

**International Labour Organization  
Enter-Growth project in Sri Lanka**

**BDS Baseline Survey  
Carried out in January 2006  
Main findings**

June 2006  
Prepared by TNS Lanka

## Methodology and sample

In January 2006 a survey of BDS providers was carried out in four districts: Kurunegala, Puttalam, Anuradhapura and Polonnaruwa districts. This survey was part of the baseline study of the Enter-Growth project of the International Labour Organization. It aimed at establishing a baseline (benchmark) that can be compared to the end-of-project impact assessment. The survey covered organizations providing non-financial business services (Business Development Services) to small businesses. For each organization, a senior responsible (the president, director, chief executive officer or the manager) was interviewed. The questionnaire is presented in [Annex II](#).

In the absence of a BDS directory, the sample frame was the initial list of BDS providers computed in each district by the Enter-Growth project. From this list, in each district, a number of BDS providers were randomly selected and interviewed. In total 52 BDS providers were covered. The number of surveyed BDS providers by district is presented in the table on the side.

Number of organizations in sample

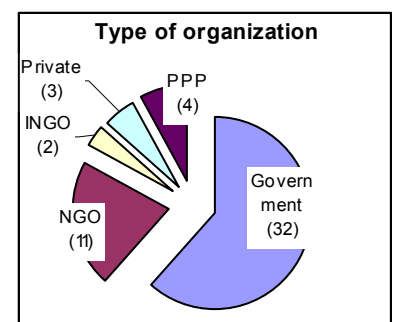
District	Number surveyed	Distribution by district
Kurunegala	13	25.0
Puttalam	10	19.2
Anuradhapura	15	28.8
Polonnaruwa	14	26.9
<b>Total</b>	<b>52</b>	<b>100.0</b>

These organizations can be easily revisited for the impact assessment survey, as the names and contact details of surveyed organizations as well as the name and position of the respondent are available in the database provided to the project. This report presents the main statistical finding of the survey.

## 1 General characteristics of BDS providers

### • Type of organizations

Most BDS providers are Government organizations. Out of 52 BDS providers visited, 32 are Government organizations, and 11 are national NGOs. Only a few are private organizations or private-public partnerships (3 and 4 respectively).



### • Member-based organizations

Most BDS providers are not member-based organizations. Among the 13 member-based organizations, 7 are Government ones.

### • Year of establishment

BDS providers are, for most of them, old organizations. More than half have been in operation for more than 10 years and the oldest organization was established in 1956. Out of the 52 BDS providers surveyed, 7 were established in 2000-2002 and an additional 7 are less than 2 years old.

### Basic characteristics

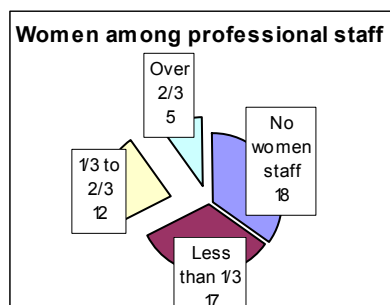
	Number	Percent
<b>Member-based organization</b>		
Yes	13	25.0
No	39	75.0
<b>What year was it established</b>		
1956 – 1989	16	30.8
1990-1994	12	23.1
1995-1999	8	15.4
2000-2002	7	13.5
2003-2005	7	13.5
Not mentioned	2	

- **Number of professional staff in 2005**

Most BDS providers have less than 5 professional staff in their office (30 offices). All but one have less than 30 professional staff. For most (35), their professional staff comprises less than one-third of women and as many as 18 offices do not have any women staff. Only few BDS providers, by contrast, employ mainly women as their staff.

**Number of professional staff 2005**

	Number	Cumulative
1 or 2	16	16
3 to 5	14	30
6 to 10	11	41
11 to 30	10	51
282	1	52



## 2 Geographical coverage

- **Type of office**

Most offices visited are district offices (33 out of 52). The survey covered also 9 provincial offices and 7 head offices.

- **Geographical coverage of the office**

Nearly half of the organizations have other branch offices in the district.

Most visited offices (36 out of 52) provide services in their Province (more than one district) or in their District (more than one DS division). For 12 service providers interviewed, their geographical coverage is limited to one DS Division.

**Geographical coverage**

	Number	Percent
<b>Type of office</b>		
District Office	33	63.5
Provincial Office	9	17.3
Head Office	7	13.5
Other branch office	3	5.8
<b>Other branches in the district</b>		
Yes	25	48.1
No	27	51.9
<b>Geographical area covered by the office</b>		
More than one province	4	7.7
Province	17	32.7
District	19	36.5
DS Division	12	23.1

## 3 Target groups and Clients

- **Provide services for members only or also for businesses who are not members**

The large majority of the organizations (40) provide their services to members and non-members individuals and businesses.

**Provide services for:**

	Number	Percent
Members only	8	15.4
All businesses	40	76.9
Not mentioned	4	7.7

- **The organization's target group**

[Annex Table 1](#) presents the detailed list of groups targeted by the surveyed organizations, as stated by the respondents (open question). The main categories of groups targeted by the BDS providers are small businesses and poor individuals (14), youth and children (11), farmers (7), and specific sectors and categories

Categories of target groups	Number
Small businesses / poor individuals	14
Youth, children, school leavers	11
All users	9
Farmers	7
Specific sectors / categories	7
Others	4

of businesses, such as exporters, high-income businesses, or internally displaced and war affected persons. Most organizations appear to be appropriate beneficiaries / partners for the Enter-Growth project as they target either small businesses, farmers or

potential business starters such as youth and school leavers. Many have a specific focus on poverty reduction and low-income individuals.

A few surveyed organizations (4 to 5) quoted children or vulnerable groups as their main target group and it is not clear from their answer to this question whether they provide business services or are mainly welfare or artistic organizations.

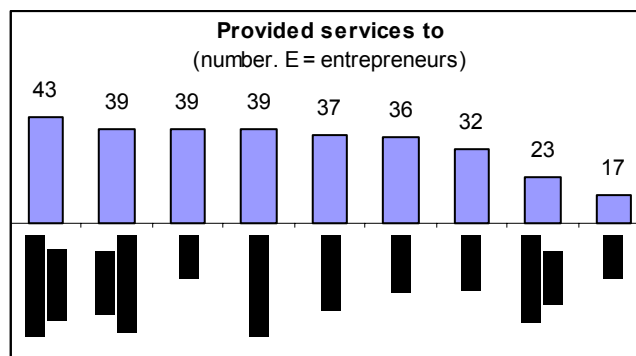
- **Services provided to specific businesses**

Most BDS organizations surveyed offer services to the project’s main beneficiaries, potential and existing self-employed and micro and small entrepreneurs.

A large number of organizations (39) provide services to poor, low income or marginalized entrepreneurs, which confirms their attention on poverty reduction.

Four surveyed organizations do not provide services to any of the groups of businesses above. After reviewing their profile and answers to other

questions, they might be removed from the Enter-Growth database of BDS providers<sup>1</sup>.



- **Number of clients in 2005**

The estimated number of clients in 2005 ranges from 25 to 220,000. Notwithstanding the possible errors of estimations, this large range shows the diversity of surveyed BDS providers in terms of size. However, apart from two, all surveyed BDS providers served less than 40,000 clients in 2005 and the median is 7,250 clients.

How many clients	In 2005
From 25 to 99	4
From 100 to 999	9
From 1,000 to 9,999	14
From 10,000 to 40,000	10
More than 150,000	2
Not mentioned	13
Median	7,250

- **Clients from rural areas in 2005**

Nearly all the visited offices (47 out of 52) estimate that less than half of their clients in 2005 came from rural areas – as opposed to those who were from the district or the divisions’ main towns.

This finding is noteworthy for three reasons. Firstly, the targeted districts are mainly composed of rural areas where the bulk of self-employed and small enterprises operate.

Secondly, many of those organizations state that farmers are their target groups and /or clients in 2005. Thirdly, many state that they provide services to low income or marginalized entrepreneurs and have a focus on poverty alleviation, and the incidence of poverty is higher in rural areas than urban centers<sup>2</sup>.

