

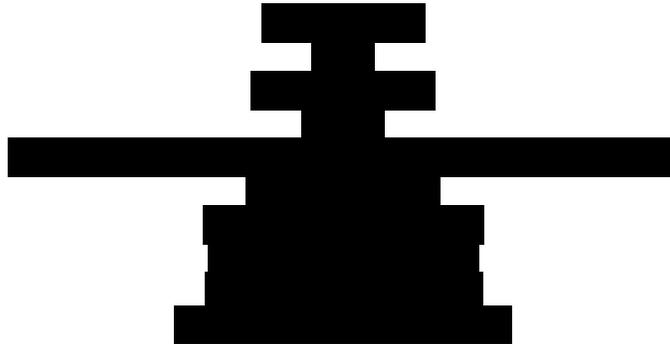


**Quarterly Report  
July – September 2016**

**Leader with Associate Agreement (LWA)  
EEM-A-00-04-00002-02**

**Associate Cooperative Agreement  
No. AID-383-LA-11-00002**

**Submitted to:**



**Submitted by:**



**For More Information, Contact:**



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## ACRONYMS LIST

AOR	Agreement Officer's Representative
BCA	Business Capacity Assessment
BDS	Business Development Services
CEA	Central Environmental Authority
COP	Chief of Party
DDL	Dairy Development Lanka
EDM	Enterprise Development Manager
EDT	Enterprise Development Team
EMMP	Environmental Mitigation and Monitoring Plan
EPF	Employees' Provident Fund
EPL	Environmental Protection License
ETF	Employees' Trust Fund
FT	Full Time
FTE	Full Time Equivalent
GMP	Good Manufacturing Practices
HACCP	Hazard Analysis and Critical Control Points
HR	Human Resources
ICS	Internal Control Systems (for Organic certification)
IFC	International Finance Corporation (World Bank Group)
KPI	Key Performance Indicators
LSV	Lanka Social Ventures
LOP	Life of Project
M&E	Monitoring and Evaluation
MPCS	Multi-purpose Cooperative Society
NCP	North Central Province
NGO	Non-Governmental Organization
OSH	Occupational Safety and Health
PMP	Performance Monitoring Plan
PPA	Public Private Alliance
SLTDA	Sri Lanka Tourism Development Authority
SLG	Sri Lankan Government
SLS	Sri Lankan Standards (certification mark)
TAP	Talent Acceleration Program
USAID	United States Agency for International Development
USG	United States Government
VAT	Value Added Tax
VEGA	Volunteers for Economic Growth Alliance
VRSDO	Vanni Resources Self Development Organization (Pvt.) Ltd.

## I. INTRODUCTION

VEGA and Land O'Lakes International Development are pleased to submit this quarterly report for the VEGA/BIZ+ project (BIZ+) covering the period from July 1 to September 30, 2016.

The sections of this report follow the structure of the work plan and all the results reported are compared to the targets that incorporate the two-year extension (Phase 2: August 2015 to July 2017). Activities carried out this quarter are reported under their relevant components, and cross-referenced between components when applicable. We have added a *Volunteer Activities* section in this report. This section will be included in reports henceforth as another avenue for VEGA to inform USAID specifically about the mobilization and impact of volunteer advisors in BIZ+ and all VEGA initiatives. Overarching BIZ+ program activities are covered in a separate section called Project Level Activities. In the final section, we present results achieved against project indicators, supported by a full data table in Annex A. In Annex B, we provide information about findings and follow-up actions related to environmental monitoring.

## II. PROGRAM HIGHLIGHTS AND SUCCESSES

BIZ+ reports a total of 6,138 new employment and income earning opportunities as of the quarter ended September 30, 2016. This represents an increase of 124 new opportunities reported during the three-month period. Crown Polypack became the first Phase 2 partner to complete its business expansion and achieve its employment creation target, adding 104 staff. Under Component Two activities, BIZ+ successfully delivered four major learning events for its partner businesses and the broader SME business community over the past quarter. Each initiative was thoughtfully designed (i) to motivate managers and business owners, (ii) to transfer knowledge, and (iii) to bring communities in Sri Lanka together.

As of the end of this quarter, we are pleased to present the following results:

- 124 new employment and income earning opportunities reported this quarter, to bring the life of project total to 6,138 compared to LOP Target of 6,500.
- \$1,231,626 leveraged from grantee businesses this quarter bringing the total leveraged to \$15,774,498 compared to the LOP Target of \$17,500,000.
- \$114,510 contributed by BIZ+ as cost share reported this quarter bringing the total contributed to \$467,400 compared to the LOP Target of \$614,000.
- Over the life of the program, BIZ+ has mobilized 1,173 days of volunteer advisory services, including the conclusion of a five-month assignment during the past quarter.
- 179 training and assistance activities have been provided for the LOP compared to the target of 187. These activities have benefited 3,668 individuals benefitting from trainings for the LOP compared to LOP Target of 3000.

Below, we highlight two examples of the program impact resulting from the extension approved in 2015. Firstly, we highlight the successful expansion and results from Crown Polypack. Secondly, we focus on initiative to bring together business partners from different geographic regions and ethnic groups of Sri Lanka. To recognize International Day of Cooperatives in July, BIZ+ facilitated an exchange visit of a women's industrial and community co-op from the rural, most southern part of the country to travel to the northern, most civil war-affected area. The spirit of community and cooperatives helping cooperatives was proven!

## Crown Polypack Completes its Business Expansion in Record Time

Six months from agreement signing to increased production capacity! Crown Polypack Lanka (Pvt.) Ltd. (Crown) is the first BIZ+ partner to not only complete the installation of the new plant and equipment, but also to meet (and exceed!) its job target in such as rapid timeframe.

With the delivery and installation of 10 circular loom machines early in the quarter, Crown's expanded factory, located at the Polonnaruwa industrial estate, immediately commenced operations offering work opportunities for 104 more employees. These new employees were trained and assigned to various departments including production, packaging, and printing. The investment grant from BIZ+ enabled Crown to expand their current business of manufacturing and distributing woven polypropylene packaging products. The plant's installed capacity is now able to produce 2.0 million units per month, representing nearly 65 percent increase over the capacity prior to receiving USAID's support.

Crown and BIZ+ are working together in other ways too. To provide better working environment for the factory workers, Crown installed aluminum foil covering in the ceiling and industrial fans in the packaging and printing division. BIZ+ volunteer advisors had recommended these simple improvements to reduce the temperature on the factory floor. By taking action, Crown demonstrates its commitment to its workforce in addition to the agreement with BIZ+. The business improvement aspect of the partnership will continue with BIZ+ facilitating a training on occupational health and safety for staff. Furthermore, Crown recently entered into a joint venture with an Indian company to develop and manufacture a range of new higher-value products targeting the international shipping industry. BIZ+ is providing technical advice to help Crown develop a marketing strategy, introduce promotional materials, and to initiate market linkages to international customers and the shipping industry.

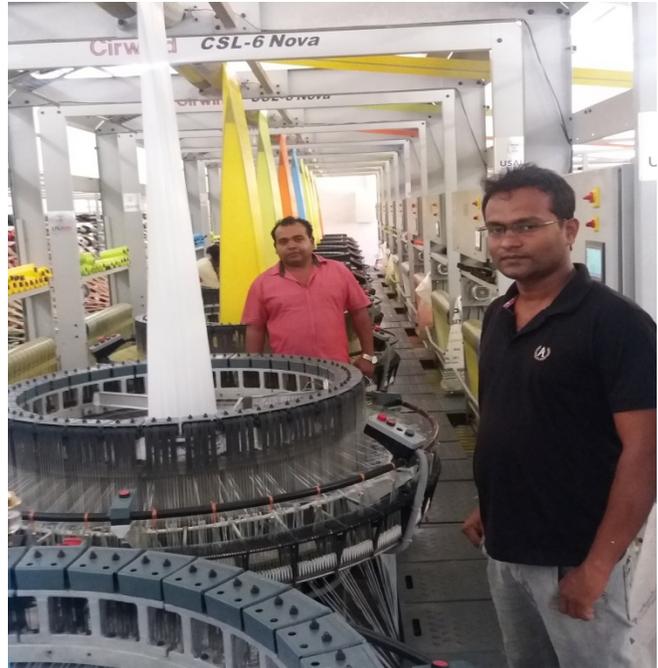


Photo 1: Crown Polypack production managers inspecting the new looms at work.



Photo 2: Crown staff having lunch at the new employee canteen, built as part of the company's matching contribution, is proof of work place cooperation.

## Moneragala Meets Mullaitivu to Salute International Co-op Day

To commemorate the 'International Day of Co-operatives' in July, the BIZ+ brought together two of its cooperative business partners – the Moneragala-based Koularagama Industrial Cooperative Society Limited and the Mullaitivu-based Visuvamadu Farmers' Multi-Purpose Cooperative Society – to share knowledge on sustaining and growing the businesses, as well as to create awareness and promote the 'cooperative ideals' of economic efficiency, equality, and peace.

Both cooperatives have entered into investment partnerships with the BIZ+ program in order to improve and expand their business models. The Koularagama Industrial Co-op is restarting the production and marketing of ceramic and clay products, creating new jobs, and increasing the Society's membership. Meanwhile, the Visuvamadu Farmers' Co-op is currently upgrading technologies and improving the efficiency at its paddy milling facility, enabling the co-op to better serve its 2,000 members and to increase the number of local paddy suppliers.

Through the BIZ+ program, USAID has invested more than 66 million Sri Lankan Rupees (approximately US \$460,000) to help four cooperative businesses to build, improve, and expand their operations, investing in equipment and specialized machinery. BIZ+ also provides training and expertise in specialized areas such as technology transfer, quality improvement, and workplace safety. Overall, the partnerships forged with cooperative businesses will generate hundreds of jobs and provide sustainable incomes in economically lagging areas of Sri Lanka.

The exchange visit was presided over by [REDACTED], Cooperative Development Officer, who represented the Commissioner of Cooperative Development for Mullaitivu. Welcoming the guests, the General Manager of the Visuvamadu Co-op, [REDACTED], expressed his eagerness to take advantage of a "golden opportunity to cultivate a mutually beneficial relationship with a co-op from the South." For the benefit of the visitors, the managers of the Cooperative's rural bank and stores explained how they restarted the business in a camp for the displaced, after the war. Though they lost all their assets, the business has been rebuilt at the original location in Visuvamadu and is now growing and serving the area's farmers and rural communities.

[REDACTED] commended the Visuvamadu Cooperative for their resilience and referred to their success rebuilding as "the phoenix that arose from the ashes soon after the war ended." Chairperson of the Koularagama Industrial Co-op, [REDACTED] added, "We have come from Sevanagala in Moneragala to meet our colleagues here in Mullaitivu and to recognize the principle of 'cooperation among cooperatives'. We are sharing ideas about how to better serve our members and rural communities, with the aim of working together so that our businesses improve and communities prosper."



Photo 3: Koularagama and Visuvamadu Cooperatives' board representatives meet together on International Day of the Co-op. The boards jointly stated, "Cooperative businesses have social enterprise and community involvement as the core of their business model."

### III. COMPONENT ONE: GRANTS TO NEW AND EXISTING ENTERPRISES

BIZ+ actively manages 23 investment grant partnerships, including 13 businesses from Phase 2 and 10 businesses from the Phase 1 period. All Phase 2 investment partners are implementing the agreed activities, working with BIZ+ to purchase and install new plant and equipment, to upgrade factory facilities, to build supply chains, and to introduce new products. As highlighted above, Crown Polypack was the first business to complete its expansion. No new grants were awarded during the quarter because the funding for Component One has been fully committed. A majority of the active Phase 1 partnerships will be closed out during the upcoming quarter; however, technical support and capacity building activities will continue with these businesses.

#### Investment Partnerships Updates: Phase 2

In Table 1, below, we report the status of the Phase 2 partner businesses.

