

## **Background**

Small and Medium Enterprises (SMEs) have been identified to play a crucial role in the economic development process in Sri Lanka and it is more important to alleviate poverty & solution of the unemployment. In Sri Lanka, majority of population are living in rural area which is estimated to be 78 percent of the total population. The small & medium industries in the regional areas are the major source of employment and SME sector development. It is clear that the sector has not achieved desired level of contribution when compare with other countries.

Having understanding this fact, National enterprise development authority (NEDA) has taken various steps to promote this vital sector since independence. NEDA has been established under ministry of Industry & Commerce and it promotes, support, encourages and facilitate enterprise development within Sri Lanka with special emphasis to the small and medium enterprise sector of the country. It is providing services such as entrepreneurship development, financial facilitation marketing linkages research & development and infra structure development to entrepreneurs and business development service providers.

NEDA has planed to promote SME sector especially in regional areas in the country and it is named as òGamata Obina Vyaparaö to promote business at village level.

This program consists of three major components:

1. Identifies Competitive Business Opportunities issues and suggestions for development of business sectors in a given geographical area (District Level).
2. Selection of businessman and potential businessman and develop them as an entrepreneurs by introducing competitive business and developing their entrepreneurial skills.
3. Implementation of Sector development proposals suggested by first step of the program.

Through the above component of the program, NEDA expect to promote SME sector in regional level and encourage to other rural host community by developing regional business model through the òGamata Obina Vyaparaö program. The NEDA solicited the services of pre-qualified Business Development Service (BDS) Providers to implement the above major component of the program on a results basis.

This Terms of Reference (TOR) is to implement above major component of the program.

opportunities in a given geographical area and investigate internal and external markets by applying tools such as **Local Competitive Advantage (LOCA)** and **Value Chain** which are methodologies used for such purposes. Proposals are called for conducting this component of the program in **Anuradhapura, Hambanthota & Ampara districts.**

### 1.1 Program objectives

- Identifying competitive business & business sectors, major business issues and suggestions for resolving issues in the district.
- Identifying potential areas to be improved

### 1.2 Program areas:

Hambanthota, Anuradapura & Ampara Districts.

### 1.3 Responsibility of Counterpart organization:

- Carry out the Study program under supervision of NEDA
- Introduce working team in the district.
- Prepare final report and submit with three copies. (Content: Introduction of program, Methodology used, Results : Business sectors & concrete business ideas, Business constrain, Business proposals for each sector & regional development proposals, Recommendations, Market potentials, List of participants for key events, photographs etc...)

### 1.4 NEDA responsibility

- Participation for key meetings in study Program
- Payment as per agreement.

### 1.5 Assignment period: four months

## 2. Component 02

**Entrepreneurs development program in five Divisional Secretariat Divisions of the selected Districts of Mannar, Kurunegala, Batticola, Kandy, Ampara and Hambanthota (20 entrepreneurs in each Districts).**

NEDA already completed Component 1 exercise for Mannar, Kurunegala, Kandy and Batticloa. Districts. Soon, it will be completed for Anuradhapura, Hambantota & Ampara Districts. Component 2 is to identify prospective and existing entrepreneurs, develop their entrepreneurial skills to introduce competitive business opportunities identified in the Component 1. The Service Provider should be in the filed and implement this component for 1 year period and need to recruit full time field officer for follow up. 120 SMEs should be developed in 6 districts on the basis of 20 SMEs per District.

SME sector in the regional areas in the country. Specific

1. Select 20 entrepreneurs for district from five Divisional Secretariat Divisions. (Total number of entrepreneurs for six districts ó 120) with competitive business and promote business model.
2. Develop selected entrepreneurs towards successful independent business while guiding them for access to finance, technology and markets.

## 2.2 Program Areas:

Mannar, Kandy , Baticaloa, Kurunegala, Ampara and Hambanthota districts.

## 2.3 Assignment period:

Assignment period is one year and it may be extend base on the situation of the program.

## 2.4 Responsibility of the Counterpart organization (component 02):

1. Preparation of criteria in consultation with NEDA, Banks and National & Provincial Ministry of Small Industries
2. Facilitate of entrepreneurs selection based on predetermined criteriaø suggested by the NEDA for five DS Divisions in Districts
3. Market feasibility of most potential viable business proposals to implement
4. Facilitate the entrepreneurs business proposals to implement viable business proposals successfully while Training, guiding and Counseling them for access to finance, technology and markets
5. Other ( Attending for progress meeting & progress reportsó once in two months)

**Note:** Priority for integrated business approach.

At end of the assignment (one year), NEDA expect successful independent business with progress as given bellow

- At least one full/ part time employee excluding family members
- At least, business should be started within first six months (physical)
- More than Rs. 50,000.00 assets value excluding land and building
- Entrepreneur should be involving with manufacturing, trading or services
- Satisfactory level of record keeping
- More than Rs. 8,000.00 monthly income level (Net profit)
- Registered business in Divisional secretariat office
- Bank account commercial under the registered name of the business

Proposed by NEDA:

Business or diversify existing business (New business entity)

Innovative business idea.

- Age between 18 to 40 years (50%)
- Business with manufacturing/ services/trading

## 2.6 Responsibility of NEDA for component 02:

- Participation of key meetings
- Supporting for coordination of relevant BDS institutes
- Coordination with relevant Key government institutions and policy making bodies
- Provision of Matching grants for selected business based
- Payments as per service agreements

## 3. Submission of proposal

- If you wish to apply for two or more components, separate proposals are required.
- Proposals should be submitted in person to the tender box or send by registered post on or before 28<sup>th</sup> June 2011 by 2.00 pm. Please indicate the District and the component applying for on the left side of the envelop.

Content of the proposal:

- Information of Institute & capacities
- Past experience
- Staff and qualification
- Methodology
- Budget

### Address:

Chairman  
National Enterprise Development Authority  
Level 2, Ceylinco Building  
Colombo 1  
Telephone: 0112439843  
Fax: 011 2437400  
e-mail: [info@neda.lk](mailto:info@neda.lk)  
[www.neda.lk](http://www.neda.lk)

## 4. Contact for any clarifications

Mr. Wasantha Senanayake, Assistant Director, National Enterprise Development Authority  
(0724147426)