**Percentage of clients from rural areas (2005)**

	Number	Cumulative
None	9	9
Less than 10%	2	11
Between 10% and 25%	12	23
Between 25% and 50%	24	47
Between 51% and 75%	2	49
More than 75% (90%)	2	51
Not mentioned	1	52

<sup>1</sup> Those four organizations are identified in the database by the questionnaire No. 2, 8, 19, and 27.

<sup>2</sup> The latest head-count poverty ratios in rural and urban areas are 25% and 85 respectively (Department of Census and Statistics, 2002).

- **Clients from different ethnic group in 2005**

The respondent estimated the percentage, in 2005, of their clients who were Sinhalese, Tamil and Muslim. The actual ethnic distribution of the population in the selected districts is presented in the table on the right for reference. Most BDS providers appear to provide services to the three ethnic groups in a representative way. A few offices cater mainly

Actual ethnic distribution	Sinhalese	Tamil	Muslim
Kurunegala	92%	1%	7%
Puttalam	74%	7%	19%
Anuradhapura	91%	1%	8%
Polonnaruwa	90%	2%	8%

Source: Department of Census and Statistics

entrepreneurs of Muslim origin, who comprise up to 80% of one of the surveyed offices.

**Estimated ethnic distribution of clients in 2005**

<b>Sinhalese</b>	Number	<b>Tamil</b>	Number	<b>Muslim</b>	Number
Only Sinhalese	3	None	11	None	4
96% or more	14	1% to 10 %	29	Less than 5%	9
60% to 95%	24	15%	3	5% to 25%	27
50% or less	4	More than 15%	2	More than 25%	5
(Minimum: 10%)		(Maximum: 40%)		(Maximum: 80%)	

Not mentioned: 7

Several offices did not serve any entrepreneurs of Tamil origin (11 offices) or no or very few clients of Muslim origin (13 offices) in 2005. In those offices clients of Muslim or/and Tamil origin are likely to be under-represented. One possible barrier to accessing BDS for potential clients of Tamil origin, and - to a lesser extent of Muslim origin, is the language in which business services are available.

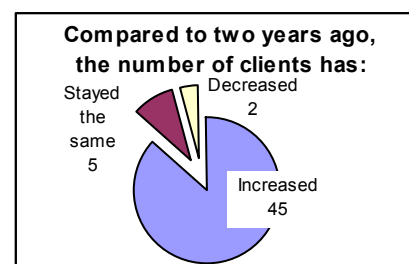
- **Gender balance**

Respondents were asked to provide the number of their clients who were men and women in 2003 and 2005. Several respondents could not provide the actual figures and gave an approximate percentage instead. Half of the BDS providers serve more women clients than men ones. The gender balance among their clients has been stable over the last two years.

Percentage of women as clients		
	2003	2005
Less than 40%	13	13
Between 40% and 60%	9	10
More than 60%	22	21
Not mentioned	8	8

- **Trends in the number of clients of the office over the last two years**

Most BDS providers have experienced business growth during the last two years. Most surveyed offices (45) have had an increase in their number of clients. During this period, the number of clients has remained the same or decreased for only 5 and 2 BDS providers' offices respectively.



Out of the 52 surveyed offices, 35 provided information on the number of clients of the office in 2003 and 2005. Those figures confirm the previous finding, as two offices reported a small decrease in their number of clients (of 5-10%) and four a stable number of clients over the last two years. The remaining reported an increase of their clients, ranging from 10 to 30,000 more clients, and with a median of 500. The corresponding percentage increases are reported in the table below for comparison with the impact survey.

Trends in number of clients (%)	No.
<b>Decrease</b>	<b>2</b>
-11	1
-6	1
<b>Stable</b>	<b>4</b>
<b>Increase</b>	<b>28</b>
- by less than 10%	3
- by 10 to 24%	8
- by 25 to 49%	7
- by 50 to 100%	4
- by 100% or more	6
Not mentioned	17

Clients increase (number)	Number
Between 10 and 499	10
Between 500 and 4,999	12
More than 5,000	7
Total	35
Minimum	10
Maximum	30,000
Median	500

- **Two main reasons for this trend in number of clients**

According to the respondent, the quality and adequacy of services offered as well as the organization's management are the two main factors responsible for the observed trends in clients over the last two years. Other internal factors often mentioned are the prices of services and the organization's marketing.

[Annex Table 2](#) presents the list of the detailed answers to this question. Many consider that their target group is increasingly aware of the organization and the services it provides, and that market opportunities and demand have increased. Although most are Government (32 organizations) or NGOs (13), government and external funding and support are mentioned only by a few.

**Two main reasons for trend in clients** (number of answers)

Offered new/fewer SERVICES	29
Right/Wrong MANAGEMENT	19
MARKET opportunities	14
MARKETING / AWARENESS	8
PRICES for our services	7
Attitudes and support by GOVERNMENT	6
More/less FUNDS from donors/government/NGO	6
COMPETITION from other organisations	5
Market linkages (links with clients and others)	4
Other	6

#### 4 Services provided

- **Organizations providing services which focus on some sub-sectors**

More than half of the surveyed BDS providers (29) provide some sector-specific services. Sector-specific services are targeted mainly at agriculture (paddy and non paddy agriculture and agro-processing) and handicraft and manufacturing activities. One-third of the organizations offer specific services for those sectors.

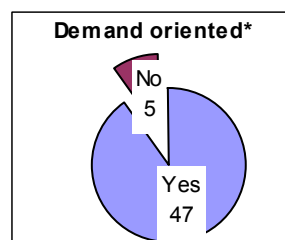
Specific services for potential or existing entrepreneurs engaged in services and trade activities are more rarely supplied, although they represent a large share of small businesses in the targeted districts. Less than ten out of the 52 surveyed organizations provide business services to those entrepreneurs in services and trade.

**Do some services focus on some sub-sectors**

	Number	Percent
Some focus on sub-sectors	29	55.8
No sector-specific services	23	44.2
<b>Which sub-sectors:</b>		
Paddy	14	26.9
Agriculture or agro processing other than paddy	15	28.8
Fishing	11	21.2
Construction	13	25.0
Manufacturing	16	30.8
Handicraft	17	32.7
Hospitality	10	19.2
Service	8	15.4
Retail or wholesale traders	6	11.5

- **Demand-orientation**

Nearly all the organizations (47) are doing something to make sure that their services are what



businesses want and can be seen as “demand-oriented”.

Most (36) ask their clients what they want, possibly before providing them with services, to make sure that they offer them with the most appropriate

(available) services.

After providing

businesses with

services, several

(31) find out

whether their clients are satisfied. Specific tools such as satisfaction questionnaire, inquiring officers or checking by post were mentioned spontaneously by 14 organizations.

What are you doing?	Number	Percent
Ask clients what they WANT	36	69.2
Ask clients whether they are SATISFIED	31	59.6
Others:	22	42.3
Satisfaction questionnaire / impact assessment / use inquiring officers /check by post	14	17.3
Follow Government policy and advice	4	7.7
Look at what competitors are doing	1	1.9
Visit trade fairs	2	3.8

Only one respondent stated that the organization look at what competitors are doing; and none that they read literature on economics, small enterprise development and services or that they ask advice from other people.

• **Use of evaluation and impact tools**

Only few BDS providers make use of satisfaction and/or evaluation

questionnaire, either just after providing their

services (23 organizations) or some time after (13

organizations). Accordingly, although most respondents (47) state that their organization is doing something to make sure that their services are what businesses want, most organizations do not make use of specific tools to find out about their clients’ satisfaction and improve their services.

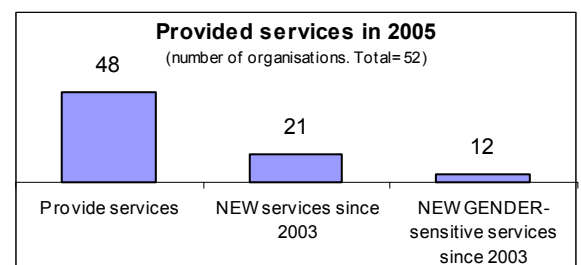
In your organization, do you use these tools:	Number	Percent
Ask clients to fill a satisfaction/evaluation questionnaire:	23	44.2
- just after they have received your services		
- on a regular basis, some time after they have received your services	13	25.0
Assess impact of your services	49	94.2

The majority of respondents (49) state that their organization assesses the impact of its services. The survey did not ask how such an impact assessment is implemented. It is likely that, as is the case with evaluation, most organizations do not carry out systematic assessment using specifically designed tools.

