

AD-PPW-391 L-2
10-52019

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

PROJECT PAPER (PP) SUPPLEMENT

SRI LANKA - PVO CO-FINANCING

383-0060

DECEMBER 1983

UNCLASSIFIED

PROJECT PAPER FACESHEET

C

A = ADD
C = CHANGE
D = DELETE

PP

2. DOCUMENT CODE
3

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. ESTIMATED FY OF PROJECT COMPLETION: FY 89

9. ESTIMATED DATE OF OBLIGATION: A. INITIAL FY 1719, B. QUARTER 4, C. FINAL FY 1817 (Enter 1, 2, 3, or 4)

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)

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	5,983	6,483
(GRANT)	110	413	523	500	5,983	6,483
(LOAN)						
OTHER U.S. 1. PVOs	134	170	304	750	2,500	3,250
OTHER U.S. 2.						
HOST COUNTRY		16	16		3,250	3,250
OTHER DONOR(S)						
TOTALS	244	599	843	1,250	11,733	12,983

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE				H. 2ND FY 84		K. 3RD FY 85	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) FN	200 B			900		200		402	
(2) PH				724		100		100	
(3) EH				516		143		200	
(4) ST				300		500		500	
TOTALS				2,440		943		1,202	

A. APPROPRIATION	N. 4TH FY 86		O. 5TH FY 87		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULE: MM YY
	D. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) FN	498		500		2,500		10/16/816
(2) PH	100		200		1,224		
(3) EH	100		-		959		
(4) ST	200		300		1,800		
TOTALS	898		1,000		6,483		

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

2 YES

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE: *S. J. Littlefield*

TITLE: S. J. LITTLEFIELD, DIRECTOR

DATE SIGNED: MM DD YY 11 23 08 3

15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W. DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

2

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 C A = ADD
 C = 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 C = PRP
 3 = PP

B. DATE 07/7/9

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 =)

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		2,500
B. OTHER	IPVOS	1,250
	U.S.A.	
C. HOST COUNTRY		1,250
D. OTHER DONOR(S)		
TOTAL		5,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY 7/9 b. FINAL FY 8/3

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	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 FOR AID/W, OR FOR AID/W DOCUMENT DATE OF DISTRIBUTION

December 30, 1983

ACTION MEMORANDUM FOR THE DIRECTOR

THROUGH: William P. Schoux, Deputy Director
FROM: N. Mahesan, PVO Officer
SUBJECT: Project Paper (PP) Supplement No. 1 -
PVO Co-financing Project (383-0060)

Problem: Your approval of attached PP Supplement is required.

Discussion: The USAID, in Colombo 6482 and 7364, requested authority to approve a PP Supplement and authorize a \$4.043 million increase for this grant project and an extension of the PACD to August 29, 1989. By State 333521, dated November 22, 1983, the Assistant Administrator for Asia (AA/ASIA) re delegated authority to the Director, USAID/Sri Lanka, to approve PP Supplement No. 1 to the PVO Co-financing Project (383-0060) and to amend the project authorization for a new total authorization of \$6.483 million.

Recommendation: That you approve this PP Supplement No. 1 to the PVO Co-financing Project by signing on the PP Facesheet and the attached Project Authorization Amendment.

Approved: _____

Disapproved: _____

Date: _____

Attachments: as stated

Clearances: JMiller:PO _____

RMSingleton:PDSP _____

AShapleigh:PDSP _____

ASchantz:CONT _____

AID:PRO:PVO:NMahesan:js

C

PROJECT AUTHORIZATION AMENDMENT

Sri Lanka

PVO Co-financing
AID Project No. 383-0060

The PVO Co-financing Project was authorized on August 27, 1979, with life-of-project funding of \$2,500,000 in grant funds.

