

UNCLASSIFIED

**Annual Budget  
Submission**

**FY 1990**

**SRI LANKA**

BEST AVAILABLE

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FORWARDING STATEMENT BY THE AID MISSION DIRECTOR

Enclosed herewith is the FY 1990 Annual Budget Submission (ABS) for USAID Sri Lanka. Included as a part of this ABS is a section on Performance Indicators which reflect the achievements expected from the U.S. development program here. I believe these indicators will accurately measure our progress toward strategic objectives.

Funding levels for Fiscal Years 1988-90 are based on previous Approved Assistance Planning Levels (AAPLs) plus the expected \$10.0 million each of those years for the Rehabilitation Assistance Project (RAP), 383-0107. Under PL 480 Title I, the \$10.0 associated with RAP is included in the FY 1988 figure. The \$15.0 million Housing Guaranty (HG) associated with RAP is programmed as an FY 1988 authorization. An additional \$20.0 million will be required for RAP in order to fully meet the \$75.0 million pledged at the Special Consultative Group Meeting in Paris last December. We expect this gap to be met over the FY 1989-90 time frame from appropriate funding availabilities. Beginning in FY 1989 we are no longer programming new loans. All new projects will be entirely grant funded; however, we will complete the loan obligations planned for projects now in progress. The FY 1989 \$15.0 million HG represents the balance of the \$100.0 million authorized in 1981. The FY 1989 PL 480 Title II level reflects our intention to move forward, as additional to FY 1989, that Title II funding previously planned for FY 1991. For the out-years total program levels are consistent with AAPLs for both Development Assistance (DA) and PL 480. These levels are considered adequate to meet minimum U.S. assistance objectives.

In FY 1990 we are showing three new starts: Wet Zone Intercropping & Diversification, 383-0104; Science & Technology Initiative for the Private Sector, 383-0108; and Sri Lankan Environmental Resources Protection, 383-0109. Each of these three projects addresses a particular set of constraints related to our overall development strategy. We do not expect to initiate all three of these projects that fiscal year. One, or possibly two, will be held for final design and initial obligation in a subsequent fiscal year. However, again flexibility is desired and a decision on which of the three to start in FY 1990 will be dependent on preliminary project development work and the evolving host country situation. That decision will be reflected in next year's Action Plan.

Operating Expense funding and personnel levels are within the authorized ceilings. Consideration is being given at post to a move from current FBO facilities to rental property. If the move is made additional OE funding will be required in FY 1990.

  
Peter J. Bloom  
Director

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## PERFORMANCE INDICATORS

## I. OVERVIEW

The Mission's strategy is laid out clearly in the Program Week Submission (Action Plan) sent in last February, and this discussion of Performance Indicators should be reviewed as a piece of the Action Plan. However, for ease of the reader we have summarized below the specific objectives and areas of emphasis from the Action Plan.

During that FY 1988 Program Week review of the U.S. development strategy in Sri Lanka, the two basic objectives of the strategy were reaffirmed. Our most appropriate contribution to sustainable, long-term economic growth will continue to be in efforts to improve rural incomes and productivity as well as to increase the private sector role in growth of the economy.

Economic growth (1.5% in 1987<sup>1/</sup>) has slowed drastically from the impressive levels earlier in the decade. The past twelve months have seen a further decline in the terms of trade, weakened budget discipline, and accelerating inflation. Unemployment and underemployment remain serious problems with new entrants to the labor force far outnumbering new jobs created. Tourism prospects are dismal and will remain so as long as the security situation overshadows all economic activity. Private sector confidence in the economy is low because of the continuing political violence and the uncertainty associated with upcoming elections.

In this setting the paramount development problem remains the need to expand income producing opportunities, particularly in the North and East as hostilities cease in those areas. A program built around improving rural productivity and expanding private sector investment has been approved as the best use of U.S. resources toward that end.

Our program addressing rural productivity has a focus on agricultural diversification, research, irrigation water management and delivery, and rural enterprise. In agricultural diversification USAID has been instrumental in fostering within the GSL a shift in thinking from the single-minded pursuit of rice self-sufficiency to diversifying the small-holder agricultural base to a more balanced mix of food and cash crops. Research will continue to be critical to improving technologies leading to higher yields and income. Now, with most major irrigation construction completed, attention is shifting to efficient utilization of the existing irrigation systems. Improving these systems will allow for irrigation of additional land and the application of better yielding technologies. Rural enterprises closely linked to the

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<sup>1/</sup> GDP growth in 1987 based on preliminary Central Bank figures.

agricultural base of the area will further enhance income opportunities through the provision of inputs and services, markets and employment.