• **Provision of services, new services and new services for women in 2005**

In order to construct a detailed baseline data on the types of services provided by the surveyed BDS providers, each respondent was presented with cards with different types of business services and asked which of those their organizations had provided to businesses in 2005.

Out of the 52 surveyed offices, four did not provide any of the 21 types of BDS shown to them. Further investigation is needed to find out whether those organizations are active BDS providers and to include them the Enter-Growth database<sup>3</sup>.



<sup>3</sup> Those organizations can be identified in the database by the numbers 9, 39, 42 and 44. Although the list of BDS is meant to be exhaustive, they may provide other services than those presented or may

Only 21 organizations provide new services in 2005 that they did not provide two years ago. Out of those, 3 were created in or after 2003. Only a few organizations (12 out of 52) provide new services that cater for the specific needs of women, such as specific services for women or services for both men and women who take into consideration specific needs of women.

- **Types of BDS provided**

The table below shows the type of services organizations provided to businesses in 2005, those who were new services compared to two years ago and those new services that catered for the specific needs of women. Skills (technical) and business management training are the most provided BDS. By contrast, insurance, certification and tax services and clearance are provided by less than 10 BDS providers out of the 52 surveyed.

Few organizations (21) provide new services compared to two years ago. Those new services are mainly related to computer use, credit, new technologies and training (skills and business management). A description of those new services is provided in [Annex Table 3](#).

Even fewer (12) organizations provide new services that are gender-sensitive and those services even less diversified. Computer use is such a gender-sensitive new service most often mentioned, although it is not clear from the survey how computer use can cater for the specific needs of women.

Types of services provided (number)	Services in 2005		New services	
	Number	Percent	All	Gender sensit.
Skills training	35	67.3	4	3
Business plan development	24	46.2	1	1
Business management training	23	44.2	3	1
Trade fairs	21	40.4	2	2
Accounting/Record keeping	20	38.5	1	2
Info. or access to new technology	19	36.5	3	2
Info. on market opportunities & trends	18	34.6	2	1
Linking to new buyers or suppliers	17	32.7	None	None
Computer use	17	32.7	5	5
Saving schemes	15	28.8	None	None
Credit	15	28.8	4	3
Legal services and representation	12	23.1	None	None
Access to new design	12	23.1	2	2
Advertising	10	19.2	None	None
Insurance	9	17.3	1	1
Certification	8	15.4	None	None
Tax services and clearance	7	13.5	None	None
Advocacy	7	13.5	None	None
Internet access	6	11.5	1	None
Fax/phone/copy	4	7.7	1	None
Auditing services	3	5.8	None	None

## 5 Income and financial situation

- **Fee for services**

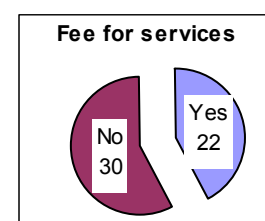
Less than half of the BDS providers (22 out of 52) charge a fee for services or other things that they provide to small enterprises or business starters.

While around half of the Government organizations charge a fee for their services, only very few NGOs (3

**Charge a fee for services**

	Government	NGO & INGO	Private sector	PPP
Yes	15	3	2	2
No	17	10	1	2

\*PPP: Private-public partnership



have incorrectly answered those questions. Another possibility is that they are not active organizations or that they do not provide services to businesses, in which case they could be removed from the Enter-Growth database.

out of the 13 national and international NGOs) make businesses pay for their services.

Some organizations that charge a fee for their services decide its size on a cost basis or look at what others charge (9 and 4 organizations respectively). Many, though, do not use those market-related indicators but apply fees decided by the Government (7 answers), their head office or management (4) or the Chamber of Commerce (1).

Among those who charge a fee for their services, about half report an increase in their organization's income from fees in 2005 compared to two years ago, the other half report stable income (13 and 8 organizations respectively).

**Those who charge fees:**

	Number
<b>Basis for the size of fees (multiple choice):</b>	
On a cost basis	9
Decided by the Government	7
Based on what people can afford	4
Look at what others charge	3
Amount of environmental pollution	1
Approval of head office / Decision of management committee	4
Decision of chamber of commerce	1
50% of the cost	1
<b>Income from fees in last two years</b>	
Increased	13
Stayed the same	8
I don't know	1

• **Total income from fees**

Only 4 respondents provided information on their organization's total income from fees in 2003 and 2005 and what percentage of total annual cost this income from fees covered during these two years. Given the low response rate, this question cannot be used for comparison with impact assessment figures. Other methods such as recall questions or case studies could be designed for this purpose.

• **Membership fees**

As previously mentioned, out of the 13 member-based organizations, 8 provide services to their members only. Only three have a membership fee, one of them charging as little as Rs 50 annually per member. Membership fees of the two other organizations were Rs600 and Rs 1,000 in 2005.

Membership fees	Number
Yes	3
No	49

• **Income sources in 2005**

Many surveyed organizations have received funds from Government (29) and from non-government organizations (16) in 2005. Fees for services (20) and own institutional profits (17) have been a source of income for around one-third of the surveyed organizations.

**In 2005 did you receive income from the following:**

	Number	Percent
Funds from Government	29	55.8
Service and other charges (Fees)	20	38.5
Own institutional profits	17	32.7
Funds and / or Donations from non- government organizations	16	30.8
Membership fees	5	9.6
Others	11	30.8

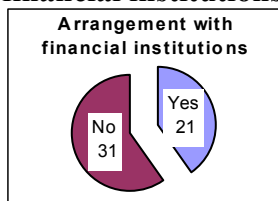
Five respondents stated in this question that their organization received funds from membership fees in 2005, while only three stated in the previous question that their organization have membership fees.

Other sources of income mentioned by some organizations (11) include interest from the loans they provide, personal savings and funds, rents of building and / or productive assets, private organizations and individuals and foreign aid.

## 6 Linkages with financial institutions

### • Arrangements (agreements) with financial institutions

Only 21 BDS providers out of the 52 surveyed have some arrangements with financial institutions that make it easier for their clients to access loans. As explained to the respondents, these arrangements can



#### If no would you like to have such arrangement

	Number
Yes	4
No	22
Don't know or not mentioned	5

include for example Memorandum of Understanding, train clients of financial institutions, or referral. However, out of the 31 organizations that do not have such arrangements with financial institutions, only 4 would like to have one.

### • Regular meeting with financial institutions

Less than half of the BDS providers (24) meet regularly with financial institutions in order to make it easier for their clients to access loans. As the table below shows, most of the organizations that have these regular meetings with financial institutions also have some arrangements with one or more financial institutions: 19 organizations have both regular meetings and an agreement, 5 organizations meet regularly but do not have an agreement, and 2 have an agreement but do not meet regularly.

In order to make it easier for your clients to access loans, do you:		Have arrangements with financial institutions		
		Yes	No	Total
Meet regularly with financial institutions	Yes	19	5	24
	No	2	26	27
	Total*	21	30	52

Half of the surveyed BDS providers (26 out of 52) do not seem to take actions to make it easier for their clients to access loans: they neither have some arrangements with financial institutions nor meet them regularly.

Most of those who met with financial institutions, met once a month or more in 2005 (12 organizations). Only three organizations barely met with those financial institutions in 2005.

#### If meet regularly, last year, how often did you meet?

	Number
12 times or more (Once a month or more)	12
6 to 12 times (or every two months)	4
2 to 6 times	5
Once	1
Never (Did not meet in 2005)	1
Not mentioned	1
Total	24

### • Number of clients who got loans in 2005

Respondents were asked how many of their clients got loans from financial institutions after receiving the organizations' services. Nearly all respondents (44) either do not know (20) or estimate that less than 5% of their clients got a loan from financial institutions (24). The few other respondents consider that this share is less than 30%, apart from two respondents.

Among those who do not know how many of their clients got a loan from financial institutions in 2005, seven have some arrangement with financial institutions to make it easier for their clients to get a loan and eight meet those institutions regularly.

