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UNCLASSIFIED

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

PROJECT PAPER

SRI LANKA - PVO CO-FINANCING

383-0060

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT  <b>PROJECT PAPER FACESHEET</b>	1. TRANSACTION CODE <input type="checkbox"/> A ADD <input type="checkbox"/> C CHANGE <input type="checkbox"/> D DELETE	<b>PP</b>  2. DOCUMENT CODE <b>3</b>
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3. COUNTRY ENTITY <b>SRI LANKA</b>	4. DOCUMENT REVISION NUMBER <input type="checkbox"/>
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5. PROJECT NUMBER (7 digits) <input type="text" value="383-0060"/>	6. BUREAU/OFFICE A. SYMBOL: <b>ASIA</b> B. CODE: <input type="text" value="04"/>	7. PROJECT TITLE (Maximum 40 characters) <input type="text" value="PVO CO-FINANCING"/>
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8. ESTIMATED FY OF PROJECT COMPLETION <input type="text" value="85"/>	9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY: <input type="text" value="79"/> B. QUARTER: <input type="text" value="4"/> C. FINAL FY: <input type="text" value="83"/> (Enter 1, 2, 3, or 4)
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10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$) -						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	110	413	523	500	2,000	2,500
(GRANT)	( 110 )	( 413 )	( 523 )	( 500 )	( 2,000 )	( 2,500 )
(LOAN)	( )	( )	( )	( )	( )	( )
OTHER U.S. 1. PVO's	134	170	304	750	500	1,250
2.						
HOST COUNTRY		16	16		1,250	1,250
OTHER DONOR(S)						
<b>TOTALS</b>	<b>244</b>	<b>599</b>	<b>843</b>	<b>1,250</b>	<b>3,750</b>	<b>5,000</b>

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>79</u>		H. 2ND FY <u>80</u>		K. 3RD FY <u>81</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) FN	200 B	100		523		500		500	
(2)									
(3)									
(4)									
<b>TOTALS</b>				<b>523</b>		<b>500</b>		<b>500</b>	

A. APPROPRIATION	N. 4TH FY <u>82</u>		O. 5TH FY <u>83</u>		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
	Q. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) FN	500		477		2,500		MM YY <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="1"/>
(2)							
(3)							
(4)							
<b>TOTALS</b>	<b>500</b>		<b>477</b>		<b>2,500</b>		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

2	1 = NO 2 = YES
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14. ORIGINATING OFFICE CLEARANCE SIGNATURE: <i>John R. Eriksson</i> TITLE: <b>John R. Eriksson Acting Director</b>	15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  DATE SIGNED: MM DD YY <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="0"/>
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AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 C A = ADD  
 A B = CHANGE  
 D = DELETE

PID  
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY  
 SRI LANKA

4. DOCUMENT REVISION NUMBER 1

5. PROJECT NUMBER (7 DIGITS)  383-0060

6. BUREAU/OFFICE  
 A. SYMBOL ASIA B. CODE 04

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 PVO CO-FINANCING

8. PROPOSED NEXT DOCUMENT  
 A.  3 2 = PRP  
 3 = PP

B. DATE MM/YY 07/79

10. ESTIMATED COSTS (\$1000 OR EQUIVALENT, \$1 = )

FUNDING SOURCE	AMOUNT
A. AID APPROPRIATED	2,500
B. OTHER PVOs	1,250
C. OTHER U.S. A.	
D. HOST COUNTRY	1,250
E. OTHER DONOR(S)	
<b>TOTAL</b>	<b>5,000</b>

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 A. INITIAL FY 79 B. FINAL FY 83

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$1000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	200 B	100		523		2,500	
(2)							
(3)							
(4)							
TOTAL				523		2,500	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

000 | 200 | 500 | 700 | 800

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BR | EQTY | PART | PVOU | PVON | WID

14. SECONDARY PURPOSE CODE 240B

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Rural and human development that:  
 (1) Increases agricultural production, (2) Increases employment, and  
 (3) Improves human productivity and quality of life for the poor majority.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To enhance the opportunity of local communities to participate in their own development by assisting indigenous and U.S. PVO's in undertaking collaborative activities which improve the lives of the poor.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

N/A

18. ORIGINATING OFFICE CLEARANCE

Signature *John R. Eriksson*

Title John R. Eriksson  
 Acting Director.

Date Signed MM DD YY 08 06 79

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PROJECT PAPER CLEARANCE SHEET

PVO CO-FINANCING

<u>POSITION</u>	<u>NAME</u>	<u>SIGNATURE</u>	<u>DATE</u>
Acting Director	John R. Eriksson	<u><i>J.R. Eriksson</i></u>	<u>3/6/79</u>
Program Officer	Clark H. Billings	<u><i>Clark H. Billings</i></u>	<u>3/4/79</u>
Controller	Douglas Franklin	<u>(Draft)</u>	<u>      </u>
Project Development & Support	Ralph M. Singleton	<u><i>RS</i></u>	<u>8/3/79</u>
Regional Legal Adviser	Douglas Robertson	<u>(Draft)</u>	<u>6/19/79</u>

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## PVO CO-FINANCING PROJECT PAPER

### PART I - SUMMARY

#### A. Recommendations

1. Grant: Life-of-project grant of U.S. \$2.5 million with \$523,000 authorized in FY 79 and balance provided in four increments of approximately \$500 thousand per year in FY 80 - 83.

2. Recipient Agencies: The Democratic Socialist Government of Sri Lanka is the Grantee and the Ministry of Plan Implementation is the agency responsible for overall coordination and monitorship of PVO Co-Financing activities. U.S. and Sri Lankan PVOs will be the implementing agents for sub-project grants subsequently awarded from this grant.

3. PVO, GSL and Other Contributions: The estimated \$2.5 million contribution from the PVOs, GSL and others is expected to be about evenly divided between U.S. PVOs and the GSL/Sri Lankan PVOs. The Sri Lankan PVOs contributions will be for both those projects which they handle alone and those in which they work as partners with U.S. PVOs. While the AID contribution can be up to 75 percent of the total cost of a sub-project, more favorable attention will be given to those proposals requiring only about 50 percent AID financing and those that are joint ventures of U.S. - Sri Lankan PVOs.

4. Source and Origin: Source and origin will be from the U.S. (geographic code 000) and Sri Lanka.

#### B. Summary Description of Project

1. Why: The GSL recognizes that the process of broad-based rural development requires inter alia an approach which includes the participation of village level communities and the mobilization of local resources. The GSL, therefore, encourages PVOs to assist local communities in helping themselves by developing their own resolutions to their problems. With about 78 percent of Sri Lanka's population located in some 22,000 rural villages, both the GSL and PVOs require assistance in pursuance of this goal.

This endeavor is well suited to AID's mandate to meet basic human needs by bringing assistance as directly as possible to the poor majority. Although the USAID's development assistance program is fully predicated on this mandate, the nature of institutionalized foreign assistance is such that the bulk of AID projects consist of government-to-government bilateral assistance directed at major development thrusts which tend to have longer term payoffs. There is, therefore, a need to bring U.S. assistance more directly to the poor majority at the local level who are prepared to join in collaborative endeavors to help themselves.

Sri Lanka has a long tradition of voluntary organizations oriented towards civic activities. There are presently about 1,000 indigenous PVOs (known locally as NGOs or non-government organizations) and about 5,000 rural development societies active in Sri Lanka. In addition to encouraging indigenous PVOs, the Government also encourages foreign PVOs to participate in Sri Lanka's development. The Technical Assistance Information Clearing House (TAICH) report dated April 1978 describes the programs of 25 private, non-profit U.S. organizations which provide assistance to Sri Lanka. While this report is somewhat outdated given that some of these programs are not presently active and that at least one new U.S. PVO (Overseas Education Fund/League of Women Voters - OEF/LWV) is not listed, it does provide some indication of how active U.S. PVOs have been in Sri Lanka. The Asia Foundation, which was active in Sri Lanka from 1954 to 1970, is still remembered by Sri Lankans as an effective development agent in encouraging local initiative. Since initiation of AID's centrally-funded OPG program in Sri Lanka in 1977, two U.S. PVOs have received OPGs: a \$383,164 grant to the Young Men's Christian Association (YMCA) in FY 1977 to establish 19 development training centers and a \$186,504 grant in FY '79 to the OEF/LWV to conduct a survey of the factors impeding the employment of women.

2. What: The purpose of this project is to enhance the opportunity of local communities to participate in their own development by assisting indigenous and U.S. PVOs in undertaking increasing numbers of collaborative sub-projects which improve the lives of the poor. These sub-projects will consist mainly of small-scale development activities which are relatively simple in design and which lend themselves to expeditious implementation. The kinds of activities envisaged are small-scale rural works, livestock and poultry production, agricultural sanitation, community re-habilitation and development, related training activities, various disadvantaged group programs, etc.

This partial financing from USAID should not only encourage a greater number of PVOs to participate in Sri Lanka's development, but should also enable PVOs to employ their own resources over a greater number of activities. Given an estimated total cost (AID, PVO and Host Country) in the range of \$200,000 for the average sub-project, approximately 25 sub-projects (average AID input being \$100,000 per sub-project) could be undertaken over the 5-year life of this project. The actual number of projects may be somewhat less, given what is likely to be a predominant role of larger U.S. PVO sponsored sub-projects during the first couple of years. It is possible, however, that some of these larger sub-projects may, in turn, support a grouping or a cluster of activities. In time it is expected that a larger number of smaller sub-projects sponsored by Sri Lankan PVOs will be forthcoming.

The beneficiaries of these sub-projects will be people living in poor rural and urban communities. They would fall primarily among the poorest 50 percent of the population, whose per capita income

is significantly less than the national average of about \$170. According to 1973 income distribution data, median income is over 20 percent below the mean or per capita average. The number of direct beneficiaries, however, is difficult to compute in the abstract and will depend mainly on the nature, scope, location, and number of sub-projects undertaken. Given the inability to anticipate these factors with any degree of accuracy, it can be only generally assumed that direct beneficiaries will range somewhere between 100,000 and 200,000 at a per capita cost in AID financing of less than \$25.

U.S. PVOs for the most part will be expected to develop institutional relationships with Sri Lankan PVOs which will enable the local PVO to replace the U.S. PVO upon completion of a given sub-project. Such relationships will not only strengthen the institutional capability of local PVOs in the near-term, they will also facilitate the continuing long-term development of local PVOs when the U.S. PVOs have completed their activities in Sri Lanka. As such, AID financing is intended solely as a catalytic contribution to encourage greater participation of PVOs and local communities in Sri Lanka's development. In no event will a U.S. or local PVO be allowed to become dependent upon AID funding for continued operation of a given sub-project.

3. How: The sponsoring PVO will be fully responsible for all aspects of its sub-project from development of the proposal through completion. In this and all other regards the PVO must be fully self-supporting, particularly in administrative and logistical matters. In no case will the U.S. Mission be able to provide any token of such support.

While there is no formal registration procedure in Sri Lanka for PVOs, the GSL does require a foreign based PVO to provide certain basic information required to establish the bona fides of a PVO before it can begin operations in Sri Lanka. The information, which is essentially that required by the U.S. Advisory Committee on Voluntary Foreign Aid, is presented to the Ministry of Plan Implementation.

U.S. PVOs also must be registered with the Advisory Committee on Voluntary Foreign Aid and be party to a memorandum of understanding with the GSL which provides the authorization and the terms for the PVO's operations in Sri Lanka. The USAID will assist local PVOs in securing their registration as a non-U.S. Private and Voluntary Organization.

PVOs will be encouraged to present the USAID with a brief one or two page concept paper before discussing their proposal with the GSL and before proceeding with its full design.

PVOs will submit their proposals to USAID through the GSL. While proposals are likely to be developed in collaboration with the line ministry concerned and should have the line ministry's approval, all

PVO proposals must have the approval of the Ministry of Plan Implementation which is responsible for coordinating all PVO activities and the Ministry of Finance and Planning (i.e., the Director of the External Resources Department), which is responsible for coordinating all foreign assistance, before they can be reviewed by the USAID.

Sub-project proposals should be relatively brief (i.e., about 10 to 20 pages) and be straight-forward in presentation. The sub-project description must include distinct sections on the problem to be addressed, purpose and objectives, inputs and outputs, major assumptions, an implementation plan and a complete budget.

Sub-project proposals approved by the GSL and submitted to the USAID for consideration of co-financing will be reviewed by the USAID's project review committee (see Annex H for prescribed format of PVO co-financing proposals). Upon approval by the USAID, a Specific Support Grant Agreement (see Annex G) will be signed by the PVO and the USAID. Initial funding will be provided directly to the PVO in an amount not exceeding that required for the first year of operations. The balance will be disbursed in annual increments. The PVO will be fully accountable for funds and for insuring the proper and timely conduct of prescribed evaluations and audits.