Our program addressing the expansion of the private sector emphasizes the policy environment conducive to private growth, the privatization of state owned enterprises (SOE), the development of an active and effective capital market, and the growth of rural enterprises. Enhancing the private sector's ability to carry on a policy dialogue with the government will be a factor in improving the investment climate here. A thriving capital market will allow broader participation in ownership and increase the availability of long term investment funds. The reduction of state ownership in the economy is important not only to the establishment of a more competitive, open economy, but also to reduce the strain on annual budgets caused by largely unprofitable SOEs. As small-scale enterprises offer the greatest potential for employment generation particularly in relation to a limited land base, rural enterprise development will be an important aspect of income improvement.

Based on this approved strategy, the Mission has set targets to determine progress and accomplishment. These targets represent performance indicators that are realistic in terms of what we can actually expect to achieve yet hold out a challenge in their accomplishment. Performance indicators are designed to track the impact of the assistance program as a whole, that is, the combination of project-level activities, non-project assistance, policy dialogue, provision of information, etc. Consequently, they should refer to phenomena or variables at least one step beyond the specific accomplishments of projects. At the same time, they should be specific enough to allow us to attribute observed changes to the program. Finally, they should be measurable, if not cardinally (rupees, percentages, numbers) then at least ordinally.

The Mission approach was to limit the number of performance indicators so as to concentrate on those few indicators necessary to satisfy us that progress is being made. These specific performance indicators will have to be complemented by qualitative descriptions of specific events that represent milestones in our policy agenda, such as the partial opening of paddy seed marketing to private entrepreneurs resulting from a combination of project-level interventions and self-help measures under PL 480 Title I, or shifts in irrigation management policies. All the indicators will be affected by our program, and all are intended as measurements of how well we reach the strategic objectives of improving rural incomes and productivity and enhancing the private sector role in development. The performance indicators outlined below for tracking our progress directly through project implementation and indirectly through changes in the policy environment meet these criteria. They also respond to the guidance provided by AID/Washington.

## II. PERFORMANCE INDICATORS FOR IMPROVING RURAL INCOME AND PRODUCTIVITY

### A. Introduction: Program Objectives

For several years the major Mission strategic objective in agriculture and rural development has been increasing rural incomes and productivity to be accomplished primarily through increased and diversified agricultural production.

In the 1987 Action Plan, USAID/Sri Lanka also proposed a set of four program objectives analagous to the project "purpose level" for which performance indicators would be developed. The achievement of each of the objectives is through multiple project and policy dialogue efforts of the Mission. And each contributes toward achievement of the higher strategic objective, increased rural incomes.

These four program objectives are as follows:

- (1) Increase national irrigated acreage by 86,000 acres by 1992 (AID plus other donor and GSL programs).
- (2) Increase paddy production by an average 5% per annum in the dry and intermediate zones, 1986 to 1992.
- (3) Improve the operations and maintenance of major irrigation works, especially in the 234,000 combined acres of Mahaweli System B and the seven schemes covered by the Irrigation Systems Management Project.
- (4) Increase the contribution of Subsidiary Food Crops (SFCs) to farm incomes by an average of 5% per year from 1986 to 1992.

The increase in irrigated acreage (program objective #1) is a national target to be brought about by new construction supported by USAID and/or other donors. Paddy is by far the major food crop, and major increases in yield and profit occur primarily under irrigation.

About 52,000 acres of the target will be directly attributable to U.S. assistance on the Left Bank of Mahaweli System B, through four different USAID projects. (The target excludes the 8000 acres which were already being irrigated in System B by 1987). Other increases in irrigated acreage will occur by 1992 in Mahaweli System C (supported by the EEC, Japan, and the U.K.) and Kirindi Oya (supported by the Asian Development Bank).

The rationale for the second objective is similar to the first. Because paddy production is such an important component of agricultural production and incomes in the geographic areas where the AID program is concentrated, increases in paddy

production lead to increases in rural incomes. Rice self-sufficiency is not expected within our objective time frame, therefore increased paddy production can be expected to produce higher income. The expected increases in paddy production will come through increases in yield and increase in cropped (especially irrigated) area. Both have strong links to the Mission program. Increases in cropped/irrigated area will occur through the construction of irrigation infrastructure mentioned above. Increases in yield continue most obviously as a result of earlier mission development of the institutional capacity for rice research, and from improved water management (see objective #3). Additional substantial yield increases are expected as a result of breakthroughs from policy dialogue and activities supported under the Diversified Agricultural Research Project (DARP), 383-0058, in the privatization of the seed industry. If the new policy directions are fully implemented, private marketing is likely to result in much more widespread use of certified paddy seed and, consequently, substantial increases in yields and incomes.

Program Objective #3, improving the operations and management of the major irrigation schemes, attempts to capture a major dimension of Mission strategy in projects and policy dialogue. Improving the performance of existing irrigation systems is one of the most cost effective avenues of increasing farm incomes. Increases in farm production and net incomes (and improvements in the distribution of incomes) are expected to result from reliable water delivery, improved financial viability, and improved maintenance of irrigation systems, as well as from optimal application of water at the field level. Improved irrigation management in some places can offer a wider and more profitable range of cropping options. Several key aspects of the Mission policy dialogue and project strategy (for MARD and ISM) in irrigation management are development of farmer organizations, transfer of maintenance responsibility and water distribution at the lower irrigation system levels to farmers, and improved cost recovery and irrigation fee collection.