Name of Company	Status
<p>Allwin Steel (Pvt.) Ltd. (Manufactures steel cabinets and thermoformed solid surface furniture.)</p>	<p>Allwin Steel's expansion and introduction of new furniture manufacturing technology to Sri Lanka will be fully operational during the next quarter. Allwin has nearly completed construction of a new building at its factory in Badulla, Uva Province. Installation of the elevator is in progress. Meanwhile, Allwin has signed a lease and is setting up a new product showroom in Colombo. The design and furnishing plan has been finalized and new solid wood furniture designs were delivered. Allwin plans to open the showroom during the coming quarter. The company is investing in product design to meet customer requests. Already one design is complete and approved, only awaiting the new machinery to produce.</p> <p>Manufacturing machines purchased under the investment grant are in the process of being delivered and installed. A number of tools and a larger powder-coating oven were installed recently and the thermo-forming machines were recently cleared by Customs after some delay at the port. The European supplier has scheduled a visit to Sri Lanka to install the equipment and train the Allwin team. BIZ+ is working with Allwin to develop an HR manual and to develop a recruitment plan. Three employees were recruited and hired during the past quarter.</p>
<p>Rohana Eastern Dairies (Pvt.) Ltd. (Milk processing company; manufacturer of ice cream and yoghurt products.)</p>	<p>Rohana Eastern Dairies have invested more than LKR 24 million since signing the investment grant agreement earlier in 2016, thus exceeding the cost share target of the company. The company has recruited key employees and identified staff for factory operations. Apart from this, the milk supply base has been established in both Ampara and adjoining Batticaloa District to ensure continuous milk supply to the factory. BIZ+ has assigned external consultants to ensure that Eastern Dairies is equipped with the necessary production and operational systems for quality production. Furthermore, a human resources plan and training in Good Manufacturing Practices are now underway.</p> <p>Despite all these completed activities, factory operations have not yet commenced owing to the delay in the procurement of some key processing equipment, which have been retendered a number of times. The procurements have been complicated due to changes and contradictions in the plant requirements and specifications. Some equipment items planned were determined to be not really needed/justifiable in terms of cost and their scale of production. After securing expert advice, BIZ+ has now finalized the items to be purchased and it is expected that the factory will become operational by the end of next quarter. The period between October and December is considered as an off-season for milk processing in the Eastern region and as such, it is advisable to commence the factory operations by the latter part of January 2017.</p>
<p>Crown Polypack Lanka (Pvt.) Ltd.</p>	<p>Expansion of production capacity is complete and Crown Polypack has exceeded the job increase target. There is a pending procurement for recycling machines that</p>

Name of Company	Status
(Manufacturer of woven polypropylene sacks and bags used for storage and distribution of agricultural commodities, bulk consumer products, and shipping industry.)	<p>will be completed in October. This machine is a widely needed as the company has a big overstock of production waste. Crown is also investing in a new flexible packaging system (FIBC) for the international shipping industry. The company will construct a new factory in the Polonnaruwa industrial estate. BIZ+ is offering market development assistance.</p> <p>Regarding the schedule of activities and special award conditions that appear in the BIZ+ agreement, Crown has met almost all the deadlines except for on-going work to develop a market for FIBC products, which is expected to be introduced in early 2017.</p> <p>Accumulation of production waste has been identified as an issue, but a solution has been agreed upon and is expected to be fixed when BIZ+ procures and supplies a recycling plant to assist Crown. Crown Polypack is moving forward on the right track and is meeting BIZ+ targets.</p>
Riococo Lanka (Pvt.) Ltd. (Manufacturer and exporter of branded coir and coconut-chip grow medium for use in industrial greenhouses in U.S., Australia, Japan, and Europe.)	Riococo's plans to construct a raw material processing plant in Anuradhapura, in the North Central Province, are behind schedule; however, the company recently received authorization to develop the land while the land use and lease application is processed. Accordingly, Riococo and BIZ+ proceeded with negotiations with the construction contractor. Riococo is carrying out the bid evaluation and securing the Building Plan for approval.
Sahas Wear (Pvt.) Ltd. (Manufacturer of ready-wear women's garments for export to Europe.)	<p>Sahas Wear obtained all necessary Sri Lankan Governmental approvals for construction and renovation plans at the facility in Wellawaya, Moneragala Uva Province. The renovation work includes installation of electrical fittings and air and steam lines to support the addition of new production lines and nearly 200 machine operators. The work is behind the planned timeline, but should be completed by December. BIZ+ supported Sahas to implement the procurement of machinery and supplier evaluation that adheres to USAID procurement guidelines.</p> <p>In September, Sahas recruited a new general manager for the factory. This key position, replaced a manager that had not been successful leading the large staff in the rural community. With the new GM on board, Sahas recruited 70 new employees and completed training process in a special training unit at the factory, successfully starting a new production line. BIZ+ is working with Sahas to develop an HR manual and to develop a recruitment plan for the factory.</p>
Rural Returns (Gte.) Ltd. (Processor and distributor of heirloom and Organic rice varieties.)	<p>Rural Returns started purchasing harvest from paddy farmers in the Vavuniya area. The vehicle procured by BIZ+ for transporting paddy was fitted with a GPS tracking system. During the quarter under review, the company-hired staff to develop the value chain focus on food nutrition and labeling on packaging and accounts. The company continues to work towards obtaining the organic certification for its rice varieties. BIZ+ will engage the services of a Volunteer to work with the enterprise, and work with Rural Returns on:</p> <ul style="list-style-type: none"> <li>• value chain optimization</li> <li>• market development with a product positioning strategy</li> <li>• Operations and financial efficiency</li> </ul> <p>BIZ+ supports Rural Returns to coordinate farmer training and production tracking as they aim to add 190 farmers for the specialty crop production.</p>
Ecowave (Gte.) Ltd. (Processor and distributor of spices including Organic varieties for domestic	Ecowave has achieved all the pre-implementation activities required by BIZ+, including finalizing a long-term lease agreement and securing all necessary Governmental approvals for constructing a spice processing facility in the industrial estate in Buttala, Moneragala, Uva Province. The factory buildings are about 65% complete, with the balance of the work to be completed by end of November 2016.

Name of Company	Status
consumers and for export.	<p>In tandem, Ecowave has identified and selected farmers for the expansion of its production network in Ampara and Moneragala for the first cultivation season. The company has developed and submitted a draft buy-back agreement to BIZ+. Ecowave's board of directors has urged the company to comply with Fair Trade aspects when entering into purchasing contracts with farmers. Ecowave has initiated for ICS (Internal Control Systems) for the group Organic certification. Documentation, training and technical support have been given for the farmers, and this continuous process is ongoing.</p> <p>Agriculture tools and equipment have been identified with consultation with the farmers. Mostly the equipment will be procured and provided in order to improve the post-harvest practices and to improve irrigation. BIZ+ provided a distribution vehicle and other machinery procurements are in progress. The company has hired one sales and distribution employee and is recruiting for a Plant Manager. A company HR manual is under development; the board of directors has to review and approve.</p>
Yharl Enterprise (S. Prop.) (Distributor and de-sheller of coconuts from Northern Province and manufacturer of coconut oil.)	<p>Yharl Enterprises has nearly completed construction of an edible oil-processing factory in Pooneryn, Kilinochchi, Northern Province. BIZ+ delivered two transport and distribution vehicles, which Yharl is utilizing to transport coconuts for wholesale markets. In turn, BIZ+ has completed procurement of oil extraction and copra processing equipment. The plant and equipment will be received and installed in November.</p> <p>During the past quarter, Yharl's existing coconut de-husking operations handled nearly 70,000 units, generating more than LKR 2 million in sales.</p>
Visuvamadu Farmers' Multi-Purpose Cooperative Society Ltd (MPCS) (Rural farm cooperative that mills and processes rice and provides goods and services to members.)	<p>Visuvamadu MPCS significantly increased sales during the quarter. The increase can be attributed in part to a market link established with Northern Farms, a BIZ+ Phase 1 partner located in Vavuniya, Northern Province. Monthly sales turnover during the quarter doubled from July to September, as follows:</p> <ul style="list-style-type: none"> <li>• July - 3,263,609.00</li> <li>• Aug - 5,243,450.00</li> <li>• Sep - 6,635,155.00</li> </ul> <p>BIZ+ assisted Visuvamadu MPCS to prepare monthly reports and to update the co-ops farmer/supplier details, putting the data into an electronic format - something that the company struggled to do due to lack of capacity among the team. Visuvamadu completed and documented most of the special award conditions from the investment grant agreement, such as appointment of focal point of contact, business management policies and procedures, fixed assets register and maintain separate bank account as per the requirement at grant agreement.</p> <p>Drawings and BOQ for the construction of a storage facility was obtained and the construction is scheduled to commence during the next quarter. The construction activity is behind schedule due to delays completing certified drawings, which were required by the local authority. BIZ+ will coordinate and assist the company to undertake the tender. In addition, Visuvamadu received technical support from the Institute of Post-Harvest Technology (IPHT) to prepare the building layouts and determine machinery requirements that will enable the co-op to increase its production and the quality of rice.</p>
Orlan Terra Lak Steel (Pvt.) Ltd. (Steel and metal door manufacturer.)	<p>During the reporting quarter, Orlan sold 103 imported doors and achieved sales revenue of LKR 3,617,950. For the coming quarter, Orlan Lak already has orders for 2,945 doors.</p> <p>Procurement for four steel fabrication machines was completed in September and machines will ship in October and arrive at port in November. The company is still addressing a land authorization matter and BIZ+ is assisting and advising the entrepreneur. Expectation is that the Divisional Secretary will issue a letter authorizing and accepting the development of the land while the land use application</p>

Name of Company	Status
	<p>is processed. Orian Lak has purchased other equipment, material inputs, and a forklift.</p> <p>Overall, the expansion activities are only slightly behind schedule. The company's management is very engaged and strives to improve. BIZ+ is providing technical assistance in a number of areas, including:</p> <ul style="list-style-type: none"> <li>• To adopt human resource procedures and practices for recruitment and retention of employees</li> <li>• To confirm and document factory layout and fire safety plan</li> <li>• To plan for workplace safety that prevents possible exposure to people and the environment for any paint or powder coating applications and for fire prevention or response</li> <li>• To install and train in accounting software.</li> </ul>
<p>Koularagama Industrial Cooperative Society, Ltd. (Rural community cooperative that manufactures ceramic dishes and decorative items.)</p>	<p>Koularagama Industrial Co-op started marketing their clay and ceramic products. A team of co-op members met several prospective buyers, including a chain store that sells high-end handicrafts and a few other local institutions, such as Barefoot. Based on feedback from these prospective customers, Koularagama is modifying product designs and improving quality.</p> <p>The construction of the training center started in August, after the Co-op secured approvals for the factory and sales center building. At quarter-end, the building work is about 10% done. BIZ+ has engaged a volunteer to work with the Co-op to improve their product portfolio, and to develop skills in the area of product design and finishing, setting product pricing, liaise with prospective customers, and strengthening market linkages. In addition, the volunteer will also assist the Co-op to improve their accounting and record keeping. BIZ+ facilitated better communications and links to the Cooperative Commissioner, which allows Koularagama Co-op to benefit from training programs offered by the SL Government. BIZ+ is helping the Co-op to develop and document the basic information about its cooperative members, which helps the Co-op and provides baseline information to BIZ+.</p> <p>Koularagama lacks information about the cost to produce its various productions, so BIZ+ facilitated assistance from the Director Department of Industries Development Uva Province, which was willing to provide training and technical support. Koularagama will need to register with Department of Industries Development Uva Province and formerly request support from the Cooperative Development Office. To help upgrade the administration processes, BIZ+ delivered computer and office automation equipment. The Co-op also received a new vehicle to use in product marketing and distribution.</p>
<p>Randeepa Agrarian (Pvt.) Ltd. (Company assembles and distributes agricultural machines, equipment, and implements.)</p>	<p>During this quarter, Randeepa Agrarian and BIZ+ agreed to amend the partnership, whereby instead of procuring two-wheel tractors, BIZ+ will co-fund the construction of an agricultural machine assembly facility to be established at the Polonnaruwa Industrial Estate. Randeepa will still implement its commitment to the farmer micro-entrepreneur program and during the quarter completed the key milestone activity of purchasing 45 two-wheel tractors and handing the agriculture implements over to micro-entrepreneur tractor operators under a special hire purchase program. That means, 45 new income earning opportunities were created, while increasing farmers' access to mechanized agriculture tools which has been a major issue faced by paddy farmers in Polonnaruwa District. In addition, 12 direct jobs were created at Randeepa during the period.</p> <p>Based on the change to the original plan, Randeepa filed a formal application for a suitable tract of land in the industrial estate. All indications are that the application is being processed favorably by the Provincial Industrial Development Division and the land allocation has been sent for cabinet approval. Simultaneously, Randeepa and BIZ+ have prepared the building plan and BOQ for the proposed building. The</p>

Name of Company	Status
	<p>construction tender will be completed during November and contractors would be ready to start the work as soon as approvals to proceed are received.</p> <p>This initiative appears to have gathered momentum in Polonnaruwa District and Randeepa has been flooded with requests from interested farmers who want to participate in the farmer entrepreneur scheme.</p>
<p>North Lanka Family Foods (Pvt.) Ltd. (Food processing company making branded packaged spice mixes and food ingredients for other larger, industrial food companies.)</p>	<p>North Lanka Family Foods progressed with the construction of a series of buildings at their selected site in Kilinochchi, reaching roof levels. The company expects to complete construction of the processing center by early December. BIZ+ worked with the business to finalize technical specifications for the procurement of multiple food manufacturing production lines/systems.</p> <p>The processing facility will manufacture a range of processed food including dairy, dehydrated vegetables, processed rice and grain products, culinary oils, and food ingredients for other large food manufacturers such as Nestlé. The BIZ+ partnership is enabling a major investment in the facility that is leveraging funding from a regional impact investment fund. The parent company, MA's Tropical Food Processing is offering training for new employees at its facility in Dambulla.</p>

### Randeepa Agrarian Launches Farmer Entrepreneur Program

Randeepa Agrarian launched its farmer entrepreneur program that has been organized and agreed under a BIZ+ investment partnership. The objective of Randeepa's program is to increase farmers' access to mechanized agricultural equipment, specifically two-wheeled tiller tractors, and to empower micro-entrepreneur tractor operators as a new actor in the agribusiness value chain. Farmers in greater Polonnaruwa area, North Central Province, were first identified through a series of orientation activities. Later Randeepa ran a specific training on maintaining and operating the New Lion model of two-wheel tiller tractors. Finally, BIZ+ and Randeepa officially handed over 45



Photo 4: Founding directors of Randeepa Agrarian presenting tractors to three of the 45 micro-entrepreneur tractor operators.

two-wheel tractor and tillers to the selected group of farmers who joined the hire-purchase program. Under its partnership with BIZ+, Randeepa is introducing a new business model to increase farmers' access to two-wheel tractors. The tractors are essential for land preparation during the paddy cultivation season. Yet, most small-scale farmers are unable to purchase the tractors out-right because they lack capital and credit worthiness and because the formal equipment financing options available are often very inflexible. By partnering directly with farmers who will both use the tractors for their own fields and also hire out their services to other farmers, Randeepa is financing the tractor operator micro-entrepreneur program, and is offering flexible financing for the tractors and committing to a system of after-sales maintenance and business services. BIZ+ supports Randeepa's planning and rollout of the program and the establishment of a new machinery assembly facility in Polonnaruwa.