#### C. Summary Findings of Analyses

This project is a viable undertaking in terms of its prescriptive criteria. The viability of sub-project proposals is a matter which will be determined on a case-by-case basis by applying these criteria. The USAID's Project Committee will review each sub-project proposal to insure compliance with all requirements. Only those sound sub-project proposals will be approved by the USAID. The requirements for each of these analyses are outlined in Part III of this paper.

#### D. Issues

The results of the ASIA Bureau's Project Review Committee Meeting held on January 25, 1979 are in Annex E. Since the Committee found no major conceptual issues with the PID, there was no Asia Project Advisory Committee (APAC) meeting.

All but two of the specific issues in Annex E have been addressed in the preparation of this PP. Item 3(e) recommended that up to 10 percent of each operational year budget of this project be set aside to assist PVOs with sub-project design costs. The Mission has rejected this recommendation for two reasons: (a) no apparent need for such funds to date nor is any anticipated, and (b) extreme difficulty in equitably allocating sub-project development funds and the risk of offending more potential PVO recipients than could possibly benefit from the availability of such funds.

The other issue, item 3(h), enjoins the Mission to restrict co-financing to relatively small development activities in which the AID financing per project does not exceed \$30,000. At the time the PID was approved in February, 1979, large U.S. PVO OPGs were being centrally funded by AID/W, which would have permitted this project to be used mainly for smaller activities sponsored by local PVOs. However, an AID policy change in March, 1979 (Annex F) discontinued AID/W central funding of OPGs and directed the missions to include all PVO activities in co-financing projects to be set forth in the FY 81 ABS. Therefore, the \$30,000 limitation would eliminate any participation in Sri Lanka by U.S. PVOs. While the Mission favors small activities sponsored by local PVOs and would expect to see this project move in that direction within a couple of years, the Mission believes there is still a major role for U.S. PVOs in Sri Lanka. This limitation would prevent USAID from assisting many of the increasing numbers of U.S. PVOs which are interested in working in Sri Lanka due to the magnitude of their operations.

There are, moreover, limits on the number of sub-projects that can be effectively managed within the context of this project given the Mission's present and projected staffing constraints. If sub-projects were restricted to USAID funding levels of \$30,000 each and had an average implementation span of 24 months, the project would reach a sub-project portfolio of about 32 active sub-projects in its second year of implementation. In addition to 32 active sub-projects, there would be another 16 sub-projects under development and 16 terminating sub-projects in the third year of implementation. In total the Mission would be involved to one degree or another in the third year and each year thereafter with some 64 sub-projects. This is far beyond the Mission's capability to manage effectively.

This project has, therefore, been designed to accommodate a wider range of co-financing cost levels which will better enable the Mission to select sub-projects on the basis of merit and need rather than on the basis of an arbitrarily imposed cost level. Some of these sub-projects will be implemented by U.S. PVOs. Several are likely to be of a nature and magnitude similar to projects formerly supported by separate OPGs with regional funding. To the extent that these larger sub-projects consist of groups or clusters of activities, some of the management burden would be shifted from USAID to the PVO.

Although not raised in Annex E, there is increasing concern in the Mission over the extent to which U.S. PVO operations in Sri Lanka could become dependent on AID co-financing, particularly if the co-financing project is to be the exclusive PVO support mechanism. Save the Children Foundation has appointed a local representative and expects to secure AID co-financing for a series of sub-projects. The International Humanitarian Assistance Program (IHAP) plans to place a

U.S. representative in Sri Lanka to look after their co-financing sub-projects in both the Maldives and Sri Lanka and to develop a series of sub-projects. The Asia Foundation is considering a similar possibility. Given the magnitude of funding required for most U.S. PVO proposals, these three U.S. PVOs alone would more than absorb all of the co-financing funds available under this project, leaving nothing for other U.S. PVOs or local PVOs.

## PART II - THE PROJECT

### A. Background

The GSL is committed to undertaking a number of policy measures and programs required to rationalize the economy and to enhance Sri Lanka's self-sufficiency. In this regard the GSL has just issued a medium-term planning document "Public Investment, 1979-1983" which sets forth the Government's development strategy. The Government's strategy includes a balanced pursuit of growth, employment, productivity, food sufficiency and human welfare objectives. This strategy emphasizes labor-intensive investment, small farmers, irrigation and water management, small industry, environmental health, including drinking water for rural areas and market towns. It also gives major attention to the first "lead project", the Accelerated Mahaweli Development Program.

While stressing the importance of major policies and programs, the GSL has recognized that the process of development also requires an approach which reflects the "felt needs" of the village or local community and which stimulates development from the bottom up rather than the top down. To this end, the GSL is reorganizing district level government and strengthening its decentralized budget system to address local rural development through encouraging and assisting local communities to determine their own needs and to develop their own self-help activities.

The GSL, therefore, encourages PVOs to assist local communities to help themselves by developing their own resolutions to their problems. With about 78 percent of Sri Lanka's population located in some 22,000 rural villages, both the GSL and PVOs require assistance in pursuance of this goal.

This endeavor is well suited to AID's mandate to meet basic human needs by bringing assistance as directly as possible to the poor majority. Although the USAID's development assistance program is fully predicated on this mandate, the nature of institutionalized foreign assistance is such that the bulk of aid projects consist of government-to-government bilateral projects directed at major development thrusts which tend to have longer term payoffs. There is, therefore, a need to bring U.S. assistance more directly to the poor majority at the local level who are prepared to join in collaborative endeavors to help themselves.

Sri Lanka has a long tradition of voluntary organizations oriented towards civic activities. There are presently about 1,000 indigenous PVOs (known locally as NGOs or non-government organizations) and about 5,000 rural development societies active in Sri Lanka. In addition to encouraging indigenous PVOs, the Government also encourages foreign

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#### B. Project Description

The purpose of this project is to enhance the opportunity of local communities to participate in their own development by assisting indigenous and U.S. PVO's in undertaking collaborative activities which improve the lives of the poor. The major objectives of this project are:

1. To enhance the opportunity and capacity of the rural poor to participate directly in their own development;
2. To develop the institutional capacity of PVO's to effectively collaborate with local communities in conceiving, designing, implementing and evaluating developmental activities;
3. To generate locally conceived innovations which resolve local problems with local resources;
4. To increase the participation of women and other disadvantaged segments of society in developmental activities which address problems peculiar to their socio-economic status;
5. To create employment opportunities and raise incomes of the rural poor in local communities;
6. To enhance other aspects of levels of living in poor rural and urban communities, such as health and nutrition;
7. To accelerate the application of appropriate technology at the local level where it is most feasible and needed; and
8. To promote broad-based rural development on a self-sustaining basis at the local level.

This project will be implemented through a variety of indigenous and U.S. private organizations, agencies, and institutions in the private sector. Sub-project proposals will generally be for small scale development activities which are relatively simple in concept, involve a design for expeditious implementation, involve the local community, consist mainly of local costs, and commit the PVO sponsor and/or indigenous affiliates and the GSL to at least 25 percent of the total cost. Proposals must fully demonstrate the nature and magnitude of participation by the local community.

Sub-project proposals are expected to address a wide range of special concerns, community development and rural infrastructure activities. Proposals which enhance local opportunities and capacities, generate indigenous solutions, increase the welfare and participation of disadvantaged groups, and create employment will be favored. Of paramount concern will be the residual benefits remaining in place upon completion of the sub-project.

Most proposals are expected to involve an average AID cost of \$100,000. Proposals for smaller sub-projects or groups of sub-projects will be encouraged and favored. While the USAID will be prepared to consider proposals requiring an AID input of up to 75 percent of total cost under special circumstances, those proposals requiring an AID input closer to 50 percent and which commit some combination of the PVO and indigenous affiliates and the GSL to the balance will be more favorably reviewed. Proposals for technically or administratively complex sub-projects or those whose implementation spans exceed 36 months will be discouraged. Proposals which involve a large percentage of foreign exchange costs and PVO overhead costs will be discouraged unless there are over-riding reasons to the contrary.

#### C. Relationship to AID Objectives

The Mission's FY 1981 Country Development Strategy Statement (CDSS) initiated a comprehensive program of AID assistance to Sri Lanka to support Sri Lanka's accelerated efforts to expand productivity and employment, move towards food self-sufficiency, and sustain progress in meeting the basic human needs of its population. The CDSS proposed pursuing this strategy in categories of assistance which are of high priority to the Government of Sri Lanka, where additional external assistance is urgently needed, and where AID has both a legislative mandate and a comparative advantage. The major categories are:

1. Agricultural Production Technology and Resources;
2. Rural Infrastructure, Marketing and Enterprise;
3. Human Productivity and Well-Being in the Rural Sector;
4. Mahaweli and Rural Area Development; and
5. General Program Support.

In addition to government-to-government projects, a flexible mechanism is needed to bring U.S. assistance more directly to the poor at the local level who are prepared to join in collaborative endeavors to help themselves.

This project responds to the Congressional priorities in Section 102 of the International Development and Food Assistance Act of 1978 by using the management expertise of locally established indigenous and U.S. PVOs in collaborative endeavors with local communities to conceive, design, implement and evaluate those self-help activities needed by the people. This project, therefore, will provide a means through which the poor may be afforded the opportunity to participate directly in their own development. In so doing this project will complement USAID/Sri Lanka's program by providing a means of bringing AID assistance to the rural poor by the most direct, constructive means possible.

## PART III - ANALYSES

### A. Economic Analysis

It is impossible to give a quantitative indication of the economic feasibility of the overall project. That will be possible only for each sub-project proposal as it is developed. The degree of feasibility will vary depending upon the nature of the sub-project. Furthermore, while it would be theoretically possible to derive a benefit-cost ratio or "internal rate of return" that measures the economic value as well as the costs of those sub-projects which directly generate production and incomes, such as food production or small-scale enterprise, it will be extremely difficult if not impossible to do this for sub-projects in such areas as community development, housing, health and education. "Cost-effectiveness" assessments in terms of cost per beneficiary will have to suffice for many sub-projects, particularly those in the latter areas.

Nonetheless, it is possible -- based on review of previous experience with these kinds of activities -- to indicate the degree of economic viability which should be expected from the average sub-project and, thus, from the project as a whole. Sub-projects financed under the USAID Indonesia "Voluntary Agency Co-Financing Pilot Project" have been fairly sparing in the use of high-cost inputs by using mostly contributed labor and local materials, plus PVO professional skills. The latter generally cost less than comparable skills in private business or government. This in turn suggests that the rates of return on directly productive PVO sub-projects (such as agricultural production) should be quite high, certainly above the 10 to 13 percent opportunity cost or "shadow-price" of capital employed in Sri Lanka, and that the costs per beneficiary for all or most sub-projects should be quite low (i.e., "cost effectiveness" should be relatively high).

The above considerations provide some guidelines for appraising the economic feasibility of sub-projects and for evaluating progress and results. Sub-project proposals will not be required to estimate an "internal rate of return", even when "directly productive" activities are involved. The data and analysis required are often extensive, and highly complex. A rigid requirement for this kind of analysis would run counter to the project intent of keeping PVO proposals and procedures relatively simple and brief.

There are less technical but still fairly revealing and reliable ways of getting at likely economic return and cost-effectiveness, however. This kind of analysis will be required in each sub-project proposal. To begin with, for "directly productive" activities, the net return to the individual producer must be shown to be sufficiently attractive to undertake the intended activity. In other cases the

cost effectiveness of sub-project proposals would be assessed to determine the economic viability. Considerations which might apply, depending upon the nature of the sub-project, include use of (1) locally available labor (especially, unemployed or under-employed labor) and materials; (2) relatively low cost, locally manufactured and repairable tools and equipment; and (3) paraprofessional technical, health and education workers. Government economic policies affecting product prices, labor costs, etc., can also have a profound positive or negative impact on project viability. While sub-project proposals will not be expected to include a discussion of this consideration, the USAID Project Committee will review where relevant the economic policy environment as it might impact upon sub-project viability.

Finally, each sub-project proposal, regardless of its nature, will be expected to include a calculation of cost per beneficiary as part of its economic analysis. While no rigid, maximum cost per beneficiary is or can be imposed, this consideration will nevertheless be reviewed closely by the USAID Project Committee. Proposals with costs per beneficiary exceeding the \$10 to \$30 range must have a strong justification in such terms as multiple benefits, spread effects to other (non-quantifiable) beneficiaries or projects, or benefits accruing beyond the life of the sub-project. Normally, a high cost per beneficiary would run counter to the concept of PVU projects tapping available, low cost resources, and of their being widely replicable at the local level with limited resources.