Though much of the Mission contribution to date in increasing rural incomes is related to paddy production, a major shift is underway in national agricultural policy to create conditions more favorable to diversified cropping. Thus, the Mission identifies a fourth program objective as a 5% increase per year in the contribution of subsidiary field crops to farm incomes. More diversified cropping is being encouraged on both irrigated and non-irrigated land, and a shift in resources is occurring to improve non-paddy cropping technologies.

Through studies, policy dialogue, and new project development, USAID has been deeply involved in this policy shift. The inter-ministerial National Agriculture, Food, and Nutrition Strategy (completed with USAID support in 1984) was a landmark study, the conclusions of which have become fully

accepted and are now being integrated in the GSL agricultural program. Agricultural diversification is central to several subsequent AID/GSL projects. DARP is developing the technology for diversified farming systems, while Mahaweli Agriculture & Rural Development (MARD) 383-0086, is putting the technology directly to work in one of the Mahaweli schemes. Agriculture Planning and Analysis (AGPLAN), 383-0083, is supporting policy analysis and reform needed to sustain the diversification strategy. The Mahaweli Downstream Support (MDS) project, 383-0103 is constructing tertiary irrigation infrastructure which allows control over drainage that increases irrigated cropping options. The planned Mahaweli Enterprise Development (MED), Project, 383-0090, will help develop agro-processing and marketing of a more diverse agricultural production. The planned Development of Agricultural Marketing Systems (DAMS) Project (383-0093) will strengthen and expand the marketing systems needed to support the transformation of agriculture toward greater commercialization.

## B. Development of Indicators

The Mission is developing performance indicators for the overall strategic rural development objective and each of the four program objectives. Though not all are yet fully operational, we believe all will be quantifiable.

### 1. Strategic Indicator:

a. Increasing Rural Incomes. To measure the basic CDSS objective, the indicator we seek to develop is "net rural incomes in the dry and intermediate zones." The target is a 3% increase per year from 1987 to 1992. The indicator is to be geographically focused, as the impact of most Mission projects in agriculture and irrigation should appear primarily in the dry and intermediate zones.

The measure of rural incomes will probably be the most challenging performance indicator to construct. The indicator does not now exist. In fact, there is very little good disaggregated income data for recent years. However, some new data will soon be available from national surveys. The Mission is now receiving assistance through a centrally managed project in constructing a usable performance indicator from this new data, and we expect to have a useful statistic for the beginning and end of the strategy period, but probably not for each intervening year.

### 2. Program Indicators:

a. Increased irrigated acreage (#1). The indicator to measure the first program objective will be total national irrigated acreage, that is, the combined area covered by major irrigation schemes (command area) supervised by the Irrigation Department and by the Mahaweli Authority. (The area actually

irrigated within this command area fluctuates considerably from one crop season to another.) We expect 86,000 acres to be added between 1986 and 1992. As most of the direct AID contribution to this increase will come through the completion of infrastructure on the Left Bank Mahaweli System B, a subsidiary measure will track the area brought under irrigation there. (The expected Left Bank command area is 60,000 acres, of which about 8000 acres was being irrigated by the end of 1986.)

b. Increased paddy production (#2). The second program objective will be measured by the indicator, paddy production in the dry and intermediate zones. This measurement will be a summation of the official paddy production statistics of the intermediate and dry zone districts published by the Department of Census and Statistics. The performance target is a 5% per year increase for the 1986-1992 period.

Annual statistics to monitor this program objective will be readily available. However, year to year variations in production will be affected substantially by such factors as weather and water availability for dry season (Yala) irrigation. Thus, in assessing program performance, weight must be given to the trends in production over several years, rather than the increases or decreases in any single year.

c. Improved Irrigation Management (#3). Because the Mission aspires for its projects (particularly, Irrigated Systems Management [ISM], 383-0080, and MARD) and policy dialogue to affect national irrigation management policy and practices, a national composite measure would be highly desirable. Unfortunately, no single national or composite indicator measures movement toward this program objective. So, a set of more specific indicators of changes in irrigation management are proposed which must be examined as a group.

Because there is no direct measurement of the amount of maintenance work done in a year, a proxy will be used, namely GSL annual expenditures on irrigation. This information can be presented nationally only for maintenance expenditures on major schemes of the Irrigation Department. Comparable data are not currently available for the Mahaweli Authority. We expect later to be able to present similar data separately for the schemes the MARD and ISM projects focus on. These indicators will be Mahaweli Economic Agency expenditures on maintenance on the Left Bank of System B, and Irrigation Department maintenance expenditures for the seven schemes under the Irrigation Systems Management Project.

