



Additional Financing

Project Number: 49273-003
Loan Number: 3370-SRI
June 2018

Proposed Administration of Grant and Technical
Assistance Grant for Additional Financing
Democratic Socialist Republic of Sri Lanka: Small
and Medium-Sized Enterprises Line of Credit Project

CURRENCY EQUIVALENTS

(as of 1 May 2018)

Currency unit	–	Sri Lanka rupee (SLRe/SLRs)
SLRe1.00	=	\$0.006341
\$1.00	=	SLRs157.70

ABBREVIATIONS

ADB	–	Asian Development Bank
BPO	–	business process outsourcing
ICT	–	information and communication technology
PFI	–	participating financial institution
SME	–	small and medium-sized enterprise
TA	–	Technical Assistance
We-Fi	–	Women Entrepreneurs Finance Initiative

NOTE

In this report, "\$" refers to US dollars.

Vice-President	Wencai Zhang, Operations 1
Director General	Hun Kim, South Asia Department (SARD)
Director	Bruno Carrasco, Public Management, Financial Sector, and Trade Division, SARD
Team leaders	Donald Lambert, Principal Finance Specialist, SARD Amanda Tan, Financial Sector Specialist, SARD
Team members	Adelita June Gacutan, Senior Operations Assistant, SARD Analyn Bravo, Associate Project Analyst, SARD Francesco Tornieri, Principal Social Development Specialist (Gender and Development), SARD Keiko Nowacka, Social Development Specialist (Gender and Development), Sustainable Development and Climate Change Department (SDCC) Kristina Rekomono, Senior Operations Assistant, SARD Ma. Kristina Hidalgo, Senior Financial Sector Officer, SARD Sonomi Tanaka, Chief, Gender Equity Thematic Group, SDCC Takuya Hoshino, Financial Sector Specialist, SARD Young Seo, Senior Counsel, Office of the General Counsel

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PROJECT AT A GLANCE

1. Basic Data		Project Number: 49273-003	
Project Name	Small and Medium-Sized Enterprises Line of Credit Project-Additional Financing	Department /Division	SARD/SAPF
Country Borrower	Sri Lanka Democratic Socialist Republic of Sri Lanka	Executing Agency	Ministry of Finance and Mass Media
2. Sector	Subsector(s)	ADB Financing (\$ million)	
		Total	0.00
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change Civil society participation Institutional development Institutional systems and political economy Public financial governance	Gender equity (GEN)	✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas Knowledge sharing activities		
Partnerships (PAR)	International finance institutions (IFI) Official cofinancing		
Private sector development (PSD)	Conducive policy and institutional environment Promotion of private sector investment		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	Yes	Not Applicable	
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG5, SDG8, SDG10		
6. Risk Categorization:	Low		
7. Safeguard Categorization	Environment: FI Involuntary Resettlement: FI Indigenous Peoples: FI		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.00	
None		0.00	
Cofinancing		10.17	
Women Entrepreneurs Finance Initiative Trust Fund - Project grant (Full ADB Administration)		10.17	
Counterpart		0.00	
None		0.00	
Total		10.17	
Note: An attached technical assistance will be financed on a grant basis by the Women Entrepreneurs Finance Initiative Trust Fund in the amount of \$2,388,800.			

I. THE PROPOSAL

1. We seek your approval to administer a grant in the amount of \$10,165,000¹ for the additional financing of the Small and Medium-Sized Enterprises Line of Credit Project (the Project) to the Democratic Socialist Republic of Sri Lanka, to be provided by the Women Entrepreneurs Finance Initiative (We-Fi).² The report also describes administration of a grant in the amount of \$2,386,800 for the additional financing of the attached technical assistance (TA)³ to the Democratic Socialist Republic of Sri Lanka, to be provided by We-Fi, and if you approve the proposed administration of the grant for the Project, the Director General, South Asia Department, acting under the authority delegated to him by the Board, approves the administration of the grant for the TA.

II. THE ONGOING PROJECT

2. On 15 February 2016, the Board approved Loan 3370 in the amount of \$100,000,000 from ordinary capital resources (regular loan) for the Project, with an attached TA in the amount of \$2,000,000 financed on a grant basis by the Japan Fund for Poverty Reduction and administered by ADB.⁴ On 15 January 2018, the Board approved Loan 3640 in the amount \$75,000,000 from ordinary capital resources (regular loan) for additional financing of the Project.⁵ 10 participating financial institutions (PFIs)⁶ are financial intermediaries of the Project with small and medium-sized enterprises (SMEs) as end-beneficiaries. The Project finances subloans to qualified SMEs through the PFIs.

3. The ongoing project's impact will be employment opportunities in SMEs increased.⁷ Its outcome will be SMEs' access to finance strengthened. The ongoing project has the following outputs: (i) financing to SMEs through formal intermediaries increased; (ii) innovative SME financing schemes developed; (iii) capacity of SMEs in targeted clusters to access financial services enhanced; and (iv) international competitiveness of the information and communication technology (ICT)-business process outsourcing (BPO) cluster strengthened.

4. The ongoing project is on track to achieve its outcome of strengthened SMEs' access to finance; has been satisfactory on implementation progress; has consistently surpassed its development targets of lending to subborrowers outside Colombo, first time borrowers and to women-led SMEs; has complied with safeguard policy requirements; and has successfully managed risks.

¹ This amount includes \$9,500,000 million to provide grants for principal paydown support to eligible women-led SMEs and \$665,000 of administrative fee for ADB.

² We-Fi was launched on 12 October 2017 as an international financial intermediary fund to address financial and nonfinancial constraints faced by women-led small- and medium-sized enterprises (SMEs) in developing countries. It aims to mobilize more than \$1.0 billion in financing from international financial institutions and the private sector. We-Fi is governed by a Governing Committee comprising 14 founding contributing countries that have committed over \$340 million to date and is administered by a secretariat at the World Bank.

³ The proposed increase in the budget and change in scope of the TA are described in Appendix 2 (Attached Technical Assistance).

⁴ ADB. 2016. *Report and Recommendation of the President to the Board of Directors. Proposed Loan and Administration of Technical Assistance Grant to the Democratic Socialist Republic of Sri Lanka for the Small and Medium-Sized Enterprises Line of Credit Project*. Manila.

⁵ ADB. 2017. *Report and Recommendation of the President to the Board of Directors. Proposed Loan for Additional Financing Democratic Socialist Republic of Sri Lanka: Small and Medium-Sized Enterprises Line of Credit Project*. Manila.

⁶ The 10 PFIs are Bank of Ceylon, Commercial Bank, DFCC Bank, Hatton National Bank, National Development Bank, Nations Trust Bank, People's Bank, Regional Development Bank, Sampath Bank and Seylan Bank.

⁷ Government of Sri Lanka. 2017. *Vision 2025: A Country Enriched*. Colombo.

5. ADB has disbursed 100% of the \$100.0 million SME line of credit approved in 2016. For the \$75.0 million additional financing approved in January 2018, the government has submitted a withdrawal request for \$25.0 million, and this first allocation is expected to disburse by 30 June 2018.

III. THE ADDITIONAL FINANCING

A. Rationale

6. The first additional financing to the ongoing project was approved by the Board on 15 January 2018, and the proposed We-Fi financing materialized only after such approval. The ongoing project is performing well and the proposed We-Fi additional financing will be used to expand the gender dimensions of the Project.

7. Women-led SMEs face significant barriers for access to finance. The International Finance Corporation has identified Sri Lanka's gender gap in micro, small, and medium enterprise financing at \$350 million. The Government of Sri Lanka has prioritized financial inclusion for SMEs. The 2018–2022 Country Partnership Strategy identified SME financing as an area of focus.⁸

8. The We-Fi grant funding increases the ongoing project's benefit to women-led SMEs in Sri Lanka by improving access to finance for underserved women-led SMEs through a \$9,500,000 grant for principal paydown support.