Pursuant to Sections 103, 104, 105 and 106 of the Foreign Assistance Act of 1961, as amended, and ad hoc delegation of authority from the Assistant Administrator for Asia, the Project Authorization is hereby amended as follows:

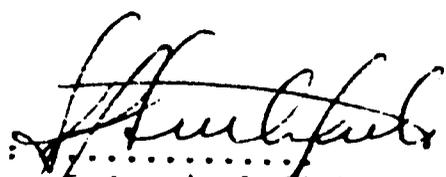
(a) To increase planned obligations from not to exceed \$2,500,000 to not to exceed \$6,483,000 in grant funds, subject to the availability of funds in accordance with the AID OYB/allotment process; and

(b) To extend the PACD from August 31, 1985 to August 29, 1989.

The Project Authorization cited above remains in full force and effect except as hereby amended.

Clearances:

	<u>Initial</u>	<u>Date</u>
NMahesan:PRO/Drafting Officer	MA.....	12/30..
JMiller:Program Officer	12/30..
RMSingleton:Chief, PDSP	12/30..
ASnapleign:PDSP	12/30..
ADScnantz:Controller	12/30..
APScnoux:Deputy Director

Signature: 
S.J. Littlefield
Director
USAID/Sri Lanka

Date: Dec 30 - 83

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PROJECT PAPER SUPPLEMENT

TITLE: PVO CO-FINANCING (383-0060)

I. RECOMMENDATIONS:

Amend the project to increase funding and extend the Project Assistance Completion Date (PACD) as follows:

A. <u>Increase (by FY):</u>	\$0.943 million grant - FY 1984 \$1.202 million grant - FY 1985 \$0.898 million grant - FY 1986 \$1.000 million grant - FY 1987
B. <u>Total Increase:</u>	\$4.043 million grant
C. <u>New Life-of-Project Total:</u>	\$6.483 million grant
D. <u>Current PACD:</u>	August 31, 1985
E. <u>Revised PACD:</u>	August 29, 1989

II. SUMMARY PROJECT DESCRIPTION:

The purpose of the project remains as stated in the original Project Paper (PP) namely to enhance the opportunity of local communities to participate in their own development by assisting indigenous and U.S. Private Voluntary Organizations (PVOs) in undertaking collaborative activities which improve the lives of the poor.

The eight major objectives of the 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 indigenous PVOs to effectively collaborate with local communities in conceiving, undertaking, implementing, and evaluating developmental activities.
3. To increase the participation of women and disadvantaged segments of society in developmental activities which address problems peculiar to their socio-economic status.
4. To create employment opportunities and raise incomes of the rural poor.
5. To promote private enterprise.

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 community-based, integrated, rural development on a self-sustaining basis.

The implementation mechanism for the project consists of annual lump sum obligations of grant funds to the Government of Sri Lanka (GSL) followed by sub-project grants to Sri Lanka and U.S. PVOs. To date a total of sixteen grants have been made (one subsequently cancelled) to eleven different PVOs, of which seven are Sri Lanka, three U.S., and one a joint Sri Lanka-U.S. grantee (See Table I). The selection criteria for grant approvals have in practice conformed closely to the process outlined in the original PP with the PVO applicants submitting proposals through the concerned GSL ministries to USAID for approval/disapproval.

The original PP should be referred to for a complete description of the project, its accompanying economic, social, technical and administrative feasibility analyses, and other design dimensions.

III. JUSTIFICATION FOR PROJECT PAPER SUPPLEMENT:

AID Handbook 13 requires a PP Supplement to justify project modifications including increases in project funding, extension of PACDs, or substantive changes in project design. The analytical detail presented in the PP Supplements will vary from case to case depending on the nature of the changes. In the present case, the original PP approved on August 6, 1979 for the PVO Co-financing project, including the purpose statement and objectives reiterated above, remains essentially unchanged, except for the addition of the promotion of private enterprise as one of the objectives. Only those sections of the PP where specific modifications are needed, most notably the Evaluation Plan, are treated herein under Part IV, Revisions to Original PP.