Several additional irrigation management measures are (or will eventually be) available for Mahaweli System B and for the seven ISM schemes, but not nationally. These include water used per acre per crop (which improved management should help to decrease); total extent actually irrigated during the dry (Yala) season (which should show an increasing trend, but will

vary considerably from year to year based on water availability); the percentage of maintenance expenditures at the D-channel (Distributory channel) and below incurred by farmers organizations, rather than the Irrigation Department (which is expected to increase); and finally a measure of vitality of farmers organizations at the turnout level, which has not yet been decided. Most of this data is either not yet available or highly unreliable. Both the MARD and ISM projects will be developing data which should allow us to establish a baseline within the next year, for most measures.

d. Incomes from Subsidiary Field Crops (#4). The fourth program objective is to increase the contribution of subsidiary field crops (SFCs) to farm incomes by an average of 5% per year during the 1986-1992 period. The indicator to measure this objective has not yet been developed, but is expected to be based on data from the DARP (Diversified Agricultural Research Project) Baseline Survey, which will be published soon. A quantifiable target will be set in the FY 1989 Action Plan. It is unlikely that this indicator can be produced every year, but it will be available at the beginning and end of the strategy period.

As an interim substitute, an indicator based on Central Bank statistics is being presented in this report: the ratio of GNP attributable to SFCs (plus minor export crops, vegetables, and "industrial crops") divided by GNP attributable to all agriculture. Annual variations in this ratio will be highly sensitive to non-programmatic factors, such as the weather, so the long term trends must be watched.

#### C. Assessment of Program Impact

In this section, program impact related to the strategic and program objectives will be assessed to the degree possible using the above indicators or other proxy or supplemental information. As 1986 is set as the base year progress indicated here is important in terms of establishing baseline data. (See matrix on Agriculture/Rural Development Performance Indicators.)

The performance indicator for rural incomes in dry and intermediate zones is not yet constructed. However, even in the absence of a usable indicator, we expect that there was a substantial drop in incomes between 1986 and 1987, regardless of any beneficial program effects. This decline was due to the serious drought in those areas which began during Yala 1986 and ended in early 1988. The one-year plus decrease in incomes will have occurred most among those who are more dependent on rainfed crops or for whom there was insufficient water for irrigation.

Regarding program objective #1, increase national irrigated acreage by 86,000 acres by 1992, the performance indicator shows an overall increase of about 9000 acres from 1986 to 1987, most of which was in Mahaweli irrigation systems. Of this, over 7000 acres can be attributed to US sponsored

construction over the past few years in Mahaweli System B.

For program objective #2, increasing paddy production, the dry and intermediate zone production figures show a decrease from 92 million bushels to 71 million bushels between 1986 and 1987. This substantial decrease was due to the major drought referred to earlier. Short-term decreases in production due to the drought clearly outweighed the effects of any underlying improvements in acreage irrigable or yield in normal crop years.

Not all of the data is yet available to measure the program objective #3, improving operations and maintenance (O&M) in Mahaweli System B and the seven irrigation systems under the ISM project. The national expenditures on maintenance in the 708,300 acres in medium and major irrigation schemes of the Irrigation Department were Rs. 19,451,748 in 1986 and Rs. 20,625,875 in 1987, an increase of about 5%. (Similar national maintenance expenditure data were not available for the Mahaweli Authority. Disaggregated maintenance expenditure data are not yet available for the 174,350 acres of the seven ISM schemes or the Mahaweli System B, but such data will be developed over the course of financial management work under the ISM and MARD projects.

For Mahaweli System B, water used/acre/crop were only available for the 1987 cropping seasons, which must then be used as a baseline. The amount was 2.94 meters for Maha 86-7 and 3.73 meters for Yala 87. Similar data was not yet available for the ISM schemes.

Fee collection has hit a low in some of the irrigation schemes under the new ISM project, due to a variety of political and other factors largely beyond the influence of the project. However, a number of important policy decisions are now being considered by the GSL which the Mission believes will give farmers control over the use of irrigation fees for maintenance at the lower system levels and ultimately strengthen farmer organizations and increase the collection of fees. In summary, though the specific sub-indicators are discouraging, the new ISM project is just now beginning to address these issues in the Field. Progress on O&M policy issues has occurred and is encouraging. Similar data are not yet available for Mahaweli System B, as most settlers are still covered by an initial moratorium on the payment of fees. The baseline year here will probably have to be 1988.

The baseline data for the other irrigation management indicators still has to be developed. Neither the MARD nor the ISM projects are far enough along in their implementation to have shown measurable impact on farmer organization, and results of any baseline data collection under either project are not available yet.