B. Impact, Outcome, and Outputs

9. **Impact and outcome.** The We-Fi-funded second additional financing will enhance the gender dimensions of the ongoing project, as the We-Fi funded additional financing component is categorized as Gender Equity as a Theme (GEN), an upgrade from the ongoing project which will remain categorized as Effective Gender Mainstreaming (EGM). The impact of the overall project including the We-Fi additional financing will remain increased employment opportunities in SMEs.⁹ The outcome will remain strengthened SMEs' access to finance. With the We-Fi additional financing, at least \$27.1 million of blended financing support, from both the We-Fi grant and the ongoing project, will be provided to women-led SMEs by 2020. Additional gender targets have been included in the Design and Monitoring Framework (DMF) to reflect the project's enhanced gender focus through the We-Fi financing.¹⁰

10. **Outputs.**¹¹ The ongoing project's outputs including financing to SMEs through formal intermediaries increased (Output 1), innovative SME financing schemes developed (Output 2), and international competitiveness of ICT-BPO cluster strengthened (Output 4) will remain largely unchanged.

11. With the first additional financing of \$75,000,000, Output (3) has been expanded to enhanced capacity of all SMEs to access financial services. With the proposed increase in the amount and scope of the attached TA to be grant-financed by We-Fi, at least 250 actual and potential women entrepreneurs from SMEs across all industries will be trained in business

⁸ ADB. 2017. *Country Partnership Strategy: Sri Lanka, 2018–2022—Transition to Upper Middle-Income Country Status*. Manila.

⁹ Government of Sri Lanka. 2017. *Vision 2025: A Country Enriched*. Colombo.

¹⁰ The Revised Design and Monitoring Framework is in Appendix 1.

¹¹ The numbering of detailed outputs corresponds with the Revised Design and Monitoring Framework in Appendix 1.

management and financial literacy, in addition to the ongoing project's target of 500 in select industries.

12. The proposed increase in the amount and scope of the attached TA amount to be financed by We-Fi on a grant basis, will support the delivery of two new outputs: (i) gender-inclusive policy and regulatory framework and support enhanced (Output 5), and (ii) evidence base on women entrepreneurship development strengthened to inform future policymaking (Output 6). Activities envisaged to achieve these outputs include gap assessment and development plan on gender policies and processes for PFIs, government agencies, and civil society organizations; a policy paper on women entrepreneurship in Sri Lanka; rigorous impact evaluation; and development communications strategy. See Appendix 1 for revised DMF.

C. Women Entrepreneurs Finance Initiative Additional Financing

13. A call for gender-focused SME project proposals was made by the We-Fi Secretariat on 11 October 2017, with a submission deadline of 15 December 2017. A grant project proposal was developed to complement the ongoing project because of its strong track record and focus on women entrepreneurship. On 19 April 2018, the Governing Committee officially approved the project proposal and awarded a grant, based on the ongoing project's track record,¹² government ownership, and availability of data that began during the ongoing project.¹³

14. **Investment and financing plans.** The ongoing project includes the \$100,000,000 original project and \$75,000,000 of first additional financing. With the proposed We-Fi additional financing grant, the total project cost is estimated to be \$185,165,000. See Table 1.

Table 1: Revised Investment and Financing Plan
(\$ million)

Source	Current ^a		Additional Financing		Total	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
ADB	0.000	0.0	0.000	0.0	0.000	0.0
OCR (regular loan)	175.000	100.0	0.000	0.0	175.000	94.5
We-Fi (grant)	0.000	0.0	10.165	100.0	10.165	5.5
Total	175.000	100.0	10.165	100.0	185.165	100.0

^a Refers to the original loan and first round of additional financing.

ADB = Asian Development Bank, OCR = ordinary capital resources, We-Fi = Women Entrepreneurs Finance Initiative. Source: Asian Development Bank.

15. The We-Fi grant-funded \$9,500,000¹⁴ support for principal paydown of individual loans undertaken by women-led SMEs will be disbursed in three equal tranches of \$3,170,000 each together with ADB's \$25,000,000 per tranche disbursement for its additional financing (Table 2).¹⁵

¹² The Project has also consistently exceeded its financial inclusion targets of lending to first time borrowers, women-led SMEs, and other targeted SMEs. See also para. 4 and para. 5.

¹³ The proposal was one of the three successful proposals out of the seven submitted by multilateral development banks and was the sole single-country proposal approved.

¹⁴ \$10.165 million includes ADB's administrative fee of \$665,000.

¹⁵ After the completion of the seventh funding round, ADB will decide, in consultation with the government, on the use of any unused grant funds under the principal paydown component. Priority of uses for any such remaining funds will be another SME project in Sri Lanka, an SME project in another SARD country, or blending with funds from the PFIs.

Table 2: Schedule of Fund Allocation

Item	Fifth Funding Round (March 2018)	Sixth Funding Round (September 2018)	Seventh Funding Round (March 2019)
Available credit line	\$25.00 million	\$25.00 million	\$25.00 million
Available We-Fi grant ^a	\$3.17 million ^b	\$3.17 million	\$3.17 million
Total	\$28.17 million	\$28.17 million	\$28.17million

We-Fi = Women Entrepreneurs Finance Initiative.

^a ADB will add any funds not allocated in the fifth or sixth round to the subsequent round.

^b For the fifth round of funding, decisions on allocation requests made for We-Fi grant funding for eligible women-led SME subborrowers will be made in June 2018.

Source: Asian Development Bank.

16. **Implementation arrangements.** The We-Fi grant will be implemented from June 2018 to 31 December 2019. The grant project and the current project will have the same executing agency, the Ministry of Finance and Mass Media. The We-Fi grant will be disbursed in accordance with *ADB's Loan Disbursement Handbook (2017, as amended from time to time)*.

17. The government will disburse \$9,500,000 of the We-Fi grant for principal paydown support in local currency equivalent through PFIs. The PFIs will then provide the grants for principal paydown support to eligible women-led SMEs. Women-led SMEs eligible for the We-Fi funded 20% principal paydown grant support must meet the following criteria:

- (i) at least 51% of the enterprise ownership is controlled by women, or meets the below three criteria:
 - (a) at least 20% of the enterprise ownership is controlled by women;
 - (b) a woman is either the chief executive officer (i.e., senior most manager) or chief operations officer (i.e., second most senior manager); and
 - (c) 30% of the board members are women, where a board exists.
- (ii) The loan principal is at least Rs750,000.¹⁶

18. The We-Fi grant will also finance eligible women-led SME borrowers for an additional: (i) 10% principal paydown of individual loan if they complete the associated training, and (ii) 5% of principal paydown of individual loan if women-led subborrowers are accessing finance for economic activity in the regions within the Uva, Sabaragamuwa, Northern, and Eastern provinces. We-Fi grant financing for eligible women-led SMEs is, cumulatively, subject to a ceiling of Rs17,500,000 for each individual loan transaction contingent on the conditions set out above.

19. **Assurances.** The government and the Ministry of Finance and Mass Media have assured ADB that implementation of the grant shall conform to all applicable ADB policies, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement as described in detail in the project administration manual and grant documents.

20. The government and the Ministry of Finance and Mass Media have agreed with ADB on certain covenants for the project, which are set forth in the grant agreement and project agreements.

21. **Due diligence.** The proposed We-Fi additional financing grant will leverage on the due diligence conducted for the ongoing project including poverty and social dimensions, PFIs' financial strength, and safeguards.

¹⁶ The exchange rate is fixed at Rs150 unless otherwise adjusted by the SME steering committee.

D. Technical Assistance

22. An attached transaction TA of \$2,000,000 financed on a grant basis by JFPR is supporting the delivery of project outputs. It has funded the administration of the auction, study on the introduction of an SME credit guarantee scheme and development of three industry clusters (ICT-BPO, fruits and vegetables, and processed food and beverage) in Sri Lanka.¹⁷

23. A \$2,386,800¹⁸ increase in the attached TA is proposed to finance an increase in the overall project's gender dimensions by: (i) strengthening gender-inclusive policy and regulatory frameworks, business practices, and networks; (ii) building business capacity of women-led SMEs; and (iii) strengthening the evidence base on women entrepreneurship to inform future policymaking. The increased TA scope will support the delivery of expanded activities under the Project as described in para. 10-12 and in Appendix 2.

