



Enterprise Sri Lanka Programme
Concept Paper

Department of Development Finance
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ENTERPRISE SRI LANKA

1. Description:

Under the theme of the “Enterprise Sri Lanka”, the government is driven it forces to emerging the production economy in order to achieve the governments’ medium-term targets such as per capita income of USD 5,000, one million new jobs, doubling exports, more than five percent continuous GDP growth etc. There are 15 tailor-made local funded and donor funded financial and non-financial shemes under the umbrella of “Enterprise Srilanka Credit Programme” with an aim to support the SME sector which has been recognized as the driving force of the economic development and support to the farmers and agro based companies who are engaging in small scale subsistence agriculture to commercial scale agriculture respectively by infusing low-cost capital for mechanization and adopting the modern agro technologies. It is also encourage the industrialist and households who are willing to transfer the fossil fuel energy to renewable energy with the intention of facing future energy crisis.

The “Enterprise Sri Lanka” will facilitate not only the established private sector enterprises but also micro enterprises, self-employees, young entrepreneurs to be the engine of our economic model. It is also facilitated the selected vital groups of the society such as school service van owner to move to 32 seats busses from old van in order to establish the more secure school services, low income groups to upgrade and complete their houses and media personal correspondents who work under difficult circumstances to purchase necessary equipment. Not only the financial support but also non-financial technical support such as technical support to incorporate companies, maintain books and records, tax computation, boost market opportunities, negotiate with financial institutions will also be provided through the “Enterprise Sri Lanka Programme”.

2. Issues and Challengers addressed through the “Enterprise Sri Lanka” Credit Programme.

2.1 Access to finance at affordable rate: The most challenging issue that faced by SMEs is easy access to finance and absorbing the high interest rare. Even though they have a huge potential, difficult in rising funds when compared with the well-established Large Scale Enterprises (LSEs) since the banks typically consider SME loans as riskier and more expensive to administer. The massive effort was made by the Government by introducing refinance and interest subsidy loan schemes to assist the SMEs but the unfilled low cost credit gap still remain in the market and access to credit and cost of funds still stand as the most impacted constraints on SMEs. The situation of the micro enterprises and self-employees is worse than that of the SMEs. The requested loan amount is smaller, no proper financial records, low productivity, and poor financial management, therefore, the traditional bankers are reluctant to provide more risky micro loans. Therefore, SMEs, Micro Enterprises and Self-employees have led to access private informal lenders and small investment companies for fulfilling their investment needs. . However, the cost of such financing is

exorbitant and finally they will face the loan-trap. The Enterprise Sri Lanka creates a path for SMEs, Micro Entrepreneurs and Self Employees to access to finance at affordable rate with a range of financial products.

2.2 Lack of Collateral: Generally, the existing traditional banking sector prefers to provide collateral based loan even though cash flow based loans are more convenience to the SMEs. Therefore, some SMEs, Micro Enterprises and Self-Employees fail to obtain credit facilities as they are unable to provide accepted collateral requested by the banks. Especially the entrepreneurs who are based in the North and East Provinces are really suffered since the title of their real states which is willing to accept as collateral by banks still not cleared. The NCGI which is proposed to establish under the Enterprise Sri Lanka will address this issue by issuing necessary government guarantees for SMEs, Micro Entrepreneurs, Self-Employees and other all businessmen who need a guarantee to obtain a loan without producing collaterals. It will also be encouraged the banks to more from collateral based lending to cash flow based lending which is more continuance to entrepreneurs.

2.3 Low level of Technology: The low level of technology and absence of technical and managerial skills have also been identified as an important constraint affecting SME and Micro sector development. The level of technology is directly related to the operational efficiency of the any business and Lack of technological applications has severely constrained the SMEs' ability to face competition from both local and foreign products and services. In many instances, the use of technology levels tends to be low, and it's not frequently available for rural based enterprises. This issue is highly effected to agricultural sector which is 1/3 of labor force has been employed and priority is given through the loan schemes of the Enterprise Sri Lanka Programme to enhance the productivity of the agriculture sector by supporting to mechanized their agricultural activities of small farmers, farmer organizations and commercial and large scale agro companies.