## Investment Partnerships Updates: Phase 1

In Table 2, below, we report the status of the Phase 1 grantee businesses that are still active.

Name of Company	Status
<p>Anchor Coir Industries (Pvt.) Ltd. (Produces rope, coir blocks, and other products from coconut husks)</p>	<p>Anchor Coir received a mitigation report from Industrial Services Bureau and approval from the Central Environmental Authority (CEA) to renovate the factory building according to recommended mitigation measures. BIZ+ also arranged for a consultant engineer to assess the modifications needed to the perimeter walls and to estimate the cost to complete the work at the factory site, in Maruthamunai, Ampara. Once the work is completed, CEA will issue a new Environmental Protection License (EPL) and Anchor Coir will restart production.</p>
<p>Lanka Guest House (Hotel Oviya) (S.Prop) (Business class hotel in Vavuniya, a city at crossroad to the former conflict territory in Northern Province.)</p>	<p>Hotel Oviya has the potential to be the leading hotel in Vavuniya and the southern part of Northern Province. BIZ+ advised the business to register under the Sri Lanka Tourism Development Authority (SLTDA) to obtain its hotel license and to receive a class ranking from SLTDA, which can be used to enhance the marketing opportunity and the goodwill. The management has taken necessary arrangements to obtain approval from SLTDA, pending is collecting its EPL license. BIZ+ is guiding the building to improve customer service, structure the restaurant offerings, pricing, and how to make effective business decisions to increase the hotel occupancy rate and sales.</p>
<p>Noble International Paper Lanka (Pvt.) Ltd. (White paper manufacturer using waste paper as the input material for pulp.)</p>	<p>Noble Papers International has completed entire construction of the factory building, civil works for the pulping section, installed electrical wiring and pipe lining works, and commissioned an industrial boiler. Technical engineers from China will work with Noble to commission the pulp making and paper manufacturing operations in October. Fine-tuning the machinery and conducting test runs will commence accordingly and production will start during the coming quarter. The business has negotiated with provincial education ministry to collect waste paper from the schools and education departments. Noble is also collecting waste paper from regional printing companies and larger garment factories. The business has collected more than 50 tons of waste paper, which will be used to start production.</p>
<p>Eluwan Company (Pvt.) Ltd. (Integrated crop and livestock business and small-scale milk processor manufacturing buffalo curd.)</p>	<p>Eluwan has used its experience gained in cultivation of maize and fodder crops at the 60-acre agriculture facility in Unnichchai, Batticaloa and developed a comprehensive land-use plan. Eluwan is integrating livestock and crop production and milk processing operations. The farm's current livestock assets include 200 pigs, 142 goats, and 50 dairy buffalo. Twenty acres were cultivated for maize. Eluwan's investment in piggery and goat farming is to ensure continuous income for the business so as not to be dependent on milk processing, which has a 3-month period of very low productivity in the rainy season.</p> <p>Eluwan has attempted to establish fodder crops; however, roaming elephants and cattle have made this venture nearly impossible at their location. Just before the crops mature for harvest, elephants come at night and eat the crops. This has occurred each of the past two years, and it compelled Eluwan to re-establish a more powerful elephant fence line during this quarter. Moreover, lack of rainfall this year has reduced the amount of forage available and thus limited the number buffalos managed.</p> <p>Overall, Eluwan is getting its business back on track after struggling with cash flow challenges. An outside investor joined the company as an active partner and he and other managers were assigned to lead a business</p>

Name of Company	Status
	unit. The company's sales of goats for meat and breeding are well established and the sale of pigs for meat will rise significantly in December, timed to coincide with the Christian holiday. In addition, Eluwan has slowly restarted milk-processing activities, producing 300 liters of curd per week. BIZ+ is supporting Eluwan to document the investment into the company and complete financial audits.
Livini Distributors (Partnership) (MDF board and wood furniture manufacturer.)	Livini has maintained consistent monthly sales during this quarter (totaling over LKR 49 million) and also increased month-on-month profit; however, this is likely due to cost cutting measures implemented,—including shutting down its main showroom in Anuradhapura—to counter a deteriorating liquidity position. Recognizing the problem, BIZ+ is working with Livini to restructure manufacturing operations, employment practices, and ultimately consolidating debt financing. The knockdown furniture factory is operating at 95% of its capacity, but the solid wood factory is operating at a very low (around 10% of its capacity) level now. If Livini can turnaround the solid wood prospects, it can earn higher margins and be able to have a more diverse product portfolio to offer larger retailers.
Yasasiri Polyprint (Pvt.) Ltd. (Plastic yogurt cup and other molded-plastic food container manufacturer.)	<p>Yasasiri faces serious financial challenge to meet its debt service. Unfortunately, the business entered into some informal lending arrangements that are impossible to consolidate at a commercial bank. The high debt service and weak liquidity and cash position impede the growth of the business. Yasasiri has unable to deliver on some orders because it lacked the working capital to purchase raw materials. This was evident in a nearly 20% drop in sales in August. The weak financial position, likewise affects the company's performance relative to its BIZ+ job creation target. Yasasiri has achieved less than 50% of the target.</p> <p>BIZ+ is assisting Yasasiri to consider various financing options, but have been unable to secure a bank loan to meet its working capital requirement. Banks are not comfortable with the risk and have not accepted firm orders as collateral.</p>
Himalee Dairy Farm Products (Pvt.) Ltd. (Dairy processor manufacturing buffalo curd and yoghurt products.)	<p>Himalee has shown a continuous growth in its sales and profitability during the quarter, achieving nearly LKR 54 million in sales and over LKR 3 million in profit. Overall, the company's cash and liquidity position is improving, resolving a serious challenge from earlier in the year.</p> <p>BIZ+ is emphasizing to Himalee management to focus on hygiene and food safety practices. This is a main concern for all concerned parties and BIZ+ and Lanka Social Ventures are collaborating to help Himalee to first improve in the basics and then begin the GMP and HACCP Certification.</p>
Vanni Resource Self Development Organization (Pvt.) Ltd. (Taste of Vanni, restaurant, rest stop, and local craft sales point, owned and operated by a rural women's group)	<p>VRSDO continues to experience steady growth in sales and it is expanding its customer base and building professional management practices. During the quarter, the business began the practice of preparing monthly financial statements and completed their external audit of the financial statements for the 2015 fiscal year. The business has recruited five more additional staff to manage procurement and stores, cash control, food supply and housekeeping.</p> <p>Sales revenue was LKR 2.9 million for the quarter. August was the first time that VRSDO achieved over LKR 1 million in monthly sales and it shows the determination of the women's group that owns and operates the business to expand and increase turnover by retaining existing customers and acquiring new customers through beginning to market the restaurant and adding services. Since the business has found a sustained demand for their products, they have planned to increase the product lines. So that the business has set up a new kitchen facility with the</p>

Name of Company	Status
	<p>guidance from health authorities to produce fried rice and Kottu for the customers during night. The business has obtained technical assistance in increasing the effectiveness and productivity at kitchen by a consultant through Lanka Social Ventures. However, VRSDO could still improve transparency in financial management and be more accountable to the shareholders. The business would greatly benefit if they employed a restaurant manager.</p>
<p>Agash Textiles Industries (Pvt.) Ltd. (Small scale garment manufacturer of men's trousers and shirts.)</p>	<p>Agash Textiles has increased the production of trousers to respond and drive demand for menswear purchases during the major Hindu festivals in October. Agash produced 2,950 pairs of trousers and achieved sales of LKR 13.4 million for the quarter. Finished goods inventory is available for the festival markets. Agash began manufacture of men's shirts during the quarter and plans to introduce the new product for the festival season and market shirts to suppliers and consumers in the next quarter.</p> <p>BIZ+ offers advice and support to the owner of Agash in areas of decision making and building a competitive advantage.</p>
<p>Mullai Virudcham (Pvt.) Ltd. (Rural community-based industry that produces fibers for brushes and brooms from Palmyrah tree branches and processes fruit products from the fruit of the same tree that is indigenous to northern Sri Lanka)</p>	<p>Mullai Virudcham, a rural based manufacturer of fiber and fruit products from Palmyrah trees, has been struggling to effectively manage the new business and encountered repeated disruptions in production during the quarter. The management team appears to lack the capacity and skills to plan operations, negotiate with customers, and to manage staff. BIZ+ facilitated discussions and a negotiation with staff and management and action was taken by the board of directors to hand over day-to-day operations management to the Oddusuddan Palm Resources Cooperative, which owns part of Mullai Virudcham.</p> <p>In addition, BIZ+ negotiated with the Palmyrah Development Board to provide technical support for the business for its fruit processing and marketing business unit. The Palmyrah Development Board will implement a program to improve production practices and technical capacity of staff. In addition, Mullai Virudcham received an approval for funding assistance from SL Government to build up a small shed for the finished products storage.</p>

## Wheel Masters featured as one of the “Great Workplaces in Sri Lanka”

LMD “the Voice of Business” magazine included BIZ+ partner Wheel Masters (Pvt.) Ltd. and its Chairman/Managing Director, [REDACTED], in its July issue about the Great Workplaces in Sri Lanka. Wheel Masters, which is based in Anuradhapura, was one of the few businesses featured in the magazine that is located out of the major metropolitan and business districts. Under the BIZ+ investment partnership, Wheel Masters introduced new technologies for comprehensive automotive repair and restoration of vehicles after road accidents. Quoting the LMD article [REDACTED] proclaimed, “Our employees are the driving force behind our success” and the article further explains that the senior managers, mostly comprised of females, are the foundation of the organization.



Photo 5: Cut-out of the LMD magazine profile of Wheel Masters and [REDACTED] [REDACTED]

Grantee businesses have reported creating 6,138 employment and income earning opportunities. Jobs reported include full time (FT) and full time equivalent (FTE) jobs as well as new and/or increased income earning opportunities for micro-enterprises and micro-entrepreneurs. As the number of reported job opportunities increase, so does household income generated. This quarter, BIZ+ support to businesses benefitted 96 households (reference indicator C) and generated a total of \$208,149 income for the households, bringing the life of project totals to 8,368 households and \$8,364,168, respectively. At the quarter end, the total leveraged by the grantee cost sharing investments reached \$15,774,498.

Figure I., below (following page), provides a summary of investment grant expenditures as well as the status of jobs reported against target. Given the two-year extension of the program, we plan to continue to monitor the financial performance and the level of employment generated by Phase 1 business partners over the period. Accordingly, we expect this longitudinal view will demonstrate that the employment and income earning opportunities generated will exceed the updated target of 6,500 employment and income earning opportunities. It is very important to the program to have this longer time horizon in which to capture business data.

## **Next Quarter**

A majority of the 10 active agreements with Phase 1 partners will be officially closed-out during the next quarter. These processes include reviewing targets and special award conditions, verifying the use of the machinery provided and issuing disposition. We anticipate extending the agreements with Mullai Virudcham, Hotel Oviya, and Anchor Coir in order to further monitor and support the completion of the objectives of the investment grants. Phase 2 partners Allwin Steel, Rural Returns, Ecowave should complete the infrastructure investments and establish commercial operations. We expect that all major procurements of plant and equipment will be completed. Construction activities will advance according to the schedules.

