide. All activities may not be relevant to the company. Companies should apply for the assistance scheme only for expenses relevant to the branding plan)

4.0 QUANTUM OF ASSISTANCE

Assistance will be extended as a 50% matching grant on a reimbursement basis for the selected companies.

Category 1 – Eligible assistance is up to a maximum of Rs. 10.0 Mn. per year for 03 years for activities specified under Section 03 of the scheme guideline

Category II - Eligible assistance is up to a maximum of Rs. 5.0 Mn. per year for 03 years for activities specified under Section 03 of the scheme guideline.

4.1 FUND DISBURSEMENT

- 20% of the assistance at the time of signing the agreement with the Sri Lanka Export Development Board as the advance payment.
- Balance 70% will be provided on a reimbursement basis after completion of the project/activities and upon submission of relevant documentary evidence to the Sri Lanka Export Development Board.
- 10% after completing the final evaluation by the Sri Lanka Export Development Board (within three months).
- The assistance for the second and third years will be assessed based on the performance of the first-year action plan.

5.0 APPLICATION PROCEDURE

The request for EDB assistance should be made in the specimen application form (Annexure I) together with the Proposal on the company's Brand Development / Promotional Plan for the next three years.

The proposal should include specific activity/ies to be implemented within the 3 years and the proposal should not duplicate the efforts of any existing activity/ies. The Evaluation Committee may consider enhancing or curtailing the level of assistance based on the project's merit.

The project proposal must comply with the below requirements to be eligible for assistance.

- The brand development and promotional project should be for a particular product for a maximum of 3 markets.
- The project duration should be a maximum of 03 years

Companies are advised to submit all supporting documents that must be provided when applying for the assistance described in the application form and the checklist attached to the Application Form.

5.1 DOCUMENTS REQUIRED TO BE SUBMITTED

Following documents should be submitted.

1. Completed Application (Annexure I)

- Business registration
- Form 15 (Annual Returns)
- Article of Association
- Audited financial accounts for previous three years
- Relevant product standards and quality certificates
- Brand registration certificate

2. Brand Development/ Promotion Proposal

The proposal should include below items;

- Details of the brand to be promoted, a background of the brand, and values.
- Resources (Financial and Human) allocated for the brand development and promotion strategy for 3 years.
- Details of exports (volume and value) of the product in the last three years.
- Details on local and export performance of the brand (volume and the value) for the last 03 years.
- Documentary evidence to prove value addition of 30%
- Projected production capacity and revenue for the next three years from the particular country/s for which the assistance is sought.
- Proposed Action Plan on the implementation of the brand development and promotion plan including milestones and key performance indicators.
- Details of the costing of proposed activities
- Quotations – 3 competitive quotations for each activity

3. Documents for payments

All claims need to be duly substantiated by proof of payment against invoices. In the event of any false claims being lodged, EDB reserves the right to claim a refund of the amount granted to the applicant.

4. Progress evaluation

By the end of every quarter, the company has to give a detailed report of the activities undertaken and a progress report.

5.2 APPLICATION PROCESS

The duly completed application with all relevant information/ documents should submit before commencing. The application processing and decisions will be conveyed once the Evaluation Committees' recommendation and approvals are obtained.

6.0 GENERAL GUIDELINES/ PROCEDURE

1. Interested applicants may apply in the prescribed format (Annexure I), with a comprehensive proposal covering details of the Brand Development & Promotion Plan to be undertaken, along with cost breakdown in each segment separately.
2. Any amendments, time extension, clarification, etc., related to this Scheme will be published on the website of the EDB. Therefore, the applicants should visit the www.srilankabusiness.com website frequently for updates to take note of amendments, if any.
3. The selection of applicants will follow the norms set out in the guidelines, recommendations by the Evaluation Committee, and availability of funds. The Board, if required shall consider assistance under the scheme to all / some applicants in the subsequent financial years.
4. Failure to furnish complete information as mentioned in the guidelines, documents, or submission of a proposal not following the guidelines and required documents in every respect will be at the applicant's risk. It may result in the rejection of the application for a shortlisting. Applications found incomplete are liable to be rejected, and no correspondence will be entertained in this regard.
5. The Evaluation Committee will evaluate the application based on the company's presentation and recommend the assistance to be granted, which will be approved by the Chairman & CE, EDB.
6. Duly completed Application in the prescribed form (Annexure I) along with supporting documents should be sent to Director, Market Development, Sri Lanka Export Development Board, Colombo 2 on or before 13th August 2021
7. Companies who have defaulted EDB loans are not eligible to apply unless all outstanding dues to EDB are settled before sending the application.
8. Companies eligible to receive grants are required to enter into a legal agreement with the EDB.
9. Beneficiaries are required to submit quarterly progress reports on the project progress (within 30 days of quarter closing), describing in detail all previously and currently ongoing activities as well as actions planned for the upcoming period, including financial activities of the program
10. On completion of the project, the company should submit the project completion report along with the documents relevant to the project: copies of bills/receipts/air ticket counterfoil (self-attested), expenditure statement duly certified by a Chartered Accountant, 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.
11. Any documents/bills/quotations/certificates furnished found to have false information; the EDB has the right to refrain from reimbursement of approved grant component.

12. A company could be blacklisted (i.e., disqualified for assistance) if any false information is provided and in breach of the agreement.
13. In principle, approval is valid for a specific period (stipulated by the EDB, 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.
14. The final decision for granting assistance will be at the discretion of the EDB.
15. EDB with Evaluation Committee members will visit the applicant's factory /Production facility during the evaluation process and before disbursement of funds
16. In the event of any false claims being lodged, EDB reserves the right to claim a refund of the amount granted to the applicant.

7.0 CONTRACTUAL OBLIGATION AND REPORTING

Companies that are been the granted approval will be required to: -

- Sign a Letter of Acceptance with EDB indicating that if the company fails to fulfill its obligation in implementing the branding plan, EDB has the right to cancel the approval of the brand promotion grant and seek reimbursement of the grant already disbursed.
- Submit quarterly report based on the format as in Annexure-II or progress report based on the implementation milestone (whichever is earlier) of the activities implemented for which the grant is disbursed.

For inquiries on the scheme, companies may contact Mr. Prasanna Jayasinghe, Deputy Director, Market Development on Mobile: 0716850217/ Office: 0112-300722 or email: pras@edb.gov.lk and Ms. Dinushika Abeygunawardene, Assistant Director, Market Development on Mobile: 0776190050/ Office: 0112-305213 or email: dinushika@edb.gov.lk

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**MDD/ EDB
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