2.4 Lack of Market Opportunities: SMEs, Micro Entrepreneurs, self-employers and especially small scale farmers find it difficult to find the market and the reasonable price for their products continuously. Therefore, the quality of the production, packaging and branding is important to grab the market share with the reasonable price for their productions. It is planned to support the entrepreneurs by infusing capital to access to the domestic and international markets through the loans schemes comes under the Enterprise Sri Lanka. The out grower system which is linked the small scale farmers with the commercial scale agro companies are promoted through the Enterprise Sri Lanka Programme in order to established the guaranteed price specially for supporting the small scale farmers which are being suffered due to unavailability of reasonable fixed price for their seasonal agricultural products

2.5 Youth unemployment and underemployment: As per the government policy document, it is expected to create around 1 mn new jobs opportunities by 2020. Since, the SMEs have the heights potential to create new jobs, the one million jobs that the government hopes to create could mostly generated through the tourism, construction, services and ICT sectors which is targeted to support through the Enterprise Sri Lanka loan schemes. It is expecting to minimize unemployment and underemployment through Enterprise Sri Lanka programme by enabling environment to engage the economic activities by providing low cost capital and other non-financial supports under less conditions especially for youth for capitalizing their valuable business ideas.

2.6 Trade Balance deficit and foreign exchange outflow: As per the importation bill of the country, the top imported item is fuel which is spending approximately USD 2 billion per annum. Out of that total importation of oil, more than 50 percent is used to generate electricity which is more costly and harm to environment. As a country lie in the region known as the “sunbelt”, there is a huge potential to promote solar power generation and to be substituted the thermal power and save the foreign exchange by reducing the oil import bill. It is also spent a considerable amount of foreign exchange to import consumer goods which can be easily substituted by enhancing local production. As a example, around USD 150 million has been spent to import three major food items i.e. potato, B-onion and chili per annum. By increasing the local production of these food crops, providing funds at affordable rate through the Enterprise Sri Lanka Programme, can be easily reduce the foreign exchange outflow. Finally these all will be positively affected to the trade balance as well as exchange rates.

3. Expected Benefits of the “Enterprise Sri Lanka” Programme

In macro point of view, it is expected to emerging the production economy in order to achieve the governments’ medium-term targets such as per capita income of USD 5,000, one million new jobs, doubling exports, more than five percent continuous GDP growth etc. The specific expected benefits can be listed as follows.

3.1 SME Development: SMEs are the main source of economic growth and employment generation in the country. However, they often struggle to access finance because banks typically consider the SME loans as riskier and expensive than others. Considering these facts, the government has implemented two local funded and donor funded loan schemes named “Jayaisura” SMELoC in order to enhance the easy access for SMEs at an affordable rate. Even though, the government has taken several actions enhancing the availability of development finance for SMEs, most of SMEs further straggling to fulfill their investment needs due to the high interest rates prevailing in the market. Therefore, under this schemes, the government bear the interest in the range of 50 – 100 percent on behalf of end borrower and end borrower

can obtain a loan at 6-8 percent interest rate which is more convince to do their business in sustainable manner.

The existing traditional banking sector prefers to provide collateral based loan even though cash flow based loans are more convenience to the SMEs. Therefore, some SMEs fail to obtain credit facilities as they are unable to provide accepted collateral requested by the banks. In order to address this issue, the government proposed to established a National Credit Guarantee Institution and provide Rs. 500 million as initial capital through the Budget, The ADB also agreed to capitalize this institution by providing US \$ 100mn policy loan. This institution will issue a guarantee on behalf of borrower to the respective bank and the bank will provide the loan to the borrower based on the guarantee. If any guaranteed borrower failed to repay that loan, the Guarantee Institution will bear that liability on proportional basis.

Accordingly, government expecting to make approximately, Rs. 70,000 million capital infusion to the SME sector through these loan schemes and create around 100,000 direct new employment opportunities and indirect opportunities more than that within next three years period.

3.2 Promoting Green Energy: We totally depend on coal, oil and gas for fulfilling our energy needs since the renewable energy utilization of the country is in the infant stage. If used the fossil fuels at current rate of demand continuously, the existing fossil fuel reserves may enough for only thirty years supply of the world. Therefore, as a nation we have to move from fossil fuel to renewable energy sources which is low cost and environment friendly to manage the future energy crisis.

As a country lie in the region known as the “sunbelt” located within 35 degrees of the equator, there is a huge potential to promote solar power generation in Sri Lanka. Accordingly, the Government launched the National programme called “ Soorya Bala Sangramaya (Battle for Solar Energy)” in order to promote setting up of small solar power plants on the rooftop of households, religious places, hotels, commercial establishments and industries. Under this programme, the consumers have an opportunity to generate and used electricity their premises and to sell the excess production of electricity to CEB or LECO at an attractive price. On the other hand, it will be an income source for poor people.