**Figure I. BIZ+ Investment Grants - Report on Expenditures, Cost Share and Jobs as of September 30, 2016**

BIZ+ Investment Grants - Spending and Jobs and Income Earning Opportunities Created													
Grantee Business	Grant Spending (LKR)			Leverage Contributed (LKR)		Jobs Reported					End Date	Status	
	Grant Value	Expended to Date	This Quarter	Grantee Target	Grantee Contribution	Target (as per subgrant)	Direct (FT and FTE at business)	Micro Enterprises/ Entrepreneurs (along value chain)	Type of Value Chain Earner	Total Jobs Reported			
<b>Phase -One</b>													
1	Agash Textiles Industries	23,261,106	22,895,303	1,410,000	23,267,890	15,824,384	75	31		Producers, Distributors	31	30-Sep-16	Active
2	All Focus	40,908,776	40,908,776	0	51,489,001	46,961,945	80	70	153	Agricultural Producers	223	31-Dec-15	Closed Out
3	Anchor Coir Industries	14,797,435	14,406,440	0	14,822,449	12,344,611	101	44	36	Husk and Other Suppliers	80	30-Sep-16	Active
4	Arumbugal Foundation	18,337,308	18,337,308	0	40,251,560	23,365,928	95	95	64	Suppliers	159	31-Oct-15	Closed Out
5	Asiri Holdings Lanka	51,691,851	51,691,851	0	132,499,388	108,038,750	184	88	89	Distributors	177	31-Mar-15	Closed Out
6	Building Solutions	28,372,250	28,372,250	0	46,053,084	48,319,717	125	70			70	31-Dec-15	Closed Out
7	Dharmasiri Tyre House	38,027,290	38,027,290	0	70,799,218	77,037,717	125	179	2	Suppliers	181	30-Sep-15	Closed Out
8	Don's Renewables	27,974,100	27,974,100	0	37,446,836	38,715,137	72	71	61	Suppliers	132	31-Jul-15	Closed Out
9	East Lanka Polysack	64,055,138	64,055,138	0	110,802,465	139,799,339	150	130			130	31-Dec-15	Closed Out
10	Eastern Grips	38,170,000	37,786,085	0	40,560,704	36,795,927	45	52	5	Suppliers	57	31-Dec-15	Closed Out
11	Eluwan Company	13,438,427	13,388,092	110,000	18,311,913	12,163,283	82	26	331	Producers, Distributors	357	30-Sep-16	Active
12	Himalee Dairy Farm Products	27,449,932	27,294,016	0	31,120,557	35,832,352	81	145	182	Producers, Distributors	327	30-Sep-16	Active
13	Hotel Lux Etoiles II	249,070	249,070	0	0	0	Terminated	6			6		Terminated.
14	Jeyantha Industrial Park	33,682,905	33,682,906	0	37,270,214	37,270,213	80	28	72	Fishermen, Fish Traders, Distributors	100	30-Sep-14	Closed Out
15	Kings Ice Manufacturers	31,050,998	31,050,998	0	45,071,730	52,792,312	60 +500 fishermen	50	1004	Fishermen, Fish Traders, Distributors	1054	30-Jun-15	Closed Out
16	KKK Apparel	16,310,096	16,310,096	0	59,562,035	7,759,771	113	68			68	30-Apr-15	Completed
17	Kobithan Garments	23,153,976	23,153,976	0	17,705,760	17,705,759	59	84			84	31-Jan-15	Closed Out
18	Kumaran Builders	13,478,139	13,478,139	0	14,629,450	10,639,710	55	36	24	Prop Renters	60	31-Jan-15	Completed
19	Lanka Guest House (Hotel Oviya)	33,400,000	33,331,040	0	93,130,061	85,624,504	94	114			114	30-Sep-16	Active
20	Livini Distributors	34,016,575	33,100,359	0	57,477,888	57,477,888	83	70			70	30-Sep-16	Active
21	Liyark Industries	36,493,025	36,493,025	0	50,629,712	59,986,131	63	136	8	Suppliers	144	30-Jun-15	Closed Out
22	Nanattan Division MPCS (MUNASCO)	9,865,293	9,865,293	0	16,404,400	10,021,914	16 + 50 direct paddy and seed paddy farmers	7	95	Agricultural Producers	102	31-Dec-15	Closed Out

BIZ+ Investment Grants - Spending and Jobs and Income Earning Opportunities Created													
Grantee Business	Grant Spending (LKR)			Leverage Contributed (LKR)		Jobs Reported						End Date	Status
	Grant Value	Expended to Date	This Quarter	Grantee Target	Grantee Contribution	Target (as per subgrant)	Direct (FT and FTE at business)	Micro Enterprises/ Entrepreneurs (along value chain)	Type of Value Chain Earner	Total Jobs Reported			
23	Noble International Papers Lanka	53,390,440	53,460,081	1,161,666	53,333,160	12,623,442	83	29			29	31-Dec-16	Active
24	Northern Farm	33,203,430	33,203,430	0	36,026,105	36,026,105	53 + 3000 farmers	31	799	Agricultural Producers	830	31-May-15	Closed Out
25	Mullai Virudcham	9,919,332	9,764,365	-	9,918,586	3,789,563	77 + 105 Co-op Members	16	19		35	30-Sep-16	Active
26	Orange Tea Company	144,900	144,900	0	8,024,407	8,024,407	Terminated	30			30		Terminated.
27	Pillaiyar Stores	21,799,734	21,600,487	0	23,133,390	31,100,768	75	40	149	Agricultural Producers	189	31-Mar-16	Closed Out
28	River View Palm Hotel	62,756,250	62,756,250	0	429,471,833	407,517,719	138	202	33	Suppliers	235	30-Sep-15	Closed Out
29	Rodman Electrodes	22,585,686	22,585,686	0	70,085,900	7,852,137	Suspended	5			5	31-Dec-15	Suspended
30	Sarah Industries	54,963,505	54,963,505	0	137,932,462	137,932,462	101	130			130	31-Dec-15	Closed Out
31	Sivanarul Vocational Training and Production Centre	12,662,015	12,662,015	0	23,258,854	26,471,421	75	59			59	31-Dec-15	Closed Out
32	Swani Auto Land	27,357,426	27,357,426	0	61,657,855	77,703,067	82	119	23	Suppliers	142	31-Dec-15	Closed Out
33	Vanni Resources Self Development Organization	10,954,375	10,615,104	(235,800)	10,981,223	8,613,181	75	26	121	Suppliers	147	30-Sep-16	Active
34	Web Gurus International [www.Neverbeen.com]	28,853,368	28,853,368	0	46,481,627	48,492,566	22 +50 Home Stay Operators	17	30		47	31-Dec-15	Closed Out
35	Wheel Masters	16,707,140	16,707,140	0	30,299,896	30,299,896	78	120	8	Suppliers	128	31-Jul-15	Closed Out
36	White Stone	25,396,857	25,396,857	0	30,452,518	25,433,175	81	44	29	Suppliers	73	31-Dec-15	Closed Out
37	Yasasiri Poly Print	38,517,940	38,195,584	0	42,802,819	42,802,819	95	78			78	30-Sep-16	Active
N/A	Swiss Labour Assistance (Service grant contributing to Mullaitivu partners)	9,505,487	9,505,487	0	6,676,791	6,692,274	0	0			0	30-Jun-15	Closed Out
N/A	Tourism Development Activities Eastern Province (Ecowave and East N. West)	n/a	n/a	n/a	-	5,931,500	0	0	48	Tourism Services Providers	48		
<b>Phase -Two</b>													
38	Allwin Steel (Pvt.) Ltd.	10,814,480	7,861,048	149,338	14,956,490	6,300,000	36	5			5	31-May-17	Active
39	Crown Polypack Lanka (Pvt.) Ltd.	27,620,560	17,025,158	0	77,478,100	44,354,934	66	102			102	31-May-17	Active
40	Ecowave (Gte.) Ltd.	26,371,496	8,483,198	3,154,199	33,956,113	10,415,811	224	1		Agricultural Producers	1	31-May-17	Active
41	Jaal Enterprises	9,732,300	9,516,062	3,926,062	11,115,748	-	38	1	7	Suppliers	8	31-May-17	Active
42	Koularagama Industrial Cooperative Society Limited	12,168,720	2,220,957	540,457	12,312,700	5,990,000	49	0			0	31-May-17	Active

**BIZ+ Investment Grants - Spending and Jobs and Income Earning Opportunities Created**

Grantee Business	Grant Spending (LKR)			Leverage Contributed (LKR)		Jobs Reported					End Date	Status
	Grant Value	Expended to Date	This Quarter	Grantee Target	Grantee Contribution	Target (as per subgrant)	Direct (FT and FTE at business)	Micro Enterprises/ Entrepreneurs (along value chain)	Type of Value Chain Earner	Total Jobs Reported		
43 North Lanka Family Foods (Pvt.) Ltd.	58,500,000	0	0	115,867,000	5,375,000	75	7		Agricultural Producers	7	31-May-17	Active
44 Orian Lak Steel (Pvt.) Ltd.	31,958,460	31,892,244	31,892,244	60,072,256	38,247,559	43	7			7	31-May-17	Active
45 Randeepa Agrarian (Pvt.) Ltd.	16,745,440	0	0	16,778,500		96	0		Agricultural Producers	0	31-May-17	Active
46 Riococo Lanka (Pvt.) Ltd.	15,436,823	0	0	17,165,233		42	0		Suppliers	0	31-May-17	Active
47 Rohana Eastern Dairies (Pvt.) Ltd.	28,975,050	6,687,041	6,687,041	104,804,048	98,099,862	44	0		Producers, Distributors	0	31-May-17	Active
48 Rural Returns (Gte.) Ltd.	7,716,000	5,171,700	61,700	8,047,427	83,303	198	5		Agricultural Producers	5	31-May-17	Active
49 Sahaswear (Pvt.) Ltd.	31,133,221	0	0	55,224,135	4,549,741	227	71		Suppliers	71	31-May-17	Active
50 Visuvamadu Farmers MPCs Limited	34,046,626	23,370,420	23,370,420	50,994,000		240	-		Agricultural Producers	0	31-May-17	Active
<b>Total (LKR)</b>	<b>1,358,120,749</b>	<b>1,155,851,063</b>	<b>72,227,327</b>	<b>2,608,615,491</b>	<b>2,065,200,005</b>	<b>5,851</b>	<b>2,746</b>	<b>3,392</b>		<b>6,138</b>		
<b>Total (USD)</b>	<b>9,484,895</b>	<b>8,857,484</b>	<b>504,424</b>	<b>18,218,148</b>	<b>15,774,498</b>							

\* N.B. - USD total amounts above agree with the totals in financial reports sent to USAID. In past quarterly reports we had converted based on the most recent month's exchange rate and applied it to the LKR totals in this table. However, due to a recent devaluation (greater than 5%) in LKR to USD, it is more accurate to report LKR and USD totals at actual billed and analyze the average for the life-of-program. Note that grant values and grantee leverage targets are valued in LKR so the USD totals are equivalent values.

## **IV. COMPONENT TWO: CAPACITY BUILDING SUPPORT AND TECHNICAL ASSISTANCE TO ENTERPRISES**

BIZ+ builds the capacity of grantee businesses by facilitating access to business development services (BDS), facilitating market linkages, offering training opportunities, and by working with chambers of commerce to improve the availability of quality business consulting and support services in targeted districts.

While expertise was provided to partners based on an ongoing schedule of consultations and technical training plans, BIZ+ delivered a series of learning events during the quarter to create awareness about key management tools, to build an appetite for BDS when necessary, and to encourage a dialog amongst BIZ+ partners. Four events were held reaching more than 600 participants. The workshops represented the most frequent and largest scale (in terms of numbers and publicity) since the BIZ+ program began. The areas of learning covered by these events included (i) project management, (ii) encouraging leadership development of female employees, (iii) dairy farmer technical skills, (iv) transitions for family owned businesses, (v) exposure visits, and (vi) group discussions. In addition to imparting ideas, these events allowed partners from many regions of the country to meet, exchange ideas and to develop market and business leads.

BIZ+'s model for BDS delivery encourages grantee businesses to purchase the services needed. The program facilitates the process to locate and contract with service providers. This process demonstrates the demand for BDS and aims to improve access and supply of BDS in the regions that are economically lagging. Depending on the urgency and ability to finance, the services are paid for in a number of ways—fully by the business, cost-shared, or by the program directly. In addition to the learning events held, examples of activities completed during the past quarter include the following, which focus on priority areas of improvement:

- Ecowave initiated a training program for its network of spice farmers on obtaining Organic certification. More than 70 farmers (49 women) participated.
- An electrical and a mechanical engineer were contracted to lead and guide Noble Papers' equipment installation. The engineering team aligned the complete machinery for three sections of the plant and set the electrical plan for the factory.
- Visuvamadu Farmers' Co-op contracted with Institute for Post-Harvest Technology to define plant and equipment specifications and to design the layout for an upgraded rice milling facility.
- An accounting firm started a services contract to provide financial due diligence and company secretarial services for Eluwan. The objective is to establish the value of the company based on its assets, liabilities, and goodwill in order to establish the share value for an outside investor.
- Randeepa Agrarian held training on tractor operations and maintenance for farmers interested in becoming micro-entrepreneur tractor operators. Twenty-three participants completed the first in a series of trainings to be offered by Randeepa.

### **Capacity Building of Grantee Businesses, District Chambers and BDS Providers**

Table 3 below presents a summary of performance against selected business capacity and improvement indicators.