IV. RECOMMENDATION

24. It is recommended that the President approves the administration of a grant in the amount of \$10,165,000 to the Democratic Socialist Republic of Sri Lanka for the additional financing of the Small and Medium-Sized Enterprises Line of Credit Project, to be provided by the Women Entrepreneurs Finance Initiative (We-Fi).

¹⁷ ADB. 2016. *Report and Recommendation of the President to the Board of Directors. Proposed Loan and Administration of Technical Assistance Grant to the Democratic Socialist Republic of Sri Lanka for the Small and Medium-Sized Enterprises Line of Credit Project*. Manila.

¹⁸ This amount includes \$142,800 of administrative fee to be paid by We-Fi to ADB.

REVISED DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with			
Current project Employment opportunities in small and medium-sized enterprises increased (Vision 2025) ^a			
Overall project Unchanged			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Current project SMEs' access to finance strengthened	Current project a. By 2020, \$102.5 million lent via the credit line to SMEs that are (i) located outside Colombo district, (ii) borrowing for working capital, (iii) led by women, ^b or (iv) new borrowers (2015 baseline: 0) b. By 2016, a report on a national credit guarantee scheme for SMEs endorsed by the steering committee (2015 baseline: not applicable) c. By 2017, at least 1 cluster-based loan is financed (2015 baseline: 0) d. By 2018, at least 60% of women entrepreneurs trained under the project have applied for business loans or have business plans endorsed by a business development service provider (2015 baseline: 0)	a. PMU semiannual report b. Steering committee minutes c. Loan documentation or confirmation from the lender d. Consultant's final report	Macroeconomic conditions deteriorate and bankable SME projects decrease
Overall project Unchanged	Overall project a-b. Unchanged c. By 2019, at least 1 cluster-based loan is financed (2015 baseline: 0) d. Unchanged e. By 2020, at least \$27.1 million of blended finance (credit facility and We-Fi grant) provided to SMEs that are led by women (2015 baseline: 0) f. By 2020, 10% of We-Fi funded women-led SMEs report	a-d. Unchanged e. PMU semiannual report f: Consultant's final report	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	increased revenue (2015 baseline: not applicable)		
<p>Outputs Current project 1. Financing to SMEs through formal intermediaries increased</p> <p>Overall project Unchanged</p>	<p>Current project 1a. By 2020, \$175 million from the line of credit disbursed to participating banks (2015 baseline: 0 million)</p> <p>Overall project 1a. Unchanged</p> <p>1b. By 2020, \$9.5 million of We-Fi grant funding disbursed to participating banks (2015 baseline: 0)</p> <p>1c. At least 250 women-led SMEs accessed We-Fi grant financing by 2020 (2015 baseline: 0)</p>	<p>1a. PMU semiannual report</p> <p>1a. Unchanged</p> <p>1b. PMU semiannual report</p> <p>1c. Consultant reports</p>	Some participating banks cannot meet the onlending disbursement and development targets because of poor management.
<p>Current project 2. Innovative SME financing schemes developed</p> <p>Overall project Unchanged</p>	<p>Current project 2a. By June 2016, auction management unit and auction procedures for the project established and first auction carried out^c (2015 baseline: not applicable)</p> <p>2b. By 2016, a report on a national credit guarantee scheme for SMEs submitted to the steering committee (2015 baseline: not applicable)</p> <p>Overall project 2a–b. Unchanged</p>	<p>2a. Consultant's inception and first quarterly monitoring reports</p> <p>2b. Consultant's final report</p> <p>2a–b. Unchanged</p>	
<p>Current project 3. Capacity of SMEs in targeted clusters to access financial services enhanced</p>	<p>Current project 3a. By 2017, at least 1 cluster-based loan presented to the banks (2015 baseline: 0)</p> <p>3b. By 2018, 500 actual and potential female entrepreneurs from SMEs in the 3 clusters (ICT–BPO, fruits and vegetables, and processed food and beverage) trained in business development and</p>	3a–b. Consultant's final report	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	management (including financial literacy) (2015 baseline: 0)		
Overall project Capacity of SMEs to access financial services enhanced (changed)	Overall project 3a. Unchanged 3b. By 2020, at least 750 actual and potential female entrepreneurs from SMEs trained in business development and management (including financial literacy) (2015 baseline: 0) 3c. By 2020, at least 450 women entrepreneurs registered for online learning and development platform to support networking and mentoring for women entrepreneurs (2015 baseline: 0)	3a-b. Unchanged 3c. Consultant's final report	
Current project 4. International competitiveness of the ICT-BPO cluster strengthened	Current project 4a. By 2017, international branding campaign of ICT-BPO cluster launched (2015 baseline: not applicable) 4b. By 2017, at least 500 women participated in career events on working in the ICT-BPO cluster (2015 baseline: 0)	4a-b. Consultant's final report	
Overall project Unchanged	Overall project 4a. Unchanged 4b. By 2018, at least 500 women participated in career events on working in the ICT-BPO cluster (2015 baseline: 0)	4a-b. Unchanged	
Overall project 5. Gender-inclusive policy and regulatory framework and support enhanced	Overall project 5a. By 2020, at least 3 government agencies have undertaken gender gap needs assessment and developed action plans to support women entrepreneurs (2015 baseline: 0) 5b. By 2020, at least 2 CSOs have undertaken gender needs assessment and developed	5a-c. Consultant's final report	Lack of willingness by stakeholders to undertake recommendations suggested from gap assessments

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>action plans to support women entrepreneurs (2015 baseline: 0)</p> <p>5c. By 2020, at least 25% of government staff surveyed in the 3 agencies completing action plans to support women entrepreneurship report higher levels of awareness of gender-specific challenges in women's entrepreneurship (2015 baseline: not available)</p> <p>5d. By 2020, at least 7 financial institutions' Board of Directors endorsed new gender-responsive policies and practices (2015 baseline: 0)</p>	<p>5d. Board of Directors' meeting minutes</p>	
<p>Overall project 6. Evidence base on women entrepreneurship development to inform future policymaking strengthened</p>	<p>Overall project 6a. By 2020, one impact evaluation report submitted to the SME steering committee (2015 baseline: 0)</p> <p>6b. A policy paper on women entrepreneurship endorsed by the SME steering committee (2015 baseline: 0)</p> <p>6c. By 2020, 4 national and regional seminars in total held to disseminate findings on women entrepreneurship development challenges and solutions (2015 baseline: 0)</p>	<p>6a. Steering committee minutes</p> <p>6b. Steering committee minutes</p> <p>6c. Consultant's final report</p>	<p>Impact evaluation provides inconclusive results of grant assistance for women entrepreneurship</p>

Key Activities with Milestones

1. Financing to SMEs through formal intermediaries increased

- 1.1 Conduct 7 disbursements during Q1 2016–Q2 2019 (4 rounds conducted) (unchanged)
- 1.2 Submit monthly and semiannual performance reports and a completion report on auction results by Q2 2020 (reports through September 2017 submitted) (unchanged)

2. Innovative SME financing schemes developed

- 2.1 Established an independent administration unit for the auction mechanism by Q1 2016^c (completed)
- 2.2 Established operating rules for the auction mechanism, including a dissemination plan for auction results by Q1 2016^c (completed)
- 2.3 Conducted first auction by Q2 2016^c (completed)
- 2.4 Collated all relevant information on undertaking a demand analysis for the NCGS for SMEs by Q1 2016 (completed)