#### Percentage of clients who got a loan

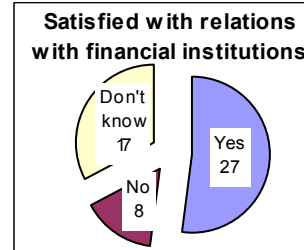
	Number
None	14
Less than 5%	10
5 to 10%	2
10% to 30%	4
67%	1
100%	1
Do not know	20

- **Satisfaction with relations with financial institutions**

Only half of the BDS providers are satisfied with their relations with financial institutions. Nearly all of those who have arrangements with those financial institutions or/and meet them regularly are satisfied. Most of those who do not have such arrangements or regular meetings do not know whether they are satisfied with this situation. This may be due to the fact that they rarely interact with those institutions. As previously mentioned, though, most of them would not like to have an agreement with financial institutions.

**Satisfaction with relations with financial institutions**

	All	Have arrangements with them		Meet with them regularly	
		Yes	No	Yes	No
Yes	27	17	10	20	7
No	8	2	6	3	5
Don't know	17	2	15	1	16



## 7 Dialogue with local authorities

Respondents were asked several questions about their interaction and relations with the local authorities, defined as any government authorities that are not national, such as the provincial, district, divisional, GN or GS authorities.

- **Occasions for BDS providers as a group or their representatives to discuss with local authorities**

The majority of BDS providers (37) know of occasions over the past two years where BDS providers as a group or their representatives have been able to discuss issues relating to small enterprise development with local authorities. The specific occasions during which those meetings took place are presented in [Annex Table 4](#). From this table, it emerges that 7 respondents could not specify what those occasions were, while several others (around the same number) mentioned meetings between the relevant authorities and their office alone. When those answers are excluded, less than half of the respondents can mention occasions where their representatives or BDS providers as a group met with local authorities.

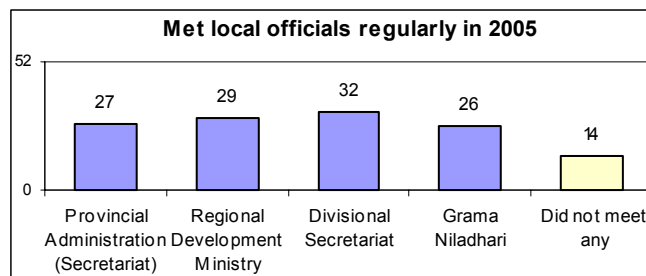
	Number	Percent
Yes	37	71.2
No	15	28.8

- **Regular individual meeting with local authorities**

Many BDS providers (38 out of 52) have regular meetings with local authorities. The 3 surveyed private BDS providers, though, are amongst the 14 BDS providers that did not meet regularly with local authorities. The local authority most commonly met is the Divisional Secretariat (DS) followed by officials of the regional and provincial authorities. Officials of the Grama Niladhari, despite their proximity, are met regularly by only half of the surveyed BDS providers. This is likely to be related to the fact that many surveyed offices are district offices and cover at least one DS division.

**Individual regular meetings**

	Number	Percent
Yes	38	73.1
No	14	26.9
Total	52	100.0



The subjects discussed during these meetings and the result of those discussions are presented in [Annex Table 5](#) and [Annex Table 6](#)

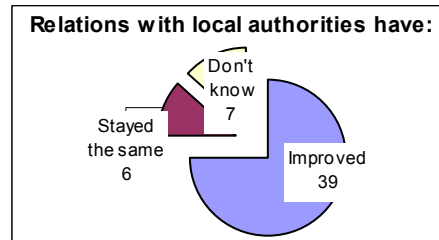
- **Satisfaction with relations with local authorities**

Most BDS providers are fully satisfied (33) or somewhat satisfied (7) with their relations with local authorities. Only few (5) reported that they are not particularly satisfied, and seven did not express their opinion on the question.

Satisfied with your relations with local authorities		
	Number	Percent
Yes, FULLY satisfied	33	63.5
Somewhat satisfied	7	13.5
Neither satisfied nor dissatisfied	4	7.7
No, not satisfied	1	1.9
Don't know /can't say	7	13.5

- **Relations with local authorities compared to two years ago**

Most surveyed BDS providers (39) also consider that their relations with local authorities have improved, and none consider that their relations with them have worsened.



## 8 Conclusion: Summary of main findings

This report presents the main findings of a baseline survey of 52 Business Development Services (BDS) providers carried out in January 2006 in Kurunegala, Puttalam, Anuradhapura and Polonnaruwa districts.

### 8.1 General characteristics of BDS providers

- Most surveyed BDS providers are Government organizations. Only a few are private organizations or private-public partnerships. They are usually not member-based organizations. BDS providers are mostly old organizations. More than half have been in operation for more than 10 years.
- Most offices visited are district offices, which cover their Province or their District only. The survey included also 9 provincial offices and 7 head offices. Nearly half of the organizations have other branch offices in the district.
- BDS providers have usually less than 5 professional staff in their office, comprising less than one-third of women. As many as 18 offices have only male staff.

### 8.2 Target groups and Clients

- The main categories of groups targeted by the BDS providers are small businesses and poor individuals, youth and children, farmers, and specific sectors and categories of businesses. Many organizations have a specific focus on poverty reduction and provide services to poor, low income or marginalized entrepreneurs.
- All but four surveyed organizations offer services to the project's main beneficiaries, potential and existing self-employed and micro and small entrepreneurs.
- The estimated number of clients in 2005 ranges from 25 to 220,000, with a median of 7,250 clients. This large range shows the diversity of BDS providers in terms of size.
- Rural entrepreneurs are under-represented amongst the BDS providers' clients. Nearly all the visited offices estimate that less than half of their clients in 2005 came from rural areas, while the targeted districts are mainly composed of rural

areas where the bulk of self-employed and small entrepreneurs, including the poorest, operate.

- Most BDS providers provide services to the three ethnic groups in a representative way. Several, though, did not serve any entrepreneurs of Tamil origin (11 offices) or no or very few clients of Muslim origin (13 offices) in 2005.
- Half of the BDS providers serve more women clients than men ones. The gender balance among their clients has been stable over the last two years.
- Most offices have had an increase in their number of clients, ranging from 10 to 30,000 more clients over the last two years. The quality and adequacy of services offered as well as the organization's management are the two main factors viewed as responsible for the observed trends in clients. Many consider that their target group is increasingly aware of the organization and the services it provides, and that market opportunities and demand have increased.

### **8.3 Services provided**

- More than half of the organizations provide some sector-specific services, targeted mainly at agriculture and handicraft and manufacturing activities. By contrast, specific BDS for entrepreneurs engaged in services and trade activities are supplied by only ten out of the 52 organizations.
- Nearly all the organizations are doing something to make sure that their services are what businesses want. Most ask their clients what they want, possibly before providing them with services and several inquire later if their clients are satisfied. Only a few, however, make use of satisfaction and/or evaluation questionnaire, generally just after providing their services (23 organizations).
- Skills and business management training are the most provided BDS. By contrast, insurance, certification and tax services and clearance are provided by less than 10 surveyed BDS providers.
- Only 21 organizations provide new services in 2005 compared to two years ago. Those new services are mainly related to computer use, credit, new technologies and training. Few (12 out of 52) offer new services that cater for the specific needs of women.

### **8.4 Income and financial situation**

- Less than half of the organizations charge a fee for services or other things that they provide to small enterprises or business starters. Very few NGOs make businesses pay for their services.
- Among those who charge a fee for their services, some decide of its size on a cost basis or look at what others charge. Most, though, do not use those market-related indicators. About half report an increase in income from fees in 2005 compared to two years ago, the other half report stable income.
- Many BDS providers have received funds from Government (29) and from non-government organizations (16) in 2005. Fees for services and own institutional profits have been a source of income for around one-third of the organizations. Other sources of income mentioned include interest from the loans they provide, personal savings and funds, and rents of building and / or productive assets.

### **8.5 Linkages with financial institutions**

- Only 21 BDS providers out of 52 have some arrangements with financial institutions that make it easier for their clients to access loans. Out of the 31 organizations that do not have such arrangements, only 4 would like to have one.