Table 3: Quarterly Results for Business Development and Capacity Building Indicators

<b>Performance Indicator</b>	<b>Life of Project Target</b>	<b>Results for Jul-Sep 2016</b>	<b>Cumulative Results To Date</b>
Capacity Assessments Completed  Results include second-round assessment of 13 grantee businesses and baseline assessment of 6 regional chambers of commerce and 38 BIZ+ grantee businesses, (including 4 terminated Phase 1 grants), plus 13 new Phase 2 partners.	45	0	70
New Technologies or Management Practices put into Practice by Businesses	600	5	806
Training Events Organized and Implemented	187	7	179

**Training on Project Management - Managing and Mitigating Risks**

BIZ+ delivered a project management workshop as a follow-up to the GMP learning event held for partner businesses in the previous period. The training was led by a project management expert, built understanding, and presented tools to help businesses mitigate risks and manage contingencies while considering constraints of time and other resources. The workshop reached 29 managers and representatives from partner businesses. Specific topics included:

- Fundamentals of Project Management
- Identifying Project Performance Indicators
- Identifying and Mitigating Project Risks
- Contingency Planning
- Sustaining Change

**Motivating Women Managers**

BIZ+ developed and facilitated a workshop that targeted female managers and high-potential leaders at partner businesses. The objective was to recognize the contributions that women make in our workplaces, performing varied roles and responsibilities, as business owners, managers, supervisors, and machine operators. Although about thirty percent of the workforce of BIZ+ partners is made up of women, those in decision-making roles are not proportional. The forum allowed participants to exchange ideas, and see what has worked and not worked for them in engaging women in the workplace and having them in key decision-making roles.



Photo 6: [REDACTED], CEO, Wayamba Printpack providing the keynote address at the BIZ+ workshop.

More than 40 of BIZ+ partner businesses joined to learn and celebrate the value of female leaders and managers. There were several examples of BIZ+ partners reaping positive results from having females in management positions. The consensus belief was that such workplaces provide better work environments, and higher worker retention rates.

### **Dairy Farmer Training - District Dairy Day**

BIZ+ designed a collaborative activity with the USAID-SOLID program to implement a District Dairy Day that drew 565 dairy farmers to learning event held in a remote farm in north central Sri Lanka. The SOLID program is another USAID-funded project that directly supports improved practices and market linkages in the dairy industry in Sri Lanka. BIZ+ and SOLID had a shared vision in the region because BIZ+ partner Himalee Dairy Farm Products is a dairy manufacturer in the district and buys from a dedicated 300 strong small-scale producer network. Dairy



Photo 7: USAID Sri Lanka Mission Director, [REDACTED], at a demonstration learning how to make silage.

Day is a training model from SOLID designed to teach small-scale dairy farmers new farming techniques, which can be used to improve the quantity and quality of milk. BIZ+ conceptualized and organized the collaboration and SOLID delivered technical training stations and demonstrations on several different topics including fodder sorghum cultivation, silage making, TMR (Total Mixed Ration) production, Azolla cultivation, micro irrigation, the use of chaff cutters

etc. In addition to Himalee, several private sector companies also participated in the event, introducing farmers to relevant and useful products and services. The Government's Department of Animal Production and Health also participated in the event, conducting training sessions on clean milk production and transportation. USAID Mission Director to Sri Lanka and the Maldives [REDACTED] led a training tour, engaged with private sector dairy companies to learn about the industry, and addressed the audience about the importance of dairy for rural economy and children's health.

### **Transitions in Management and Leadership in Family Businesses**

BIZ+ hosted a learning event on "Transitions in Management and Leadership in Family Businesses" with the objective of facilitating an open discussion on issues and challenges that family-owned and managed businesses face, share experiences with other family businesses, and see possible ways of overcoming the challenges faced. The event was conceptualized and presented as BIZ+ encountered challenges with family-owned and managed enterprises. Upon searching for solutions, BIZ+ found that research conducted locally, globally, and regionally indicated that family-owned and managed businesses face specific challenges, and that no more than 30 percent of family-owned and managed businesses succeed to the second generation, and that the probability of success drops further to 12 percent when the baton passes on to the successive generations into the third generation, and that a mere 3 percent survive beyond that. However, it was revealed that 83 percent of the family-owned businesses survived external negative forces such as the recessions. The cause for this was identified as 'family values' that are prominent in many of the family owned and run businesses, and how the businesses are safeguarded by the family during times of trouble. Given the relevance that the discussion topic to the larger businesses environment, BIZ+ opened up participation to businesses outside of its portfolio of investment partners, making this the first public learning event sponsored by BIZ+.

The program was inaugurated by Brian Wittnebel, Acting Director of Economic Growth, USAID Mission to Sri Lanka and Maldives, and the sessions started with a 'Researcher's Perspective on Sri Lankan Family Businesses', followed by discussion of three cases of successes and survival of family owned enterprises in Sri Lanka - Rainco Umbrella, MA's Tropical Foods, Fab Foods & ACL Cables. Subsequent discussion topics by industry experts included - 'Transition Planning for Sustainability', and 'Financier's Perspective on Issues and Challenges for Family Businesses'. The program concluded with a group consisting of an industry experts and a service provider engaged in a panel discussion. Panelists - [REDACTED], Chairman - Sri Lanka Institute of Directors and Director - Jetwing Group, [REDACTED], MD/CEO, Hatton National Bank PLC and [REDACTED], Partner, Head of Family Business in Sri Lanka, KPMG in Sri Lanka, discussed a range of issues including the advent of family councils; the right time for transition from first to second generation; the challenge of ownership in which the larger the business, the larger the pressure placed by family members wanting a stake and benefits; succession planning; why children should not be forced into their family business; and separating management and family members.

At this full day event, a closer examination was made at what successful family businesses have done differently to grow their businesses, and possible impediments that have affected others who have not survived the tides through the generations. Through the workshop, BIZ+ attempted to build an awareness on particular challenges faced by family businesses both locally and internationally, and discussed how best to prepare them to transfer management and/or ownership of the business to the next generation.

Participants considered the learnings to be an eye opener and validated by requests for more discussion forums of this nature. A journalist's take on the event is found at <http://www.sundaytimes.lk/161009/business-times/of-family-councils-risk-takers-riding-a-bicycle-and-mentoring-211570.html>

BIZ+ plans to put to action a few of the recommendations that came out of this experience sharing forum, first of which may be in helping families with succession planning and setting up family councils. A dialog with Sri Lanka Institute of Directors has been initiated to create awareness on benefits businesses may derive from adopting good governance and being accountable. Based on the feedback from participants, an average of 96 percent of participants accepted that the program met their learning interest on the subject. A total of 84 percent of the participants indicated that the knowledge gained at the event could be applied in their business environments. BIZ+ also determined that there are some ways that the program could intervene to strengthen family-owned and managed businesses in its portfolio as well as for other SMEs:

1. Encourage businesses to obtain professional services from organizations that specialize in family-owned and managed businesses
2. Help businesses to improve governance and decision making by including independent members to their Boards of Management and/or Directors
3. Encourage businesses to employ and engage professionals as advisers or consultants
4. Assist with succession planning, and encourage early preparation and training of the next generation of managers/leaders/owners.
5. Advise in setting up a decision-making and profit sharing mechanism, so that all family members are included; for those who are ready, assist in forming family councils.
6. Create awareness in the regions outside of Colombo on the special issues affecting family-owned and managed businesses to survive through the generations



Photo 8: Panelists from finance, industry, and professional institutes discuss the joys and pitfalls of family-led business generation-on-generation.

### **Magnifier Institute of Analytics**

A series of discussions and problem solving through group discussions was led by the Magnifier Institute of Analytics. BIZ+ partners Allwin Steel, Crown Polypack, and Himalee Dairy Products sent executives to participate in this series. Magnifier Institute provided self-study course materials and brought in senior Sri Lanka practitioners to lead topics of discussions, which included finance, marketing, human resources, and strategic management. The program concludes with a business self-assessment.

### **Organizational Capacity Building for Koularagama Industrial Cooperative Society**

BIZ+ is working to build the organizational and managerial capacity of Koularagama Co-op. During the quarter, BIZ+ liaised with the Export Development Board and local authorities to deliver business development training. The members participated in the following training programs:

- Entrepreneurship and record-keeping training was delivered by the Moneragala Divisional Secretariat and Ministry of National Policy and Economic Affairs.
- Cooperative Society's Act and the Constitution and By-Laws training was delivered by the Cooperative Commissioner for region. A considerably large section of the membership were not fully aware of the workings of a cooperative society registered under the Cooperative Society's Act.
- Product costing, accounting and bookkeeping trainings are being delivered by BIZ+ directly. The prices offered by the Co-op do not reflect the cost to manufacture the products and provide a reasonable profit margin, so BIZ+ is assisting in the analysis by bringing in local industry experts and by providing technical training in order to make the business sustainable.

### **Mentoring and Coaching for BIZ+ Phase I partners through Lanka Social Ventures**

Lanka Social Ventures (LSV) and BIZ+ are working together to strengthen three BIZ+ partners: Himalee Dairy, VRSDO, and Eluwan. The term of BIZ+'s agreement with these businesses expired at the end of the quarter, so by linking the businesses to LSV's incubator program technical and managerial support for the enterprises continue. With Himalee and Eluwan, LSV intends to help the dairy and agricultural SMEs build and enhance the network of farmers and producers. With VRSDO, LSV has assigned a business coach to guide VRSDO's management team. LSV is preparing short video clips highlighting the social impact of the business they support to create awareness and as well as to promote social enterprises.

During the quarter, LSV assigned a hotel management expert as a business coach for VRSDO and to improve the operations and service level of Taste of Vanni restaurant. During the quarter VRSDO staff attended an exposure visit to demonstrate how professional cookery and food preparation is carried out in a professional run hotel and restaurant. LSV has also allocated funds to engage a consultant to manage the financial records and requested BIZ+ to source a suitable person to undertake the work.

In addition, LSV conducted a two-day program to improve business functions at Himalee Dairy, which included the network of dairy farmers included in the supply chain and the factory staff. The training program for dairy farmers supplying to Himalee Dairy covered several aspects of dairy livestock management including: (i) basic herd hygiene, (ii) animal breeding, (iii) animal nutrition, and (iv) identification of diseases. The participants were also taken on an exposure visit to a farm for live demonstration for them to get a practical idea of the classroom learnings. The training program for the factory staff of Himalee Dairy focused on: (i) providing the staff an understanding of the dairy processing unit operations and production of dairy products, (ii) the concepts of

chemistry, biochemistry, physics, engineering, mathematics that apply to dairy processing operations and understand their role in processing of dairy products, (iii) build their ability to think critically about problems and issues in food processing, and (iv) provide an appreciation for the role the food processing industry plays in the society at large.

### **Next Quarter**

In the upcoming quarter, BIZ+ plans to undertake the following specific activities:

- Implementing awareness building and practical training session to motivate and assist business to make factories safer, cleaner, and better places to work. The participants will understand basic steps necessary for their business to be OSH compliant.
- Implementing a workshop on building financial management skills and capacity for owners and senior managers. The basic idea is improving financial literacy to improve bankability. The participants will be trained to identify early signals of financial ill health of their business.
- International volunteers will also commence their work in October (see below) and will be assigned to work providing business analytics and coaching with a number of business partners.
- Specific consultant and BDS activities are scheduled to work with Livini Distributors, Noble Papers, Mullai Virudcham, Agash Textiles, Eluwan, Visuvamadu, Crown Polypack, Orian Lak, and Yharl Enterprises.

## **V. VOLUNTEER ACTIVITIES**

One volunteer assignment was completed during the quarter. [REDACTED] completed her five-month assignment in July. She had worked as a supply chain specialist for BIZ+, advising a number of partner businesses in areas of quality assurance techniques and operations planning. [REDACTED] made presentations at two BIZ+ partner learning events, including workshops on Good Manufacturing Practices (GMP) and on Project and Risk Management.

BIZ+ utilizes international and host country specialist volunteers to support Component Two, which aims to build the capacity of partner businesses. Three assignments are planned for the next quarter:

1. Business Analyst/Coach: An international assignment of about nine month in duration. The adviser serve as a business coach and will support multiple BIZ+ partners to improve general management, marketing, and project management.
2. Business Analyst: An international assignment of about three months in duration. The advisor will help multiple BIZ+ partners to define key performance indicators and improve operational performance.
3. Product Design: A Sri Lankan volunteer assignment of at least two weeks duration working intermittently. The design and marketing specialist will assist Koularagama Industrial Co-op on design concepts and market placement for ceramic products.

Over the life of the program, BIZ+ has mobilized 23 volunteers, providing 1,157 person days of volunteer service. The following table summarizes the results of volunteer activities, cost share contributions, and leveraged resources for the quarter and life of program.