- 2.5 Provided a business plan, based on demand analysis, for the NCGS and structure options for establishing the NCGS, including partnerships and a subsidiary of existing entities, by Q3 2016 (completed)
 - 2.6 Specified NCGS incorporation options, including fund ownership arrangements and capital requirements, by Q3 2016 (completed)
 - 2.7 Organized a seminar on the NCGS and provided draft reports, including capitalization and structuring options, and presentation materials to seminar participants by Q4 2016 (completed)
 - 2.8 Submitted a proposal on the NCGS to the steering committee by Q1 2017 (completed)
- 3. Capacity of SMEs in targeted clusters to access financial services enhanced**
- 3.1 Identified a potential borrowing cluster by Q3 2016 (completed)
 - 3.2 Established a special purpose vehicle or other collaboration that will borrow on behalf of SMEs in the cluster by Q2 2017 (completed)
 - 3.3 Structured the loan and prepared the loan proposal by Q4 2017 (completed)
 - 3.4 Conducted a gender-responsive value chain analysis of 3 targeted clusters (ICT-BPO, fruits and vegetables, and processed food and beverage), and developed a strategy for expanding female entrepreneurship and financing and helping women move up the value chain in the 3 clusters by Q2 2017 (completed)
 - 3.5 Assessed the capability development needs of female entrepreneurs and designed training modules on business development and management (including financial literacy) in the 3 clusters based on the identified capability development needs by Q2 2017 (completed)
 - 3.6 Launched initiatives to strengthen networks of female entrepreneurs by Q4 2017 (completed)
 - 3.7 Train 500 actual and potential female entrepreneurs in business development and management (including financial literacy) in the 3 SME clusters by Q1 2019 (changed)
 - 3.8 Train at least 250 existing and potential female entrepreneurs in business development and management across all SME clusters by Q4 2019 (changed)
 - 3.9 Develop interactive online platform including mobile applications for networking by Q1 2019 (changed)
 - 3.10 Upload revised material for associated training course for business management and financial literacy by Q2 2019 (changed)
 - 3.11 Register 450 women entrepreneurs on the online platform by Q2 2020 (changed)
- 4. International competitiveness of ICT-BPO cluster strengthened**
- 4.1 Conducted a gap analysis on current international branding campaigns by other stakeholders in the ICT-BPO cluster and developed a strategy for strengthening EDB support for international branding of the ICT-BPO cluster by Q1 2017 (completed)
 - 4.2 Launched an international branding campaign, including strengthening EDB's business matching services, by Q3 2017 (completed)
 - 4.3 Developed a product and/or service quality assurance mechanism for the ICT-BPO cluster, if practical, in partnership with organizations such as the Sri Lanka Association of Software and Service Companies by Q2 2017 (completed)
 - 4.4 Facilitated the participation of at least 40 ICT-BPO staff members attending a seminar on international branding of Sri Lanka's ICT-BPO cluster by Q1 2018 (changed)
 - 4.5 Identified economic, social, and regulatory barriers that prohibit women from entering and staying in the ICT-BPO cluster; included an assessment of the cost and benefits of statutory prohibitions on women's working hours; and developed a cluster strategy to attract female workers by Q1 2017 (completed)
 - 4.6 Provided support for school career counselors to construct a strong network with ICT-BPO professionals by Q2 2018 (changed)
 - 4.7 Launched a career forum for women with interest in the ICT-BPO cluster by Q4 2017 (completed)
 - 4.8 Facilitated the participation of at least 500 women in career events on working in the ICT-BPO cluster by Q3 2018 (changed)
- 5. Gender-inclusive policy and regulatory framework and support enhanced**
- 5.1 Complete gender gap assessment of government agencies' support for gender development in entrepreneurship by Q1 2019 (changed)

- 5.2 Facilitate train-the-trainers sessions for government agencies involved in assessment based on gender development plan by Q3 2019 (changed)
- 5.3 Complete gender gap analysis in CSOs' support to women entrepreneurship by Q1 2019 (changed)
- 5.4 Conduct technical seminars for CSOs by Q3 2019 (changed)
- 5.5 Conduct baseline and endline surveys of the government staff, of the 3 agencies completing action plans to support women entrepreneurship, to assess their awareness of gender-specific challenges in women's entrepreneurship by Q4 2019 (changed)
- 5.6 Complete gap assessment of financial institutions' gender-based practices, products and policies by Q1 2019 (changed)
- 5.7 Complete plan to develop PFIs' gender-inclusive policies and practices by Q3 2019 (changed)
- 6. Evidence base on women entrepreneurship development to inform future policymaking strengthened**
- 6.1 Complete baseline survey for impact evaluation and focus group discussions by Q1 2019 (changed)
- 6.2 Complete endline survey for impact evaluation and focus group discussions by Q3 2020 (changed)
- 6.3 A policy paper on women entrepreneurship in Sri Lanka submitted to the SME steering committee by Q4 2019 (changed)
- 6.4 Document at least 4 success stories of women-led SMEs who have benefitted from We-Fi funding by Q2 2020 (changed)
- 6.5 Hold at least 4 national and regional seminars in total to disseminate findings on women entrepreneurship development challenges and solutions by Q3 2020 (changed)

Inputs**Asian Development Bank** (loan)

\$100.0 million (current)

\$75.0 million (current)

Women Entrepreneurs Finance Initiative (cofinanced grant)\$10.165 million (additional)^d**Japan Fund for Poverty Reduction** (technical assistance grant)

\$2.0 million (current)

Women Entrepreneurs Finance Initiative (technical assistance grant)\$2.3868 million (additional)^e**Assumptions for Partner Financing**

Not applicable.

ADB = Asian Development Bank, BPO = business process outsourcing, CSO = civil society organization, EDB = Export Development Board, ICT = information and communication technology, NCGS = National Credit Guarantee Scheme, PMU = project management unit, Q = quarter, SME = small and medium-sized enterprise, We-Fi = Women Entrepreneurs Finance Initiative.

^a Government of Sri Lanka. 2017. *Vision 2025: A Country Enriched*. Colombo.

^b Led by a woman, at least (i) 51% of enterprise ownership is controlled by women, or (ii) at least 60% of senior managers are women, or (iii) at least 50% of board members are women, or (iv) have at least 20% ownership by a woman/women, and have at least a woman as either chief executive officer (i.e. senior most manager) or chief operations officer (i.e. second most senior manager), and have at least 30% of its board members comprise women, where a board exists.

^c The Government successfully completed performance indicators and activities related to the auction. But after completing 2 rounds, the Government decided to end the pilot and revert to a more conventional allocation.

^d Includes administrative fee of \$665,000.

^e Includes administrative fee of \$142,800 and contingencies of \$204,000.

Source: Asian Development Bank.

ATTACHED TECHNICAL ASSISTANCE

A. Introduction

1. **Current transaction TA.** The administration of a technical assistance (TA) grant in the amount of \$2,000,000 was approved on 15 February 2016 for an attached TA to SRI: Small and Medium-Sized Enterprises Line of Credit Project (the Project). The TA is estimated to cost \$2,000,000, of which \$2,000,000 is financed on a grant basis by the Japan Fund for Poverty Reduction (JFPR) and administered by ADB.

2. The TA comprises the following two components: Component 1 (administration of the auction system and study of the introduction of an SME credit guarantee scheme in Sri Lanka) would support the Project's output 2 (innovative SME financing schemes developed); and Component 2 (development of three industry clusters). Component 2 would support business development and financial services for female entrepreneurs in all three industry clusters to support the Project's output 3 (capacity of SMEs in targeted clusters to access financial services enhanced) and would support branding and promotion of female participation in the ICT-BPO cluster to support the project's output 4 (international competitiveness of ICT-BPO cluster strengthened).

3. The Ministry of Finance and Mass Media (MOF) is the executing agency. MOF's Department of Development Finance is the implementing agency for Component 1 and the Export Development Board (EDB) is the implementing agency for Component 2. The TA was made effective 27 April 2016 and is expected to be completed on 30 June 2020.