Therefore, there is huge demand for establishing solar plant on their rooftop from households as well as industrialist but most of people are struggling to access to concessionary finance to cover their investment cost. Considering these fact, the government has planned to implement two loan schemes focusing solar power generation under the Enterprise Sri Lanka Programme. The local funded “ Rivi Bala Savi” loan scheme is supported to households for establishing solar power units on their rooftop and “Rooftop Solar Power Generation Line of Credit Project” will be implemented with the US \$ 50 million funding support of the ADB for encourage both households and industrialists to transfer to solar power. Within next three years period, it is expected to invest around Rs. 50,000 million in the solar sector through these loans schemes

comes under the Enterprise Sri Lanka Programme and it will be added around 250 MW to the national grid which is comparatively low cost and environment friendly. On the other hand it will save a considerable amount of foreign exchange since the oil import bill will be go down when substituted the thermal electricity by the solar power generated through this programme.

3.3 Empowering Farmer Community and Poverty Reduction: The several policy measures were taken placed in various capacities to eliminate the poverty and able to reduce the poverty ratio at below 5 percent. However, still there are poverty pockets especially in the lagging regions where the small scale farmers are living and engaging subsistence agriculture. The Agriculture sector in the country employed around 2.5 million work force which is around 30% of the total labor force but the average income of the sector is less than the average income in the country of Rs.41,000 per capita due to low infusion of technology and modern agriculture practices. Most of farmers are engaging traditional farming and cultivating traditional crops, their income is comparatively low since the low productivity and unavailability of reasonable price for their production. The average farmer income not even sufficient to cover the day today expenses and mostly surviving on the subsidies given by the government. Since the subsidy economy will not be further sustainable, the system should be adopted to empowering these rural farmers by given support to enhance the productivity of their farming activities and encouraging to transfer from tradition crops to more profitable emerging crops . The two loan schemes named “ Govi Navoda and “Ranaswenna” which are introduced under the “Enterprise Sri Lanka Programme” is given the financial supports to farmers, farmer organizations and commercial scale agro companies to mechanize their agriculture activities and to transform from the subsistence agriculture to commercial agriculture while raising the income level of farmers and developing small scale producers into big exporters. In addition to that, the loan up to Rs. 750 mn will be granted for large scale investors who are willing to invest in large scale farms by practicing the out grower system which is given a fixed price for small scale farmers.

3.4 Empowering Youth: Youth is the future of the any country since young blood initiate innovative economic activities which is much needed to boom the economy of the country. In Sri Lankan context, more than 1 million youth are working as three-wheeler operators which is really made a low contribution to the economy and the educated young graduates are wasting their youth to find an easy going and low productive government jobs. Considering this situation, tailor-made two schemes including financial and non-financial support has been designed under the “Enterprise Sri Lanka” Programme in order to make opportunity to engage economic activities for educated and non-educated youth to minimize their unemployment and underemployment. “Arabuma” loan scheme introduced to encourage young graduates to enter into the economic development process by setting up their innovative business idea as a potential business by providing cash flow based loan at a zero interest rate with fully government guarantee. Under the programme of supporting to SME companies, the youth are

invited to establish SME companies with the technical support of the government and the needed financial and nonfinancial supports is also provided to that companies could engage in any business from agriculture to apparels to IT.

3.5 Empowering Women: Women in Sri Lanka form approximately 57% of a total estimated population of 21 million. However, out of the total economically active population of 8.5 million persons, only 33.4% are women. Thus, almost 70% of the labor force constitutes economically inactive women. Women contribute to the rural economies in many ways from small village self-help groups to leadership roles in decision making processes at different levels. However, there is still no enough opportunity to enter in to the economic activities for women even though the women – centric various programmes were taken placed by various government and non-government institutions in the past. The priority has been given for women led enterprises through the loan schemes comes under the Enterprise Development and the discussion also being initiated with the ADB to obtain a USD 10 million grant to provide a grant component to women led enterprises under the SMELoC project.