Table 4: Quarterly Results for Volunteer Activities and for Cost Share and Leverage Contributed

	<b>Award Total</b>	<b>Quarter</b>	<b>Project to Date</b>	<b>Balance</b>
<b>Number of Volunteers Assignments Completed</b>	<b>16</b>	<b>1</b>	<b>23</b>	<b>-7</b>
<b>Total Cost Share</b>	<b>\$614,000</b>	<b>\$114,510</b>	<b>\$467,400</b>	<b>\$146,600</b>
Total volunteer cost-share	\$614,000	\$114,510	\$467,400	\$146,600
Total non-volunteer cost share	\$0	\$0	\$0	\$0
<b>Total Leverage</b>	<b>\$16,983,305</b>	<b>\$1,231,626</b>	<b>\$15,774,498</b>	<b>\$1,208,807</b>
Total volunteer leverage	\$0	\$0	\$0	\$0
Total non-volunteer leverage	\$16,983,305	\$1,231,626	\$15,774,498	\$1,208,807
Other volunteer contributions	N/A	N/A	N/A	N/A

## VI. PROJECT-LEVEL ACTIVITIES

### Introducing the Program and Partner Businesses to USAID’s New Leadership Team

BIZ+ introduced the program to the new USAID Mission Director by making field visits to five businesses that demonstrate the diversity of BIZ+ partner businesses. At Jayantha Ice Factory, the team interviewed fishermen at the Point Pedro pier to get firsthand input about the value created by having access to ice. The visits continued to the industrial metalworks factory of Sarah Industries also in Jaffna; to the community-based Taste of Vanni restaurant owned and operated by a group of women in rural Mullaitivu; to plastic yogurt cup manufacturer Yasasiri Polyprint in Anuradhapura, and ended at Wheel Masters, which is featured above.



Photo 9: Mission Director, [REDACTED], learning more about Wheel Masters’ systems to restore crashed vehicles during his BIZ+ program familiarization visits.

BIZ+ also organized a series of introductory factory and business visits in Northern and North Central Provinces for the new USAID Program Office Director, [REDACTED], and two other Program Office staff. These visits were useful to familiarize the new program office team about BIZ+.

### Work Plan and M&E Plan Update

The Cooperative Agreement calls for “Annual PMP Updates” so that performance management plan serves as management tool for both VEGA/Land O’Lakes and USAID. During the quarter, BIZ+ reviewed the Work Plan with the Agreement Officer Representative. The updated PMP and M&E plan documents provided the annual revision for Year 6 of the program, which includes the final 10 months of the program up to July 31, 2017. Because this is the final year of program implementation, BIZ+ did revise the monitoring and evaluation plan. The plan remains in accordance with the objectives of the Cooperative Agreement and the definitions of the indicators remained unchanged.

### **Observations as Project Closeout Nears**

The Reporting requirements in the Cooperative Agreement ask that BIZ+ provide additional qualitative or field perspective information as part of the last quarterly report of USAID’s corresponding fiscal year that ends September 30. Program summary information about performance results and indicators is already incorporated into each quarterly report and the annual M&E updates. The discussion below describes opportunities in supporting small and growing businesses as well as challenges that SME businesses face through their participation in the BIZ+ program.

#### **1. Opportunities for Small and Growing Businesses**

Based on the strong response to the BIZ+ solicitation for new partners for Phase 2, there is significant demand by SMEs for flexible investment capital. Entrepreneurs also have some very interesting and promising business ideas. However, in some cases the business incubation process for these ideas exceeds the programmatic time available for BIZ+.

The business-banking sector seeks and competes for customers. Commercial banks have branches that cover the entire island, with most of the major banks having SME financial service desks or independent offices in regional cities and even in small towns. However, anecdotally, it is reported that banks compete mostly for the best customers and its businesses may have 10 or 20 accounts opened at different banks. There could be an opportunity for BIZ+ or new USAID economic growth programs to directly work with banks - almost as a tripartite investment agreement - to invest, buy down the risk, and then supervise the SME partner. Such an arrangement may require more flexibility in the form of the subaward agreements approved by USAID.

Over the past year, there has been an emergence of venture capital companies, social investment funds, and social enterprise support networks. SME businesses, particularly in underserved areas may be able to secure capital and support from these new players. BIZ+ or new USAID economic growth programs may be well positioned to leverage these new resources and amplify the program’s results. It may, however, require changes to the method of identifying and vetting business partners.

BIZ+ monitors partners after the completion of the investment grant agreement and these reviews reveal that a number of BIZ+ partners have expanded again, investing additional capital and further leveraging USAID’s investment. Other BIZ+ partners struggle along without much change.

In some cases, certain market or other regulatory or financial conditions force major changes to business operations. This is normal for SMEs and should be expected.

## **2. Financial Challenges**

Using the BIZ+ portfolio of investment partners as a sample, there is ample evidence that SME businesses in Sri Lanka have difficulty accessing working capital finance. Without affordable short-term financing options, the pace of growth and ability to increase employment will be slow. BIZ+ identifies the following more specific barriers to sustainability or growth:

- Small businesses and owners do not have sufficient financial resources to meet the expansion requirements once the expansion supported by BIZ+ is completed and are not permitted to use USAID donated assets as collateral during the agreement period.
- The primary reason for these lending constraints is because the business do not have sufficient assets and asset value to provide as security and/or the business is unable to prove that sufficient positive cash flow will be generated to settle monthly loan instalments.
- When small businesses face difficulty in obtaining loans from commercial banks or other financial institutions the business owners are compelled to obtain loans from informal lending sources (most of the time at an interest rate exceeding 36% per annum) which leads them into a debt-trap.
- SME businesses demonstrate poor financial reporting and lack transparency within their own organizations and with the information provided to banks and regulatory authorities. Annual audits, which are required by regulation, take six months to two years to be completed. In addition, businesses are reluctant to share financial information with BIZ+, which hinders the program's ability to report on business operational results indicators. Part of this problem may result from the regulatory environment and tax policy as well as appearance of lackluster or ineffective enforcement.

## **3. Rapid Increases in Employment**

The business cycles (building market share, securing financing etc.) dictate employment creation. Therefore, though BIZ+ reports strong job and income earning results and is meeting or exceeding performance targets, businesses often require more time to add jobs and should only add jobs and employees to the payroll over-time based on sales and operational requirements.

Such an observation may drive BIZ+ or programs like BIZ+ to increase the size and scale of the business that it targets and, therefore limit funding opportunities (or provide no funding at all), for small scale businesses. The ideal additional full-time direct employment target might be between 50 and 100 new jobs. Part of the challenge is that creating less than 50 employment opportunities means program management cost per new employment will be very high. BIZ+ has always found balance by funding both small scale, often rural organizations, as well as larger businesses, often from Colombo investing in under-served areas. Larger businesses have access to both the money and the skilled management needed to implement the business plan.

## **4. Small Business Face Human Resources Barriers**

BIZ+ partners often have difficulty in attracting and retaining capable staff in key positions. Employees (especially skilled and semi-skilled) prefer to work for reputed larger organizations because of expectations about job security and prestige and will work for a lower salary compared to what they will get from a smaller or medium sized business.

In addition, owners and management of the business often lack experience and skills needed to manage a large (or growing) labor force. With BIZ+ partners, the business is in some cases increasing by close to 10 times. BIZ+ offers technical and managerial capacity building, but the delivery and absorption of such advice is a long and challenging process. BIZ+ emphasizes the need and opportunity for management coaching, but the program has had mixed results implementing this. One key reason circles back to the shortage of skilled people, in this case business coaches, available to support SME businesses.

Other management issues that can be categorized under human resource barriers, but may better be classified as challenges in the SME business environment include:

- The management do not understand financial metrics; do not undertake financial analysis, lack experience in managing working capital.
- Oftentimes, management lacks the requisite experience to put management and operational systems in place.
- Management is reluctant to delegate work, as they do not trust outsiders since most businesses are family-owned and they are not used to involving or authorizing people outside the family.
- Management fear that having proper and transparent records will put them in difficulty with tax authorities.

## **VI. ENVIRONMENTAL COMPLIANCE**

BIZ+ monitors and report on environmental mitigation and monitoring plans for active investment grant. During the past quarter, the businesses listed below were visited and reported on, and the observations are as indicated below. Further details are provided in Annex B: VEGA BIZ+ EMMP Monitoring Details and Follow-up.

Noble Printers  
Agash Textiles  
Crown Poly Pack  
Ecowave  
Sahas Wear  
Allwin Steel  
Himalee Dairy  
Livini Distributors  
North Lanka Family Foods

## **VII. RESULTS ACHIEVED THIS QUARTER**

A table is presented in the attached Annex A, which reports results achieved for this quarter and for the revised life of program indicators. We are pleased to note that even considering the increased targets we remain on track to achieve all indicator targets by end of the program.

ANNEX A: PERFORMANCE AGAINST INDICATORS – PROJECT YEAR FIVE, QUARTER FOUR (July - September 2016)

**PROGRAM OBJECTIVE: Promote equitable economic growth, create jobs, and increase incomes in the North, East, and Surrounding Conflict Affected Areas of Sri Lanka.**

Indicator Ref	Data Disaggregation														Y5 QR 4 Results	LOP Target	LOP Results	Comments
A: Number of jobs created through USG assistance															Direct 124	Direct 6,500	Direct 6,138	The methodology for calculating indirect employment impact excludes microenterprises that are benefiting directly from the investment grant. Refer to PIRs for explanation of how indirect jobs are calculated.  14,231 Indirect Jobs would be reported in the optimistic scenario, i.e., if this adjustment was not made.
		Female				Male				Other				Grand Total				
		M	S	T	Female Total	M	S	T	O	Male Total	M	T	O	Other Total				
	East	15	34	396	445	465	835	1,021	38	2,359		-	11	11			2,815	
	North	34	5	427	466	301	36	1,316	1	1,654		4	5	9			2,130	
	North Central	2	248	13	263	130	649	25	49	853		-	-	-			1,116	
Uva	-	65	1	66	-	8	3	-	11				-			77		
<b>Grand Total</b>	<b>51</b>	<b>351</b>	<b>837</b>	<b>1,240</b>	<b>897</b>	<b>1,528</b>	<b>2,365</b>	<b>88</b>	<b>4,877</b>	<b>-</b>	<b>4</b>	<b>16</b>	<b>20</b>			<b>6,138</b>		
(M= Muslim, S=Singhalese and T=Tamil, Other = Reported as micro-enterprise with no gender or ethnic group determination)																		
															Program Indicator B "Increase%" in gross household income earned as a result of USG assistance was eliminated in the Modification No. 8 to the Cooperative Agreement. Indicator Letters were re-ordered.			
B: Increase in gross household income by those households benefitting from USG assistance															\$ 208,149	\$ 6,500,000	\$ 8,384,168	Exceeds target.  When disaggregated information not provided, classified under "Other."  (Formerly Indicator "C")
		Female				Male				Other				Grand Total				
		M	S	T	Female Total	M	S	T	O	Male Total	M	T	O	Other Total				
	East	\$16,571	\$78,812	\$409,180	\$504,563	\$292,143	\$766,876	\$2,083,265	\$3,891	\$3,146,175	\$952	\$994	\$117	\$2,063			\$3,652,801	
	North	\$3,445	\$17,710	\$461,489	\$482,644	\$51,393	\$81,863	\$1,409,428	\$39,046	\$1,581,730	-	\$35	\$70	\$105			\$2,064,479	
	North Central	\$49,369	\$455,825	\$19,690	\$524,884	\$325,485	\$1,503,995	\$108,712	\$10,585	\$1,948,777	-	-	-	-			\$2,473,661	
Uva	-	\$162,000	\$2,448	\$164,448	-	\$18,715	\$10,064	-	\$28,779				-			\$193,227		
<b>Grand Total</b>	<b>\$69,385</b>	<b>\$714,347</b>	<b>\$892,807</b>	<b>\$1,676,539</b>	<b>\$669,021</b>	<b>\$2,371,449</b>	<b>\$3,611,468</b>	<b>\$53,522</b>	<b>\$6,705,460</b>	<b>\$952</b>	<b>\$1,029</b>	<b>\$187</b>	<b>\$2,168</b>			<b>\$8,384,168</b>		
(Values in USD translated at prevailing exchange rate) (M= Muslim, S=Singhalese and T=Tamil, Other = Reported as micro-enterprise with no gender or ethnic group determination)																		