B. Current Status of TA Implementation Arrangements

4. The TA is on track for completion by June 2020. All the activities envisaged under Component 1 has been completed. About half of the activities designed to be conducted under Component 2 has been completed. Other key initiatives such as the training of 500 actual and potential female entrepreneurs in targeted sectors, and the facilitation of the participation of at least 500 women in career events on working in the ICT-BPO cluster is ongoing and on-track for completion by the TA's current completion date of 30 June 2020. Of the \$2,000,000, \$1,880,000 has been contracted and \$778,000 has been disbursed. See Attachment 3 for progress of TA implementation.

C. Proposed Changes in TA Scope and Implementation

5. A \$2,386,800 increase in the TA amount to be financed on a grant basis by the Women Entrepreneurs Finance Initiative (We-Fi) and a minor change in scope and implementation arrangements are proposed for the TA to support the enhancement of the gender dimensions of the ongoing project and the We-Fi grant. These will upgrade the gender categorization of the project from Effective Gender Mainstreaming (EGM) to Gender Equity as a theme (GEN). The wider gender dimensions will benefit women-led SMEs in Sri Lanka through four major components:

- (i) **Component 1: Access to finance for underserved women-led SMEs improved.** The TA will support the project's output 1 (financing to SMEs through formal intermediaries increased). At least 7 out of 10 of the ongoing project's participating financial institutions (PFIs) will complete a gender gap assessment of their policies, products and processes, and have introduced new gender-inclusive

- policies, products and processes to better serve women-led SME borrowers.
- (ii) **Component 2: Gender-inclusive policies and regulatory frameworks, business practices, and networks strengthened.** The TA will support the project's output 5 (gender-inclusive policy and regulatory framework and support enhanced). At least 3 government agencies and 2 civil society organizations are to develop action plans to support women entrepreneurship leveraging on findings from gender gap needs assessment.
 - (iii) **Component 3: Business capacity of women-led SMEs enhanced.** This component of the TA will increase support for the project's output 3 (capacity of SMEs to access financial services enhanced) and the ongoing TA's component 2 (gender-inclusive policies and regulatory frameworks, business practices, and networks strengthened). In addition to the women entrepreneurs from selected industries identified for capacity building in the TA, at least an additional 250 potential and existing women entrepreneurs from all industries will be trained in business development and management. Further, at least 450 women entrepreneurs will be registered on the online learning and development, and mentoring platform.
 - (iv) **Component 4: Evidence base on women entrepreneurship strengthened.** This TA component will support the overall project's output 6 (evidence base on women entrepreneurship strengthened). Focus group discussions and one rigorous impact evaluation including baseline and endline surveys will be undertaken. Further, a policy paper on the challenges to women entrepreneurship in Sri Lanka will be submitted to the SME steering committee. At least four success stories of women-led SMEs that have benefitted from We-Fi grant financing will be documented. At least 4 national and regional seminars in total will be held to disseminate findings to inform future policymaking on women entrepreneurship development.

6. **Implementation arrangements.** The TA completion date is proposed to be extended from 30 June 2020 to 14 February 2021. ADB will administer the We-Fi-funded grant, similar to the current arrangements for the current TA. All procurement of goods and services, and procurement will be in accordance with *ADB's Procurement Policy* (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

7. The Ministry of Finance and Mass Media will continue to be the executing agency of this scaled-up TA. MOF's Department of Development Finance will be the implementing agency for the We-Fi-funded components 1, 2, and 4 of the TA. The National Enterprise Development Authority (NEDA) will be the implementing agency for the We-Fi-funded component 3 (business capacity of women-led SMEs enhanced) of this TA.

8. **Consulting services.** ADB will engage the consultants and carry out procurement following the *ADB Procurement Policy* (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. Consultants will procure the necessary works and goods as applicable.

9. ADB will recruit one individual consultant to be financed by the We-Fi grant and to be based in the Sri Lanka Resident Mission as project manager. A time-based contract will be used for the individual consultant. ADB will also recruit 2 consulting firms: one for TA output 3, and another for TA outputs 1, 2, and 4. The 2 consulting firms will be recruited using the quality- and cost-based selection method with a standard technical-finance evaluation cost ratio of 90:10. An output-based (lumpsum) contract will be used for the 2 consulting firms. See Attachment 2 for the

consultants' terms of references.

Implementation Arrangements for We-Fi-funded TA Components

Aspects	Arrangements
Indicative implementation period	June 2018–February 2021
Executing agency	Ministry of Finance and Mass Media
Implementing agencies	1) Department of Development Finance, Ministry of Finance and Mass Media for We-Fi-funded Components 1, 2, and 4. 2) National Enterprise Development Authority (NEDA) for the We-Fi-funded Component 3.
Consultants	To be selected and engaged by ADB
Procurement	To be procured by consultants
Disbursement	The TA resources will be disbursed following <i>ADB's Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time). The disbursement arrangement will be on a cost-sharing basis.
Asset turnover arrangement upon TA completion	1) The implementing agency will identify either a government agency or a civil society organization to assume responsibility to moderate the online learning and development platform upon TA completion. 2) The consulting firm will turnover the tablets, purchased to conduct the baseline and endline surveys, to ADB upon TA completion.

Source: Asian Development Bank.

10. **Due diligence.** The ADB-administered additional financing grant TA will leverage on the due diligence conducted for the ongoing project including that of the PFIs' financial strength, poverty and social, and safeguards aspects.

D. Increase in the TA Amount

11. The current budget of the TA is proposed to be increased by \$2,386,800 of which \$2,386,800 will be financed on a grant basis by We-Fi. Of the \$2,386,800, \$2,244,000¹ will be for the TA components and \$142,800 will be administrative fees² for ADB. The disbursement of TA financing will be on a cost-sharing basis. See Attachment 1 for cost estimates and financing plan.

E. Staff Views

12. The change in scope and implementation arrangements are considered minor as these do not substantially affect the TA's outcome, components, benefits, or implementation arrangements. The ongoing project being supported is *low* risk. The current TA is on-track for completion. Comments from Controller's Department, the Office of Cofinancing Operations, the Office of the General Counsel, and the Procurement, Portfolio and Financial Management Department have been incorporated and are listed in the attached matrix.

¹ This amount includes a 10% contingency.

² This figure represents 7% of the amount required for the additional TA components excluding the 10% contingency. ADB's administrative fee covers organizational costs in administering the We-Fi grant-financed program, following standard ADB procedures. The fee is divided as per the following: 65% for general management costs (administrative costs and legal administration) and 35% for project management costs by HQ project team.

REVISED COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
I. Women Entrepreneurs Finance Initiative (We-Fi)^a	
1. Consultant	
(i) Remuneration and per diem	
a. International consultants	627.00
b. National consultant	653.00
(ii) Out-of-pocket expenditures	
a. International and local travel	97.00
b. Reports and communications	55.00
2. Training, seminars, and conferences	178.00
3. Equipment ^b	200.00
4. Miscellaneous administration and support costs ^c	60.00
5. Contingencies	374.00
6. Administrative Fee ^d	142.80
Subtotal (We-Fi)	2,386.80
II. Japan Fund for Poverty Reduction (JFPR)^a	
A. Component 1	
1. Consultants	
(i) Remuneration and per diem	
a. International consultants	252.80
b. National consultants	81.00
(ii) International and local travel	75.00
(iii) Reports and communications	12.00
(iv) Equipment ^e	10.00
(v) Workshops, local training, seminars, and conferences ^f	20.00
(vi) Miscellaneous administration and support costs	7.50
2. Contingencies	41.80
Subtotal (Component 1)	500.00
B. Component 2	
1. Consultants	
(i) Remuneration and per diem	
a. International consultants	435.90
b. National consultants	356.30
(ii) International and local travel	168.00
(iii) Reports and communications	28.00
(iv) Equipment	0.00
(v) Workshops, local training, seminars, and conferences ^g	330.00
(vi) Miscellaneous administration and support costs ^h	96.30
2. Contingencies	85.50
Subtotal (Component 2)	1,500.00
Subtotal (JFPR)	2,000.00
Total (We-Fi + JFPR)	4,386.80

^a Administered by ADB.