#### B. Social Analysis

Sri Lanka's development policies over the last 25 years emphasized primarily health, education, and social programs instead of investment in physical productive capacity. On the social side, the results of these policies have been impressive: life expectancy is 68 years, the infant mortality rate is 45 per 1,000, the population growth rate is 1.6 or 1.7%, and the adult literacy rate is 78%. The fiscal burden of these programs, rigid controls on the economy, and several seasons of severe drought, have, however, combined to have an adverse effect on economic growth. The annual GNP growth rate from 1970-1977 averaged only about 3%, the growth in agricultural production was a poor 1.2%, and the unemployment rate soared to an estimated 20% of the labor force. Moreover, the country has been faced with a chronic and massive food deficit, with 50% of its basic foods typically being imported during an average year. Recently (since mid-1977) the GSL with the assistance of several international donors (including AID) has begun to focus on the country's economic growth problems.

As noted in the "Analytical Description of Poverty in Sri Lanka" (Annex A to USAID/Sri Lanka's FY 1980 ABS), the basic human needs of a significant share of Sri Lanka's population have not been satisfied despite the country's social gains. In the rural sector in 1973 over 26% of the households suffered "absolute poverty" while nearly 67% were without adequate

access to other important basic human needs.<sup>1/</sup>

For its part, USAID's development assistance program in Sri Lanka contributes to the achievement of three main objectives: (a) increasing domestic food production, particularly among smallholders; (b) expanding employment opportunities, especially in the rural areas; and (c) satisfying in other ways (e.g., environmental health programs) the basic human needs of the rural poor. Given the USAID's program thrust, most of the PVO projects which will be funded under this project will be in accord with the above objectives. Nevertheless, some PVO projects which fall outside of these primary objectives may still be considered for co-financing. This is particularly necessary in view of the GSL's efforts to emphasize growth while sustaining its high-level performance on the social side. Projects of this nature include those benefitting the urban poor (e.g., through improved housing, increased employment in small enterprise, etc.) and those dealing with non-formal education and training.

The beneficiaries of this project will be people living in poor rural and urban communities. They would be primarily among the poorest 50 percent of the population, whose per capita income is significantly less than the national average of about \$170. The number of direct beneficiaries, however, is difficult to compute in the abstract and will depend mainly on the nature, scope, location, and number of sub-projects undertaken. Given the inability to anticipate these factors with any degree of accuracy, it can be only generally assumed that direct beneficiaries will range somewhere between 100,000 and 200,000 at a per capita cost in AID financing of less than \$25.

Women are expected to profit somewhat more than other segments of the population for several reasons. In addition to sharing more or less equally in the benefits of most self-help activities, some sub-projects will be addressed solely to problems of women. Moreover, the education levels and civic involvement of Sri Lanka's women suggest that women will in many instances be the prime movers in generating and implementing community self-help activities.

PVO proposals must also contain and meet the test of a social soundness analysis. This analysis will ascertain that: (1) the target beneficiaries are poor people or those whose basic needs are not satisfied; (2) the activity has potential spread effects and that the benefits can be sustained or are durable; and (3) the activity's positive social impact outweighs any possible negative impact on intended beneficiaries. In addition, the activity will be evaluated to determine the extent that it has considered the role of women in development.

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<sup>1/</sup>

See Annex A of FY 80 ABS for details. "Absolute poverty" is defined in terms of incomes too low to permit an adequately nutritious diet. Also see page 5 of FY 81 CDSS.

It is not envisioned that this analysis will be long and exhaustive, since for the most part the size of the activities concerned will not warrant large expenditures in time and manpower. Nevertheless, the sociological aspects of these activities should and will be subjected to an examination to the extent warranted by their social implications. Only those sub-project proposals found to be socially sound will be approved by USAID.

More specific analysis of the social aspects of co-financing -- its adaptability to given social patterns, the extent and nature of its spread effect, and its social consequence and benefit incidence -- must await the more formal examination of each PVO sub-project submission. The Mission will encourage increased consideration and documentation of these social questions in PVO sub-project proposals. USAID has given to PVOs AID policy statements and guidance surrounding social impact analysis and other issues and will continue to discuss them with the PVOs.

### C. Technical Analysis

Technical analysis of the overall project is possible only in terms of the criteria prescribed for the selection of sub-projects. Each sub-project proposal will be required to contain a brief, but succinct analysis of its technical feasibility. Technical feasibility thus will be determined during the review of specific sub-project proposals.

Sub-project proposals generally are expected to be relatively simple and straight forward in design. As such, substantial or complex technical analyses should not be necessary in most cases and should be avoided unless specifically requested by the USAID. Each proposal will receive a thorough technical appraisal by the USAID Project Review Committee. Whether the proposed technology is feasible, cost effective, and appropriate will be a basic concern of the Project Review Committee. Depending on the depth of a given technical question, USAID or outside technical expertise will be called upon to advise the Project Review Committee. Appropriate specialists may be dispatched to proposed project sites to more thoroughly review the project's technical aspects.

In those cases where a sub-project proposal has a strong technical aspect, such as certain types of construction or highly specialized activities, care will be taken to insure that the PVO has employed adequate technical expertise in developing its sub-project proposal. Particular attention will be given to whether the sub-project proposal has considered alternate technologies. The Project Review Committee will compare cost effectiveness, impacts on employment, potential spread effects, and the community's ability to effectively utilize and maintain the technology.

AID policy guidelines encourage PVOs to develop and test new approaches to development and apply "appropriate technology." The PVO Co-Financing project will promote such innovative approaches, particularly those which are conceived at the local level and which promote the utilization of local resources. Technical analysis of PVO sub-project proposals will be conducted

with an appreciation of the inherent risk which must be assumed in pursuing imaginative and innovative endeavors.

#### D. Administrative Feasibility

1. GSL: Within the Government, the administrative burden will fall mostly on the various line ministries concerned with individual PVO activities. Since this will be spread among a number of ministries, and the ministerial administrative duties for an individual sub-project is nominal, this project should not place a substantial administrative work load on the line ministries.

The Ministry of Plan Implementation, as the ministry responsible for all PVO activities, will have a total greater administrative involvement in this project than the individual line ministries. Since there are already over 1,000 local PVOs and about 25 U.S. PVOs, plus the PVOs from other countries operating in Sri Lanka, the additional financing being provided by this project should not substantially increase the workload of this ministry. The Ministry of Finance and Planning (External Resources Department) has overall coordinating responsibility of all foreign assistance, but its role on individual sub-projects will be minor and pro-forma. Therefore, no administrative difficulties are anticipated here.

2. USAID: PVO activities are not new to the USAID, since several PVO activities have been undertaken in Sri Lanka and the Maldives through the AID/W's centrally-funded OPG program. USAID personnel are, therefore, familiar with PVO activities, their documentation requirements, etc. However, the USAID's assumption of responsibility for PVO activities under this project means that USAID personnel must assume full responsibility for reviewing proposals, allocating limited funds among competing PVOs, monitoring progress, and evaluating results. The issues section of Part I mentioned that since USAID's staffing level limits the number of PVO activities that can be handled, more funds must be allocated to fewer activities than might otherwise be desirable. Administering the PVO Co-Financing Project will require over one-half the time of an assistant program officer plus lesser amounts of time of other people in the mission. This has been incorporated in the projected staffing requirements set forth in the CDSS and ABS.

3. PVOs: The administrative capability of the implementing agent (i.e., the sponsoring PVO) will be a key element in the success or failure of a sub-project. Thus, each sub-project proposal will contain a brief, but succinct analysis of the PVO's administrative capabilities.

If the PVO (U.S. or Sri Lankan) has successfully completed a sub-project in Sri Lanka, its administrative capability for the proposed sub-project would require little attention other than an explanation that the proposed sub-project is within its capability to administer. A U.S. PVO with no prior operating experience in Sri Lanka would have to explain

in greater detail how it would carry out its operations. Proposals from PVOs which have had administrative difficulties with previous sub-projects will not be favorably received unless corrective measures have been taken.

In light of the Mission's experience with a large number of PVO proposals under the centrally-funded OPG program, the USAID Project Review Committee will be particularly alert to the following:

- a. Proposals which are poorly conceived and badly presented;
- b. Proposals which set forth unrealistic goals and targets;
- c. Proposals which lack a plausible implementation plan;
- d. Proposals with inordinately high cost/benefit ratios;
- e. Proposals with budgets having inordinately high and improperly calculated overhead rates;
- f. Proposals which are repeatedly resubmitted with corrections suggested by USAID until they amount to what is essentially a USAID development proposal;
- g. Proposals which do not represent a collaborative endeavor and which lack proper GSL clearances and approvals.

In addition, although it is Mission (and AID) policy not to require from the PVOs either the form or content of normal AID program documentation, the managerial and paperwork implications of co-financing for both PVOs and USAID are still considerable. Dollar totals are small by AID standards, but numbers of sub-projects and documents required to implement them can be considerable.

The general AID policy of not requiring normal AID program documentation from PVOs remains essential for continued collaboration of USAID with PVOs, which generally have less sophisticated administrative capacity. Even these significantly reduced AID documentation requirements have and will continue to pose problems for some U.S. PVOs and most Sri Lankan PVOs. The effectiveness of PVOs as development agents will depend to significant degree on their developing the administrative capacity to design and present coherent proposals, effect and monitor implementation, conduct objective evaluations of their activities, and comply with AID's standard priorities and reporting requirements. Effective collaboration of PVOs and USAID in development will require continuing discussion to work out mutually acceptable arrangements which satisfy both AID's requirements, particularly the responsibility to insure the effective use and proper accounting of USG funds, and the desirability to maintain the independent character of the PVOs.

#### E. Environmental Assessment

The determination of the Initial Environmental Examination (IEE) of the PVO Co-Financing project is negative as documented in Annex C. This project is not a major undertaking which will have a significant effect on the environment. It is, therefore, a project for which an Environmental Impact Statement or an Environmental Assessment is not required.

While any given PVO sub-project proposal could possibly have environmental implications, most sub-projects will be designed to improve the physical environment. Since the sub-projects will be small-scale, located throughout the country, and designed to improve the environment, individually and collectively, they will not have a significant adverse impact on the environment. PVO sub-project proposals are required to include brief analyses of impact on environment. Proposals will be reviewed by the USAID Project Committee to insure that the sub-project will not have a negative impact on the environment. Only those sub-projects found to be environmentally sound will be approved by the USAID.

#### PART IV - FINANCIAL PLAN

This project proposes total AID Grant funding of \$2.5 million over five years combined with counterpart PVO funding of \$2.5 million cash and in kind. Funds should be disbursed within two to three years after obligation. The foreign exchange component is estimated at 20% of total AID funding. Although local PVOs will not be able to furnish any foreign exchange, the Mission believes that U.S. PVOs will provide foreign exchange to the project of at least 25% of total U.S.-Sri Lanka PVO inputs.

Disbursements will be made to PVO grantees by the USAID's Controller Office from funds to be allotted to the Mission. In keeping with good cash management procedures, the Mission plans to disburse funds to grantees based on anticipated future requirements of not to exceed twelve months. These disbursements will be linked to evaluations and audits conducted at least annually for the larger grantees. The USAID Project Review Committee, may make appropriate adjustments to budgets of larger or complex projects so as to provide funding for annual audits of these projects. These audits should assist in project monitoring and evaluations.

Accrued expenditure data will be readily available to the Mission thru submission of quarterly financial reports to the USAID Controller. Each PVO will be briefed and provided with a reporting format prior to the commencement of each project.

TABLE I

SUMMARY COST ESTIMATE AND FINANCIAL PLAN  
(US \$ 000)

<u>A I D   G R A N T</u>			<u>P V O s ,   G S L   &amp;   O T H E R S</u>			<u>T O T A L S</u>		
<u>FX</u>	<u>LC</u>	<u>TOTAL</u>	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>
500	2,000	2,500	750	1,750	2,500	1,250	3,750	5,000

TABLE II

PROJECTION OF OBLIGATIONS BY FISCAL YEAR  
(US \$ 000)

<u>FISCAL YEAR</u>	<u>AID</u>	<u>PVO, GSL &amp; OTHERS</u>	<u>TOTAL</u>
79	523	500	1,023
80	500	500	1,000
81	500	500	1,000
82	500	500	1,000
83	477	500	977
	<u>2,500</u>	<u>2,500</u>	<u>5,000</u>

## PART V - IMPLEMENTATION PLAN

### A. Agreements

After the project is authorized, the project grant agreement will be signed by the Ambassador and the Secretary of the Ministry of Finance and Planning, thereby obligating first year funds. The Director of the External Resources Department will be designated as authorized representative. After a PVO sub-project proposal has been approved by the GSL and USAID, USAID will sign a Specific Support Grant Agreement with the sponsoring PVO for each approved sub-project.