3.6 Promoting Exports and Supply Chain Development: Under the theme of the “ Blue Green Economy, the government is expecting for doubling the export by 2020. However, Sri Lanka's export basket being concentrated on a few products and we have a famous brand name for Ceylon tea , gem, fruits, and spices. However, there are huge export potential for the products i.e. organic agro products, spices, handicrafts, biodegradable products, auyurvedic products, ceramic and porcelain etc. Therefore, we have to diversify the export basket of the country to accommodate the products that have a demand in the export market and to develop the mechanism to reach the untraditional export destinations. Also it is much needed to develop the linkage among the partners of the supply chain of the export oriented products. Accordingly, the Enterprise Sri Lanka Programme has given priority to encourage the existing exporters and startups and strengthening the supply chain of the export products. Under the “Jaya Isura” Loan scheme, the exporters are given two times higher loan amount than other borrowers to encourage export oriented industries.

3.7 Promoting Tourism Sector: The tourism industry of Sri Lanka is experiencing a boom in the post conflict environment and the country is well on the track to achieve the target of 4.5 million tourist arrivals with income of USD 7 billion by 2020. In addition to that the domestic tourism industry also increases significantly. Due to this significant short term boom of the tourist arrivals, extra rooms are needed to fulfill the accommodation needs of them apart from the hotel rooms that are already being constructed. In this context, the Homestay programme which is encourage the tourist to go into the country side and to enjoy the traditional foods culture and heritages has been encouraged through the enterprise Sri Lanka programme by providing capital loans to upgrade such facilities.

4. Financial and non-financial schemes available under the “Enterprise Sri Lanka”

There are 15 tailor made schemes are under the umbrella of the Enterprise Sri Lanka and it can be categorized as three categories i.e. interest subsidy loan scheme, donor funded refinance loan scheme, and financial plus non-financial support programs. The details are in annex 01.

Even though, the arrangements are made by the government in macro point of view to enhance the access to credit, the most common complaint made by the end borrowers is the complex rules and procedures that have to follow to obtain a loan under these scheme. Considering these things, the simplified operational model has been introduced to all these schemes comes under the Enterprise Sri Lanka in order to avoid the difficulties which may have to face the end borrowers. Accordingly, less and simple steps has to be followed to obtain a loan under this program and the category wise details are given below.

1. Interest Subsidy Loan Schemes

- Step 01 – The sub borrower approaches a nearest branch of the preferred PFI (both government and private banks) and obtain the loan application and other necessary information.
- Step 02 – The sub borrower apply for the sub loan through the nearest branch of the preferred PFI by submitting the loan application and other necessary documents.
- Step 03 – After evaluating the application, PFI submitting the sub loan application to Department of Development Finance (DFD) for registration.
- Step 04 – DFD evaluates the proposal through computerized system and issues registration letters to PFI for granting loan (within 5 working days).
- Step 05 – PFI release the loan for the respective sub borrower at the concessionary interest rate.

2. Donor Funded Refinance Loan Schemes

- Step 01 – The sub borrower approaches a nearest branch of the preferred PFI (both government and private banks) and obtain the loan application and other necessary information.
- Step 02 – The sub borrower apply for the sub loan through the nearest branch of the preferred PFI, submitting the loan application and other necessary documents.
- Step 03 – After initial evaluate the PFI submits application with relevant documents to seek reimbursement approval.
- Step 04 – DFD confirms the subproject eligibility by reviewing the submitted documents and issue a no objection note to PFI.

- Step 05 – After detail evolution, the loan granted to the sub borrower by the PFI at their interest rate.
- Step 06 – PFI submit the reimbursement application to the PMU and PMU reimburse the eligible cost of the sub project within 03 working days.
- Step 07 – The interest rate is changed to the concessionary rate with effect from the date of reimburse fund received.

3. Other Special Loan Schemes

Arabuma Loan Scheme

- Step 01 – Appoint a sectoral evaluate committees and prepare necessary documents for calling and evaluating proposals.
- Step 02 – Export Development Board (EDB) call proposals from young graduate entrepreneurs by publish advertisements in national newspapers and their web site.
- Step 03 – Proposals received from young graduate entrepreneurs will be evaluated by the sectoral committee and select the viable projects.
- Step 04 – Selected projects recommended to the PFIs for considering loan facilities.
- Step 05 – Selected young graduate entrepreneurs submitted relevant documents to PFI if necessary.
- Step 06 – PFIs evaluates the submitted proposal by applying their criteria and select the potential entrepreneurs.
- Step 07 – The Government issues a guarantee for the selected loans and granting loan by PFI based on the Government guarantee.