^b Equipment costs include costs for tablets for surveys to be implemented using free computer-assisted personal interviewing (CAPI) softwares and enumerator service to administer baseline and endline surveys of focus group discussions and impact evaluation.

^c Includes cost for procurement of online platform such as website and mobile applications and cost associated with development communications material.

^d This figure represents 7% of the amount required for the additional TA components excluding the 10% contingency. ADB's administrative fee covers organizational costs in administering the We-Fi grant-financed program, following standard ADB procedures. The fee is divided as per the following: 65% for general management costs (administrative costs and legal administration) and 35% for project management costs by HQ project team.

^e Equipment costs in component 1 are budgeted for software and hardware for auction. At the end of the technical assistance, this equipment will become the property of the Ministry of Finance, which will finance the maintenance fees and post-implementation support.

^f Workshop, seminar, and conference costs in component 1 are budgeted for conferences in Sri Lanka on a national credit guarantee scheme to be attended by government officials, banks, and other stakeholders.

^g Workshop, seminar, and conference costs in component 2 are budgeted for the following activities: (i) \$150,000 for training for at least 500 female entrepreneurs; (ii) \$150,000 for workshops and conferences for women on working in information and communication technology (ICT)–business process outsourcing (BPO), which will be attended by at least 500 female students and professionals; and (iii) \$30,000 for workshops and/or conferences for international branding of ICT–BPO, which will be attended by at least 40 ICT–BPO staff.

^h Miscellaneous administration and support costs in component 2 are budgeted for the following activities: (i) \$20,000 for advertising campaign to encourage women to participate in ICT–BPO; (ii) \$70,000 for international branding campaign for Sri Lankan ICT–BPO; and (iii) \$6,300 for other administration and support costs, such as for the conduct of value chain analyses.

Note: Figures may not sum up precisely due to rounding errors.

Source: Asian Development Bank.

SRI: WOMEN ENTREPRENEURS FINANCE INITIATIVE (WE-FI)
Outline Terms of Reference
Individual: Project Manager
(Continuous: 24-person-months, National)

Objective and purpose of the assignment. ADB is implementing a Women Entrepreneurs Finance Initiative (We-Fi) grant project for women entrepreneurship development in Sri Lanka: Enabling an Empowering Business Environment for Women Entrepreneurs in Sri Lanka. As part of the project, a National Consultant will manage, in collaboration with the Social Development Officer (Gender) of ADB's Sri Lanka Resident Mission, the day-to-day aspects of implementing the project.

Outputs and key activities. As part of the grant project, a multi-pronged approach will be undertaken to enhance the environment to support women entrepreneurship in Sri Lanka.

Detailed tasks and expected outputs. The Project Manager will be responsible for the following tasks:

- (i) Manage relationships with direct and intermediate beneficiaries of the grant including women entrepreneurs, financial institutions, government entities, civil society organizations, and other international organizations;
- (ii) Arrange meetings for missions from headquarters with stakeholders in Sri Lanka;
- (iii) Construct reporting and monitoring mechanism for the different components of the grant and associated line of credit project and technical assistance (TA);
- (iv) Deliver on time monthly and quarterly reports on components of the grant and associated line of credit project and TA;
- (v) Conduct periodic site visits as part of monitoring for implementation of components of the grant, associated line of credit project and TA.
- (vi) Manage timely inputs from other experts and consultants working on the grant project, including, but not limited to, consultant working on data collection for line of credit, communications specialist, monitoring and evaluation expert, webmaster, web designer and developer of training curriculum;
- (vii) Provide research-based inputs for grant-related white papers and other topics on women entrepreneurship and small and medium-sized enterprises (SMEs);
- (viii) Develop agenda and manage logistics for regional and national seminars; and
- (ix) Other tasks as required.

Minimum qualification requirements. The Project Manager should have a degree, and preferably graduate degree, in finance, economics, or other relevant field with at least 10 years of work experience in the financial sector, preferably as applied to SME financing and/or gender-related sector development. Experience in administering donor-funded grant and in managing grant projects, working with ADB and/or other international organizations, and familiarity with ADB procedures are an advantage. Strong management skills are strongly preferred. The Consultant must be a national of Sri Lanka.

Deliverables. Timesheets estimated submission date is every month from commencement to end of contract.

Total person-months: 24.0 PM

SRI: WOMEN ENTREPRENEURS FINANCE INITIATIVE (WE-FI)
Outline Terms of Reference for Consultants
Learning and Development Specialists
(Intermittent: 50-person months)

Objective and purpose of the assignment. ADB is implementing a Women Entrepreneurs Finance Initiative (We-Fi) grant project for women entrepreneurship development in Sri Lanka: Enabling an Empowering Business Environment for Women Entrepreneurs. As part of the project, consultants are expected to develop and administer a gender-focused training program for existing and potential small and medium-sized enterprise (SME) borrowers.

Outputs and key activities. As part of the grant project, one component will develop the business capacity of women's enterprises. The component aims to leverage on the grant funding through financial literacy and business management training.

Terms of reference for consultants. The consulting firm will be recruited using a quality- and cost-based contract using a 90:10 evaluation ratio for evaluation of technical and financial proposals. The consultants will be engaged by ADB on a lumpsum output-based contract in accordance with the *Guidelines on the Use of Consultants* (2013, as amended from time to time). Procurement will be carried out in accordance with *ADB's Procurement Policy* (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

The consulting firm will identify a team leader in its technical proposal. The team leader will oversee the work and ensure effective coordination of all team inputs. The team leader will manage the team and coordinate closely with stakeholders. The team will perform the tasks in a timely manner in coordination with the implementing agency.

As part of the contract, the consultants will be responsible for the following:

Training

- (i) Assess current pilot training program introduced under ADB's SME Line of Credit in Sri Lanka to ascertain value-add of training components in developing gender-specific needs.
- (ii) Develop comprehensive financial literacy and business management program for existing and potential women entrepreneurs. Courses should be delivered either once a week over a 5-week period in areas where there is a sufficient concentration of women or as a one-week course with arrangements made for travel, lodging, and per diem so that women entrepreneurs from remote areas can attend.
- (iii) Report on training attendance and outcome to ADB on a quarterly basis.
- (iv) Manage and implement all training sessions for women entrepreneurs based on agreed-upon curriculum and ensure that at least 250 women are trained through the training program and are able to show material improvement over a pretest administered at the start of the training.

Learning and Mentoring Platform

- (v) Develop an online learning and mentoring platform, including mobile application with English, Sinhala, and Tamil translations, to support women entrepreneurs.
- (vi) Manage online onboarding of women entrepreneurs.
- (vii) Require each person receiving the training to register in the platform and provide an orientation to the platform as part of the training.

- (viii) Conduct outreach to attract at least 450 women entrepreneurs as new users of the online platform.
- (ix) Moderate the platform; engage with users and add new content that will encourage users to visit the website.
- (x) Identify and, at the end of the assignment, handover the platform to a third-party organization that will assume responsibility for moderating and adding new content.

Minimum Qualification Requirements

Women Entrepreneurship Expert (1 national, 18 person-months [PMs], continuous). The national consultant should have a postgraduate degree in social sciences, business administration, education, or economics; and at least 10 years of relevant professional experience. The main role of the national consultant is to provide relevant country-specific inputs to the assessment of existing training program, introduction of new training material, and restructuring of curriculum. The national consultant will coordinate with relevant stakeholders to ensure effective implementation of the training program and the learning development platform. Experience working on women entrepreneurship issues and solutions is highly desired. Experience working on donor-funded grant project in Sri Lanka is an advantage. The consultant must be a national of Sri Lanka.

Women Entrepreneurship Expert (1 international; 2 PMs, intermittent). The international consultant should have a postgraduate degree in social sciences, education, business administration, or economics; and at least 10 years of experience in strengthening women entrepreneurs' access to financial resources and services. The main goal of the expert is to re-assess the existing training program and curriculum, make appropriate revisions and introductions to the program and curriculum to be country-specific and implementable across different sectors and provinces in Sri Lanka, and provide periodic inputs to the learning development platform. Experience working in South Asia is an advantage. Experience working on donor-funded grant project in Sri Lanka is an advantage.