- Less than half of the BDS providers meet regularly with those financial institutions. Among those, several met with them once a month or more in 2005 and many have some arrangements with those financial institutions.
- Half of the surveyed BDS providers do not seem to take actions to make it easier for their clients to access loans: they neither have some arrangements with financial institutions nor meet with them regularly.
- Nearly all respondents either estimate that less than 5% of their clients got a loan from financial institutions after receiving their services, or do not know how many got a loan.
- Only half of the BDS providers are satisfied with their relations with financial institutions. Those who have arrangements with financial institutions or/and meet with them regularly are, however, satisfied.

### **8.6 Dialogue with local authorities**

- Less than half of the respondents recall of occasions where their representatives or BDS providers as a group met with local authorities.
- Many BDS providers (38 out of 52) have regular individual meetings with local authorities. The local authorities most commonly met are the Divisional Secretariat (DS) followed by officials of the regional and provincial authorities.
- Most BDS providers are fully satisfied (33) or somewhat satisfied (7) with their relations with local authorities. Only few (12) state that they are not particularly satisfied or do not express their opinion on the question. Most respondents also consider that their relations with local authorities have improved over the last two years, and none consider that their relations with them have worsen.

## ANNEX I. ADDITIONAL TABLES

**TABLE 1. What is your organization's target group**

**All users (9)**

All users  
 Any one  
 Any person who required our services  
 Community  
 Customers  
 From child to elderly (having programmes for any age category)

People below 60 years and child societies  
 The general public and the small and medium businessman  
 Village community  
 Those who need a stable income

**Small businesses / poor individuals (14)**

Developing the low income earners socially economically and monetary wise  
 Farmers, Small scale enterprise holders, Self employed people  
 Less facilitated women who are living in villages  
 Low and medium income earning rural population  
 Low income earners  
 People willing to start a small scale business or people who are currently running a small scale business  
 Poor people who are currently self-employed or hoping to start their own business

Self-employed and those who are interested in self-employment  
 Self employed, farmers, small scale business owners etc. in rural village areas  
 Self employers, Small scale businesses  
 Small and medium scale businessmen, Farmers  
 Small and medium size businessmen  
 Small type of businessmen and self employed people

**Farmers (7)**

A group of 500 farmers in Minneriya  
 Farmers (4 organizations)  
 Farming and fishery organizations and rural development self-employment

People who are engaged with post harvest technology

**Youth, children, school leavers (11)**

A/L qualified schools leavers  
 Children (2 organizations)  
 Improving artistic/ aesthetic aspects of the school children  
 School leavers  
 School leavers and employers  
 School leavers and those who like to get the knowledge on future work

School leavers, who are expecting jobs  
 M.S.M Trainees  
 Unemployed youngsters within 16-25 years old  
 Youth (13-29 Yrs) on vocational training, sports, dancing, music, external degree, self employment activities etc  
 Youth between 15-35 years

**Specific sectors / categories of businesses (7)**

Carpentry and handloom  
 Wood business/ farmer  
 Direct or indirect export businesses or potential export businesses  
 Higher income receivers

Entrepreneurs/ entrepreneurial organisations  
 Refugees and Small businessmen  
 War victims, based on peace and war

**Others (4)**

Anyone who have experienced domestic violence  
 Mainly children and women  
 Poor/ children/human rights/ small and new businesses/ to start businesses

**TABLE 2. According to you, what are the two main reasons for the trend in number of clients?**

<p><b>Reason1</b></p> <p>Achieving goals</p> <p>Agreement between the government and the Institution</p> <p>Any other organization have not been supported to these areas</p> <p>Attitudes and procedures of the government</p> <p>Avoid going for professional training and goes for jobs since they get money</p> <p>Awareness raising for pupils and community, and correct management</p> <p>It benefits the children of poor parents</p> <p>It is easy to obtain loans from us (no interest charged)</p> <p>Our company provides general services commonly</p> <p>Believing in people's difficulties related to money and social conditions</p> <p>Changing business plans</p> <p>Children who got support does not responded the way we supposed</p> <p>Competition between new systems and organisations</p> <p>Competition</p> <p>Cooperation</p> <p>Correct management for the organisation</p> <p>Credits given at a low interest rate</p> <p>Correct management</p> <p>Due to economic reinforcement programmes</p> <p>Due to the adoptions made on current market needs</p> <p>Educating about the company</p> <p>Fertilizer programme</p> <p>Formation of new societies and the trend of joining the existing societies</p> <p>Functioning of the bank</p> <p>Getting an additional income</p> <p>High facilities provided</p> <p>High profit/ benefit form loan programs</p> <p>Improvement in the provision of services</p> <p>Increase in demand due to the good quality of service</p> <p>Internet facilities/ new technology</p> <p>Introducing new products</p> <p>Laid the foundation to build up the economy of rural population by considering their needs</p> <p>More people gat to know about the organization</p> <p>Not found enough people who can be members i.e. who are producing high quality products</p> <p>Number of people who are willing to get a training is becoming high</p> <p>Offering programs that are suitable for the school children</p> <p>Organizational plans being good</p> <p>Our members increased as a result of tsunami displacements</p> <p>People's opinions on our organisation have become better</p> <p>Private and common infrastructure of poor farmers in the poor villages</p> <p>Program to invest on fertiliser</p> <p>Programmes on income improvement and rehabilitation</p> <p>Providing the required knowledge correctly</p> <p>Technology</p> <p>The advertising about the company</p> <p>The advertising about the company and its services</p> <p>The president's orders and government policies</p> <p>The vocational training was well accepted</p> <p>The way of conducting the training courses was not changed. It is following the same way</p> <p>They have become more knowledgeable</p> <p>To have active and successful programmes</p> <p>We are taking good care of our clients</p> <p><b>Reason2</b></p> <p>Advice, low interest, training</p>
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Assistance provided by the organization being sufficient  
Assisting women through good counselling services  
Attitudes, rules and regulations of the government  
Because of helping small businesses  
Because of the problems people have, people decided that we are suitable to provide them support and joined us  
Various government programs  
Broadness of the service provided  
Buying paddy  
Catering according to the need of the audience by identifying their need properly  
Community development through other organisations, training programs for school leavers, employment opportunities and markets for people  
Conducting successful programs  
Correct management decisions taken  
Creating new things/ innovations  
Dedicated good service  
Directing people to access facilities that are not available in this organisation from private or other institutions  
Disturbances occurred from other organizations  
Following correct management processes  
Giving a helping hand to them with regard to stage drama  
Having only the government services, not having large scale industries  
High variation rate  
Improvement of the trend towards that area  
Income generating process  
Increase in the number of people who are willing and need trainings  
Increase in the workers/ staff, production increase, increase in the environmental issues  
Increased number of programmes  
Independent, finding market opportunities  
Letting the employers carry on with their work without any problem  
More market linkages with other businesses  
Not enough awareness about the professional training  
Only limited number of projects were carried out in a year  
Pre job training  
Provide loans  
Provided loans on special interest rates  
Providing extra services  
Providing good services  
Publicity about our organisation has increased  
Quality and the less charges  
Quality of the trainings/programmes is high and providing a valuable certificate at the end  
Recognised the needs of the people and produced suitable loans  
Right management  
Starting new programs  
Starting new programs  
Subsidizing fertilizer  
The improvements in the management has developed good results  
The necessity of being employed  
The training institutes and awareness programmes  
The transparency of the societies have developed  
Under the "Ten thousand reservoir development  
We supported people who poor uneducated and willing to self employment