### B. PVO Registration

1. U.S. PVOs: While there is no system of registering of foreign PVOs in Sri Lanka as such, the GSL does require a foreign PVO to provide certain information to the Ministry of Plan Implementation and to sign a memorandum of understanding. Although this action might be done before a project proposal is prepared, the PVO probably will want to develop its proposal and then submit both the proposal and information for the memorandum of understanding at the same time. U.S. PVOs must also be registered with the Advisory Committee on Voluntary Foreign Aid before USAID will review its proposal.

2. Sri Lankan PVOs: The GSL requires neither memorandum of understanding nor submission of information from local PVOs in order to operate in Sri Lanka. Since the USAID does not have the staff to investigate each and every local PVO interested in receiving AID funds, USAID will assume that any local PVO for whom the GSL has approved a proposal in accordance with the procedures described below is legitimate and acceptable to both the GSL and USAID. AID regulations require even non-U.S. PVOs to be registered with the Advisory Committee on Voluntary Foreign Aid before they can receive AID funds. USAID will assist interested local PVOs with their registration.

### C. Proposal Preparation

1. Concept Paper: The PVOs will be encouraged to present to the USAID a brief one or two page concept paper before discussing their proposal with the GSL and proceeding with its design. While the USAID's review and comments on the concept paper will imply no commitment whatsoever on the part of USAID to approve a proposal, it may preclude unnecessary proposal preparation work and the generation of expectations for proposals that are unlikely to be approved for such reasons as failing to meet co-financing criteria, lack of funds, etc.

2. Proposals: The PVO will prepare its sub-project proposal which should be relatively brief (i.e. about 10-20 pages) and non-technical in presentation. Substantial technical analysis should not be included unless specifically requested by USAID. The proposal should include brief sections on the setting or background; the problem to be addressed; project design (along lines of AID's logical framework); general impact; intended beneficiaries; complete budget; major assumptions; a brief analysis of the proposal's conceptual cohesion including internal project linkages and linkages of the sub-project with other community, government, PVO, USAID or other donor activity; and an administrative analysis and organization plan for implementation.

3. Proposal Review Within GSL: After the PVO has completed its design work and prepared a proposal in accordance with the guidelines in Annex H, it submits the proposal for approval to the several ministries in the following sequence:

- Line ministry which has responsibility for proposed sector of activity;
- Ministry of Plan Implementation which has responsibility for coordinating all PVO activities; and
- Ministry of Finance and Planning (Director of External Resources Department) which is responsible for coordinating all foreign donor assistance.

4. Proposal Review Within USAID: After External Resources Department forwards the proposal to USAID indicating all required GSL approvals have been given, the USAID Project Review Committee chaired by the Assistant Director and including the Program Officer, the Chief of Program Development and Support, the Chief of Rural Development, the USAID's social anthropologist and any other relevant USAID officers will review it. The Committee will review the PVO proposal against the project's objectives and criteria discussed elsewhere in this PP. In addition, the Committee will consider such factors as:

- Does the proposal fit into the general AID mandate and developmental assistance strategy for Sri Lanka?
- Is the proposal development oriented rather than relief oriented?
- Has the PVO demonstrated a full understanding of and a capability for undertaking the sub-project?
- Are there other, more appropriate sources of funding for the proposed sub-project?

If the Committee finds the proposal unacceptable, the proposal will be returned directly to the sponsoring PVO with a brief explanation as to why the proposal was rejected. The PVO will not be encouraged to resubmit the proposal unless the Committee thinks that the PVO can correct the deficiencies. A copy of this letter will be sent to the External Resources Department and to the Ministry of Plan Implementation.

If the Committee finds the proposal acceptable and funds are available, it will recommend to the USAID Director that USAID enter into a Specific Support Grant Agreement with the PVO.

The staff work for the Committee shall be done by the Assistant Program Officer assigned responsibility for PVO activities under the general supervision of the Program Officer. The APO shall call upon USAID personnel as needed for assistance on technical matters, verification of information, etc.

#### D. Allocation of Funds

The USAID will endeavor to allocate each annual tranche of funds equally among U.S. and Sri Lankan PVOs. However, the extent to which this proves feasible will depend in large part on the merits of the sub-project proposals submitted to the USAID. While Sri Lankan PVOs may be at some disadvantage during the early years of this project, the USAID plans to conduct workshops and other forums to assist local PVOs in designing, implementing and evaluating sub-projects. The first of these is scheduled for early 1980.

Since the amount of funds available annually will be only about \$500,000, demands are expected to far exceed available funds and the Mission's capability to either review all the sub-project proposals submitted. Therefore, USAID will establish internal procedures to minimize USAID staff time used in reviewing proposals which simply cannot be accommodated and unwarranted expectations on the part of PVOs submitting proposals. Thus, once the funds have been fully allocated each year, all other PVO proposals will be returned to the PVOs without review.

The USAID does not plan to engage in partial funding of sub-projects. While partial funding may appear advantageous in the short-run since it would enable the USAID to fund a larger number of new sub-project starts in the first year or two, it would thereafter compile a funding commitment which would pre-empt the remaining life of project funds and preclude new sub-project approvals in later years. Moreover, partial funding is administratively burdensome since it requires several amendments to sub-project agreements and other unnecessary paperwork.

**E. Implementation of Sub-Projects**

After the Specific Support Grant Agreement is signed by the Director and the PVO, the USAID Controller will arrange to provide directly to the PVO's authorized representative funds for deposit into a project bank account. Normally sufficient funds will be provided for one year's operations. Release of second and third year funds would be subject to satisfactory reports, audit statements and possibly evaluations.

The PVO will be held fully responsible for all aspects of the sub-project including its development, approval and implementation. The PVO will also be fully responsible for all funds and for assuring the proper and timely conduct of audits, reports and prescribed evaluations.

**F. Reports and Audits**

The PVO will provide the following reports and audits to USAID, the Ministry of Plan Implementation and the line Ministry:

- Semi-annual brief progress reports due in July and January during the implementation period. The first report may be for slightly more or less than a six month period depending on the month of start-up so all PVOs submit reports at approximately the same time;
- Annual audit report prepared by an independent public accounting firm. This report should be for financial activities on a calendar year basis and due in January of each year. If the PVO begins activities in the last half of the calendar year, a separate audit report will not be required for that year;
- End-of-project report that briefly describes the entire history of the sub-project. This is due within three months after the completion of the sub-project;
- Quarterly financial statements on status of funds (to USAID Controller only).

## PART VI - EVALUATION PLAN

### A. Project Evaluation

The PVO Co-Financing project (i.e., the total framework within which PVO sponsored sub-projects will be undertaken) will be formally evaluated about midway through the life of the project (Dec. 1981). The evaluation will be based on the AID Project Evaluation Summary (PES) system. This will be an in-depth evaluation of which the major thrust will be to examine the overall impact of PVO sponsored sub-projects. Particular attention will be given to the effectiveness of PVOs in the development process.

This evaluation will also examine the effectiveness and appropriateness of the GSL/USAID's sub-project approval criteria, review and approval procedures, and monitoring and evaluation roles. PVO capabilities to effectively implement and monitor sub-projects; to comply with AID Standard Provisions for sub-grantees to comply with fund accountability, and to adhere to established reporting requirements will be appraised.

This evaluation will be conducted by an evaluation team coordinated by the Mission Evaluation Officer and comprised of the Project Manager (from Ministry of Plan Implementation), at least one representative of the PVOs, a representative from another USAID within the Region having a PVO Co-Financing project, the USAID's Project Officer for the PVO Co-Financing Project, and other key elements of the USAID.

### B. Sub-Project Evaluation

Sub-projects will, in the first instance, be evaluated by the sponsoring PVO. The sponsoring PVO will conduct an annual evaluation of its sub-project within 30 days of its annual audit and submit to the USAID a completed Project Evaluation Summary (PES) with a confirmed copy of the audit as a mandatory attachment. The Ministry of Plan Implementation and the USAID are authorized to participate in the evaluation of any sub-project they determine necessary. PVOs are required to notify the USAID and the Ministry of Plan Implementation 30 days prior to the initiation of their annual evaluation.

The USAID Project Officer will review each PES submission for the purpose of identifying those with actual or potential problems. PES submissions so identified will be submitted for further review by the Project Evaluation Committee. Should the Project Evaluation Committee find serious problems with a sub-project or violations of sub-project agreement the Committee may recommend termination of disbursements until the problem/s has been resolved.

The USAID Project Officer or a designee will endeavor to visit the site of each sub-project at least once during the active life of the sub-project.

## PART VII - CONDITIONS PRECEDENT AND COVENANTS

The project grant agreement will include the following conditions and covenants:

1. The only condition precedent to initial disbursement will be the standard condition regarding authorized representatives.
2. A condition precedent for disbursement for each individual PVO sub-project shall be a statement from the Ministry of Plan Implementation that (a) in the case of a Sri Lankan PVO submitting the sub-project proposal, it has been approved for conducting its operations in Sri Lanka or in the case of a U.S. PVO that a memorandum of understanding has been signed by the Grantee and the PVO which provides the authorization and the terms for the PVO operations in Sri Lanka; (b) the specific sub-project proposal has been reviewed and approved by the Grantee; and (c) any approvals, licenses, permits or other assistance and actions by the Grantee as described in the PVO sub-project proposal have been or will be provided.
3. The only covenant will be the standard covenant concerning evaluation.

## ANNEXES

## ANNEX A

Life of Project  
From FY 1979 to FY 1983  
Total U.S. Funding \$2.5 million  
Date Prepared: July, 1979 (Grant)

AID 1020-20 (1-72)

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Project Title & Number: PVO CO-FINANCING

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To improve the quality of life of Sri Lanka's poor majority.</p>	<p>Measures of Goal Achievement:</p> <p>Improved health, increased employment and increased income, for poor majority.</p>	<p>National statistics.</p>	<p>Assumptions for achieving goal targets:</p> <p>That PVOs can contribute to improving health, employment and income of poor majority.</p>
<p>Project Purpose:</p> <p>To increase the amount of U.S. and local assistance going to poor majority.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <p>Annual rate of assistance by U.S. and local PVOs from own resources increased by 10%.</p>	<p>Statistics of Ministry of Plan Implementation.</p>	<p>Assumptions for achieving purpose:</p> <p>That PVOs are or will become sufficiently strong financially to increase their assistance for activities in Sri Lanka.</p>
<p>Outputs:</p> <p>Completed Sub-Projects. More U.S. PVOs active in Sri Lanka's development. Local PVOs more active in Sri Lanka's development.</p>	<p>Magnitude of Outputs:</p> <p>25 Sub-projects completed 5 U.S. PVOs active in Sri Lanka's social &amp; economic development. 20 Local PVOs will have received A.I.D. funds directly or through U.S. PVOs and will be more actively engaged in Sri Lanka's social &amp; economic development.</p>	<p>USAID &amp; Ministry of Plan Implementation Records.</p> <p>"</p>	<p>Assumptions for achieving outputs:</p> <p>PVOs can work successfully in Sri Lanka. Increased interest of U.S. PVOs in Sri Lanka. Increased interest of S.L. PVOs in meeting requirements for AID funding.</p>
<p>Inputs:</p> <p>A.I.D. - Grant Funding G.S.L. - PVO continuation &amp; support funds. PVOs - Funding &amp; Management</p>	<p>Implementation Target (Type and Quantity)</p> <p>A.I.D. -\$2.5 million grant with \$500,000 obligated annually beginning in FY 79. G.S.L. -Staff time &amp; Support Funds PVOs -\$2.5 million for Co-Financing</p>	<p>USAID &amp; Ministry of Plan Implementation Records.</p> <p>"</p> <p>"</p>	<p>Assumptions for providing inputs:</p> <p>The PVOs can raise these amounts. PVOs are interested in expanding operations in Sri Lanka.</p>

MC(1) - COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAI funds, and then criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? It can be so demonstrated
  
2. FAA Sec. 401. Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. government personnel or their dependents, or from entering the U.S. unlawfully? No
  
3. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement? Yes
  
4. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government? No
  
5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No
  
6. FAA Sec. 620(a), 620(f); FY 79 App. Act Sec. 100, 114 and 106. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola? No
  
7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? No
  
8. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? No
  
9. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? N/A\*
  
10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 3. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters,
  - a. has any deduction required by the Fishermen's Protective Act been made? N/A
  - b. has complete denial of assistance been considered by AID Administrator? N/A
  
11. FAA Sec. 620; FY 79 App. Act Sec. 603. (a) Is the government of the recipient country in default for more than six months on interest or principal of any AID loan to the country? (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriated funds? No
  
12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the N/A

amount spent for the purchase of sophisticated weapons systems? (An affirmative answer refer to the record of the annual "Taking into Consideration" memo: "Yes, as reported in annual report on implementation of Sec. 620(a)." This report is prepared at time of approval by the Administrator of the Operational Year Budget and can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

- 13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No
- 14. FAA Sec. 620(u). What is the payment status of the country's U.M. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? The GSL is current
- 15. FAA Sec. 620A, FY 79 App. Act, Sec. 607. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism? No
- 16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA? No
- 17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty? No

B. FUNDING CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria.

a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment

progress of country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment, and (6) increased literacy.