Finance Specialist (1 national, 18 PMs, continuous). The national consultant should have a graduate degree in finance, business administration, or economics; and at least 10 years of experience working in the financial sector. The main role of the national consultant is to provide relevant country-specific inputs to the assessment of existing training program, introduction of new training material, and restructuring of curriculum especially on the financial literacy and business management. The national consultant will report to the team leader, and will coordinate with the Project Manager, women entrepreneurship experts, and relevant stakeholders to ensure effective implementation of the training program. Experience working on donor-funded grant project in Sri Lanka is an advantage. The consultant must be a national of Sri Lanka.

Online Platform Developer (1 national, 6 PMs, intermittent). The national consultant should have a diploma or bachelor's degree in web design, web development, computer engineering, computer science, or associated certificates; and at least 5 years of experience working in online platform design, development and management including in web design and development, and mobile application design and development. The main role of the national consultant is to conceptualize an effective and user-friendly online website and mobile application platform for a learning development platform and networking for women entrepreneurs in Sri Lanka. The outputs must be applicable to all mobile devices and must include translations in English, Tamil, and Sinhalese. The national consultant can subcontract out the copywriting, graphic design, and translation within the budgeted amount. The national consultant will coordinate with the Project

Manager and Online Platform Manager, as well as women entrepreneurship experts and Finance Specialist who develop and carry out the associated training program. Experience working on donor-funded grant project is an advantage. The consultant must be a national of Sri Lanka.

Online Platform Manager (1 national, 6 PMs, intermittent). The national consultant should have a diploma or bachelor's degree in web design, web development, computer engineering, computer science, or associated certificates; and at least 5 years of experience working in web or mobile application-related marketing and management. The main role of the national consultant is to maintain and market the Online Platform Developer's outputs including an online website and mobile application platform for online training material and networking for women entrepreneurs in Sri Lanka. The national consultant will coordinate with the Project Manager and Online Platform Developer, as well as women entrepreneurship experts and Finance Specialist who develop and carry out the associated training program. Experience working on donor-funded grant project is an advantage. The consultant must be a national of Sri Lanka.

Estimated deliverables

Inception report on the training proposals	September 2018
Curriculum for financial literacy and business management program developed	November 2018
Quarterly reports on the training programs (6 payments from Q4 2018–Q3 2020)	Q4 2018–Q1 2020
Final report on the training program	June 2020
Inception report on the online learning and mentoring platform	September 2018
Online platform is usable online	January 2019
Semiannual reports on the online platform (3 payments)	December 2018– December 2019
Final report on the learning and mentoring platform	June 2020

SRI: WOMEN ENTREPRENEURS FINANCE INITIATIVE (WE-FI)
Outline Terms of Reference for Consultants
Impact Evaluation, Research and Communication Specialists
(Intermittent: 62-person months)

Objective and purpose of the assignment. ADB is implementing a Women Entrepreneurs Finance Initiative (We-Fi) grant project for women entrepreneurship development in Sri Lanka: Enabling an Empowering Business Environment for Women Entrepreneurs. As part of the project, consultants are expected to provide evaluation, development communications, and research support.

Outputs and key activities. As part of the grant project, components include rigorous collection of quantitative and qualitative data, impact evaluation, focus group discussions, effective dissemination of information, and gap assessment and development of plans to improve capacity of key actors to enhance a sustainable ecosystem of support for women entrepreneurs in Sri Lanka.

Terms of reference for consultants. The consulting firm will be recruited using a quality- and cost-based contract using a 90:10 evaluation ratio for evaluation of technical and financial proposals. The consultants will be engaged by ADB on a lumpsum output-based contract in accordance with *ADB's Guidelines on the Use of Consultants* (2013, as amended from time to time). Procurement will be carried out in accordance with *ADB's Procurement Policy* (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

The consulting firm will identify a team leader in its technical proposal. The team leader will oversee the work and ensure effective coordination of all team inputs. The team leader will manage the team and coordinate closely with stakeholders. The team will perform the tasks in a timely manner in coordination with the implementing agency.

As part of the contract, the consultants will be responsible for the following:

- (i) Design evaluation plan of the overall women entrepreneurship grant project. Methodologies must include, and should not be limited to, focus group discussions and rigorous impact evaluation, developed in collaboration with ADB and approved by ADB.
- (ii) Collect quantitative and qualitative data related to the grant project.
- (iii) Assess socioeconomic impact of grant project on gender-based development based on implementation of pre- and post-project evaluations.
- (iv) Research and support gap assessments, including pre- and post-intervention testing of organizational staff on women entrepreneurship issues, of participating financial institutions, government institutions, and civil society organizations' capacities to support women entrepreneurship in Sri Lanka.
- (v) Produce effective development plan and road map to catalyze change in the mentioned organizations to enhance ecosystem to support women entrepreneurship in Sri Lanka.
- (vi) Conduct comprehensive research based on ADB-approved topic on entrepreneurship in Sri Lanka, and delivery of White Paper on ascertained topic.
- (vii) Develop and implement effective communications strategy.
- (viii) Conduct national and regional seminars to disseminate findings.
- (ix) Engage stakeholders.

Minimum Qualification Requirements

Impact Evaluation Expert (1 international, 10 person-months [PMs], intermittent). The international consultant should have a postgraduate degree in statistics or social sciences; and at least 10 years of experience in conducting evaluations based on proven impact evaluation methodologies. The impact evaluation is intended to test the causal effects of financial access and capacity building on the performance and employment patterns of female-led firms. The Impact Evaluation Expert is responsible for ensuring that an identification strategy is implemented that addresses confounding factors for these outcomes, including selection bias, so as to measure unbiased treatment effects of project interventions. The international consultant must work in collaboration with the Impact Evaluation Expert (national consultant), Project Manager, and ADB project team. The international consultant is also required to coordinate with other stakeholders and present the research at national and regional seminars. The international consultant and national consultant (impact evaluation experts) are required to conduct focus group discussions, and to design and implement the endline and baseline surveys for the ADB-agreed impact evaluation. The consultants (impact evaluation experts) will deliver an impact evaluation report within 3 months of completing the endline survey. The expert should have experience with survey and sampling design and implementation, and design and econometric analysis of randomized control trials. Other desired qualities are experience with computer-assisted personal interviewing (CAPI), including programming a survey questionnaire for use on a tablet and pre-testing the questionnaire in field. Extensive experience working with statistical and/or programming packages is a must. Experience working in South Asia is an advantage.

Impact Evaluation Expert (1 national, 10 PMs, intermittent). The national consultant should have a graduate degree in statistics or social sciences; and at least 10 years of experience in evaluation based on proven impact evaluation methodologies. The job scope for the national consultant is to ensure comprehensive data collection, analysis, and dissemination. The national consultant will work in collaboration with the Impact Evaluation Expert (international) and will coordinate with stakeholders and the Project Manager to ensure effective evaluation. The international consultant (Impact Evaluation Expert) and national consultant are required to conduct focus group discussions, and to design and implement the endline and baseline surveys for the ADB-agreed impact evaluation. The consultants (impact evaluation experts) will deliver an impact evaluation report within 3 months of completing the endline survey. Extensive experience working with statistical and/or programming packages is required. Experience with CAPI is desired. Experience providing impact evaluation support on donor-funded grant project in Sri Lanka is an advantage. The consultant must be a national of Sri Lanka.