On the final program objective, increasing the contribution of Subsidiary Food Crops to net farm incomes, the substitute performance indicator shows an increase from 43.6% to 48.2% of net agricultural GNP from SFCs and minor export crops. Though on the surface, this is a substantial change in the desired direction, the drought and abnormally low overall agricultural production mean that the one year percentage increase cannot be used as evidence of any underlying trend. To be meaningful, the indicator will have to be watched for several normal years.

FY 90 ABS

PROGRAM PERFORMANCE INDICATORS: Agriculture/Rural Development  
FY 1988 IMPACT ASSESSMENT

CDSS Goal/Subgoals	Performance Indicator	Baseline (1986)	1987	Target (1992)
CDSS Goal #1: Increase Net Rural Incomes 3%/annum in Dry and Intermediate Zones by 1992	net rural incomes in dry & intermediate zones	not available	not available	3% increase per year
Program Objective 1: Increase irrigated acreage by 86,000 acres	total national irrigable acreage in major schemes of Mahaweli & Irrig Dept	808,300 acres	817,800 acres	86,000 acres increase by 1992
	extent irrigated in all Mahaweli systems	100,800 acres	109,500 acres	
	acreage irrigated in Mahaweli System B Left Bank	8,000 acres	15,345 acres	60,000 acres by 1992
Program Objective #2: Increase paddy production by average 5%/annum in dry & intermediate zones, 1987-1992	Total national paddy production in dry & intermediate zone dists.	92 million bu.	71 million bu.	5% increase per year to 1992
		Maha 85-86 + Yala 86	Maha 86-87 + Yala 87	
Program Objective #3: Improved O&M of Major Irrigation Works over 234,000 acres, esp. in Mahaweli System B + ISM project systems	National expenditure of Irrigation Department on maintenance	Rs. 19,451,748	Rs. 20,625,875	increasing
	*****			
	Mahaweli System B:			
	*water used/acre/crop	n.a.	3.73 meters (Yala)	decreasing
	*farmer organiz vitality at turnout level	measure not determined	measure not determined	
	*MEA maintenance expenditures	n.a.	n.a.	increasing
	*% of maintenance expend at D-channel & below by farmer organizations	n.a.	n.a.	increasing
	*****			
	7 ISM Schemes(composite):			
	*water used/acre/crop	n.a.	n.a.	decreasing
*% of assessed irrigation fees collected	4.5%	9.4%	increasing	
*ID maintenance expenditures	n.a.	n.a.	increasing	
*% of maintenance expend by farmer orgs at D-channel & below	n.a.	n.a.	increasing	
Program Objective #4: Increase contribution of Subsidiary Food Crops to Farm incomes by average 5%/year from 1987 to 1992	Main indicator still to be determined	see note	n.a.	average 5% increase per year
	*****			
	Interim substitute:			
Ratio of SFCs + minor export crop contribution to GNP divided by total agriculture	10,910/25,037=	11,098 / 23,003		average 5% increase per year
	43.6%	48.2%		

NOTES: These basic performance indicators for agriculture/irrigation sector were identified in 1987 action plan.

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### III. PERFORMANCE INDICATORS FOR INCREASING THE ROLE OF THE PRIVATE SECTOR

#### A. Introduction: Program Objectives

The January 1987 CDSS update outlines the principal objectives of the Mission's private sector agenda. The overall strategic objective is to increase the role of the private sector in the economy and conversely, decrease the role of the state.

Private sector development proceeds in many dimensions. Translating the overall program into a series of four objectives, at a fairly high level of aggregation, seeks to capture the major dimensions:

1. Stimulate specific private sector enterprise undertakings: this objective focuses on the formation of new and the growth of existing private sector enterprises.
2. Stimulate the privatization of state-owned enterprises: subsidies for inefficient state-owned enterprises contribute to Sri Lanka's budget problems. Perhaps more importantly, protection for these enterprises against competition from abroad (through the trade regime) and from within (through the granting of monopolies) continues as the major source of market distortions that hamper private sector development. The Mission pursues both direct privatization of enterprises, the sale of a majority of the stock to private investors, and the indirect privatization of key sectors of the economy through the removal of government monopolies and encouragement of private competition.
3. Strengthen the capital markets and enhance the availability of capital, to meet the requirements of the private sector and to facilitate privatization: policies on money and credit, including the financing of chronic budget deficits, have been found inadequate to promote rapid private sector growth. Monetary policies need to move toward greater flexibility to make long-term debt and equity capital available to private investors. A financial sector more attuned to the needs of private sector development will also require more dynamic institutions, in particular in equity markets and among institutional investors.
4. Strengthen institutions that promote the private sector, with specific attention to the need for better coordination among the private sector institutions to increase their collective influence on national economic issues: with some significant exceptions,

cultural and political traditions in Sri Lanka have led to the voluntary acceptance of government primacy and guidance of the private sector. While the government will continue to play a key role through its overall economic policies, leadership and support for private sector development must come increasingly from the private sector itself.