Yes

b. FAA Sec. 104(d)(1). If appropriate, is this development (including Sabell) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor?

N/A

2. Economic Support Fund Country Criteria.

a. FAA Sec. 502B. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights?

N/A

b. FAA Sec. 532(b). Will assistance under the Southern Africa program be provided to Mozambique, Angola, Tanzania, or Zambia? If so, has President determined (and reported to the Congress) that such assistance will further U.S. foreign policy interests?

N/A

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

N/A

d. FY 79 App. Act Sec. 113. Will assistance be provided for the purpose of aiding directly the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

N/A

e. FAA Sec. 620B. Will security supporting assistance be furnished to Argentina after September 30, 1979?

N/A

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual fund sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE?  
HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

**A. GENERAL CRITERIA FOR PROJECT**

1. FY 79 App. Act Unnumbered; FAA Sec. 611(b); Sec. 614A.  
(a) Describe how Committees on Appropriations or Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress for not more than \$1 million over that figure?  
A Special Congressional Notification is being sent to Congress.
2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?  
Yes
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?  
No further legislative action is required
4. FAA Sec. 611(b); FY 79 App. Act Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?  
N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?  
N/A
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.  
No  
No
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.  
N/A except (b). Project will encourage private initiative through PVDs.
8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprises).  
N/A
9. FAA Sec. 612(b); Sec. 616(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.  
Country contribution is discussed in financial plan.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?  
No
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?  
N/A
12. FY 79 App. Act Sec. 608. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?  
N/A

**B. FUNDING CRITERIA FOR PROJECT**

1. Development Assistance Project Criteria
  - a. FAA Sec. 102(b); 111; 113; 201a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate  
DP discusses how this project contributes to all points except (e) which is N/A

technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of woman's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available? (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) [103] for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, is full account taken of needs of small farmers;

See PP for full discussion

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

N/A

(3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;

N/A

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:

N/A

(i) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

(ii) to help alleviate energy problems;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. [107] Is appropriate effort placed on use of appropriate technology? .

N/A

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

Yes

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

N/A

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental and political processes essential to self-government.

Project contributes in many ways. See discussions in PP.

g. FAA Sec. 122(b). Does the act give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

N/A

b. FAA Sec. 120(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 30% of the enterprise's annual production during the life of the loan?

N/A

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance support economic or political stability? To the extent possible, does it reflect the policy directions of section 1027

N/A

b. FAA Sec. 533. Will assistance under this chapter be used for military, or paramilitary activities?

N/A

Listed below are statutory items which normally will be covered tentatively in these provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

**A. Procurement**

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed? Yes to the extent possible
2. FAA Sec. 604(a). Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him? Yes
3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the U.S. on commodities financed? N/A
4. FAA Sec. 604(e). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? N/A
5. FAA Sec. 608(a). Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items? The Agreement will so provide.
6. FAA Sec. 603. (a) Compliance with requirement in section 301(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates. The Agreement will so provide.
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? N/A
8. International Air Transport. Fair Competitive Practices Act, 1971. If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available? Yes
9. FY 79 App. Act Sec. 105. Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States? N/A

**B. Construction**

1. FAA Sec. 601(d). If a capital (e.g., construction) project, and engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest? N/A
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A
3. FAA Sec. 620(h). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million? N/A

**C. Other Restrictions**

1. FAA Sec. 122(e). If development loan, is interest rate at least 7 1/2 per annum during grace period and at least 10 per annum thereafter? N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
3. FAA Sec. 620(h). Do arrangements preclude promoting or assisting the foreign aid projects or activities of Communist-bloc countries, contrary to the best interests of the U.S.? Yes

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- 4. FIA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase long-term lease, or exchange of motor vehicle manufactured outside the U.S., or guaranty of such transaction? N/A
  
- 5. Will arrangements preclude use of financing:
  - a. FIA Sec. 104(f). To pay for performance of abortions or to motivate or coerce persons to practice abortions, to pay for performance of involuntary sterilization, or to coerce or provide financial incentive to any person to undergo sterilization? Yes
  
  - b. FIA Sec. 630(g). To compensate owners for expropriated nationalized property? Yes
  
  - c. FIA Sec. 660. To finance police training or other law enforcement assistance, except for narcotics programs? Yes
  
  - d. FIA Sec. 662. For CIA activities? Yes
  
  - e. FY 79 App. Act Sec. 104. To pay pensions, etc., for military personnel? Yes
  
  - f. FY 79 App. Act Sec. 106. To pay U.N. assessments? Yes
  
  - g. FY 79 App. Act Sec. 107. To carry out provisions of FIA sections 209(d) and 251(h)? (Transfer of FIA funds to multilateral organizations for lending.) Yes
  
  - h. FY 79 App. Act Sec. 112. To finance the export of nuclear equipment, fuel, or technology or to train foreign nations in nuclear fields? Yes
  
  - i. FY 79 App. Act Sec. 601. To be used for publicity on propaganda purposes within U.S. not authorized by Congress? Yes

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INITIAL ENVIRONMENTAL EXAMINATION (IEE)

Project Location - Selected Locations throughout Sri Lanka

Project Title - PVO Co-Financing

Funding (\$1,000) - 

<u>U. S.</u>	<u>PVOs</u>	<u>GSL</u>	<u>TOTAL</u>
\$2,500	\$1,250	\$1,250	\$5,000

IEE Prepared by - Clark H. Billings  
Program Officer

Environmental Action Recommended - Negative determination

Mission Director's Concurrences:

  
\_\_\_\_\_

Date: 8-1-79

Assistant Administrator's  
Determination

\_\_\_\_\_  
Date: \_\_\_\_\_

## ANNEX C

### INITIAL ENVIRONMENTAL EXAMINATION

#### 1. Examination of Nature, Scope and Magnitude of Environmental Impacts:

##### A. Description of Project

This Project will provide partial financing for sub-projects to be carried out by U.S. and Sri Lankan private and voluntary organizations (PVO). Sub-projects will consist mainly of small-scale development activities which are relatively simple in design and which lend themselves to expeditious implementation. The kinds of activities envisaged include small-scale rural works, livestock and poultry production, agricultural production, other small-scale rural enterprise, local environmental sanitation, community rehabilitation and development, related training activities, etc.

##### B. Identification and Evaluation of Environmental Impacts:

Most sub-projects will be designed to improve the physical environment. Since the sub-projects will be on small-scale, located throughout the country, and designed to improve the environment, individually and collectively, they will not have a significant adverse impact on the environment. PVO sub-project proposals are required to include brief analysis of impact on environment. These will be reviewed by the USAID Project Committee to insure that the sub-project will not have a negative impact on the environment. Only those sub-projects found to be environmentally sound will be approved by the USAID.

#### II. Recommendation for Environmental Action

This project is considered to have a negative determination.

24183  
 Telephone  
 Telegrams  
 PORAID  
 PORAID  
 Colombo  
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Action	Info
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*AIRP*



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இலங்கை அரசு  
 வெளிநாட்டு வள இயக்ககனம்  
 277, இலங்கை அமைச்சர்

DEPARTMENT OF EXTERNAL RESOURCES

REFERENCE NO. 277-202  
 DATE RECEIVED  
 ACTION



277, இலங்கை அமைச்சர்  
 277, இலங்கை அமைச்சர் (2nd Floor)  
 P. O. Box 277, Colombo 1

22 August 1979

Dear Ms Littlefield,

US Assistance for PVO Co-financing

I am writing to request US A.I.D. for assistance in providing co-financing for the activities of private voluntary organisations in Sri Lanka. I might mention that there has been discussions in this connection between officers of your Mission and the Ministry of Plan Implementation and the Department of External Resources. It is also my understanding that a project document has already been prepared.

I shall be grateful if this request together with the project document is submitted to the concerned authorities for assistance in this connection.

Yours sincerely,

(M.A. Mohamed)  
 Additional Director

Ms S J Littlefield  
 Director U.S. AID  
 American Embassy  
 Colombo 3.



C. IMPLEMENTATION SPANS: THE PID STATES THE SUB-PROJECT IMPLEMENTATION SPANS WILL BE RESTRICTED TO A MAXIMUM OF 24 MONTHS. THE COMMITTEE FEELS THAT PUTTING SUCH A FIXED TIME REQUIREMENT ON THE PVO TO COMPLETE A SUB-PROJECT IS GOOD GUIDELINE TO INSURE PROMPT ACTION AND BETTER MANAGED PROJECTS. HOWEVER, WE ARE CONCERNED THAT SUCH EXACT LANGUAGE IN THE PP WOULD NOT PERMIT EXCEPTIONS (WITHOUT ADDITIONAL PAPERWORK) WHERE THESE MIGHT MAKE SENSE AND WOULD LIMIT MISSION/PVO FLEXIBILITY. EXPERIENCE IN INDONESIA HAS SHOWN THAT OVER HALF THE PROJECTS FUNDED REQUIRED AMENDMENTS TO PERMIT TIME EXTENSIONS BEYOND 24 MONTHS. SUGGEST LANGUAGE BE CHANGED TO USE THE 24 MONTH IMPLEMENTATION SPAN ONLY AS BASIC GUIDELINE, RATHER THAN A MANDATORY PROVISION. APPLICATION COULD BE MADE CASE-BY-CASE, DEPENDING ON SIZE, EXTENT, AND COMPLEXITY OF PROJECT.

D. GSL PROJECT APPROVALS: INDIVIDUAL PROJECT APPROVAL TO BE SECURED BY EACH PVO FROM GSL (APPROPRIATE MINISTRIES PLUS EXTERNAL RESOURCES DIVISION OF MFP) PRIOR TO SUBMISSION TO USAID FOR CO-FINANCING IS NOTEWORTHY. SUGGEST MISSION MAY ALSO WISH TO SECURE GSL CONCURRENCE OF PVO CO-FI PROJECT BY OBTAINING CONCEPTUAL APPROVAL OF PROJECT PAPER.

E. PROJECT DESIGN COSTS: ONE OF THE MAJOR PROBLEMS OF PVO'S ESPECIALLY INDIGENOUS IS OBTAINING FUNDS FOR PROJECT T/S G/C COSTS. USAID/INDONESIA HAS PARTICULARLY FOUND THIS TO BE A PROBLEM. THE COMMITTEE SUGGESTS THAT MISSION CONSIDER SOME SET-ASIDE OF FUNDS WITHIN PROJECT FOR QUOTE PDS-TYPE DESIGN ACTIVITIES AND QUOTE WHICH PRINCIPALLY INDIGENOUS PVOs COULD DRAW DOWN ON AND USE LOCALLY THE SAME WAY THAT PDS FUNDS ARE USED TO PLAN AND DESIGN PROJECTS IN OUR GOVERNMENT TO GOVERNMENT PROGRAMS. THE

COMMITTEE RECOMMENDS THAT NO MORE THAN 10 PERCENT OF ANY OYB CO-FI PROJECT ALLOTMENT BE SET ASIDE FOR THIS PURPOSE. THE COMMITTEE ALSO SUGGESTS THAT THE MISSION CONSIDER APPROPRIATE MEANS FOR DISTRIBUTING SUCH MONIES. ONE POSSIBLE MEANS MIGHT BE A LOCAL ASSOCIATION OF ALL VOLUNTARY AGENCIES TO REVIEW REQUESTS FOR AND RECOMMEND GRANT ALLOTMENTS FOR USE OF THESE PDS-TYPE DESIGN FUNDS. FINALLY, THE COMMITTEE STATED THAT ANY SUCH PDS MONIES SHOULD NOT BE USED FOR INSTITUTION BUILDING PURPOSES BY ANY PVO.