**TABLE 3: New services provided since 2003 – Description**

<p><b>New Business management training</b>                  By PHI, about food types, nutrition,                  The Natural Resource management in North Western Province                  Training given on management of mushroom business/ animal husbandry</p>
<p><b>New Business plan Development</b>                  Home gardening plan</p>
<p><b>New Accounting/Record keeping</b>                  Continuously keep on acknowledging the clients</p>
<p><b>New Insurance</b>                  Insuring members</p>
<p><b>New Trade fairs</b>                  Continuously conducting exhibitions time to time                  Held annually</p>
<p><b>New Access to new design</b>                  By sewing advisors/ seamstress introducing new designs</p>
<p><b>New Skills training</b>                  About how to increase their production                  All training programs conducted by the ILO                  Beauty culture, hair dressing, driving                  Weaving fishing nets</p>
<p><b>New Information on market opportunities and trends</b>                  Creating export opportunities                  Sending people abroad for good employment, domestic workers, about supplying food to boutiques, sanitary,                  family planning, sewing machines were provided</p>
<p><b>New Information or access to new technology</b>                  Given information on new rice varieties                  Making high profit out of low investment                  Program about producing carbonic fertiliser</p>
<p><b>New Internet access</b>                  Any one who needs</p>
<p><b>New Computer use</b>                  Computer training                  Conducting computer training courses continuously                  Given knowledge on new computer technology                  Training by the training centre about computers                  via farmers associations</p>
<p><b>New Fax/phone/copy</b>                  Any one who needs</p>
<p><b>New Credit</b>                  "Jana Pubudu" loan program (loans in 3 stages                  Introduced rapid loan scheme ( 4% interest, Provided loans for self employers                  Loans for the poor and non-members                  Provided credit facilities to small scale businesses by cluster method</p>

**TABLE 4. Over the past two years, have there been occasions where BDS providers as a group or their representatives have been able to discuss issues relating to small enterprise development with any local authorities? What were these occasions?**

**Specific meetings**

"Govi Jana" service (farmer-community), when attending agricultural programs at the center  
Agricultural Society and District Development Society  
District development committee, the security Committee meet each other through the Grama Niladari  
Decentralized meeting, Development committee meeting  
At the workshop held for developing small enterprises  
Participate in many conferences together with the SME unit of the District Secretarial Office  
Meetings conducted by DCPC, Development committee, GONGO, NGO Consortium  
Samurdhi main committee meeting  
When the local development committee (pradeshiya) met all grama niladharis at the pradeshiya secretariat offices. Met all officials

**Regular / unspecific meetings**

Through local level offices, through regions  
Discuss at monthly meetings  
Meet thrice a month, have many meetings  
Discuss everything with them, get their permission and consent for everything / participate in meetings  
In meetings, in ceremonial occasions, in anniversaries  
Divisional Secretary's visit to meet the officers and discuss about the business  
The business development unit is dedicated to this in any situation  
Met relevant officials when each project is launching  
At the project launching functions at schools  
When launching new programs to direct businesses for export  
When launching the credit schemes  
At the end of the trainings held for small scale business owners

**Subject discussed**

About obtaining a building for the business  
Issues in different industries  
Properly constructing a garbage dumping place  
Regarding loans, business projects that are intended to start  
Summarizing programme of school leavers  
To implement the development projects in villages  
To solve legal issues related to natural resources and historical places  
When facing difficulties with regard to getting licenses for carrying on business activities

**Not mentioned (7 organisations)**

**No such opportunities (15 organisations)**

**TABLE 5. Meetings with local authorities: When you meet, what do you discuss with them?**

<p>Participation of vocational training programmes</p> <p>Their debts, about the prices and about the loan schemes</p> <p>Alleviation of poverty</p> <p>Area-wise information, trainings, health, education, advocacy, child protection, labour</p> <p>Before starting the business to solve the issues regarding the place</p> <p>Current business problems and what needs to be done to solve them, helping people to build livelihoods through micro enterprises, how to get financial support to develop a business</p> <p>Getting more help from the government departments and improving the relationship in order to expand and improve our services</p> <p>Getting support to carry on problem free businesses with employer</p> <p>Got the approval and they pointed out the weaknesses</p> <p>Helping develop/ improve jobs</p> <p>How to further develop this business, how to find the raw material</p> <p>How to improve small scale enterprises and how to alleviate poverty</p> <p>How to obtain monetary assistance for training</p> <p>Issues about development, financial problems, buying rice, managing harvest</p> <p>Issues faced by small scale businesses and how to give them a helping hand</p> <p>Main problems of the community, obtaining licenses,</p> <p>Making peace, empowering them, developing their businesses and livelihoods, and other needs</p> <p>Methods that we can get the village development programmes a success</p> <p>Problems and issues in relation to developing and empowering the poor businessmen and poor families. Getting their support</p> <p>Problems faced by the current export businesses. Directing new businesses for export</p> <p>Problems people encounter as a result of the war</p> <p>Problems we face. About training, market opportunities, investment opportunities</p> <p>Programmes and task on developing the economy of rural population, small scale businesses</p> <p>Providing services to remote areas</p> <p>Provision of assistance to small scale businesses</p> <p>Receiving support on providing our services</p> <p>Rules and regulations on self employment and small scale businesses and how to overcome the same</p> <p>Selecting the sectors to support, providing loans, developing business</p> <p>Skills development training</p> <p>Steps that we can take to make the youth aware of the programme</p> <p>To help those who are intending to start business and to help those who have experienced fall of business</p> <p>The garbage related issues in the area</p> <p>Clay industry, palm leaves/ rattan industry,</p> <p>Economical issues of the farmers</p> <p>How to develop farmers</p> <p>Providing fertilizers at low price (as a support for farmers), get solutions for farmers problems</p> <p>Issues children have to face due to their low income of the families</p> <p>Children's well being, children's nutrition levels</p> <p>How to develop children, directing school leavers to suitable jobs</p> <p>How to reduce domestic violence</p> <p>Providing support to solve family conflicts related issues</p>
---

**TABLE 6. Meetings with local authorities: What was the result of those discussions?**

Enabled to provide more services to the people living in this area
Advice and information is provided, which makes programs easier
Cancelled a business that was going to be launched with little investment
Conducting workshops regarding these
Currently carrying on relevant businesses successfully
Entrepreneurial advisory and training services
Financial loans for starting small businesses and self-employment
Giving the lands to the respective societies and giving more information to the Grama Niladari.
Got cleared about the issues and thereby provided services successfully
Got opportunities where financial support was provided
Got support to train the small scale business owners
Increase in the number of people participated for one day awareness raising/educational program
Increased the income of low income earners
Let the business to be carried out independently and easily
Made the youth more aware, applied the discussed ideas in practice
Potentials for small scale business development
Provide training through the technical development board, loans through business development bank, got solutions for many other common issues
Received support on providing services
Resulting in providing easy services to our employers
Starting IGP for some things, employment, training programs
Enabled to provide our services according to the needs for our employers
Increased support and good aid for the community
Infrastructure development and the advice needed in agriculture etc..
The work of the businessmen have become so easier
They guided and advised on our projects/ programmes, Helped to figure out the target groups
Supported us in all our tasks
Helped their best to make our programmes a success
Provided the public and businessmen with a better service
Enabled to develop clay industry
Enabled to help the farmers
Enabled to keep the rice price at a certain level, got water at the correct time
Got Rs.25,000 for Chena cultivation
Introducing homestead gardening techniques to women
Proper distribution of fertilizer and helping farmers
No expenditure yet
Not mentioned
Nothing up to date
Failed

## ANNEX II. QUESTIONNAIRE FOR PROVIDERS OF BUSINESS SERVICES

Questionnaire No

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<b>TNS Lanka:</b>	<b>PROJECT : ENTERGROWTH</b>	<b>BDS QUESTIONNAIRE</b>
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<b>FIELD CONTROL INFORMATION</b>	<b>NAME OF INVESTIGATOR:</b>	<b>INTV DATE</b>	<b>INTV TIME</b>	
<b>FIELD OFFICER/FIELD EXECUTIVE CODE</b>			<b>TEAM CODE</b>	
<b>SUPV. CODE</b>		<b>INV. CODE</b>	<b>CHECKED CODE</b>	
<b>ACCOMPANIED CALL</b>	Yes....1 No .....2	<b>BY : CODE</b>	<b>SIGN</b>	
<b>SPOT/BACK CHECK</b>	Yes....1 No .....2	<b>BY : CODE</b>	<b>SIGN</b>	
<b>SCRUTINY : FIELD</b>	Yes....1 No .....2	<b>BY : CODE</b>	<b>SIGN</b>	
<b>SCRUTINY : ANALYSIS</b>	Yes....1 No .....2	<b>BY : CODE</b>	<b>SIGN</b>	

District: Kurunegala 1 Puttalam 2 Anuradhapura 3 Polonnaruwa 4	Respondent Name :
	Respondent Position (Title) :
Geography Urban 1 Rural 2	Name of the Organization :
MC/UC/PS	Address of the Organization :
DS Division	
GN Div	
Area Code	Contact Number:
HH Code	

I declare that interview has been carried out strictly in accordance with your specifications and instructions, written and oral, with a person unknown to me, as per study requirements and strictly in accordance with ESOMAR code of conduct.	<b>SIGN</b>
--	-------------

**Important: Please fill this page on completion of the Interview**

**SELECTION QUESTIONS**

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**Q.A Are you providing non financial services to small businesses?**

Yes	1	Go to Q.B
No	2	Terminate interview

**Q.B Are you the president, director or the chief executive officer or the manager of this organization**

Yes	1	Go to Main Questionnaire
No	2	Terminate interview and ask for the director, president, chief executive officer or manager

**GENERAL INFORMATION**

---

Thank you for accepting to meeting us. In this questionnaire, we have some information on your office that we would like to check with you, so we would be grateful if you could provide us with information you might have given already.