The Mission's program pursues these objectives both through targeted interventions within the existing policy environment, and through the promotion of improvements in the policy framework. At the level of the four intermediate objectives, the import of contributions of the program varies relative to other factors, such as political or climatic conditions.

Given the nature of the Mission's private sector portfolio, project-level objectives and associated indicators often cover or describe program objectives. Monitoring program performance therefore will rely to some extent on project monitoring and evaluation, as outlined below.

## B. Development of Indicators

1. Strategic Indicators: Private Sector. The overall goal indicator for our private sector policy agenda should provide information on the growth of the private sector relative to that of the economy as a whole. Unfortunately, available statistics do not allow for a breakdown of measures such as value added or investment between private-sector and state-owned enterprises. The Mission recently commissioned an effort to obtain a baseline description, but considerable uncertainty remains. As an interim measure, we have therefore adopted the relative growth of private to public enterprises in the manufacturing sector, included as an indicator under the privatization objective. Progress means that the public sector is shrinking and the private sector growing at a healthy rate. Targets are discussed under the privatization heading.

## 2. Program Indicators

a. Formation and growth of private sector enterprises (#1)  
 USAID cannot expect to influence the formation and growth of private enterprises across the economy significantly. Instead, it has targeted the Mahaweli for such direct impacts under its Mahaweli Enterprise Development Project (MED - 383-0090) now in the final design stage. The final project design will include specific benchmarks regarding the creation of new enterprises, the growth of existing establishments, and the impact of these project-induced changes on regional employment and income.

Across the economy as a whole, the Mission pursues the first program objective by seeking the reduction and elimination of policy-induced distortions that discriminate against small-scale enterprises in the private sector, potentially the major force in creating jobs and raising (rural as well as urban) incomes. Thus relevant performance indicators describe the extent of existing distortions and changes in them over time.

Three indicators serve to characterize the extent of policy discrimination against small-scale enterprises, and to measure progress toward a more favorable policy regime.

- \* sectoral rates of effective protection versus firm size distribution to measure the extent to which the trade regime favors larger firms
- \* the incidence of export promotion measures administered by the Export Development Board (EDB) and related programs by firm size, in indication of the relative benefits accruing to small-scale export-oriented businesses.
- \* the ratio of average nominal rates of tariffs for imported capital equipment between large and small-scale production establishments, with any bias typically a result of classifying capital equipment used by micro-enterprises as consumer goods.

The first performance indicator will build on the work done by the Presidential Tariff Commission (PTC) with assistance from the World Bank, expected to be made available to the Mission in the near future. The PTC has estimated effective protection rates for key sectors, which can be arrayed against descriptors of sectoral firm size distribution. Using changes in nominal tariffs to update estimates of effective protection, and annual enterprise surveys to update measures of size distribution will allow us to track performance in this area. Performance targets will be set in terms of movement toward neutrality in effective protection versus firm size distribution. USAID contribution to the achievement of these targets will include work with private sector organizations under the Private Sector Support Project (PSPS -- 383-0100), macroeconomic analysis and policy dialogue with GSL institutions, monitoring of and support for initiatives by multilateral donors, in particular the World Bank, and possibly the use of PL 480 self-help measures.

The second performance indicator will be constructed and monitored based on information provided by the Export Development Board (EDB). Here performance targets will be stated as movement toward service delivery commensurate with share in total exports. In addition to the program interventions referred to in the preceding paragraph, the Mission will also seek to improve the treatment of small-scale exporters through its MED Project.

For the third measure, we are in the process of constructing a basket of "representative capital goods" for small-scale enterprises and for their medium and large counterparts in three key sectors: food and beverages, garments and textiles, and wood and wood products. Trade-weighted nominal tariffs for imported equipment likely to be used in small-scale production will then be expressed as a ratio of the corresponding trade-weighted tariffs for larger operations. For example, import duties on sewing machines "certified by the Ministry of Industries and Scientific Affairs as industrial type" are 5 percent, plus the 1-percent business turnover tax (BTT). For other sewing machines, the duty is 25 percent, plus the 10 percent BTT yielding a ratio of  $35/15 = 2.33$ . Performance targets will be stated in terms of moving this ratio toward unity, that is, equal treatment for enterprises of all sizes. We will target a ratio of 1.5 for 1990 as a benchmark and expect unity by 1992. The Mission will pursue these targets through policy analysis and dialogue, possibly through support for policy studies under the Development Studies and Training Project (DS&T - 383-0085) and project-level interventions in the context of the MED Project.

b. Privatization of state-owned enterprises (#2): The principal performance indicator for the privatization objective is the actual divestiture of government-owned or controlled enterprises to private investors, defined as the transfer of a controlling interest to the private sector. The Mission will pursue this objective primarily through its support to the Presidential Commission on Privatization under the PSPS and DS&T projects. These project-level interventions will be complemented by our policy dialogue with the GSL and with other donors, notably the World Bank, where we have been (quite successfully) encouraging more attention to privatization as part of the structural adjustment process. We expect to have two SOEs privatized by 1988 and 10 turned over by 1990.

