

## DEVELOPMENT COORDINATION

### Major Development Partners: Strategic Foci and Key Activities

Given the importance of small and medium-sized enterprises (SMEs) in reducing poverty and promoting economic growth, several development agencies have been long engaged in supporting SME financing in Sri Lanka. Currently, the Asian Development Bank (ADB) is the only development agency that actively supports the government to enhance SME financing through sovereign loan projects, nonsovereign investments, and technical assistance grants. The International Finance Corporation is also active in directly supporting private sector banks and nonbank financial institutions to expand their SME businesses and strengthen their risk management capacities through equity investments, loans, and advisory services on a cost-recovery basis.

### Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
<b>SME Finance</b>			
ADB (sovereign)	Small and Medium-Sized Enterprise Regional Development Project	2008–2012	50.0
	Small and Medium-Sized Enterprises Line of Credit Project	2016–present	175.0
	Technical Assistance for SME Cluster Development and Financial Innovation <sup>a</sup>	2016–present	2.0
ADB (nonsovereign)	Technical Assistance for Mobilizing Finance for Sri Lanka <sup>b</sup>	2016–present	0.5
	Senior Unsecured Loan to Nations Trust Bank for the Small and Medium-Sized Enterprises Finance Project (senior loan)	2013–present	15.0
	LOLC Finance and LOLC Micro Credit (senior loan) <sup>c</sup>	2015–present	100.0
EIB	SME and Green Energy Global Loan <sup>d</sup>	2014–2015	81.9
World Bank	Small and Medium Enterprises Development Facility Project	2011–2015	57.4
IFC	Emerald Sri Lanka Fund I Limited (equity investment)	2014–present	10.0
	NDB Debt Syndication (senior loan) <sup>e</sup>	2014–present	20.0
	NDB Loan Package (senior loan)	2013–present	24.0
	Commercial Bank of Ceylon (financing facility)	2011–present	65.0
	Commercial Bank of Ceylon (subordinated loan)	2013–present	75.0
	Nations Trust Bank (senior loan)	2017–present	50.0
	SFCL Senior Loan (senior loan to Senkadagala Finance PLC)	2014–present	7.0
	Sanasa Development Bank Limited (equity investment)	2017–present	3.0
	SME Banking SL (advisory services for NDB and Seylan Bank)	2014–present	0.8
	Secured Transaction Registry (advisory services)	2012–2014	0.2
JICA	Small and Micro Industries Leader and Entrepreneur Promotion Project (III) <sup>d</sup>	2004–2012	87.0
USAID	Connecting Regional Economies Project	2008–2012	13.5

ADB = Asian Development Bank, EIB = European Investment Bank, IFC = International Finance Corporation, JICA = Japan International Cooperation Agency, LOLC = Lanka Orix Leasing Company, NDB = National Development Bank, SMEs = small and medium-sized enterprises, USAID = United States Agency for International Development.

<sup>a</sup> Financed by Japan Fund for Poverty Reduction and administered by ADB.

<sup>b</sup> Financed by the Financial Sector Development Partnership Special Fund and administered by ADB.

<sup>c</sup> Including B-loan.

<sup>d</sup> EIB's loan was €63 million and JICA's loan was ¥9,619 million.

<sup>e</sup> Projects that will support trade finance are excluded.

Sources: ADB, EIB, IFC, JICA, USAID, and World Bank.