

EOI 217772-PSD-2025-EOI- 0001

Request for Expressions of Interest – USAID Sri Lanka Private Sector Development (PSD)

Dear Interested Parties,

Palladium seeks expressions of interest from private sector firms or organizations operating in Sri Lanka that are interested in co-investing in entrepreneurship programs to improve income generation, job opportunities and financial inclusion of WMSMEs in the Malayaha Tamil marginalized communities located in the Uva, Sabaragamuwa, and Central provinces alongside the United States Agency for International Development (USAID) CATALYZE Sri Lanka Private Sector Development Activity (PSD).

PSD is a program designed to bolster micro, small and medium enterprises (MSMEs) in high-growth potential sectors in Sri Lanka. The Activity is organized around two primary objectives, interconnected with a core cross cutting theme on Increased economic participation of women.

Objective 1: Increased competitiveness and capacity of WMSMEs

Objective 2: Improved access to and availability of financing for WMSMEs

Cross-cutting theme: Increased economic participation of women

This is a Request for Expressions of Interest (REOI) issued solely for information and planning purposes. This is not a Request for Applications (RFA) and is not to be construed as a commitment by PSD to issue a solicitation or ultimately award a grant, or to pay for any information voluntarily submitted as a result of this REOI. The Draft Statement of Objectives (Annex A) is not a final document. It may change significantly before any solicitation is issued or may not result in a solicitation at all.

Submission instructions

Interested applicants are requested to respond by **January 20, 2025**. All responses must be submitted electronically, in English, to SriLankaPSD.Procurement@thepalladiumgroup.com with the subject line: ***PSD Malayaha Tamil Expression of Interest 0001 – [organization name]***.

Responses should be limited to **five (5) pages total** and must be submitted using the template included as **Annex B**.

Thank you,

USAID CATALYZE Sri Lanka Private Sector Development (PSD) Activity

Annex A – Draft Statement of Objectives

Purpose

The USAID CATALYZE Sri Lanka Private Sector Development (PSD) Activity seeks to understand interest and potential co-funding initiatives aimed at driving co-investing in entrepreneurship programs to improve income generation, job opportunities and financial inclusion of WMSMEs in marginalized communities in Sri Lanka. PSD investment is anticipated to be between \$20,000 - \$50,000.

Project Background

The USAID CATALYZE Sri Lanka Private Sector Development (PSD) Activity is a 5-year program designed to bolster Micro, Small and Medium Enterprises (MSMEs) in high-growth potential sectors in Sri Lanka. The Activity is organized around two primary objectives, interconnected with a core cross cutting theme on Increased economic participation of women.

Objective 1: Increased competitiveness and capacity of WMSMEs

Objective 2: Improved access to and availability of financing for WMSMEs

Cross-cutting theme: Increased economic participation of women

PSD activities focus on supporting MSMEs in the ICT, tourism, and food/agriculture sectors. In 2025, PSD activities will also align with USAID's Gender Equity and Equality Action (GEEA) Fund's priorities relating to women's economic inclusion and participation: <https://www.usaid.gov/geefund>.

- Promote entrepreneurship and financial and digital Inclusion including through trade and investment
- Promote economic competitiveness through well-paying, quality jobs
- Dismantle systemic gender barriers

Development Challenge

The Malaiyaha Tamils in Sri Lanka face significant development challenges that hinder their inclusive growth and socio-economic advancement. Historically, the Malaiyaha Tamils have endured systemic marginalization and discrimination for over two centuries. Despite their substantial contributions to the country's tea industry, they remain one of the most impoverished and socially excluded communities. The community's struggles are compounded by inadequate access to basic services, such as healthcare, education, and housing, as well as limited political representation and recognition of their distinct identity. These factors collectively contribute to their persistent poverty and social exclusion.

To address these challenges, it is crucial to implement livelihood programs that enhance the economic resilience of the Malaiyaha Tamils. Entrepreneurship programs can play a pivotal role in empowering individuals within the community to start and grow their own businesses, fostering self-reliance and economic independence. By providing training, mentorship, and access to markets, these programs can help create sustainable income-generating opportunities. Additionally, private sector development initiatives can facilitate partnerships between local businesses and the Malaiyaha Tamil community, promoting inclusive economic growth and job creation. These initiatives can also encourage investment in the region, improving infrastructure and access to essential services.

Access to finance is another critical component in supporting the inclusive growth of the Malaiyaha Tamils. Financial inclusion programs that offer microloans, savings accounts, and financial literacy training can empower community members to manage their finances effectively and invest in their futures. By improving access to credit and financial services, these programs can help individuals and small businesses overcome barriers to economic participation. Supporting the Malaiyaha Tamils through these targeted interventions can significantly enhance their socio-economic empowerment, fostering a more equitable and inclusive society in Sri Lanka.

Objectives

The USAID CATALYZE Sri Lanka Private Sector Development (PSD) Activity aims to empower and uplift the Malaiyaha Tamil community in Sri Lanka by fostering economic resilience and socio-economic advancement, especially of women and WMSMEs. The program seeks to implement innovative strategies and approaches to enhance livelihood opportunities, promote entrepreneurship, and facilitate private sector development. By

focusing on marginalized groups within the community, including women, youth, and low-income families, the program aims to create a more inclusive and equitable economic environment.