**Question 1. What is your name and position [for example office director, accountant, etc...]**

Name of Contact: \_\_\_\_\_

Position of Contact: \_\_\_\_\_

**Question 2. What is the name of the organization?**

Name: \_\_\_\_\_

**Question 3. What is the address (visited)?**

Address: \_\_\_\_\_

**Question 4. Which type of organization is it? [Single code]**

Government	1
NGO (Sri Lankan)	2
International NGO	3
Private sector	4
Private-Public partnership	5

**Question 5. Is your organization, member-based organization? [Single code]**

Yes	1
No	2

**Question 6. What year was it established?**

Year: \_\_\_\_\_

**Question 7. Is your office a head office or a branch office? If a branch office, is it a project, district, provincial or another branch office? [Single code – If Multiple, put under other]**

District Office	1
Provincial Office	2
Head Office	3
Other branch office (e.g. Village, Divisional, etc..)	4
Project Office	5
Other (Specify) _____	

**Question 8. Does your organization have other branch offices in this district? [Single code]**

Yes	1
No	2
Don't know	9

**Question 9. Which geographical area does your office cover? [Single code]**

More than one province	1
Province or more than one district	2
District or more than one DS Division	3
DS Division or more than one GN Division	4
GN Division	5
Other (Specify) _____	

**CLIENTS**

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**Question 10. What is your organization's target group?**

Target group: \_\_\_\_\_

**Question 11. Do you provide services for your members only or also for businesses who are not members? [Single code]**

Members only	1
All businesses member or not	2

**Question 12. Does your organization provide services to the following businesses? [Read out - Multiple code]**

		Yes	No
1	Potential entrepreneurs	1	2
2	Self Employed and micro enterprises (less than 5 workers)	1	2
3	Small enterprises (5 to 15 workers)	1	2
4	Medium and large Enterprises (more than 15 workers)	1	2
5	Farmers	1	2
6	Women entrepreneurs	1	2
7	Youth (Less than 30 Years of age)	1	2
8	Low income or poor or marginalized entrepreneurs	1	2
9	Potential or existing entrepreneurs who are Internally displaced persons	1	2

**Question 13. What is your estimate of the percentage of your clients who were from rural areas, as opposed to those who were from the district or the divisions' main towns in 2005?**

	% clients
From rural areas	
From main towns	
Total	100%

**[Instruction: Check percentages for rural areas and main towns sum up to 100% before continuing]**

**Question 14. What is your estimate of the percentage of your clients who are Tamil, Sinhalese and Muslim in 2005?**

	% clients
Sinhalese	
Tamil	
Muslim	
Total	100%

**[Instruction: Check percentages for Tamil + Sinhalese + Muslim sum up to 100% before continuing]**

**Question 15. Compared to two years ago, has the number of clients of your office increased, stayed the same or decreased? [Do NOT read out - Single code]**

Increased	1
Stayed the same	2
Decreased	3

**Question 16. According to you, what are the two main reasons for this trend in number of clients?**  
**[Do NOT read out. Write the answers below. Then Code answers in table below]**

Main Reasons:

1. \_\_\_\_\_
2. \_\_\_\_\_

**[Code the answers – TWO MENTIONS – Do NOT read out]**

		1st mention	2nd mention
1	COMPETITION from other organisations	1	2
2	MARKET opportunities (including change in demand for the services, change in number of people who want to start a business or have a business)	1	2
3	Change in PRICES for our services	1	2
4	New/Less TECHNOLOGY (including internet)	1	2
5	More/less market linkages (more/less links with clients and other businesses)	1	2
6	Right/Wrong MANAGEMENT (experience, decisions taken, skills) of the organisation	1	2
7	Offered new/fewer SERVICES	1	2
8	Change in MARKETING (e.g. better marketing)	1	2
9	Access/lack of access to skilled WORKERS and staff	1	2
10	Attitudes and support by GOVERNMENT (including taxes, policy, laws, regulations, direct support)	1	2
11	More/less FUNDS from donors/government/NGO etc to carry out activities / provide services	1	2
12	Don't KNOW	1	2
13	Other (specify) -----	1	2

## SERVICES PROVIDED

**Question 17. Do some of your services focus on some subsectors?**

Yes	1	Go to Q.17.1
No	2	Go to Q.18

- **[If yes] Which subsectors? [Do NOT read out - Multiple code]**

Paddy	1
Agriculture or agro processing other than paddy (incl. livestock)	2
Fishing	3
Construction	4
Manufacturing (from home or workplace, producing concrete products, e.g. clothes, meals, coir, and )	5
Handicraft	6
Hospitality (tourism, restaurant)	7
Service (providing services, e.g. hairdressing, mechanics)	8
Retail or wholesale traders	9
Other (specify) -----	

**[All respondents]**

**Question 18. Are you doing something to make sure that your services are what businesses want?**

Yes	1	Go to Q.18.1
No	2	Go to Q.19

- **[If yes] What are you doing? [Do NOT read out - Multiple code]**

Ask clients whether they are SATISFIED	1
Ask clients what they WANT	2
Follow GOVERNMENT policy and advice	3
Look at what my competitors are doing	4
Read literature on economics, small enterprise development, services	5
Ask advice from other people (business people, business service providers, associations, etc..)	6
Visit trade fairs	7
Ask client to fill satisfaction questionnaires or assess the impact of the services	8
Other, please specify -----	
Can't say, can't explain	99

**[All respondents]**

- Question 19. In your organization, do you use the following tools? [READ out - Multiple code]**

		Yes	No
1	Ask clients to fill a satisfaction/evaluation questionnaire <b>just after</b> they have received your services	1	2
2	Ask clients to fill a satisfaction/evaluation questionnaire on a regular basis, <b>some time after</b> they have received your services	1	2
3	Assess impact of your services	1	2

**[SHOW CARD Q.20 AND USE ANSWER TABLE PROVIDED]**

**Question 20.**

- **Which of the following services has your office provided to businesses in 2005? [Instructions : Code in column Q20.1 in the answer table provided. MULTIPLE CODE]**
- **For each category, please give us a detailed description of those services provided in 2005? [Instructions : Ask details for each service coded yes in Q20.1 and fill in column Q20.2 in the answer table]**
- **Which of those detailed services are NEW services that you provided in 2005 but did NOT provide two years ago? [Instructions : Code in column Q20.3 in the answer table provided. MULTIPLE CODE]**
- **For each category, please give us a detailed description of those NEW services provided in 2005? [Instructions : Ask details of NEW services for each service coded yes in Q20.3 and fill in column Q20.4 in the answer table]**
- **Among those NEW services you mentioned, are there some that cater for the specific needs of women, such as specific services for women or services for both men and women who take into consideration specific needs of women? [Instructions: Repeat name of services answered for Q20.3 and TICK column Q.20.4 if YES in the answer table.]**

**INCOME**

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- Question 21. Do you charge a fee for services or other things that you provide to small enterprises or business starters?**

Yes	1	Go to Q21.1
No	2	Go to Q23

- **[If yes] How do you decide the size of the fees? [Do NOT read out, MULTIPLE CODE]**

On a cost basis	1
Decided by the Government	2
Based on what people can afford	3
Look at what others charge	4
Other (specify) _____	
Don't know	9

**Question 22. [If yes] Has the income from fees increased, stayed the same or decreased in 2005 compared to two years ago?**