The PP Supplement recommends an add-on or continuation of the project for an additional four years and a 166% increase in funding. A sizable portion of the FY 1984/85 funding is intended to support rehabilitation efforts of PVOs necessitated by the recent communal disturbances in Sri Lanka. The basic change is an increase in the level of effort which will approximately double the number of PVO grants approved during the revised life-of-project.

The justification for the PP Supplement is based on four factors:

1. The positive accomplishments of the project to date, as evidenced by a comprehensive evaluation completed in April 1983 (summarized below);

2. Continuing need and demand for the project;

3. USAID's ability to manage the project at an increased workload level; and

4. USAID's ability to revise and the PVOs' ability to implement an improved data collection system essential to evaluation of sub-project accomplishments (the principal weakness of the project uncovered by the evaluation - see Section IV.B.).

A. Accomplishments to Date:

A comprehensive evaluation of all project activities was completed in April 1983 by a team consisting of Mr. Robert Craig, AID/Washington (team leader); Ms. A.J. Liyanage, GSL Ministry of Plan Implementation; Mr. E. Siribadhana, GSL Ministry of Finance and Planning; Mr. N. Mahesan, USAID/Sri Lanka PVO Officer; and Mr. Donald B. Clark, USAID/Sri Lanka Assistant Project Development Officer. Eleven sub-project grants were examined, as were USAID/GSL procedures for sub-project selection, monitoring and evaluation, and overall project management. The findings, conclusions and recommendations of the evaluation team are reproduced below:

1. Findings:

In general, the evaluation found that the project has performed well in directly addressing the poor majority in Sri Lanka as well as responding to GSL and USAID desires to involve PVOs in development at local levels. At the point of the evaluation, four of the eleven total sub-projects were completed, five were under implementation and two had not yet commenced. This provided a useful view of sub-projects in varying stages of implementation. Although a lack of substantive data in PVO-conducted evaluations hampered the team's ability to identify accurate cost/benefit ratios or beneficiary impact assessments, there were sufficient data available to reach some tentative conclusions.

More specifically, the evaluation found that the sub-projects fell well within the eight project objectives listed above, with each addressing four to eight of the objectives. PVOs have used three distinctive methodologies in carrying out AID-supported activities under the project:

a. Skills training of individuals;

b. Training of extension workers who in turn work with individuals or groups; and

c. Multi-faceted programs which target on specific villages.

Sub-projects have produced varying degrees of positive results in agricultural production among the poor. They have also created jobs or additional income for at least 2,200 persons. Substantive progress has been made in health education, family planning and installation of drinking wells, bathing wells and latrines. At least two sub-projects improved community capabilities to participate in their own development, and a third, although in its early stages, is making good progress. There were also indications that at least two PVOs had improved their abilities to collaborate with local communities. Women's activities have been properly emphasized with five sub-projects devoted solely to this purpose with most of these exhibiting satisfactory to excellent progress at the time of evaluation. Useful appropriate technology is evidenced in ten of the sub-projects. The ability for self-sustaining sub-projects is less evident with five projects too new to assess. Several others are self-sustaining at various levels. The project is well-managed and guidelines are adequate, except in the area of evaluation. The simplified standard provisions for PVOs are worthy of note by AID/Washington and missions worldwide. The GSL officials at all levels are very supportive of this project.

2. Conclusions:

a. The project is achieving the goals for which it was designed within the magnitude of funding provided.

b. The project has excelled in providing balanced support for indigenous PVOs as well as U.S. PVOs.

c. The GSL has shown commendable interest and participation in sub-project planning, implementation and evaluation. This has produced a salutary effect on sub-activities.

d. Evaluation of sub-projects by PVOs has generally been inadequate to produce reliable measurements of beneficiary impact as well as cost/benefit ratios.

e. Funding levels have been adequate to date to fund those projects acceptable to USAID and GSL, but the number and value of worthwhile proposals is increasing.

f. The Standard Provisions which have been developed at some effort for Sri Lanka PVO grants are worthy of note by AID/Washington and other Missions. The provisions are easier to

understand, contain less bureaucratic jargon and eliminate references to AID Handbooks to which PVOs do not have access. This, in turn, has led to less confusion by PVOs in understanding what is required of them under the terms of the grant.

g. Development of the project with the GSL and consequent annual lump obligations of funds is unusual, if not unique, and may have implications for other AID Missions.

