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**FINAL REPORT ON UNIDO CONTRACT NO: 91/124  
UNDER  
UNIDO PROJECT NO: DP/SRL/87/007  
BETWEEN  
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANISATION (UNIDO)  
AND  
DEVELOPMENT OF FINANCE CORPORATION (DFCC)**

**DEVELOPMENT FINANCE CORPORATION OF CYLON**  
73/3, Galle Road,  
Colombo 3

November 26, 1991

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## 1. INTRODUCTION

At a meeting held in May 1991 at the office of Development Finance Corporation of Ceylon (DFCC) at 73/3, Galle Road, Colombo 3, where Mr. Svarc, Officer in charge UNIDO, Geneva, Deputy Director General and two Directors of GCEC, Chairman and General Manager of DFCC, it was agreed that DFCC will forward a proposal for providing services in connection with UNIDO sponsored Sri Lanka Investment Forum scheduled to be held, at that time, in December 1991. Based on the terms of reference drawn up by UNIDO given in Annex 1, a proposal in respect of providing the services shown in Annex 2 was forwarded by DFCC on 24th May 1991.

Since it was subsequently decided to advance the proposed Sri Lanka Investment Forum from December 1991 to the period of 4th - 7th November 1991, DFCC was requested to advance the time schedule for completion and delivery of the various components of this assignment. Accordingly a new proposal with a revised time frame as shown in Annex 3 was forwarded by DFCC on 4th June 1991.

On 21st June, DFCC was advised by UNIDO, of being selected to provide the services mentioned above and DFCC commenced working on the assignment as from that date. The decision of UNIDO to award this assignment to DFCC was executed according to the contract No: 91/124 which was signed by the DFCC on 5th August 1991.

## 2. AIMS OF THE CONTRACT

The aims of this Contract are :

- a. to update the fifty (50) proposals already prepared and to review the suitability of local investors identified by SLBDC and GCEC in 1990;

- b. to identify new industrial investment project proposals to be promoted by UNIDO and GCEC for discussions during the Investment Forum for Sri Lanka;
- c. to provide advisory services relating to the projects identified during the proceedings of the Forum.

### 3. SERVICES REQUESTED FOR

Under this Contract, the DFCC was to make available a total of thirty eight (38) man-months of personnel services of the study team named in the proposal, a man-month being five (5) working days per week and eight (8) working hours per day. The services were to be of two types namely;

#### a. Project Services

Thirty eight (38) man months of service shall be carried out in the Project Area by a team comprising the Team Leader and for (4) other specialists as named.

This team will be supported by a number of part time consultants specializing in the different fields and by other professional staff of DFCC as and when need arises.

#### b. Office Support Services

In addition to the services referred to above, the DFCC is to provide such other office personnel services and technical facilities as may be necessary for the back stopping support to this personnel serving in the Project Area.

The activities in respect of the investment forum are as indicated below.

- a. Up-dating of 50 pre-investment studies already prepared in 1990 and preparation of revised pre-investment study reports.
- b. Selection of national investors up to a maximum of 2 for each of these 50 projects from among the local investors who expressed interest in 1990, and preparation of Industrial Investment Project Profiles (IIPP) in respect of these projects in accordance with the format provided by UNIDO.
- c. Identifying and selecting of up to 20 new projects suitable for promotion based on proposals from local investors, assessment of their techno economic viability through pre-investment studies, and preparation of pre investment study reports in respect of these 20 project proposals.
- d. Preparation of IIPP in respect of these 20 projects in accordance with the format provided by UNIDO.
- e. Provision of advisory services relating to all the projects during the Investment Forum.

#### 4. WORK PERFORMED

On receipt of confirmation of award from UNIDO, the DFCC requested national investors with project ideas suitable for joint investments with foreign collaboration to come forward to receive DFCC assistance in developing their projects and UNIDO assistance in promoting these projects abroad. The requests were made through advertisements placed in the national newspapers and through direct mailings to Chambers of Commerce, Industry and similar organisations.

The response received was most encouraging. Out of a total of 47 applications, 20 new investor based projects were selected through assessments made by means a process of screening through planned interviews. Pre-investment studies were carried out to determine their techno economic viability and IIPP in respect of these projects and the related national investors were prepared. The IIPP and Pre-Investment Study Reports were despatched to UNIDO on 29th August in keeping with the agreed time schedule.

In respect of the 50 projects completed in 1990, the investors who expressed interest at that time were invited to interviews at DFCC and were put through the same screening process. During this process some investors opted out while new investors had to be found in case of certain projects. Of the total of these 50 project proposals prepared in 1990, only 48 investor backed projects were developed.

The pre-investment study reports prepared in 1990 were up dated using new costs and prices and the financial evaluations were reworked. The IIPP in respect of these 48 projects and the selected investors, and the updated pre-investment study reports were despatched to UNIDO on 18th of August 1991.

It has to be stated that out of the projects prepared in 1990, the projects bearing serial numbers SRL/004 and SRL/018 could not be updated and forwarded because the investors who had expressed interest in 1990 were no longer interested and no substitutes could be found.

It should also be pointed out that DFCC provided more than the 38 man months of personnel services agreed to in the contract.

## 5. OTHER FACTORS OF SIGNIFICANCE

Special mention should be made of the following noteworthy facts related to the study.

- 5.1. The services of Mr. Alexander Schonfeld made available to DFCC greatly helped in improving the quality of IIPP as a result of the advice provided by him in this connection.
- 5.2. Despite the short period of 65 days given for the completion of the total assignment, DFCC was requested by GCEC and UNIDO to despatch all deliverables earlier if possible, in order to give UNIDO some extra time to complete their tasks. DFCC understood the situation and made their best efforts and completed despatch of all deliverables within 48 days from the date of commissioning of the assignment.
- 5.3. Special mention should be made of the excellent cooperation received from the staff of UNIDO office Colombo and of the GCEC in carrying out this assignment.

## 6. CONCLUSION

The UNIDO contract No: 91/124 under UNIDO Project DP/SRL/87/007 was satisfactorily completed and all deliverables were despatched to UNIDO well ahead of the agreed time.

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Date

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M. R. Prelis  
Director General Manager