Communications Expert (1 national, 12 PMs, intermittent). The national consultant should have at least a bachelor's degree in media studies, communications, or social sciences; and at least 8 years of experience in developing and implementing communications strategies. Responsibilities include developing, implementing, and monitoring an advocacy and communication strategy, and associated products and activities with the objective of promoting awareness, understanding, and support for the grant project. Deliverables include conducting an information and communications needs assessment, a communication strategy, communication tools including impact stories of qualitative and quantitative findings, developing, maintaining and enhancing media and public relations, and conducting monitoring and evaluation of the communication strategy. The consultant will deliver a proposal of a communications strategy and plan at the start of the contract. The consultant is expected to deliver communications products through at least 2 mediums. Experience working with digital media software is required. Experience providing communications expertise on donor-funded grant project in Sri Lanka is an advantage. The consultant must be a national of Sri Lanka.

Gender Finance Specialist (1 international, 6 PMs, intermittent). The international consultant should have a postgraduate degree in social sciences, finance, or business administration and at least 10 years of experience in working on gender-based finance programs. The job scope of the international consultant is to complete gender gap analysis and gender development plan for financial institutions for up to 10 financial institutions. The Gender Finance Specialist is expected to coordinate with the Gender Finance Specialist (national consultant) and other stakeholders including, but not limited to, the Project Manager, and government. The Gender Finance Specialist is expected to, at least, deliver a gap assessment of participating financial institutions' gender-inclusive policies and procedures, and a development plan to bridge the gender gap, with options such as financial technologies, gender-disaggregated database, and gender-inclusive practices, products, and outreach. Additionally, the work will be presented at regional and national seminars. Experience working in developed and developing countries is an advantage.

Gender Finance Specialist (1 national, 6 PMs, intermittent). The national consultant should have a graduate degree in social sciences, finance, or business administration; and at least 10 years of experience in working in the financial sector. The job scope of the national consultant is to provide financial sector expert advice to the international consultant (Gender Finance Specialist) to complete gender gap analysis and gender development plan for up to 10 participating financial institutions. Extensive experience working on women entrepreneurship is a plus. Experience providing technical assistance on donor-funded grant project in South Asia is an advantage. The consultant must be a national of Sri Lanka.

Gender Policy Specialist (1 international, 6 PMs, intermittent). The international consultant should have a postgraduate degree in social sciences, and at least 10 years of experience in working on gender-based development policy and/or programs. The Gender Policy Specialist is expected to coordinate with the Gender Policy Specialist (national consultant) and other stakeholders, including but not limited to the Project Manager, and government. The Gender Policy Specialist is expected to, at least, deliver a gap assessment of policies and activities for women entrepreneurship development in 3 government agencies, develop plans for the identified gaps, conduct technical guidance workshops and seminars for 3 government agencies and 2 civil society organizations, and present lessons learned at national and regional seminars. Extensive experience informing policy and conducting train-the-trainer sessions based on sound research is required. Experience working in South Asia is an advantage. Experience providing advice on donor-funded grant project in Sri Lanka is an advantage.

Gender Policy Specialist (1 national, 6 PMs, intermittent). The national consultant should have a graduate degree in social sciences, and at least 10 years of experience in working on gender-based development policy and/or programs. The consultant's goal will be to assess and identify the gap in gender-inclusive policies for entrepreneurship development in 3 government agencies and 2 civil society organizations. The national consultant is expected to coordinate with the Gender Policy Specialist (international consultant) and other stakeholders, including but not limited to the Project Manager, and government. The national consultant is expected to provide input for the Gender Policy Specialist (International Consultant)'s reports, and white papers, as well as to support technical seminars and trainings. Experience providing advice on donor-funded grant project in Sri Lanka is an advantage. The consultant must be a national of Sri Lanka.

Lead Researcher (1 international, 2 PMs, intermittent). The Lead Researcher should have a postgraduate degree in the social sciences, finance, or economics; and at least 10 years of experience in researching topics in Finance. The Lead Researcher is expected to coordinate with stakeholders and other project members, including but not limited to, the Project Manager, Research Analyst, Gender Finance Specialists, and Gender Policy Specialists. The Researcher

will work in collaboration with the Research Analyst to deliver a research-backed policy paper on [•], and to present the findings at We-Fi funded national and regional seminars. Demonstrated use of research methodologies in previous roles is a must. Experience conducting research on gender-based issues in the financial sector is an advantage. Previous experience in performing research on topics in South Asia is desired.

Research Analyst (1 national, 4 PMs, intermittent). The national consultant should have a graduate degree in the social sciences, finance, or economics and at least 10 years of experience in researching topics in Finance. The Research Analyst will work in collaboration with the Lead Researcher to deliver an evidence-based policy paper on women's entrepreneurship. Demonstrated use of research methodologies in previous roles is a must. Experience with primary and secondary data collection, and analysis using statistical packages are strongly desired. Experience conducting research on gender-based issues in the financial sector is an advantage. The consultant must be a national of Sri Lanka.

Estimated deliverables

Inception report	October 2018
ADB-approved impact evaluation and focus group discussion plan	October 2018
Gender finance plan	October 2018
Gender policy plan	October 2018
White paper and/or research outline	November 2018
Baseline surveys administered and report	December 2018
Development communications plan	January 2019
Gap assessment report on participating financial institutions (PFIs)	January 2019
Gap assessment report on civil service organizations (CSOs) and government agencies	January 2019
Development plan for PFIs	March 2019
Development plan for CSOs and/or government agencies	March 2019
White paper	September 2019
Train-the-trainers sessions for PFIs	October 2019
Technical seminars for CSOs and/or government agencies	October 2019
2 national and regional seminars in total delivered and seminar report produced	October 2019
At least 4 success stories delivered	June 2020
Endline surveys for both impact evaluation and focus group discussions administered	July 2020
2 more national and regional seminars in total delivered and seminar report produced	November 2020
Final impact evaluation and focus group discussion report	November 2020

**IMPLEMENTATION STATUS
OF JFPR-FUNDED TRTA FOR THE SME LINE OF CREDIT PROJECT TRTA 9080
(as of April 2018)**

Outcome Performance Indicators	Status
3. By 2017, at least one cluster-based loan is financed	Expected completion to be decided. The loan proposal was submitted to a bank, but the cluster members are reconsidering the proposal.
4. By 2018, at least 60% of female entrepreneurs trained under the project have applied for business loans or have business plans endorsed by a business development service provider	Expected completion in March 2019. Out of 64 female entrepreneurs that participated in at least one session of the 2 pilot trainings, 44 gave presentations on their business proposals to partnering banks (69%).

Output Performance Indicators with Targets	Status
3a. By 2017, at least one cluster-based loan presented to the banks	Completed.
3b. By 2018, 500 actual and potential female entrepreneurs from SMEs in the three clusters (ICT–BPO, fruits and vegetables, and rubber) trained in business development and management (including financial literacy)	<p>Expected completion in March 2019. 500 female entrepreneurs in fruits and vegetable sector are targeted to be trained. 2 Pilot trainings were held, of which 64 female entrepreneurs participated in at least one session. Additional 3 pilot trainings are scheduled to be held by May 2019. Based on the findings of the 5 pilot trainings, the design of the training program (including target number of trainees, schedule, locations, structure of the training courses) may be finalized in May 2018 for the full rollout of 20 trainings during June 2018–March 2019.</p> <p>If the demand for trainings from female entrepreneurs in fruits and vegetable sector turns out to be insufficient, the scope of the trainings to be expanded to ICT-BPO sector to achieve a total of 500 female entrepreneurs to be trained by Q4 2018. For ICT-BPO sector, the trainings may be conducted in conjunction with the career events for female students outside of Western Province in consultation with the Ministry of Finance.</p>
4a. By 2017, international branding campaign of ICT–BPO cluster launched	Completed.
4b. By 2017, at least 500 women participate in career events on working in the ICT–BPO cluster (2015 baseline: 0)	Expected completion Q3 2018. In consultation with Ministry of Education, partner schools outside of Colombo are being selected. The pre-event for school teachers was held in the first week of April. The first career event is scheduled in Matugama, the Kalutara district (in Western Province) for June, in which 250 female students from 25 schools are targeted to participate. Second career event for 250 women planned for Q3 2018 outside of Western Province.