3. Recommendations:

a. That the project be continued for at least an additional five years.

b. That the funding level be raised to \$1 million annually as early as FY 1985 if workforce problems can be resolved.

c. That USAID/Sri Lanka undertakes improved project evaluation procedures to correct current shortcomings.

d. That sub-projects which are particularly successful be systematically studied and discussed by USAID and GSL for possible replication or adaptation on a larger scale.

e. That objectives be prioritized periodically as required to address problems of high interest to the GSL and USAID. Prioritization would encourage PVOs to concentrate more in these areas and be more supportive of GSL-USAID objectives. USAID should amend its guidelines accordingly.

The evaluation is unequivocal regarding the consistency of sub-project accomplishments with the broad objectives of the project. Despite a general lack of quantifiable data which in many instances would help to confirm what the evaluation team describes as "tentative" conclusions, there is sufficient evidence of sub-project success to support the recommendation that the project be extended.

The recommendation on evaluation procedures is dealt with in the following section. With regard to the recommendation that successful sub-projects be studied and discussed with the GSL for replication possibilities, the Ministry of Plan Implementation has already been advised and this matter will be pursued as a logical follow-up to sub-project evaluations as they are accomplished. With regard to the last recommendation on prioritizing problem areas, the USAID believes that current guidelines entailing PVO submittal of concept papers outlining to USAID the thrust of potential proposals before they are fully developed is an adequate means of assuring their consistency with current CDSS priorities. Therefore, no procedural changes are contemplated.

B. Continuing Need for the Project:

The GSL recognizes that the process of broad-based rural development requires an approach which includes the participation of village level communities and the mobilization of local resources. The government, therefore, encourages PVOs to assist local communities in helping themselves by developing resolutions to their own problems. With about 75% of Sri Lanka's population located in some 22,000 rural villages, both the GSL and PVOs require assistance in pursuance of this goal. The PVO Co-financing project directly addresses this need. As discussed above, several indigenous PVOs assisted under the project are already well on their way towards becoming self-sustaining and independent institutions capable of managing effective, community-oriented, development initiatives in an efficient manner. Several others are also progressing well towards this objective. However, the GSL is not yet in a position to be able to provide the support required for sustaining this progress. Although the government's development strategy includes the balanced pursuit of economic growth, increased employment, increased productivity, food self-sufficiency and improved human welfare, it has recently given major attention to its lead projects (e.g., the Accelerated Mahaweli Development) which has, in turn, limited resources available for improved social services and local development activities. Thus, this project provides a means to assist PVO development efforts in areas important to the GSL, but where financial resources are currently limited. A creditable indicator of need is that approximately 50% of sub-project costs are being met by non-USAID sources including the GSL as well as the PVOs themselves.

Since the commencement of the project in FY 1979, a total of \$2.44 million has been obligated. As of September 1, 1983, with approximately 23 months still remaining until the end of the project on August 31, 1985, the uncommitted balance is \$806,965. Approximately \$1.63 million had been committed through seventeen PVO sub-project grant agreements. At an average rate of about \$100,000 USAID Co-financing input per grant, the uncommitted balance will be sufficient for about eight additional proposals. There are currently ten sub-project proposals pending which are estimated to cost a total of \$1.1 million - three in Agriculture, Rural Development and Nutrition; three in Health and Population; and two each in Education and Human Resources, and Selected Development Activities. Thus, the remaining project funds are inadequate to meet the anticipated demands and additional funds will be required commencing in early FY 1984. For these reasons and based on the project's significant positive accomplishments to date, USAID/Sri Lanka proposes to continue assistance to the GSL in support of PVO activities through the period FY 1984-89 by providing additional funding of \$4.043 million and extending the PACD to August 29, 1989.