5.Awareness Programme to reach the grass root level

The initial promotion campaign was launched from 1st week of September 2017 to last week of October 2017 through electronic and printed media by covering the eight loan schemes that implemented under the budget 2017. In the budget 2018, the several new proposals have been announced and proposed to incorporate all proposed and existing financial and non- financial schemes under the theme of “Enterprise Sri Lanka” and to be implemented in more aggressive way. Even though the macro level policy decisions is taken by the government and various facilities are arranged to support the entrepreneurs, youth, women and other special targeted groups in the society, that message not properly reach to that groups due to the lack of communication. In this context, the door-to-door awareness campaign is also planned to

conduct in district level through the existing network of the government institutions to bring this message at the grass root level. The implementation process of the planned awareness programme is as follows.

Theme of the Awareness Campaign: “Empowering Your Future”

Targeted Audience: SME Business

Micro Business

Youth

Farmers and Farmer Organization

Women Entrepreneurs

Other Special Groups i.e. School Van Owners, Journalists, Low income households.

Implementation Process:

01. **Team building:** Branded 9 awareness building teams will be formed and assigned for each Province. The each team consists following personals and equipment.

- i. Representatives of DFD
- ii. Representatives of Advertising firm for technical supports
- iii. The float with branding and the theme of the campaign
- iv. A small truck with an LED screen to play the documentaries and the TVCs
- v. A promotional van to create awareness from door-to-door.

02. Implementation steps

- i. As the first step, a half day workshop will be organized by the each District Secretariat at selected location with the participation of the all government officials to educate them regarding the “Enterprise Sri Lanka Program” and their responsibilities on implementation of this program.
- ii. At the end of this workshop, the Divisional Secretariat level awareness building teams will be structured including all officers who are dealing with the grass root level people.
- iii. Bring the message to the general public in village level through the aforesaid teams with the support of the government servants who are based in the village level.
- iv. After completion of village level awareness campaign, the targeted groups gathered to the selected location of the each Devotional Secretariat and make awareness on the Enterprise Sri Lanka with the participation of National Level Promotion Team deployed by MOFMM and bank representatives.
- v. Simultaneously, leaflets, pennants and banners are displayed in front of common places such as Post Office, Divisional Secretariat, Community Halls, Train Stations, Gramaniladari Office etc.

Financial and non-financial schemes are available under the Enterprise Sri Lanka

Name of the Loan Scheme	Description
1. Interest Subsidy Loan Scheme	
1.1 Ran Aswenna	<p><u>Category I</u></p> <p>Beneficiaries - Small Scale Farmers and Farmer Organizations, Floriculture farmers, Entrepreneurs in ornamental fish related businesses</p> <p>Maximum Loan Amount (Rs.) - 5,000,000</p> <p>% of the Interest Subsidy - 50%</p> <p>Onlending Rate - 6.75%</p> <p><u>Category II</u></p> <p>Beneficiaries - Agro Processing Establishments,</p> <p>Maximum Loan Amount (Rs.) - 300,000,000</p> <p>% of the Interest Subsidy - 50%</p> <p>Onlending Rate - 6.75%</p> <p><u>Category III</u></p> <p>Beneficiaries - Commercial Scale Farming</p>

	Maximum Loan Amount (Rs.) - 750,000,000 % of the Interest Subsidy - 50% Onlending Rate - 6.75%
1.2 Govi Navoda	Beneficiaries - Small scale farmers, Farmers' organizations (for mechanizing the cultivation activities) Maximum Loan Amount (Rs.) - 500,000 % of the Interest Subsidy - 75% Onlending Rate - 3.38%
1.3 Riya Shakthi	Beneficiaries - Owners of the school service vans Maximum Loan Amount (Rs.) - 4,000,000 % of the Interest Subsidy - 75% Onlending Rate - 3.38%
1.4 Rivi Bala Savi	Beneficiaries - Households Maximum Loan Amount (Rs.) - 350,000 % of the Interest Subsidy - 50% Onlending Rate - 6%
1.5 Diri Saviya	Beneficiaries - Poultry producers, Self-employees Maximum Loan Amount (Rs.) - 50,000 % of the Interest Subsidy - 100% Onlending Rate - 0%
1.6 Jaya Isura	<p><u>Category I</u></p> Beneficiaries - Small enterprises with an annual turnover between Rs 10 Mn to Rs 250 Mn and with an employment cadre of 5 to 50 who are engaged in agriculture, fisheries, livestock, floriculture, horticulture, light engineering, printing, tourism, handicrafts, apparel, information technology and manufacturing industry sectors. Maximum Loan Amount (Rs.) - 100,000,000 % of the Interest Subsidy - 50% Onlending Rate - 6.75% <p><u>Category II</u></p> Beneficiaries - Medium entrepreneurs with an annual turnover between Rs 250 Mn to Rs 750 Mn and with an employment cadre of 51 to 300 who are engaged in the same sectors mentioned under the Category I Maximum Loan Amount (Rs.) - 400,000,000 % of the Interest Subsidy - 25%