C: Number of vulnerable households benefitting directly from USG assistance	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Female</th> <th colspan="4">Male</th> <th rowspan="2">Male Total</th> <th colspan="4">Other</th> <th rowspan="2">Grand Total</th> </tr> <tr> <th>M</th> <th>S</th> <th>T</th> <th>Female Total</th> <th>M</th> <th>S</th> <th>T</th> <th>O</th> <th>M</th> <th>T</th> <th>O</th> <th>Other Total</th> </tr> </thead> <tbody> <tr> <td>East</td> <td>25</td> <td>46</td> <td>462</td> <td>533</td> <td>559</td> <td>908</td> <td>1,264</td> <td>39</td> <td>2,770</td> <td>79.00</td> <td>101.00</td> <td>11.00</td> <td>191.00</td> <td>3,494</td> </tr> <tr> <td>North</td> <td>34</td> <td>5</td> <td>461</td> <td>500</td> <td>308</td> <td>74</td> <td>2,256</td> <td>1</td> <td>2,639</td> <td>-</td> <td>4.00</td> <td>5.00</td> <td>9.00</td> <td>3,148</td> </tr> <tr> <td>North Central</td> <td>2</td> <td>247</td> <td>13</td> <td>262</td> <td>152</td> <td>1,153</td> <td>26</td> <td>49</td> <td>1,380</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>1,642</td> </tr> <tr> <td>Uva</td> <td>-</td> <td>65</td> <td>2</td> <td>67</td> <td>-</td> <td>9</td> <td>8</td> <td>-</td> <td>17</td> <td></td> <td></td> <td></td> <td>-</td> <td>84</td> </tr> <tr> <td><b>Grand Total</b></td> <td><b>61</b></td> <td><b>363</b></td> <td><b>938</b></td> <td><b>1,362</b></td> <td><b>1,019</b></td> <td><b>2,144</b></td> <td><b>3,554</b></td> <td><b>89</b></td> <td><b>6,806</b></td> <td><b>79</b></td> <td><b>105</b></td> <td><b>16</b></td> <td><b>200</b></td> <td><b>8,368</b></td> </tr> </tbody> </table>															Female				Male				Male Total	Other				Grand Total	M	S	T	Female Total	M	S	T	O	M	T	O	Other Total	East	25	46	462	533	559	908	1,264	39	2,770	79.00	101.00	11.00	191.00	3,494	North	34	5	461	500	308	74	2,256	1	2,639	-	4.00	5.00	9.00	3,148	North Central	2	247	13	262	152	1,153	26	49	1,380	-	-	-	-	1,642	Uva	-	65	2	67	-	9	8	-	17				-	84	<b>Grand Total</b>	<b>61</b>	<b>363</b>	<b>938</b>	<b>1,362</b>	<b>1,019</b>	<b>2,144</b>	<b>3,554</b>	<b>89</b>	<b>6,806</b>	<b>79</b>	<b>105</b>	<b>16</b>	<b>200</b>	<b>8,368</b>	96	8,000	8,368	Exceeds target.  If vulnerable HHS were defined as only N and E there are 6,642 HH benefitting.  When disaggregated information not provided, classified under "Other."  (Formerly Indicator "D")
		Female				Male				Male Total	Other					Grand Total																																																																																																								
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D: Number of business firms and organizations receiving grants or directly benefiting from USG assistance	<table border="1"> <thead> <tr> <th>Region</th> <th>North</th> <th>East</th> <th>North Central</th> <th>Uva</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Number of Investment Grants Awarded and Issued</td> <td>19</td> <td>13</td> <td>11</td> <td>4</td> <td>47</td> </tr> <tr> <td>Number of business firms and organizations receiving grants or directly benefiting from USG assistance</td> <td>5</td> <td>4</td> <td></td> <td></td> <td>9</td> </tr> <tr> <td><b>Total</b></td> <td><b>24</b></td> <td><b>17</b></td> <td><b>11</b></td> <td></td> <td><b>56</b></td> </tr> </tbody> </table>						Region	North	East	North Central	Uva	Total	Number of Investment Grants Awarded and Issued	19	13	11	4	47	Number of business firms and organizations receiving grants or directly benefiting from USG assistance	5	4			9	<b>Total</b>	<b>24</b>	<b>17</b>	<b>11</b>		<b>56</b>	0	60	56	No change for Quarter.  13 Investment Grants awarded for Phase 2.  34 Investment Grants awarded for Phase 1.  9 business firms and organizations receiving grants or directly benefiting from USG assistance  (Formerly Indicator "E")
	Region	North	East	North Central	Uva	Total																												
	Number of Investment Grants Awarded and Issued	19	13	11	4	47																												
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<b>Total</b>	<b>24</b>	<b>17</b>	<b>11</b>		<b>56</b>																													

(Updated definition excludes services grants. Reporting investment grants and other organizations that have directly benefited from BIZ+ activities during Phase 1.)

**Component 1: Grants to new and existing enterprises**

1.1: Number of investment grants awarded and issued	<table border="1"> <thead> <tr> <th>North</th> <th>East</th> <th>North Central</th> <th>Uva</th> </tr> </thead> <tbody> <tr> <td>19</td> <td>13</td> <td>11</td> <td>4</td> </tr> </tbody> </table>				North	East	North Central	Uva	19	13	11	4	0	46	47	No change for Quarter.  13 Investment Grants awarded for Phase 2.  34 Investment Grants awarded and implemented
	North	East	North Central	Uva												
	19	13	11	4												
	<b>Investment Grants by Sector</b>															
	Food Processing	11	Apparel	4												
Manufacturing   Small	5	Construction	1													

	Handicraft	1	Tourism	3						for Phase 1.
	Manufacturing   Large	12	Services	3						LOP Target anticipates 35 from Phase 1 and 11 from Phase 2.
	Dairy	3	Retail	1						
	Fisheries	2	Energy	1						

1.2: Number of micro enterprises supported by USG enterprise assistance															7	4,500	4,441	Data the data for this indicator is disaggregated by gender and region. From this quarter this data will also be disaggregated by sector and region as per the PMP.		
	<b>Sector</b>		<b>East</b>	<b>North</b>	<b>North Central</b>	<b>Grand Total</b>														
	Construction			24		24														
	Energy		61			61														
	Fisheries		1,004	72		1,076														
	Food Processing		287	1,142	153	1,582														
	Food Processing   Agriculture			95		95														
	Handicraft		93			93														
	Tourism		33			33														
	Tourism   Retail			121		121														
	Tourism   Service		48	30		78														
	Transportation   Service		23		8	31														
	Manufacturing   Small		133			133														
	Manufacturing   Large		89		419	508														
	Apparel			76		76														
	Food Processing   Dairy		335		195	530														
<b>Grand Total</b>		<b>2,106</b>	<b>1,560</b>	<b>775</b>	<b>4,441</b>															
		<b>Female</b>			<b>Female Total</b>	<b>Male</b>				<b>Male Total</b>	<b>Other</b>			<b>Other Total</b>	<b>Grand Total</b>					
		<b>M</b>	<b>S</b>	<b>T</b>		<b>M</b>	<b>S</b>	<b>T</b>	<b>O</b>		<b>M</b>	<b>T</b>	<b>O</b>							
East		11	11	115	137	484	512	744	38	1778	79	101	11	191	2106					
North		34	3	150	187	301	16	1047		1364		4	5	9	1560					
North Central		2	35	1	38	101	579	8	49	737				0	775					
<b>Grand Total</b>		<b>47</b>	<b>49</b>	<b>266</b>	<b>362</b>	<b>886</b>	<b>1107</b>	<b>1799</b>	<b>87</b>	<b>3879</b>	<b>79</b>	<b>105</b>	<b>16</b>	<b>200</b>	<b>4441</b>					

1.3: Value of resources leveraged from grant recipients															\$ 1,231,626	\$ 17,500,000	\$ 15,774,498	Leverage target amount is per PMP. The amount per agreement is \$16,983,305.  Actuals per financial reports.
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1.4: Value of cost share resources from volunteers					\$ 114,510	\$ 614,000	\$ 467,400	Actuals per financial reports.	
1.5: Amount of business revenue attributed to grant assistance	IR 1.6 Source Requirement Method	Amount of business revenue attributed to grant assistance Revenue reported on audited financial statements Have begun commercial operation utilizing BIZ+ investment 1. Determine businesses with commercial operations to be assessed 2. Calculate change in revenue between fiscal years reported 3. Convert to USD based on LKR 130/ USD 1				\$ N/A	\$ 10,000,000	\$ 2,550,792	Analysis is based the available financial information for 13 Phase 1 businesses that meet the definition and have comparative Year-on-Year revenue information available as per the financial statements. LOP amount was adjusted this quarter based on re-analysis of revenue reported and the timing of commercial start-up.  Uva businesses are all Phase 2 so will report calendar year 2017 at earliest. There is a long lag time for businesses to complete and submit financial statements to BIZ+.
<b>Summary Table of Annual Sales Revenue</b>									
		Northern	Eastern	North Central	Uva				
<i>FY</i>		Total Increase	Total Increase	Total Increase	Total Increase				
Total USD		<b>405,992</b>	<b>1,266,256</b>	<b>878,544</b>	<b>0</b>	<b>\$2,550,792</b>			

<p>1.6: Percent of assisted businesses reporting positive operating cash flow</p>	<p>IR 1.6 Source Requirement Method</p> <p><b>Summary Table of Net Operating Cast Position</b></p> <table border="1" data-bbox="330 310 1911 435"> <tr> <td>Number - Positive</td> <td></td> <td></td> <td>14</td> </tr> <tr> <td>Number - Negative</td> <td></td> <td></td> <td>7</td> </tr> <tr> <td colspan="3">Percentage of Businesses Reporting Positive Operating Cash Position</td> <td>67%</td> </tr> </table>	Number - Positive			14	Number - Negative			7	Percentage of Businesses Reporting Positive Operating Cash Position			67%	<p>Percent of assisted businesses reporting positive operating cash flow Net Operating Cash per financial statements submitted by grantee Submit audited financial statement for their most current fiscal year</p> <ol style="list-style-type: none"> <li>1. Review financial statements</li> <li>2. Document operating cash positing</li> <li>4. Compute percent of businesses reporting that have positive op.cash position</li> </ol>	N/A	50%	67%	<p>Analysis is based the available financial information for 21 Phase 1 businesses.</p> <p>This is an annual calculation that is updated as financial information becomes available. Change in quarter is not monitored and reported as same as LOP result.</p>
Number - Positive			14															
Number - Negative			7															
Percentage of Businesses Reporting Positive Operating Cash Position			67%															

<p>1.8: Percent of BIZ+ Awards with Organizational Capacity Development Objectives</p>	N/A	<p>Results Indicator No. 1.8, "Percent of BIZ+ awards with organizational capacity development objectives or activities that require reporting on capacity development metrics on a regular basis" was eliminated.</p>
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**Component Two: Capacity building support and technical assistance to enterprises**

<p>2.1: Number of consultants and volunteers person-days mobilized to provide enterprise development/technical assistance to businesses</p>	<table border="1" data-bbox="330 935 1333 1284"> <thead> <tr> <th colspan="2">Category</th> <th colspan="2">Total</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Consultants</td> <td>Local</td> <td>1,927</td> <td rowspan="2">2,470</td> </tr> <tr> <td>International</td> <td>544</td> </tr> <tr> <td rowspan="2">Volunteers</td> <td>Local</td> <td>11</td> <td rowspan="2">1,173</td> </tr> <tr> <td>International</td> <td>1,162</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td><b>3,644</b></td> <td><b>3,644</b></td> </tr> </tbody> </table>	Category		Total		Consultants	Local	1,927	2,470	International	544	Volunteers	Local	11	1,173	International	1,162	<b>Total</b>		<b>3,644</b>	<b>3,644</b>	245	2,800	3,644	<p>One international consultant completed an assignment during quarter</p> <p>Mobilized 13 days of international and 3 days of local volunteers' service. Completed 229 days of paid local consultants during quarter.</p>
Category		Total																							
Consultants	Local	1,927	2,470																						
	International	544																							
Volunteers	Local	11	1,173																						
	International	1,162																							
<b>Total</b>		<b>3,644</b>	<b>3,644</b>																						

2.2: Number of new technologies and management practices made available for transfer	<table border="1"> <thead> <tr> <th colspan="6">Technology and Management Practices by Region (LOP)</th> </tr> <tr> <th></th> <th>North</th> <th>East</th> <th>North Central</th> <th>Uva</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Through completion of Special Award Conditions and BDS Capacity Building</td> <td>390</td> <td>274</td> <td>140</td> <td>2</td> <td>806</td> </tr> </tbody> </table>	Technology and Management Practices by Region (LOP)							North	East	North Central	Uva	Total	Through completion of Special Award Conditions and BDS Capacity Building	390	274	140	2	806	5	600	806	Exceeded target.															
Technology and Management Practices by Region (LOP)																																						
	North	East	North Central	Uva	Total																																	
Through completion of Special Award Conditions and BDS Capacity Building	390	274	140	2	806																																	
2.3: Percentage of enterprises supported by BIZ+ that adopted new technologies and management practices to improve productivity in their business.		N/A	90%	72%	<p>Results include a 100% achievement for Phase 1 grantee businesses, all of which have adopted new practices/ technologies.</p> <p>Phase 2 partners have yet to adopt new practices/ technologies.</p>																																	
2.4: Number of trainings/ technical assistance provided	<table border="1"> <thead> <tr> <th rowspan="2">2.4 -Number of Trainings</th> <th colspan="5">Region</th> <th rowspan="2">Total</th> </tr> <tr> <th>North</th> <th>East</th> <th>NCP</th> <th>Uva</th> <th>All</th> </tr> </thead> <tbody> <tr> <td>Specific Sector focused</td> <td>54</td> <td>22</td> <td>11</td> <td>2</td> <td>0</td> <td>89</td> </tr> <tr> <td>General Business Effectiveness focused</td> <td>49</td> <td>27</td> <td>10</td> <td>0</td> <td>4</td> <td>90</td> </tr> <tr> <td><b>Total</b></td> <td><b>103</b></td> <td><b>49</b></td> <td><b>21</b></td> <td><b>2</b></td> <td><b>4</b></td> <td><b>179</b></td> </tr> </tbody> </table>	2.4 -Number of Trainings	Region					Total	North	East	NCP	Uva	All	Specific Sector focused	54	22	11	2	0	89	General Business Effectiveness focused	49	27	10	0	4	90	<b>Total</b>	<b>103</b>	<b>49</b>	<b>21</b>	<b>2</b>	<b>4</b>	<b>179</b>	7	187	179	<p>Organic certification training and Randeepa farmer training were the sector trainings. Three overall management trainings were conducted for all current and former grantees.</p> <p>General training with participants from all regions is classified as "All".</p>
2.4 -Number of Trainings	Region					Total																																
	North	East	NCP	Uva	All																																	
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<b>Total</b>	<b>103</b>	<b>49</b>	<b>21</b>	<b>2</b>	<b>4</b>	<b>179</b>																																
2.5: Number of individuals benefitting directly from technical assistance & trainings		781	3,000	3,698	<p>Events for the quarter include: - Ecowave organic certification - Project/Risk Management - Transition and Management of Family Business - Randeepa</p>																																	