F. PROJECT SELECTION CRITERIA: THERE WAS A CONSENSUS THAT THE SUB-PROJECT SELECTION CRITERIA LISTED ON P. 3 OF PID SHOULD BE EXPANDED IN THE PP TO INCLUDE, INTER ALIA, THE PROJECT'S OBJECTIVES AS STATED ON P. 1 OF THE PID AND OTHER CRITERIA SUCH AS THOSE CONTAINED ON P. 2 OF THE PID. ALTERNATIVELY, EXPANSION OF CRITERIA MIGHT FOLLOW THAT ESTABLISHED IN INDONESIA (SEE PP. 3 AND 4, ANNEX C, INDONESIA CO-FINANCING PP. DTD. 10/77).

ANNEX E

G. REGISTRATION OF PVO'S: THE COMMITTEE WAS SOMEWHAT SURPRISED THAT OVER 24 U.S. PVO'S ARE QUOTE LOCALLY ESTABLISHED AND REGISTERED IN SRI LANKA UNQUOTE. TECHNICAL ASSISTANCE INFORMATION CLEARING HOUSE (TAICH) REPORT OF APRIL 1978 DESCRIBES THE PROGRAMS OF 25 PRIVATE, NON-PROFIT U.S. ORGANIZATIONS WHICH PROVIDE ASSISTANCE TO SRI

LANKA. HOWEVER, NOT ALL OF THESE APPEAR TO BE ESTABLISHED AND/OR REGISTERED IN SRI LANKA. THE PROJECT COMMITTEE SUGGESTS THAT AN ANNEX OF THE PP DESCRIBE HOW U.S. PVO'S ARE REGISTERED IN SRI LANKA AND CONTAIN A BRIEF HISTORY AND PROGRAM SUMMARY OF U.S. PVO'S OPERATING IN SRI LANKA.

H. SUB-PROJECT COSTS: EXPECTED SUB-PROJECT COSTS ARE LISTED ON P. 2 TO BE BETWEEN QUOTE DOLS. 20,000 AND SEVERAL HUNDRED THOUSAND DOLLARS END QUOTE. ON P. 3, THE PID STATES THAT THE AVERAGE PROJECT WILL REQUIRE A U.S. INPUT OF ABOUT DOLS. 100,000. THE COMMITTEE IS CONCERNED THAT THE MISSION APPEARS TO BE PROPOSING TO FUND SUCH RELATIVELY LARGE SUB-PROJECTS. THIS APPEARS TO CONTRADICT USAID'S INTENT TO GIVE PREFERENCE TO SMALL-SCALE DEVELOPMENT ACTIVITIES WHICH, INTER ALIA, WOULD BE RELATIVELY SIMPLE IN DESIGN AND INVOLVE EXPEDITIOUS IMPLEMENTATION. WE WOULD EXPECT SMALLER AND POSSIBLY MORE RESPONSIVE SUB-PROJECTS TO BE PREFERRED, E.G., THOSE NOT EXCEEDING DOLS. 30,000 USG CONTRIBUTIONS. REQUEST LIMITS OF FUNDING BE FURTHER ELABORATED UPON IN PP, INCLUDING UPPER LIMITS ON FUNDING.

I. FUNDING PROVISIONS FOR SUB-PROJECTS: THE COMMITTEE DID NOT COMPLETELY COMPREHEND METHODOLOGY FOR PROPOSED FUNDING OF SUB-PROJECTS DETAILED ON P. 3 OF THE PID. WE ARE CONCERNED ABOUT WHAT WOULD APPEAR TO BE LARGE ADVANCE FUNDING TO PVO'S, THUS TYING-UP RELATIVELY LARGE AMOUNTS OF FUNDS. QUARTER OR SEMI-ANNUAL ADVANCES FOR THE SUB-PROJECTS MIGHT BE ONE SOLUTION. REQUEST THE MISSION ELABORATE ON FUNDING MECHANISM IN THE PP, TAKING INTO CONSIDERATION AGENCY POLICY IN HANDBOOK 13, WHICH INCLUDES TIME LIMITS FOR FUND UTILIZATION, GRANT-IN-AID ABBROGATION CLAUSES, ETC.

J. FUNDING: FX - PARA 2, PAGE 2 OF THE PID STATES THAT PROJECTS WILL QUOTE CONSIST MAINLY OF LOCAL COSTS END QUOTE. PARA 4, P. 2 STATES: QUOTE PROPOSALS WHICH INVOLVE MORE THAN 20 PERCENT IN FOREIGN EXCHANGE COSTS WILL ALSO BE DISCOURAGED END QUOTE. THE PROJECT BUDGET THEN AUTOMATICALLY LISTS 20 PERCENT OF ALL COSTS ATTRIBUTED TO FX COSTS. THE COMMITTEE IS UNCLEAR WHAT KIND OF FX FUNDING IS ENVISIONED. WILL PVO'S BE AUTHORIZED TO EXPAND EXPATRIATE STAFFS (SALARIED WITH FX) TO ASSIST IN IMPLEMENTING THE PROJECT? WHAT ARE THE RESTRICTIONS OF FUNDING EXTRA STAFF BY PVO'S? WE SUGGEST MISSION EXPAND AND ELABORATE ON THIS COMPONENT IN PP TO AVOID CONFUSION AND POSSIBLE MISAPPLICATION OF FUNDS BY PARTICIPATING PVO'S.

K. FUNDING: INDIRECT COSTS - COMMITTEE WAS CONCERNED ABOUT INDIRECT COSTS. SUGGEST PP DISCUSS QUESTION OF PVO OVERHEAD RATES AND ANTICIPATED LIMITATIONS/RESTRICTIONS, IF ANY.

L. PROCUREMENT: THE PROCUREMENT STATEMENT ON P. 5 QUOTE FROM 940 COUNTRIES AND SRI LANKA END QUOTE SHOULD READ QUOTE FROM GEOGRAPHIC CODE 941 COUNTRIES AND SRI LANKA END QUOTE OR QUOTE FROM GEOGRAPHIC 935 COUNTRIES-SPECIAL FREE WORLD END QUOTE, WHICH WILL INCLUDE SRI LANKA. OCEAN SHIPPING AUTHORIZATION SHOULD CONFORM TO NEW AID SHIPPING REGULATIONS PER HANDBOOK 1,B.

M. EVALUATION: SUBJECT PID DOES NOT DISCUSS EVALUATION IN DEPTH. REQUEST FURTHER DISCUSSION IN PP. INCLUDED IN THIS DISCUSSION SHOULD BE (1) STATEMENT THAT MISSION SHOULD SELECTIVELY PARTICIPATE IN PVO SUB-PROJECT EVALUATIONS, AND (2) ARRANGEMENTS FOR AN ANNUAL EVALUATION OF THE ENTIRE PROJECT.

N. POST PP ALLOTMENT: AS MISSION AWARE, FUNDING FOR FY 79 SHELF PROJECTS STILL UNCERTAIN. UPON SATISFACTORY COMPLETION AND APPROVAL OF PP, ASIA/DP WILL ADVISE RE AVAILABILITY OF PROPOSED FY 79 FUNDING LEVEL.

O. APAC: SINCE NO MAJOR CONCEPTUAL ISSUES WERE RAISED, AN APAC MEETING WILL NOT BE NECESSARY. THIS CABLE SERVES AS BUREAU AUTHORIZATION TO PROCEED WITH PP DESIGN.

P. APPROVAL OF PP: PP MAY BE APPROVED BY THE MISSION. PLEASE KEEP US ADVISED OF DEVELOPMENT AND APPROVAL STATUS AND DO NOT HESITATE TO SEEK ADVICE/GUIDANCE IF REQUIRED.  
VANCE



ANNEX F

3. PER REF B, THIS GUIDANCE ON THE TREATMENT OF FUNDING  
TWO ACTIVITIES IN ASIA COUNTRIES IS PART OF THE ASIA  
BUREAU'S EFFORT TO MOVE THE DECISION MAKING, MANAGEMENT  
AND BUDGET RESPONSIBILITY TO ITS FIELD MISSIONS. VANCE  
BT  
#2141

SAMPLE FORMAT

ANNEX G

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

Mr. John Doe  
President  
XYZ, Inc.  
Anywhere, U.S.A.

Subject: Grant No. \_\_\_\_\_

Dear Mr. Doe:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the XYZ, Inc. (hereinafter referred to as "XYZ" or "Grantee") the sum of \$ \_\_\_\_\_ to provide support for a program in \_\_\_\_\_ as more fully described in the attachment to this Grant entitled "Program Description"

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period \_\_\_\_\_ through \_\_\_\_\_.

This Grant is made to the XYZ, Inc., on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description," and Attachment B entitled "Standard Provisions," which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant to the Office of Contract Management.

Sincerely yours,

\_\_\_\_\_  
Grant Officer

Attachments:

1. Program Description
2. Standard Provisions
3. *Statement of Assurance of Compliance*

ACCEPTED:

XYZ, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FISCAL DATA

<i>Appropriation</i>	:	_____
<i>Allotment</i>	:	_____
<i>PIO/T No.</i>	:	_____
<i>Project No.</i>	:	_____
<i>Total Grant Amount:</i>	:	_____

SAMPLE FORMAT  
PROGRAM DESCRIPTION

A. Purpose of Grant

The purpose of this Grant is to *provide support* for a (conference, seminar, report, emergency relief program, etc.).

B. Specific Objectives

The specific objectives of this Grant are as follows: (List the objectives which are being supported by funds provided under the Grant.)

C. Implementation

To achieve the above objectives, the Grantee shall carry out the following activities with funds provided by this Grant:

D. Reporting

(Describe both fiscal and program reporting requirements.)

E. Budget

(The items listed in the budget, including local cost financing items, should relate to the activities listed under paragraph C.)

The funds, including local currency, herein shall be used to finance the following items:

Cost Element (Illustrative)	Total Estimate Cost*		Total Obligated Amount*	
	From ** To **	U.S. \$s   Local Currency	From ** To **	U.S. \$s   Local currency
1. Salaries				
2. Travel				
3. Equipment and material				
4. Participant Costs				
5. Overhead				

\* Use both columns for partially funded grants, otherwise use only one.

\*\* Insert grant effective and completion (or funding) dates.

The Grantee may not exceed the total amount of the Budget, or if partially or incrementally funded, the funds obligated against the Budget. Adjustments among the line items are unrestricted.

F. Special Provisions

*(Use this paragraph to delete inappropriate Statement Provisions by reference and to add special Standard Provisions.)*

G. Overhead Rate(s)

*(Set forth the overhead rate(s), base(s) on which they apply, and the period(s) they cover, as provided in the appropriate Standard Provision.)*

H. Title to Property

*(Specify to whom title will vest for property, by category if appropriate.)*

SUB-PROJECT PROPOSAL FORMAT

PART I - THE PROJECT

- A. Background
- B. Project Description
- C. Relationship to GSL Development Objectives

PART II - ANALYSES

- A. Economic
- B. Social Beneficiaries
- C. Technical
- D. Administrative Feasibility
- E. Environmental Concerns

PART III - IMPLEMENTATION PLAN

PART IV - FINANCIAL PLAN AND BUDGET

ANNEXES (If Any)

ANNEX I

LIST OF U.S. PVOS OPERATING IN SRI LANKA

Agricultural Development Council	7
AFL-CIO Asian-American Free Labor Institute	7
Association for Voluntary Sterilization, International Project	8
+ CARE	8
Catholic Medical Mission Board	9
Catholic Relief Services - United States Catholic Conference	9
Christian Children's Fund	9
Christian National's Evangelism Commission	10
Darien Book Aid Plan	11
Farms	11
The Ford Foundation	11
Freedom House	11
National 4-H Council	12
Planned Parenthood Federation of America, Family Planning International Assistance	12
Population Services International	13
Salesians of St. John Bosco	13
+ The Salvation Army	13
+ Seventh-Day Adventist World Service	14
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World University Service, U.S. Committee	15
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+ Young Men's Christian Association of the United States	17
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+ Member of the American Council of Voluntary Agencies for Foreign Service, Inc.	

Extract from "Development Assistance Programs of U.S. Non-Profit  
Organizations — Sri Lanka, April, 1978"

Prepared by TAICH (Technical Assistance Information Clearing House).

ANNEX I

AGRICULTURAL DEVELOPMENT COUNCIL, INC.  
1290 Avenue of the Americas, New York, New York 10019 - (212) 765-3500

Address in Sri Lanka: c/o University of Sri Lanka, Peradeniya  
Dr. Nancy E. Waxler, Specialist,  
Faculty of Agriculture

EDUCATION: Supports a sociologist staff member who works jointly with the Department of Agricultural Economics and Extension within the Faculty of Agriculture and with the Sociology Department of the University of Sri Lanka at Peradeniya. Activities are aimed primarily at upgrading faculty skills, both in teaching and in research areas. During the year five individuals were supported by means of graduate study fellowships, four at universities in Asia and one in the U.S. Through its network of regional activities in Asia, draw on the special interests and skills of social scientists in Sri Lanka in a variety of seminars, workshops, and other activities designed to increase the communication among social scientists throughout South and Southeast Asia. These activities are aided by a grant from the International Development Research Centre of Canada. Also, circulates among the social science community of Sri Lanka various seminar and workshop reports, reprints and other materials relevant to teaching and research needs in the country.