C. USAID Management Ability:

USAID staffing requirements will remain unchanged during the PP Supplement period. While there will be an increased workload in terms of number of active grants and new PVO proposals to be approved/disapproved each year, the combination of one PVO Officer, plus the assistance of the USAID Project Review Committee, will be sufficient to manage the project. This assessment is based on the experience gained during the first four years of the project, the competence of the current PVO Officer who is an FSN not subject to tour limitations, excellent working relationships with the GSL and established lines of communication with the PVO community in Sri Lanka. In addition, the degree that the average USAID co-financing grant exceeds the \$100,000 level experienced to date, workloads will tend to diminish.

IV. REVISIONS TO ORIGINAL PROJECT PAPER:

Except for the modifications to the Financial Plan, the Evaluation Plan, modifications to support for the institutional development of PVOs, modifications to the selection of sub-projects, and the addition of promotion of private enterprise to the objectives, no substantive changes to the original PP are proposed. In addition the PPC-issued AID Policy paper, entitled A.I.D. Partnership in International Development with Private and Voluntary Organizations (September 1982) has been reviewed and a determination made that the PVO Co-financing project as presently designed and implemented is consistent with current Agency policy guidance.

A. Financial Plan:

The \$4.043 million amount in the PP Supplement will be split as follows with the PP Forecast revised accordingly:

	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>TOTAL</u>
Agriculture, Rural Development and Nutrition	200	402	496	500	1,600
Health/Population	100	100	100	200	500
Education and human resources	143	200	100	-	443
Selected Development Activities	500	500	200	300	1,500 *

* Includes \$75,000 for evaluation workshops and \$25,000 for services of an outside consultant for evaluation.

Data assembled by the evaluation team indicates that for existing sub-project grants the non-AID percentage of total financing is averaging 47%. This is in line with expectations in the original PP and no problems are anticipated in meeting AID's requirement that a minimum of 25% of total costs of the project be covered by host country contributions (including PVO contributions) or that the PVOs' contributions by themselves equal at least 20% of the financing of each sub-project. The 50% goal for total non-AID financing in the original PP has been retained and is reflected in the revised PP facesheet.

In all other aspects the Financial Plan is unchanged.

B. Evaluation Plan:

As is apparent from the summary of the April 1983 evaluation findings, the principal weakness of the project is the lack of quantitative data to measure sub-project accomplishments and thereby to determine beneficiary impacts and overall cost/benefit ratios. The evaluation team recommended that a greater emphasis be placed on evaluation during all phases of sub-project development and implementation.

The Evaluation Plan in the original PP is therefore revised as follows:

1. Project Evaluation:

The overall project will again be formally evaluated about midway (1986) toward the revised FACD. The evaluation will be based on the Asia Bureau's evaluation guidance and the AID Project Evaluation

Summary (PES) format. It will be an in-depth examination of the overall impact of PVO sub-projects with emphases on beneficiary impact and lessons learned from both completed and on-going activities. Particular attention also will be given to the relative effectiveness of PVOs in the development process in Sri Lanka. This evaluation will be conducted by a suitable inter-organizational team of experts experienced in PVO activities and will be coordinated by the USAID Mission Evaluation Officer.

A sum of \$75,000 out of project funds will be utilized for evaluation workshops and assistance to improve PVO evaluation capabilities, designs and procedures. An additional sum of \$20,000 has been earmarked for obtaining the services of an outside expert for the midway evaluation in 1986.

Expected cost per beneficiary, importance of target group, design and approach to target group as well as other beneficiary group considerations will also figure prominently in the selection criteria.

Sub-project activities which will assist the PVOs to develop institutional bases necessary for self-sustained development will be accorded priority.

2. Sub-project Evaluation:

PVOs will continue to be responsible for self-evaluations conducted on at least an annual basis according to the timetable in the original PP. To strengthen their evaluations, however, USAID will require that each approved PVO grant contain a specific evaluation plan that: (a) identifies the goals, purposes and outputs in measurable terms; (b) provides for systematic data collection and monitoring activity wherever possible including baseline information against which to measure achievements; and (c) assesses the impact of the sub-project on beneficiaries in terms of increased incomes and employment generation, especially for directly productive activities.