North						East						North Central						Uva						All						Total
Male			Female			Male			Female			Male			Female			Male			Female			Male			Female			
T	M	S	T	M	S	T	M	S	T	M	S	T	M	S	T	M	S	T	M	S	T	M	S	T	M	S	T	M	S	
648	21	46	1,151	17	11	276	70	179	252	11	23	10	7	458	1	1	278	-	-	23	-	-	49	38	15	58	19	6	30	3,698

(M= Muslim, S=Singhalese and T=Tamil)

tractor driver training - District Dairy Day - Motivating Female Managers  
General training with participants from all regions is classified as "All".

2.6: Percent of assisted businesses demonstrating improved operational efficiency within two years of BIZ+ investment

IR 2.6  
Source  
Requirement  
Method

Percent of assisted businesses demonstrating improved operational efficiency within two years of BIZ+ investment  
Reported or Computed Revenue and Operating Expenses per financial statements submitted by grantee  
Submit audited financial statement for their most current fiscal year and a comparative year in the same line of business

1. Review comparative financial statements
2. Document revenue and total operating expenses
3. Compute ratio of operational expenses to revenue for two years.
4. Analyze number of businesses with improved ratios and compute percentage

**Summary Table of Ratios for Operational Efficiency (Operating Expenses/Revenue)**

Number of businesses for which the ratio decreased (i.e., improved)	12
Number of businesses for which the ratio increased (i.e., worsened)	6
Percentage of Businesses Improved Operational Efficiency Ratio	67%

N/A  
50%

67%

This is an annual calculation that is updated as financial information.  
Change in quarter is not monitored and reported as same as LOP  
Analysis is based the available financial information for 18 Phase 1 businesses.

2.7: Percent of assisted businesses who improve their composite business capacity score

**Percent of assisted businesses who improve their composite business capacity score**

	Grantee	Region	BCA Score Baseline Value	BCA 2nd-Round Score
1	Agash Textiles (Pvt.) Ltd.	North	1.89	
2	All Focus (Pvt.) Ltd	North Central	1.87	
3	Anchor Coir Industries	East	1.65	1.85
4	Arumbugal Foundation (Gte) Ltd	East	1.57	2.06
5	Asiri Holdings Lanka (Pvt.) Ltd	East	2.04	2.67
6	Building Solutions (Pvt.) Ltd.	East	2.39	
7	Dharmasiri Tyre House (Pvt.) Ltd	North Central	2.32	
8	Don's Renewables (Pvt.) Ltd	East	2.37	
9	East Lanka Polysacks (Pvt.) Ltd	East	1.93	
10	Eastern Grips (Pvt.) Ltd	East	1.88	2.02
11	Eluwan (Pvt.) Ltd	East	1.96	

N/A

75%

86%

No change for quarter.  
BCA assessments were completed for 13 new Phase 2 partners. Average score for Phase 2 is 2.25.  
Average score for Phase 1 was 1.93 at baseline and 2.01 for second round.  
No additional 2<sup>nd</sup>

12	Himalee Dairy Farms Products (Pvt.) Ltd	North Central	1.9	
13	Jeyantha Industrial Park (Pvt.) Ltd	North	2.15	2.46
14	Kings Ice Manufacturers (Pvt.) Ltd	East	1.98	
15	KKK Apparel (Pvt.) Ltd	North	2.03	0
16	Kobithan Garments (Pvt.) Ltd	North	2.05	2.32
17	Kumaran Builders (Pvt.) Ltd	North	1.68	0
18	Lanka Guest House (Hotel Oviya)	North	1.87	
19	Livini Distributors (Pvt.) Ltd	North Central	1.92	
20	Liyark Industries (Pvt.) Ltd	East	2.2	2.72
21	MUNASCO	North	1.97	2.27
22	Noble Printers	North	1.92	
23	Northern Farm (Pvt.) Ltd	North	1.72	2.28
24	Mullai Virudcham	North	1.03	
25	Orange Tea Company (Pvt.) Ltd	East	1.91	
26	Pillaiyar Stores	North	1.38	1.78
27	River View Palm Hotel (Pvt.) Ltd	East	2.57	3.04
28	Rodman Electrodes (Pvt.) Ltd	North	2.09	
29	Sarah Industries (Pvt.) Ltd	North	1.9	2.37
30	Sivanarul Vocational Training & Production Centre (SVTPC)	North	1.83	
31	Swani Autoland (Pvt.) Ltd	East	2.03	
32	Vanni Resource Self Development Organization (Gte) Ltd	North	1.28	
33	Web Guru International (Pvt.). Ltd.	North	2.19	
34	Wheel Masters (Pvt.) Ltd.	North Central	2.18	
35	White Stone (Pvt.) Ltd	North	2.06	2.37
36	Yasasiri Poly Print (Pvt.) Ltd	North Central	1.92	
<b>Phase II Grantees</b>				
37	Allwin Steel (Pvt.) ltd	Uva	1.83	
38	Jaal Enterprises	North	1.73	
39	Koularagama Industrial Cooperative Society	Uva	1.74	
40	Crown Polypack Lanka (Pvt.) ltd	North Central	2.8	
41	Rohana Eastern Dairies (Pvt.) ltd	East	1.94	
42	Orian Lak Steel (Pvt.) ltd	North Central	1.32	
43	Ecowave (Gte) ltd	Uva	1.78	
44	Randeepea Agrarian (Pvt.) ltd	East	1.35	
45	Riococo Lanka	North Central	3.5	
46	Rural Returns (Gte) ltd	North	2.2	
47	North Lanka Family Foods	North	3.05	
48	Shaswear	Uva	3.6	

Round BCA scores were completed during the quarter.

The revised scores are compared to the original BCA score to determine if there were improvements. The percentage of businesses showing improvements is then reported on for the indicator.

49	Visuvamadu Farmers MPCS	North	2.36	
	Average – Phase I		1.93	<b>2.01</b>
	Average – Phase II		2.25	
	<b>Overall Average</b>		<b>2.09</b>	

*\*Score range is 0-4. All 47 businesses have been scored as a baseline. A second-round of BCA scoring is completed to assess changes in business practices.*

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Observations and Recommendations by EMMP Monitoring Team  
Anchor Coir Industries

GTC  
Purusoth

Visit date	February 26, 2014	March 23, 2015	March 31, 2016	October 18, 2016	
		Final monitoring visit	Follow up	Follow up	
<b>Areas to follow up</b>					
i	Construction site maintenance and housekeeping in business premises	Water drainage to be improved to avoid coir pith from getting flooded during the rainy season which would in turn runoff into the paddy field.	Construction is not yet complete. Housekeeping on site is not satisfactory and is to be improved. Ground vegetation to be improved.	Operations paused in November 2015.  Operations not yet restarted. No proper drainage system for rain water. Instructions given to develop a proper drainage plan with future construction of side walls. The coir removing machine is left outside of the building. AC agreed to find a suitable place with roofing for this machine.	
ii	Waste Management	Demarcated area for solid waste storage was not observed. Waste disposal and management plan to be adopted. Advised given to introduce and use suitable vacuum cleaning or sucking system to collect coir dust especially from the machines when they are in operation.	No mitigation measures adopted to prevent coir pith runoff into the adjoining low land area. No proper drainage system established to drain storm water. One side (right side) of the building including storage area for coir pith was deluged. Solid waste management plan to be formulated as per advice given, and plan to be adopted. Domestic waste is collected by the Kalmunai Municipal Council.	BIZ+ requested quotations from environment specialists to recommend mitigation measures to prevent noise and air pollution.  New operations to restart with adequate mitigation measures to minimize noise and air pollutions, and a solid waste management plan in place.  Observed that polythene and plastic waste from neighbouring premises come in to the AC's premises during rainy season as there is no proper wall around the site. No demarcated area for solid waste collection at present. Prior to re-starting operations, AC accepted to follow a system with different color bin system for waste separation.	
iii	Occupational safety and health	Occupational safety and health aspects not addressed. Although fire protection was not discussed in the EMMP, given the type of material used for the business operation, it may be necessary to have a suitable detection and protection system in place since material used in operations (coir) has higher possibility of a catching and spreading fire.  Exhaust fans need to be established to suck dust inside the factory building.  Safety equipment was already provided, but it is doubtful that these are effective to ensure proper and adequate safety.  Awareness/training for workers on occupational risks, emergency situation and importance of fire management to be provided.	Fire protection - grantee has followed advise given during previous visit and consulted an engineer to improve fire safety. As an interim measure, business to have sand buckets and fire extinguishers on site.	New operations to restart with adequate fire protection and safety.	Comments from previous visit applies.  Comments from previous visit applies.  Comments from previous visit applies.  Comments from previous visit applies.
			No personal protective gear is used by workers. To ensure proper and adequate worker safety, the grantee was advised to provide different types of equipment to those used at present as workers are not using the ones provided.	New operations to restart with adequate personal protective gear for workers.	
			AC participated in the OSH awareness program and plans to implement safety practices.	AC participated in the OSH awareness program and plans to implement safety practices.	
iv	Employee sanitation and welfare facilities	No separate meal room provided for at present, but the grantee is expected to designate a meal room.	Four toilets for employees are under construction. Separate meal and rest rooms are provided.	Four toilets for employees are under construction. Separate meal and rest rooms are provided.	Facilities provided are satisfactory.
v	Water resource management	EMMP includes monitoring water quality and ground water extraction rates. This is not relevant as the business is utilizing water from the NWSDB.	EMMP includes monitoring water quality and ground water extraction rates. This is not relevant as the business is utilizing water from the NWSDB.	EMMP includes monitoring water quality and ground water extraction rates. This is not relevant as the business is utilizing water from the NWSDB.	No ground water source or dug well at the site, NWSDB water supply is available for domestic use.
vii	Emission/pollutant and noise Management	A heavy collection of fine coir dust observed.	<b>Comments from previous report applies regarding coir dust. Advised to monitor noise level at the boundary and dust dispersion with the help of the CEA Office at Ampara. Dust dispersion is a major concern for the work environment and the workers' OSH. Accumulated coir pith has to be managed to prevent runoffs into the adjoining paddy land. A boundary wall is necessary to prevent this.</b>	BIZ+ requested quotations from environment specialists to recommend mitigation measures to prevent noise and air pollution.	BIZ+ is working with the business to effect corrective action to reduce air and sound pollution before restarting operations. The corrective action is based on recommendations provided by a CEA registered environment consulting firm. AC agreed to plant tree cover along the wall as a technique to control noise level within the premises.
viii	Environment Protection License (EPL)	To be obtained.	AC has started operations without an EPL. AC maintains that the CEA has given verbal confirmation after visiting the site, and that they have given verbal confirmation of a license valid till 2016. [BIZ+ to obtain a copy of EPL].	The EPL was cancelled in November 2015. With an appeal from BIZ+, the CEA permitted the restoration of the business, on the condition that adequate mitigation measures be implemented by AC.	AC (assisted by BIZ+) to inform CEA after completing construction to mitigate dust and sound pollution.
ix	Worker training on machinery operations and maintenance, handling hazardous material and management of emergency situations	To be scheduled.	Training on machinery is completed. Training on fire safety to be provided as coir is flammable.	Training on machinery is completed. Training on fire safety to be provided as coir is flammable.	Comments from previous visit applies.
x	Other comments and recommendations		A market exists for coir pith (e.g. for plant nurseries) and coir bricks. Business to consider this as a regular source of	BIZ+ facilitated discussion between AC and a coir product exporter is in progress to sell off accumulated coir pith.	BIZ+ is assisting AC to secure a market for their coir products, and is liaising with an exporter.