	Onlending Rate	- 10.12%
1.7 Sonduru Piyasa	Beneficiaries	- Owners of the houses with less than 1000 sq.ft.
	Maximum Loan Amount (Rs.)	- 200,000
	% of the Interest Subsidy	- 50%
	Onlending Rate	- 6.75%
1.8 Madya Aruna	<u>Category I - (To purchase media equipment)</u>	
	Beneficiaries	- Registered journalists
	Maximum Loan Amount (Rs.)	- 300,000
	% of the Interest Subsidy	- 100%
	Onlending Rate	- 0%
	<u>Category II - (To upgrade media equipment)</u>	
	Beneficiaries	- Registered journalists
	Maximum Loan Amount (Rs.)	- 150,000
	% of the Interest Subsidy	- 50%
	Onlending Rate	- 6.75%
1.9 "Arambuma" Credit Scheme	Beneficiaries	- Young Graduates
	Maximum Loan Amount (Rs.)	- 1,500,000
	% of the Interest Subsidy	- 100%
	Onlending Rate	- 0%
	Other facility	- Fully Government guarantee.
1.10 "Green Loan"	<u>Category I</u>	
	Beneficiaries	- Micro enterprises, Self - employees
	Maximum Loan Amount (Rs.)	- 1,000,000
	% of the Interest Subsidy	- 50%
	Onlending Rate	- 6.75%
	<u>Category II (Homestay Programme)</u>	
	Beneficiaries	- Small scale tourist service providers
	Maximum Loan Amount (Rs.)	- 5,000,000
	% of the Interest Subsidy	- more than 50%
	Onlending Rate	- 6%
<u>2. Donor Funded Refinance Loan Scheme</u>		
2.1 Rooftop Solar Power Generation Project (Funded by Asian Development Bank)	<u>Category I</u>	
	Beneficiaries	- Households
	Maximum Loan Amount (Rs.)	- 7,500,000
	Onlending Rate	- 8%
	<u>Category II</u>	
	Beneficiaries	- Entrepreneurs

	<p>Maximum Loan Amount (Rs.) - Min. 7,500,000 (No maximum limit)</p> <p>Onlending Rate - 8%</p> <p>Donor Agency - ADB (\$ 50 million for 1st tranche and top-up to \$ 200 mn based on progress)</p>
2.2 Small and Medium-sized Enterprises Line of Credit Project (SMELoC)	<p>Beneficiaries - SME Entrepreneurs</p> <p>Maximum Loan Amount (Rs.) - 50,000,000</p> <p>Onlending Rate - 11 – 13 %</p> <p>Donor Agency - ADB (\$ 175 million)</p>
2.3 “Pavithra Ganga” Initiative	<p>Beneficiaries - The companies that already discharge their waste into the Kelani River, lagoons</p> <p>Maximum Loan Amount (Rs.) - 30,000,000</p> <p>Onlending Rate - 6.5%</p> <p>Donor Agency - JICA</p>
3. Financial and non-financial support programs	
3.1 National Credit Guarantee Institution (NCGI)	<p>Beneficiaries - SME Entrepreneurs</p> <p>Maximum Coverage - 1/3 of the loan</p> <p>Annual Premium - 1 - 2 %</p> <p>Donor Agency - ADB (\$ 100mn)</p>
3.2 .Supporting for the formation of SME companies	<p>Beneficiaries - Youth, Women, farmers, and people who are willing to establish SME companies</p> <p>Nun- Financial Benefits - technical support to incorporate companies, maintain books and records, negotiations with financial institutions, access to market</p> <p>Financial Benefits - Leasing facilities through state banks and 75 % of lease cost paid by the Government. Concessionary loans under Enterprise Sri Labnka</p> <p>Onlending Rate - 6.75 %</p>