Establishing such evaluation plans should not be a costly or unreasonably time consuming effort, which would run counter to USAID's intention to keep PVO proposals and procedures relatively simple and brief. To assist PVOs, the USAID will issue specific guidelines on evaluation plans describing as clearly as possible (with practical examples) what is expected. Once the evaluation plans are accepted in the context of approved PVO grants, progress in monitoring and data collection actions necessary to their implementation will be reviewed with USAID and the GSL in the PVOs periodic semi-annual reports. This should help surface any inadequacies in the evaluation plans well in advance of formal sub-project evaluations. It is recognized that there are some PVO

objectives which cannot be measured in precise terms and/or must be viewed subjectively. In such cases, careful consideration will be given to defining adequate evaluation criteria during the initial sub-project review process.

C. Institutional Development of PVOs:

The USAID will continue to assist the PVOs to strengthen their institutional base while carrying out development activities. Each proposal will be reviewed independently and provision will be made in the sub-project proposal itself, when considered necessary, to strengthen the institutional base through the training of staff and provision of technical assistance.

In-country management workshops and seminars will be conducted with the assistance of U.S. and indigenous training organizations. These activities will be designed for PVO personnel to strengthen the management capabilities of selected indigenous PVOs.

D. Selection of sub-projects:

Qualified PVOs will be encouraged to work in development activities that parallel or are related to mission projects. An important criterion in sub-project selection will be its relationship to the assistance categories currently identified in the Country Development Strategy Statement, i.e.,

- a. Mahaweli Basin Development;
- b. Food Production and Natural Resource Management; and
- c. Human Productivity and Well Being (including promotion of private enterprise and women-in-development activities).

Other criteria will be important PVO development efforts where financial resources are limited and pilot efforts having potential for wider replication.

1. Concept Paper

PVOs will be encouraged to discuss with the Mission PVO Officer and other officials the current priorities in the above categories before submitting a concept paper to USAID. The concept paper itself will be a one or two page document. This will be circulated among the members of the USAID Review Committee and appropriate technical officers for their review and written comments. While the USAID's review and comments on the concept paper will imply no commitment whatsoever on the part of USAID to approve a sub-project proposal, it may preclude unnecessary proposal preparatory work and the generation of expectations for proposals that are unlikely to be

approved for such reasons as failure to meet co-financing criteria, lack of funds, etc.

2. Proposals:

PVOs should prepare sub-project proposals which are relatively brief (i.e., 10 to 20 pages) and non-technical presentations. Substantial technical analysis should not be included, unless specifically requested by USAID. The proposals should include brief sections on the setting or background; the problems to be addressed; project design (along the 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 sub-project linkages and linkages to other communities, GSL, PVO, USAID and/or other donor activities, and an administrative analysis and organization plan for implementation. The proposal for USAID funding should avoid requests for the payment of recurrent operational costs such as staff salaries. If requested, USAID will consider the payment of a reasonable overhead of the concerned PVO.

3. Proposal Review within GSL:

After the PVO completes its design work and prepares a proposal in accordance with established guidelines, it submits the proposal for approval to several ministries in the following sequence:

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

1/ The USAID Review Committee is chaired by the Program Officer and includes the following members: PVO Officer; Economic Specialist; Chief, Office of Project Development and Special Programs; and the Controller. Other mission staff may be asked to participate in the review of proposals involving a particular area of expertise, e.g., agriculture, health, etc.

4. Proposal review within USAID:

After the Department of External Resources forwards the proposal to USAID, indicating that all required GSL approvals have been obtained, the USAID Review Committee will review the proposal. The Committee will consider such factors as:

a. Does the proposal fit into general AID policies and developmental assistance strategy for Sri Lanka?

b. Is the proposal development-oriented, rather than relief-oriented?

c. Has the PVO demonstrated a full understanding of and a capability for undertaking the sub-project?

d. 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, but specific explanation as to why the proposal was rejected. The PVO will not be encouraged to resubmit the proposal, unless the Committee believes the PVO can correct identified deficiencies. A copy of this letter will be sent to the Department of External Resources, Ministry of Finance and Planning, and to the Ministry of Plan Implementation.