Specifically, PSD is looking to co-invest in activities focused on the following illustrative areas:

- **Entrepreneurship and Business Development:** Providing training, mentorship, and access to markets to help individuals start and grow their own businesses. This includes support for micro, small and medium-sized enterprises (SMEs) and initiatives to foster innovation and sustainable business practices.
- **Access to Finance:** Implementing financial inclusion programs that offer microloans, supply chain financing, savings accounts, and financial literacy training. These initiatives will empower community members to manage their finances effectively and invest in their futures, overcoming barriers to economic participation.
- **Private Sector Partnerships:** Facilitating partnerships between local businesses and the Malaiyaha Tamil community to promote inclusive economic growth, access to finance and job creation. Encouraging investment in the region to improve infrastructure and access to essential services.

Through these targeted interventions, PSD can play a pivotal role in fostering the socio-economic empowerment and inclusive growth of this marginalized community, ensuring they have the tools and opportunities to thrive.

Expected Results & Illustrative Indicators

Co-funded activities are expected to contribute to one or more of the following key performance indicators (KPIs):

#	Indicator
1	Number of firms receiving USG-funded technical assistance for improving business performance
2	Number of microenterprises, small and medium enterprises supported by USG assistance
3	USD sales of firms receiving USG funded assistance
4	Number of WMSMEs with increased access to finance
5	Value of capital mobilized as a result of USG assistance
6	Full-time equivalent (FTE) employment of firms receiving USG assistance

Partner co-investment (leverage)

USAID CATALYZE PSD encourages proposed activities to be accompanied by partner co-investment (also referred to as “leverage”). Co-investment is defined as all non-USAID resources that are expected to be applied to a program, including from private sector third parties. Forgone profit does not qualify as co-investment. Under the Alliance, appropriate co-investment:

1. Consists of resources invested from private sector partners (i.e., companies, trade associations, and other non-public organizations) to conduct the specific activity;
2. Can be in-kind (i.e., cost of labor, supplies) or financial in nature;
3. Can be directly attributed the partnership being proposed and applied in a manner that is different that the partner would have without USAID engagement; and
4. Can be estimated up front and then reported on a quarterly basis.

Definitions

The below definitions are included to support applicants in their response to this EoI:

Target Beneficiaries. Target beneficiaries will include the following:

- A. Women owned/led enterprise.** Women-led enterprises are those that are owned, managed, or controlled by a woman. To be designated as women-owned, managed, or controlled, an enterprise must meet at least one of the following criteria:

- *Ownership test*: To qualify, one or more women must have 51 percent ownership and is unconditional and direct.
- *Managed test*: The woman must hold the highest officer position, manage it on a full-time basis, and devote full-time to the business concern during the normal working hours of the business concern in the same or similar line of business.
- *Controlled test*: The management and daily business operations of the concern must be controlled by one or more women. Control means that both the long-term decision making, and the day-to-day management and administration of the business operations must be conducted by one or more women

B. High women's employment potential. MSMEs who are currently employing over 50% of women in their cadre OR are employing over 30% women and will increase women's employment as a result of grant support

Micro Enterprises:

- Less than 10 employees
- Annual turnover less than LKR 15 Mn
- Operational landholding < 1 ha

Medium and Small Enterprises

- Between 10 - 250 employees
- Annual turnover between LKR 15 - 750 Mn
- Operational landholding between 1 - 50 ha

Annex B – EOI Response Template

1. Organizational Information	
Name of Organization:	Click or tap here to enter text.
Address:	Click or tap here to enter text.
Contact Name and Title:	Click or tap here to enter text.
Email:	Click or tap here to enter text.
Telephone:	Click or tap here to enter text.
Website:	Click or tap here to enter text.
Briefly describe your organization’s mission and purpose: Click or tap here to enter text.	
Provide your background and experience in entrepreneurship programs to improve income generation, job opportunities and financial inclusion of WMSMEs with Malayaha Tamil marginalized communities located in the Uva, Sabaragamuwa, and Central provinces: Click or tap here to enter text.	
2. Expression of Interest	
Do you have a specific innovation or solution for which you would seek co-investment to pilot or scale? If so, briefly describe the activity: Click or tap here to enter text.	
What market segments, communities or beneficiaries will you target with the proposed innovation/solution? Click or tap here to enter text.	
How will you know if your proposed innovation/solution is successful? Click or tap here to enter text.	
What length of time will you need to pilot your proposed innovation/solution?	<input type="checkbox"/> 6 months or less <input type="checkbox"/> 6 – 9 months <input type="checkbox"/> 9 – 12 months <input type="checkbox"/> More than 12 months
Which of the following objectives would your activity contribute to? Check as many as relevant:	<input type="checkbox"/> Entrepreneurship and Business Development <input type="checkbox"/> Access to Finance <input type="checkbox"/> Private Sector Partnerships <input type="checkbox"/> Other (describe): Click or tap here to enter text.
Which of the following indicators would your activity contribute to? Check as many as relevant:	<input type="checkbox"/> # of firms receiving USG-funded technical assistance for improving business performance <input type="checkbox"/> # of microenterprises supported by USG assistance. <input type="checkbox"/> # of small and medium enterprises supported by USG assistance. <input type="checkbox"/> # USD sales of firms receiving USG funded assistance <input type="checkbox"/> # of WMSMEs with increased access to finance. <input type="checkbox"/> Value of capital mobilized as a result of USG assistance <input type="checkbox"/> Full-time equivalent (FTE) employment of firms receiving USG assistance

Will your organization be able to commit co-investment (leverage) for activities funded by the USAID CATALYZE PSD? If yes, what private sector resources do you plan to leverage for these activities (financial or in-kind)? What is the estimated co-investment amount?

Click or tap here to enter text.