FOOD PRODUCTION & AGRICULTURE: Provides small grants to enable particular individuals to carry out research for which local funding is not available. Recent grants have focused on such problems as constraints to production, particular commodity marketing and trade problems, rural credit and finance, and extension.

PERSONNEL: 1 U.S.

PROGRAM INITIATION: 1963.

FINANCIAL DATA: Expenditures for CY 1977: \$45,000.

COOPERATING GOVERNMENTS & ORGANIZATIONS: Government of Sri Lanka, Ministry of Agriculture, Department of Agricultural Economics; Agrarian Research and Training Institute; Central Bank Research Department; Marga Research Institute; University of Sri Lanka.

(Program information received November 1977)

AFL-CIO (AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS)  
Asian-American Free Labor Institute  
815 16th Street, N.W., Washington, D.C. 20006 -- (202) 737-3000

EDUCATION: Conducts courses in trade union education, leadership development, cooperative development and collective bargaining, along with special projects in labor development.

PROGRAM INITIATION: 1974.

COOPERATING ORGANIZATIONS: All Ceylon Federation of Free Trade Unions, Ceylon Workers Congress, Independent Harbor Workers Union, Union of Postal and Telecommunications Officers.

(Program information received December 1977)

ASSOCIATION FOR VOLUNTARY STERILIZATION, INC., INTERNATIONAL PROJECT  
708 Third Avenue, New York, New York 10017 -- (212) 986-3880

POPULATION & FAMILY SERVICES: Gave a grant of \$14,000 for 6/1/77 - 5/31/78 to the University of Sri Lanka, Peradeniya, to establish a headquarters for a national association for voluntary sterilization and encourage model projects; to promote public and private interest in voluntary sterilization and to make such services available to those who want it. The grant will also enable participating with governmental and non-governmental organizations, review of policies and laws regarding voluntary sterilization and promotion of favorable legislative measures as well as preparation of information and educational materials for public distribution. Made available a grant of \$20,700 for 7/1/77 - 6/30/78 to the Family Planning Association, Colombo, to initiate a female voluntary sterilization program at the Maternity House, Colombo, to perform female procedures and to train 10 physicians in the mini-laparotomy technique.

FINANCIAL DATA: Total value of grants for 6/1/77 - 6/30/78: \$ 4,700.

(Program information received January 1978)

+ CARE, INC.

660 First Avenue, New York, New York 10016 -- (212) 686-3110

Address in Sri Lanka: P.O. Box 1024, Colombo  
Tel. 20894, 20895, 23397  
William Schellstede, Country Director

During FY ending 6/30/78, CARE is supporting the following projects:

FOOD PRODUCTION & AGRICULTURE: Design and production of Thripasha, an indigenous high protein cereal product for consumption by vulnerable groups throughout Sri Lanka. Currently, approximately 25% of the Thripasha will come from local foods provided by the Government, ultimately this will be 100%. Thripasha consists of PL 480 Instant Corn Soy Milk, 20% local cereal input and 5% local soybean. Approximately 450,000 pre-school children, primary school children, and pregnant/lactating mothers are provided with Thripasha. Nutrition education is a project component. The project is being implemented with the Ministry of Health. Is also involved in efforts to increase the production of soybeans and the consumption of soybean foods among lower income and vulnerable groups. As part of a larger soybean development program which includes cultivation of soybeans, a pilot soybean research demonstration facility will be established. The building which will be constructed by the Department of Agriculture will be equipped by CARE and UNICEF. Research into home processing will be conducted. Recipes and home processing equipment will be developed. Demonstration new soy foods to agricultural instructors will commence. A newsletter, pamphlets, and educational posters will be distributed. This project is being implemented with the Ministry of Agriculture, the International Soy Bean Program of the University of Illinois (INTSOY), and UNICEF.

MEDICINE & PUBLIC HEALTH: Distribution of biscuits or buns made from PL 480 foods to approximately 950,000 primary school children. Up to 100,000 of the more severely malnourished of these children also receive Thripasha. Nutrition education is a component of the project which is being implemented with the Ministry of Education. Supports the supplementary feeding programs by providing education services at schools, health centers, and estates. Health cards and media materials including posters, slides and slogans are designed, printed and distributed. Weighing scales are provided to 1,000 clinics through the Thripasha program to identify the children in greatest need of nutrition assistance and evaluate the impact of the program. The project is being implemented with the Ministries of Health and Education.

ANNEX I

(continued)

PERSONNEL: 5 international, 9 local.

FINANCIAL DATA: Value of CARE Program during FY 1977: \$7,201,302.

(Program information received January 1978)

CATHOLIC MEDICAL MISSION BOARD, INC.

10 West 17th Street, New York, New York 10011 -- (212) 242-7757

MEDICINE & PUBLIC HEALTH: In CY 1976 provided medical goods valued at \$41,116 to applicants operating medical facilities throughout Sri Lanka.

FINANCIAL DATA: Expenditures during CY 1976: \$41,116.

(Program information received October 1977)

+ CATHOLIC RELIEF SERVICES - UNITED STATES CATHOLIC CONFERENCE

The Catholic Center

1011 First Avenue, New York, New York 10022 -- (212) 838-4700

Address in Sri Lanka: Social and Economic Development Centre  
133 Kynsey Road, Colombo 8  
Rev. Joseph Fernando

Assists primarily with financial support to human development programs and projects presented for evaluation and consideration by the individual project holders, with the endorsement of the Social and Economic Development Centre (SED) in Sri Lanka through which CRS funding and assistance activities are coordinated.

COMMUNITY DEVELOPMENT: Provided \$12,500 as general support for the Tamil Community Development Program of SED which assists over 400 Tamil families in Sri Lanka with housing and life support facilities (potable water, sanitation, irrigation).

EDUCATION: Provided \$6,000 to the Kandy Diocese in support of Diocesan schools.

FOOD PRODUCTION & AGRICULTURE: Sent \$2,385 to the national office of SED to train the youth of Moneragala in animal husbandry, agriculture and rural development. Also sent \$11,000 in support of a fishing cooperative in Chilaw.

SOCIAL WELFARE: Gave \$2,000 to the Diocese of Chilaw for assistance to poor families and \$2,418 in support of a center for the physically handicapped in Ceysawl.

PROGRAM INITIATION: 1967.

FINANCIAL DATA: Project grants for CY ending 6/30/77: \$36,303.

COOPERATING ORGANIZATION: Social and Economic Development Centre.

(Program information received January 1978)

+ CHRISTIAN CHILDREN'S FUND  
203 East Cary Street, Richmond, Virginia 23261 -- (804) 644-4654

Program in Sri Lanka is administered from field office in India:

P.O. Box 5054, 33 Museum Road  
Bangalore 560001, Karnataka  
Tel. 52157  
Christopher Gojer, Field Representative

Through a sponsorship program, assists with care and education of 765 children living in seven affiliated institutions as described below:

EDUCATION: Helps to fund two boarding schools in Jaffna which provide elementary and high school education.

SOCIAL WELFARE: Provides funds for three homes for orphans and neglected children in Colombo, Kandy and Nuwara Eliya. Also helps to fund two schools and rehabilitation centers for blind and deaf children in Colombo.

PERSONNEL: No CCF personnel. The sponsorship program is operated by CCF field staff in India. Each institution is independently run and has its own staff.

PROGRAM INITIATION: 1957.

FINANCIAL DATA: Expenditures for FY ending 6/30/77: \$66,387  
Budget for FY ending 6/30/78: \$67,000.

COOPERATING GOVERNMENT & ORGANIZATIONS: Government of Sri Lanka, Anglican Church of Sri Lanka, Salvation Army.

(Program information received September 1977)

CHRISTIAN NATIONALS' EVANGELISM COMMISSION, INC.  
1470 N. Fourth Street, San Jose, California 95112 -- (408) 298-0956

Address in Sri Lanka: 125/82 Peterson Lane, Colombo 6  
Rev. Cecil Siriwardene

EDUCATION: Supports a youth training program for job placement in Colombo.

PERSONNEL: 5 local.

PROGRAM INITIATION: 1970.

FINANCIAL DATA: Expenditures for CY 1976: \$20,000  
Budget for CY 1977: \$10,000.

(Program information received November 1977)

ANNEX I

DARIEN BOOK AID PLAN, INC.  
1926 Post Road, Darien, Connecticut 06820 -- (203) 655-2777

Ships donated books upon request to libraries, schools, universities, teachers, reading clubs, Peace Corps Volunteers, etc.

EQUIPMENT & MATERIAL AID: During the fiscal year ending 4/30/77, shipped 625 pounds of books to schools and individuals.

(Program information received August 1977)

FARMS, INC.  
123 West 57th Street, New York, New York 10019 -- (212) 246-9692

Address in Sri Lanka: The Vicarage  
Freeman Mawatha, Anuradhapura  
Rev. Arnold Mendis

FOOD PRODUCTION & AGRICULTURE: Through a general agricultural program under the direction of a local board of directors and Christian nationals, provides the means for food production and on-the-job training to families for horticulture, poultry and dairy projects.

PERSONNEL: 2 local (1 project manager, 1 general director).

FINANCIAL DATA: Expenditures for FY ending 5/31/77: \$ 6,000  
Budget for FY ending 5/31/78: \$12,000.

(Program information received March 1978)

THE FORD FOUNDATION  
320 East 43rd Street, New York, New York 10017 -- (212) 573-5000

Program in Sri Lanka is administered from office in India:

55 Lodi Estate  
New Delhi 110003  
Eugene S. Staples, Representative

ECONOMIC & DEVELOPMENT PLANNING: In FY 1976 a grant of \$88,000 was given to the Marga Institute in Colombo, for support of library development, staff training, research, and operational expenses for the Institute's consultative board.

(Program information received October 1977)

FREEDOM HOUSE, INC.  
20 West 40th Street, New York, New York 10018 -- (212) 730-7744

EQUIPMENT & MATERIAL AID: Through the Freedom House/Books USA program, ships books to selected individuals, schools, libraries and special groups. During CY 1976, sent 560 pounds of books to recipients in Sri Lanka.

(Program information received August 1977)

**NATIONAL 4-H COUNCIL**

**7100 Connecticut Avenue, Washington, D.C. 20015 -- (202) 656-9000**

Address in Sri Lanka: c/o Young Farmers' Clubs  
Department of Agriculture (Extension)  
Peradeniya  
E. H. W. Jayasekera, Director of Agricultural  
Extension

**COMMUNITY DEVELOPMENT:** Provides special study and training opportunities for youth program professionals, including communications, program planning, leadership and citizenship development, as well as food production and agriculture. Also sponsors a Youth Development Project through which U.S. delegates work with counterparts in the host country for one year to expand and further develop the 4-H-type program.

**EDUCATION:** Sponsors two-way exchange which provides opportunities for young people and professionals to exchange ideas with 4-H-type organizations in other countries, develop an understanding of their own and other cultures, and make a contribution to international development understanding. Programs include the International Four-H Youth Exchange (IFYE), a three to six-months opportunity to live with host families and observe and participate in 4-H and similar activities, and the Professional Rural Youth Leader Exchange (PRYLE), a three to four-months opportunity for professional leaders to study the 4-H-type program in the host country.

**PERSONNEL:** Local staff only.

**PROGRAM INITIATION:** 1961.

**COOPERATING GOVERNMENTS & ORGANIZATIONS:** Government of Sri Lanka, Department of Agriculture; U.S. Government, Department of Agriculture U.S. Cooperative Extension Service; Department of State, Department of Labor, State 4-H Foundations and non-profit host organizations in the U.S.

(Program information received November 1977)

**PLANNED PARENTHOOD FEDERATION OF AMERICA, INC.**  
Family Planning International Assistance  
**810 Seventh Avenue, New York, New York 10019 -- (212) 541-7800**

**POPULATION & FAMILY SERVICES:** Gave a grant of \$39,300 for 1/1/77 - 3/1/78 to Development Services International of Sri Lanka for a project which supports an advertising campaign to make the public aware of the benefits of breast feeding and child spacing. Also gave a grant of \$6,322 for 7/1/77 - 7/31/78 to the UMCA of Sri Lanka in support of a community family planning and family health program in Batticaloa.