Another important indicator is the contribution of public enterprises to total employment and output which reflects any success of indirect privatization through policy regimes that favor the growth of private enterprise. In pursuing this aspect of the second objective, the Mission has complemented its policy dialogue with self-help measures under its PL 480 Title I program, specifically one aimed at breaking up the public monopoly in the seed industry. We will also monitor

developments in other sectors, such as the insurance sector, until recently a monopoly of state-owned enterprises, and follow the changing distribution between public and private insurance companies which have just started. Manufacturing sector growth rates by 1990 for the public and private sectors should be down 5% and up 18% respectively. Private insurance companies should account for 15% of the market by the same year.

c. Strengthen capital markets and enhance the availability of capital (#3): Analysis of Sri Lanka's financial sector has identified two major issues relevant to the Mission's private sector strategy -- the preferential treatment of the public sector, and the institutional weakness of equity markets. The Private Sector Policy Support Project directly addresses the latter with its support for the Securities Council and the Colombo Securities Exchange. Performance indicators in that Project focus on the improvements in the quantity and quality of stock market transactions. With respect to the preferential treatment of the public sector, the Mission's program is concerned with the advantages public enterprises enjoy in their access to capital, and with the degree to which the Government is monopolizing capital markets.

(1) Capital market distortions: subsidies for public enterprises. Ultimately, public enterprises should be privatized. Until then, curtailing special privileges, such as low capital costs because of subsidies and government guarantees, should improve their efficiency, and more importantly, create new opportunities for private enterprises. Together with other donors, the Mission is encouraging the Government to reduce direct and indirect subsidies. Progress on this front can be described in terms of three indicators of direct subsidies:

- \* annual operating subsidies from the government to non-financial public enterprises (expected to be not more than Rs. 1.2 billion by 1990 as measured in 1982 rupees);
- \* annual capital transfers from the government to non-financial public enterprises (expected to be not more than Rs. 5.4 billion by 1990 as measured in 1982 rupees).
- \* (net) lending to enterprises (expected to be not more than Rs. 1.5 billion by 1990 as measured in 1982 rupees).

The Mission is pursuing this subobjective through its policy dialogue, to be enhanced by the technical assistance to the Privatization Commission under the PSPS Project.

(2) Capital market distortions: financing the budget deficit.

Weaknesses of financial markets are often a consequence of restrictions designed to assure financing of the budget deficit. Relaxing this tight grip on key elements of the financial sector is essential for increased flexibility and improved performance. Key descriptors of existing restrictions relate to the placement of Treasury bills and the options for major mobilizers of funds.

- \* The percentage of Treasury bills placed with the "non-captive" sector, providing some measure of the shift to open market operations; this indicator may also be a proxy for movement toward market-determined interest rates led by Treasury bill auctions. The benchmark is 25% by 1990;
- \* the percentage of the assets of three major mobilizers of funds, the National Savings Bank (NSB), the Employees' Provident Fund (EPF), and the Employees' Trust Fund (ETF) in investments other than government securities. The benchmark is 10% for each institution by 1990.

The Mission has been pursuing this subobjective primarily through its policy dialogue and conditionality under its Housing Guarantee program, focusing on rationalizing interest rate structures through reduced government control and increased open-market financing of the deficit.

d. Strengthening private sector institutions (#4): The Mission has been pursuing this objective through financial and technical assistance to private-sector institutions under the Private Enterprise Promotion Project, cooperative agreements with institutions such as the Sri Lanka Business Development Center, and its policy dialogue. Efforts in this area will be significantly enhanced by the PSPS Project, which will establish specific benchmarks, through assistance to a broad range of private sector institutions. Program performance will therefore be monitored at the PSPS Project level.

C. Assessment of Program Impact

Formation and growth of private sector enterprises. Recent economic policy reforms, in particular the continuing liberalization of the trade regime, are likely to have reduced biases against small-scale enterprises. Since the Mission's attention has only recently shifted to this particular area, its direct contribution to any progress has been marginal. The Mission program has contributed to the formation and growth of individual enterprises through its support for the Sri Lanka Business Development Center, the Employment, Investment and Enterprise Development Division of the Mahaweli Authority, and the International Executive Service Corps.

Privatization of state-owned enterprises Progress in this areas has been limited to the sale of some assets and the arrangement of management contracts. More significant is perhaps progress in establishing the groundwork for a systematic privatization of state-owned enterprises. In its policy dialogue, for example, in the framework of the Donor Group Meetings, USAID has been pressing the Government for a detailed "blueprint" for privatization. Such a blueprint has in fact emerged from the work of the Privatization Commission. USAID has also contributed to this process by providing technical assistance.