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

In light of the Mission's experience with a large number of PVO proposals, the USAID Review Committee will be particularly alert to the following:

- Proposals which are poorly conceived and badly presented;
- Proposals which set forth unrealistic goals and targets;
- Proposals which lack a plausible implementation plan;
- Proposals with inordinately high cost/benefit ratios;

- Proposals with budgets having inordinately high and/or improperly calculated overhead rates;
- Proposals which are repeatedly resubmitted with corrections suggested by USAID, until they amount to what is essentially a USAID proposal;
- Proposals which do not represent a collaborative endeavor and which lack proper GSL clearance and approvals.

TITLE: PVO CO-FINANCING

PROJECT NO. 383-0060

TABLE I

PAID: AUGUST 31, 1985

<u>PROJECT ELEMENTS</u>	<u>PRIVATE VOLUNTARY ORGANIZATION</u>	<u>ACTIVITY</u>	<u>AMOUNT</u>	<u>COMPLETION DATE</u>	<u>BALANCE</u>
Agriculture, Rural Development and Nutrition	International Human Assistance Program, Inc. (IHAP)	Karadeniya Agricultural Project	16,507	Cancelled	
900,000	Yanapath Endera Farming Center	Training of women in agriculture and animal husbandry	28,763	Completed	
	Sri Lanka Overseas Foundation (SLOF)/Sarvodaya	Indigahena Village Development Project	67,065	3/29/85	
	Save the Children Federation (SCF)	Mawoda Semi-Urban Development Project	159,044	5/17/85	
	Marga Institute	Experimental Village Development Project	125,350	8/17/85	
	IHAP	Integrated Development of Kimbulwena Oya Colonization Scheme	123,800	9/16/84	
	Lanka Jathika Sarvodaya Shramadana Sangamaya (Sarvodaya)	Home gardening for better nutrition in the Galle district	110,000	8/31/85	
	Overseas Education Fund (OEF)/ Lanka Mahila Sanithi (LMS)	Small enterprise development for rural women	124,330	9/18/84	
			----- 773,859 -----		126,141

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<u>PROJECT ELEMENT</u>	<u>PRIVATE VOLUNTARY ORGANIZATION</u>	<u>ACTIVITY</u>	<u>AMOUNT</u>	<u>COMPLETION DATE</u>	<u>BALANCE</u>
Health/Population 724,000	UNESCO's Bureau	Education Services for Rural Women in Family Health and Income Generation	200,000	Completed	
	Lanka Mahila Samithi (LMS)	Motivating Rural Women in Family Health with special emphasis on Family Planning	22,500	Completed	
	LMS	Extension of project for motivating Rural Women in Family Health with special emphasis on Family Planning	56,250	4/30/84	
	IEAP	Vocational Training for the Physically Disabled in Sri Lanka	138,600	6/15/84	
	Samatha Welfare Society	Vocational Training Center and Sheltered Workshop for Disabled Women	70,000 ----- 487,350 *****	8/31/85	236,650
Education 516,000	Sri Lanka Technical Institute and Madaya Boys' Town (DIT)	Training in Livestock Breeding and Care	316,000 ----- 316,000 *****	10/31/83	200,000
Selected Development Activities 300,000	DET	Provision of two generators	35,300	Completed	
	Sri Lanka Women's Conference (SLWC)	Training workshop on Project Management	526	Completed	
	SLWC	Rural Women Leaders' Exchange Program by the Bharatiya Gramin Mahila Sangh and the SLWC	20,000 ----- 95,826 *****	Completed	21,174
2,440,000 *****		TOTAL	1,633,035 *****		806,965 *****

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