Increased	1
Stayed the same	2
Decreased	3
I don't know	9

**Question 23. In 2005 did you receive income from the following sources? [Read out, MULTIPLE CODE]**

		Yes	No	Does Not know
1	Service and other charges (Fees)	1	2	9
2	Funds from Government	1	2	9
3	Funds and / or Donations from non- government organizations	1	2	9
4	Own institutional profits	1	2	9
5	Membership fees	1	2	9
6	Others (Specify) -----	1	2	9

### **LINKAGES WITH FINANCIAL INSTITUTIONS**

**Question 24. Do you have arrangements (agreements) with financial institutions that make it easier for your clients to access loans? [Instruction: If hesitate, give explanation: These arrangements can include for example MoU (Memorandum of understanding), train clients of financial institutions, referral]**

Yes	1	Go to Q.25
No	2	Go to Q.24.1

- **[If no arrangement] Would you like to have an arrangement with financial institutions that make it easier for your clients to access loans?**

Yes	1
No	2
I don't know	9

**[All respondents]**

**Question 25. Do you meet regularly with financial institutions, to make it easier for your clients to access credit?**

Yes	1	Go to Q.25.1
No	2	Go to Q.26

- **[If yes] Last year, how often did you meet? [SINGLE CODE]**

12 times or more (Once a month or more)	1
6 to less than 12 times (between every two months to every month or irregularly)	2
2 to 6 times (About once in six months, once in three months or every two months, etc...)	3
Once	4

Never (Did not meet in 2005)	5
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[All respondents]

**Question 26. In 2005, how many of your clients got loans from financial institutions after receiving your services?**

Number of clients \_\_\_\_\_

**Do not know (tick below)**

**Question 27. Are you satisfied with your relations with financial institutions?**

Yes	1
No	2
I don't know	9

## DIALOGUE WITH LOCAL AUTHORITIES

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[Read the following text]

**In the following questions, we call local authorities any government authorities that are not national, such as the provincial, district, divisional, GN, or GS authorities.**

**Question 28. Over the past two years, have there been occasions where BDS providers as a group or their representatives have been able to discuss issues relating to small enterprise development with any local authorities?**

Yes	1	Go to Q 28.1
No	2	Go to Q29
Does not know	9	

- [If yes] what were these occasions?

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[All respondents]

**Question 29. Do you or people in your office meet regularly any of those local authorities?**

Yes	1	Go to Q 29.1
No	2	Go to Q 30

- [If yes] Please tell me which of the following officials you met regularly in 2005? [Multiple code - Read out]

		Yes	No
1	The Provincial Administration (Secretariat)	1	2
2	The Regional Development Ministry Officials	1	2
3	The Divisional Secretariat	1	2
4	The Grama Niladhari	1	2

- [If yes] When you meet, what do you discuss with them?

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- [If yes] What was the result of those discussions?

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[All respondents]

**Question 30. Are you satisfied with your relations with local authorities? [do NOT read out, single code]**

Yes, I am FULLY satisfied	1	Go to Q.31
I'm somewhat satisfied	2	
I am neither satisfied nor dissatisfied	3	
No, I am not satisfied	4	Go to Q.30.1
No, I am COMPLETELY dissatisfied	5	
Don't know /can't say	9	Go to Q.31

- **[If not] Why are you not satisfied with your relations with them? [do NOT read out, multiple code]**

Infrequent contact	1
Not receiving enough assistance from them.	2
Have to wait long time for action	3
They are not willing to listen us and accept our views	4
No action from their part	5
They ask paper work and/or taxes and fees from us	6
They ask for personal favors	7
Other, specify	

[All respondents]

**Question 31. Have your relations with local authorities improved, stayed the same or worsened compared to two years ago?**

Improved	1
Stayed the same	2
Worsened	3
Does not know, can't say	9

## STATISTICS

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**To close this interview, we need from you some statistics on your staff, income and number of clients in 2003 and 2005. [The respondent might need some time to look for the data. Allow him/her time, report data and close interview]**

**Question 32. How many professional staff did your office have end of 2005, in Total? Out of that, how many are women and how many are men?**

	Total	Men	Women
Number of professional staff (end 2005)			

**Question 33. How many clients did your office serve in 2003 and 2005? How many were women and how many were men? [Instructions: Fill in table below. Write in Numbers.]**

	Total	Men	Women
Number of clients in 2003			
Number of clients in 2005			

**[Instructions: If does not know how many client women in 2003 or 2005, ask Q 33.1.]**

- **[If does not know how many client women] Please give us an approximate percentage of women served in 2003 and 2005 as your clients?**

	% women
% women as clients 2003	%
% women as clients 2005	%

[All respondents]

**Question 34. A. In 2003 and in 2005, what was the total income from fees?**

**B. What percentage of total annual cost did this income from fees cover in 2003 and in 2005?  
[write down answer in table – approximate figures for percentages is OK]**

	Q34. A. Income from fees	Q34. B. % of total cost
Income fees in 2003	Rs.	%
Income fees in 2005	Rs.	%

**Question 35. Do you have membership fee?**

Yes	1	Go to Q 35.1
No	2	Thank and close interview

- [If yes] How much was the annual membership fee per member in 2005?

Membership fee per member: Rs \_\_\_\_\_ per year

**THANK AND TERMINATE INTERVIEW**

		SERVICES PROVIDED				NEW SERVICES IN 2005 COMPARED TO 2003				
		Q20.1		Q20.2	Q20.3		Q20.4		Q20.5	
		PROVIDE		Services Describe	NEW		New services Describe		women	
		Yes	No			Yes	No			
1	Business management training	1	2			1	2		1	
2	Business plan Development	1	2			1	2		2	
3	Accounting/Record keeping	1	2			1	2		3	
4	Tax services and clearance	1	2			1	2		4	
5	Legal services and representation	1	2			1	2		5	
6	Insurance	1	2			1	2		6	
7	Auditing services	1	2			1	2		7	
8	Trade fairs	1	2			1	2		8	
9	Linking to new buyers or suppliers	1	2			1	2		9	
10	Advertising	1	2			1	2		10	
11	Access to new design	1	2			1	2		11	

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12	Certification	1	2		1	2		12
13	Skills training	1	2		1	2		13
14	Information on market opportunities and trends	1	2		1	2		14
15	Information or access to new technology	1	2		1	2		15
16	Internet access	1	2		1	2		16
17	Computer use	1	2		1	2		17
18	Fax/phone/copy	1	2		1	2		18
19	Advocacy	1	2		1	2		19
20	Savings schemes	1	2		1	2		20
21	Crédit	1	2		1	2		21

Questionnaire No

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<b>TNS Lanka:</b>	<b>PROJECT : ENTERGROWTH</b>	<b>BDS QUESTIONNAIRE</b>
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<b>FIELD CONTROL INFORMATION</b>		<b>NAME OF INVESTIGATOR:</b>		<b>INTV DATE</b>	<b>INTV TIME</b>	
<b>FIELD OFFICER/FIELD EXECUTIVE CODE</b>					<b>TEAM CODE</b>	
<b>SUPV. CODE</b>			<b>INV. CODE</b>		<b>CHECKED CODE</b>	
<b>ACCOMPANIED CALL</b>		<b>Yes ....1</b>	<b>No.....2</b>	<b>BY : CODE</b>	<b>SIGN</b>	
<b>SPOT/BACK CHECK</b>		<b>Yes ....1</b>	<b>No.....2</b>	<b>BY : CODE</b>	<b>SIGN</b>	
<b>SCRUTINY : FIELD</b>		<b>Yes ....1</b>	<b>No.....2</b>	<b>BY : CODE</b>	<b>SIGN</b>	
<b>SCRUTINY : ANALYSIS</b>		<b>Yes ....1</b>	<b>No.....2</b>	<b>BY : CODE</b>	<b>SIGN</b>	

District: Kurunegala    1 Puttalam       2 Anuradhapura  3 Polonnaruwa   4		Respondent Name :
		Respondent Position (Title) :
Geography Urban        1 Rural         2		Name of the Organization :
		Address of the Organization :
MC/UC/PS		
DS Division		
GN Div		
Area Code		Contact Number:
Unit Code		