**FINANCIAL DATA:** Grants for 1/1/77 - 7/31/78: \$45,622.

(Program information received January 1978)

ANNEX I

POPULATION SERVICES INTERNATIONAL

110 East 59th Street, Suite 1019, New York, New York 10022 -- (212) 688-2445

POPULATION & FAMILY SERVICES: In 1977 funded a project to assess interrelationships between family planning and infant nutrition variables. The experiment will assist development planners in ascertaining the degree to which nutrition and family planning are complimentary.

PROGRAM INITIATION: 1977.

COOPERATING ORGANIZATION: Columbia University Center for Food Studies.

(Program information received November 1977)

SALESIANS OF ST. JOHN BOSCO

Salesian Missions

143 Main Street, New Rochelle, New York 10801 -- (914) 633-8344

Address in Sri Lanka: Don Bosco High School  
22 Don Bosco Mawatha, Negombo  
Rev. John Lens, S.D.B., Provincial

U.S. Salesians provide financial assistance and some personnel to the International Salesian Society, which finances and administers the following projects:

EDUCATION: Operation of a secondary school, a trade school and evening classes for adults in Negombo.

SOCIAL WELFARE: Operation of a boys' club offering recreational facilities, counseling and night classes in Negombo.

PERSONNEL: 4 international, 5 local.

PROGRAM INITIATION: 1962.

(Program information received November 1977)

+ THE SALVATION ARMY

120 West 14th Street, New York, New York 10011 -- (212) 243-8700

Address in Sri Lanka: P.O. Box 193, 2 Union Place, Colombo 2  
Colonel Eva Burrows

The Salvation Army in the U.S.A. provides financial assistance to the following projects operated by the international organization:

SOCIAL WELFARE: Home for boys and the men's social service center at Rajagiriya; home for girls at Dehiwala; women's and children's homes in Jaffna and Batticaloa; homes for delinquent boys, Jaffna and Batticaloa; young women's hostel, elderly women's home and The Haven, a women's and children's home, all in Colombo; girls' and unmarried mothers' home at Kaithady, Jaffna District.

PROGRAM INITIATION: 1883.

COOPERATING GOVERNMENT & ORGANIZATIONS: Government of Sri Lanka gives grants to children's homes, Christian Children's Fund, Help the Aged Fund (U.K.) Oxfam (U.K.).

(Program information received November 1977)

+ SEVENTH-DAY ADVENTIST WORLD SERVICE, INC.  
6840 Eastern Avenue, N.W., Washington, D.C. 20012 -- (202) 723-0800

Address in Sri Lanka: 7 Alfred House Gardens, Colombo  
P.O. Box 1253, Colombo  
B. A. Dodd, Representative

EQUIPMENT & MATERIAL AID: Providing assistance to individuals displaced by the Tami Singhalese conflicts.

MEDICINE & PUBLIC HEALTH: Supports the Lakeside Medical Centre in Kandy which is operated by the Seventh-Day Adventist Church.

FUTURE PLANS: Studying possible cooperation with the Government in the resettlement of villages.

PROGRAM INITIATION: 1950.

FINANCIAL DATA: Expenditures for CY 1977: \$97,296.

(Program information received January 1978)

STELIOS M. STELSON FOUNDATION, INC.  
P.O. Box 8535, State Street Station, Columbus, Ohio 43215 -- (614) 221-1354

EQUIPMENT & MATERIAL AID: Ships medical supplies and clothing to schools and clinics throughout Sri Lanka upon request.

PROGRAM INITIATION: 1968.

(Program information received November 1977)

UNITED METHODIST COMMITTEE ON RELIEF  
475 Riverside Drive, New York, New York 10027 -- (212) 678-6161

EQUIPMENT & MATERIAL AID: In CY 1977 made a \$10,000 grant to the Sri Lanka Small Grants Fund which is a block grant of funds established by the National Council of the YMCA and the Sri Lanka Freedom From Hunger Campaign. Priorities for these funds include food production, marketing, storage, non-formal education in agricultural vocational techniques, literacy, health, nutrition, family planning, and the organization of producer's cooperatives.

PROGRAM INITIATION: 1977.

FINANCIAL DATA: Expenditures for CY 1977: \$10,000  
Budget for CY 1978: \$22,000 TOTAL  
Small grants fund - 10,000  
YMCA Training Center - 12,000.

COOPERATING ORGANIZATIONS: CODEL, Sri Lanka Freedom From Hunger Campaign, YMCA in Sri Lanka, (are cooperating in the Small Grants Fund).

(Program information received March 1978)

ANNEX I

WORLD NEIGHBORS, INC.

5116 North Portland Avenue, Oklahoma City, Oklahoma 73112 -- (405) 94-3333

Program in Sri Lanka is administered from regional office in Nepal:

P.O. Box 916, Kathmandu  
Thomas L. Arens

FOOD PRODUCTION & AGRICULTURE: Self-Employment Program in Rural Areas (SEPPA) was started as a pilot project in 1974 by World Neighbors and the YMCA's of Sri Lanka in an attempt to solve unemployment among youth and to utilize land provided for settlement by the Government. The pilot program at Mirigama has now been extended to two other areas, Ramburkkana and Matale, and includes a total of 54 participants. The program includes training in agriculture and animal husbandry as well as credit arrangements with local banks for the purchase of necessary tools and materials. The goal of the program is to increase food production and to enable each participant to become self-sufficient on his own land. Also provides a stipend for the Assistant Development Secretary, transportation and program expenses for fodder demonstrations, rabbits, seedlings, etc.

PERSONNEL: 1 local.

PROGRAM INITIATION: 1973.

FINANCIAL DATA: Expenditures for FY ending 6/30/77: \$3,798  
Budget for FY ending 6/30/78: \$ 668.

COOPERATING ORGANIZATIONS: Oxfam (U.K.), People's Bank (Sri Lanka), World Alliance of YMCA's.

(Program information received November 1977)

WORLD REHABILITATION FUND, INC.

400 East 34th Street, New York, New York 10016 -- (212) 679-3200

MEDICINE & PUBLIC HEALTH: In CY 1977 provided fellowships to three trainees for a five-month basic prosthetic/orthotic course in India. Has offered similar fellowships for CY 1978. Allocated \$20,000 to assist in strengthening and expanding prosthetic/orthotic workshops in Sri Lanka.

FINANCIAL DATA: Expenditures for CY 1977 include an allocation of \$20,000.

(Program information received February 1978)

WORLD UNIVERSITY SERVICE, INC., U.S. Committee

20 West 40th Street, New York, New York 10018 -- (212) 840-7337

Address in Sri Lanka: 202 Baudhaloka Mawatha, Colombo 7  
Mailing: P.O. Box 1406, Colombo  
Prof. Lakshman S. Perera, Chairman

The U.S. Committee of WUS contributes funds to the International Secretariat in Geneva, which coordinates and supports projects implemented by national committees and local chapters.

(continued)

**EDUCATION:** In order to provide facilities for the development of a system for youth and adult education, the Sri Lanka WUS Committee established a Community Education Institute in Colombo. The objectives of the Institute are to provide educational opportunities for those who have no access to formal education institute, to organize job-oriented general science courses for unemployed youth and adults, and to popularize the cooperative movement in socio-economic development. The institute includes four youth and adult education centers, two in Colombo and two in rural areas, coordinating councils for youth and adult education at the district level, and a training and research center.

**PROGRAM INITIATION:** 1970.

**COOPERATING GOVERNMENT & ORGANIZATION:** Government of Sri Lanka, Youth and Social Welfare Department of the Ministry of Education; University of Sri Lanka.

(Program information received April 1978)

**WORLD VISION RELIEF ORGANIZATION**

919 West Huntington Drive, Monrovia, California 91016 -- (213) 357-1111

Address in Sri Lanka: 32 Lauries Road, Colombo 4  
Tel. 81447  
B.E. Fernando

**COMMUNITY DEVELOPMENT:** Provides 15 rural villages with assistance in improving food production and marketing, living and sanitation conditions, education and nutrition for children, and the overall ability to become self-reliant.

**FOOD PRODUCTION & AGRICULTURE:** Provides assistance in farming methods and provides basic farm equipment to 1,000 families. Is assisting eight families to become self-reliant by supplying nets and four small fishing boats.

**INDUSTRIAL DEVELOPMENT:** Is establishing a work center to produce spices and condiments for local sale.

**SOCIAL WELFARE:** Provides assistance to 750 displaced persons through feeding programs, shelter improvements and sanitation upgrading.

**PERSONNEL:** 1 local (country director).

**PROGRAM INITIATION:** 1976.

**FINANCIAL DATA:** Expenditures for FY ending 9/30/77: \$5,000\*  
Budget for FY ending 9/30/78: \$95,027\*

\* World Vision Relief Organization is the relief and development arm of World Vision International. The expenditure and budget figures provided are for World Vision Relief Organization and World Vision International.

**COOPERATING ORGANIZATIONS:** Roman Catholic Church, United Methodist Church, YWCA.

(Program information received November 1977)

ANNEX I

+ YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE UNITED STATES  
International Division of the National Board  
291 Broadway, New York, New York 10007 -- (212) 349-0700

Address in Sri Lanka: The National Council of the YMCA's of Sri Lanka  
P.O. Box 381, Colombo 1  
Boyd I. Peraraz, National General Secretary

The International Division of the U.S. National Board of YMCA's supports the following program of the World Alliance of YMCA's in Sri Lanka:

FOOD PRODUCTION & AGRICULTURE: An agricultural training school at Paranthan and a rural extension program in the Mirigama area.

POPULATION & FAMILY PLANNING: A family planning and family health care program in the rural area of Batticaloa.

SOCIAL WELFARE: Provides the services of a World Service Worker for the National Council of Sri Lanka. Gives specific grants to aid special efforts in the fields of youth work, leadership training and social welfare. Periodically sends specialists to work on short-term development projects with the National Council of the YMCA's of Sri Lanka and brings local YMCA leaders to the U.S. for training.

PERSONNEL: 1 U.S., 25 local professionals, 1000 local volunteers.

PROGRAM INITIATION: 1896.

COOPERATING ORGANIZATION: National Council of the YMCA's of Sri Lanka.

(Program information received February 1978)

This chart provides a quick reference summary of the development assistance activities of the organizations included in this report. "PP" indicates a proposed program, a dot indicates a current program.

AGENCIES	Communications	Community Development	Construction, Housing & Planning	Cooperatives, Credit Unions & Loans	Economic & Development Planning	Education	Equipment & Material Aid	Food Production & Agriculture	Industrial Development	Medicine & Public Health	Nutrition	Population & Family Services	Public & Business Administration	Social Welfare	Women	Youth
Agricultural Development Council, Inc.					●		●									
Asian-American Free Labor Institute					●			●								
Association For Voluntary Sterilization, Inc.												●				
CARE, Inc.					●		●		●	●					●	
Catholic Medical Mission Board, Inc.							●			●						
Catholic Relief Services	●	●			●		●							●		
Christian Children's Fund					●									●		
Christian Nationals' Evangelism Commission, Inc.					●											
Darien Book Aid Plan, Inc.							●									
Farms, Inc.								●								
The Ford Foundation				●												
Freedom House, Inc.					●	●										
National 4-H Council	●				●											
Planned Parenthood of America												●			●	
Population Services International										●		●				
Salesians of St. John Bosco					●									●		

DRAFT

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

PART II

Name of Country: SRI LANKA

Name of Project: PVO CO-FINANCING

Number of Project: 383-0060

Pursuant to Part 1, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a Grant to the Democratic Socialist Republic of Sri Lanka the "Cooperating Country" of not to exceed five hundred twenty three thousand United States Dollars (\$523,000) the ("Authorized Amount") to help in financing certain foreign exchange and local currency costs of goods and services required for the project as described in the following paragraph.

The project will use the management expertise of locally established indigenous and US private voluntary agencies (PVO) in collaborative endeavors with local communities to conceive, design, implement and evaluate those self-help activities needed by the people (hereinafter referred to as the "Project").

I approve the total level of A.I.D. appropriated funding planned for this project of not to exceed two million five hundred thousand United States Dollars (\$2,500,000), (Grant) including the funding authorized above, during the period FY 1979 through FY 83. I approve further increments during that period of Grant funding up to \$2,000,000 subject to the availability of funds, in accordance with A.I.D. allotment procedures.

I hereby authorize the initiation of negotiation and execution of the Project Agreement in accordance with A.I.D. regulations and Delegations of Authority subject to the following and such other terms and conditions as A.I.D. may deem appropriate:

Source and Origin of Goods and Services

Except for Ocean Shipping, goods and services financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or in the United States except as A.I.D. may otherwise agree in writing.

Signature

S.J.Littlefield  
Director, USAID/Sri Lanka