Strengthen capital markets and enhance the availability of capital. Exhibit I shows the behavior of the three performance indicators of subsidies to public enterprises over the last 6 years. The patterns suggest relatively little change, except in capital transfers in 1987, when they dropped by some 29 percent in real terms. The direct contribution of the program to this change is of course difficult to assess, but both economic necessities and donor encouragement have played a role in the Government's determination to curtail access to cheap capital for public enterprises.

With respect to the other two performance measures, a significant shift has been the introduction of open auctions for Treasury bills in early 1987. The effects of this innovation are beginning to take hold, with the possibility that the auction rates will lead a system of market-oriented interest rates. USAID has supported this process through analysis and HG conditionality.

Strengthening private sector institutions. The principal tangible accomplishment here has been the establishment and emergence of the Sri Lanka Business Development Center. Other achievements have been of a more qualitative nature, such as the participation of private sector representatives in policy formulation and appraisal.

## Program Performance Indicators: Private Sector

Performance Indicators	Baseline (1987)	Target 1988	Target 1990	Observations/notes
<i>Program objective 1: Formation and growth of private sector enterprises</i>				
1. Ratio of average nominal tariffs for imported capital equipment between large and small-scale enterprises	2.33	2	1.5	Baseline ratio based example (sewing machines), to be updated with basket
2. Sectoral rates of effective protection versus firm size by industry	???	???	???	Implementation dependent on access to EPR study by PTC/World Bank
3. Incidence of export promotion measures administered by the EDB between large and small-scale enterprises	???	???	???	Data sought from Export Development Board
<i>Program objective 2: Privatization of state-owned enterprises</i>				
4. State-owned enterprises privatized (Transfer of controlling interest to private investors)	0	2	10	
5. Growth rates in the manufacturing sector - Public enterprises - Private sector	-1% 15%	-5% 18%	-5% 18%	
6. Share of private insurance companies in total insurance business	0%	5%	15%	The insurance monopoly of the government was relaxed in 1987
<i>Program objective 3: Strengthen capital markets and enhance availability of capital</i>				
7. Annual operating subsidies for PE's	Rs. 1,491 mn.	Rs. 1,350 mn.	Rs. 1,200 mn.	In 1982 rupees
8. Annual capital transfers to PE's	Rs. 7,371 mn.	Rs. 6,650 mn.	Rs. 5,400 mn.	In 1982 rupees
9. Net lending to public enterprises	Rs. 1,963 mn.	Rs. 1,780	Rs. 1,500 mn.	In 1982 rupees
10. Percentage of Treasury bonds placed with "non-captive" sector	15.70%	19%	25%	1987 figure average for Oct. 1986-Sept. 1987
11. Percentage of assets in investments other than government securities: - National Savings Bank - Employee Provident Fund - Employees' Trust Fund	0% 0% 0%	10% 10% 10%	10% 10% 10%	Baseline data and legal feasibility of targets need to be assessed further. Target for 1988 reflects NSB intentions

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FY 1990 Annual Budget Submission  
Table to Annex H  
Micro, Small, and Small Farm Enterprises

ESP and DA  
Dollar Commitments for Micro  
And Small Enterprise Programs  
(U.S. Dollar Thousands)

	FY 88 Est.	FY 89 Proposed	FY 90 AAPL
1. ESF Dollar Commitments			
A. For micro enterprise			
1. For credit	-	-	-
2. For TA/training	-	-	-
B. For small enterprise			
1. For credit	-	-	-
2. For TA/training	-	-	-
C. For small farmer			
1. For credit	-	-	-
2. For TA/training	-	-	-
II. DA Dollar Commitments			
A. For micro enterprise			
1. For credit	220	750	1250
2. For TA/training	240	625	500
B. For small enterprise			
1. For credit	-	500	1250
2. For TA/training	80	330	320
C. For small farmer			
1. For credit	-	500	1000
2. For TA/training	-	200	200

The Expenditure of Non-Project Assistance  
Local Currency Generations for Micro and Small Enterprise  
Programs  
(In Thousand of U.S.Dollars Equivalents)

	FY 88 Est.	FY 89 Proposed	FY 90 AAPL
I. From EST Generations			
A. For micro enterprise			
1. For Credit	-	-	-
2. For TA/training	-	-	-
B. For small enterprise			
1. For credit	-	-	-
2. For TA/training	-	-	-
C. For small farmer			
1. For credit	-	-	-
2. For TA/training	-	-	-
II. From DA Generations			
A. For micro enterprise			
1. For credit	-	-	-
2. For TA/training	-	-	-
B. For small enterprise			
1. For credit	-	-	-
2. For TA/training	-	-	-
C. For small farmer			
1. For credit	-	-	-
2. For TA/training	-	-	-
III. From PL 480 Generations			
A. FOR Micro enterprise			
1. For credit	-	500	1000
2. For TA/training	-	-	-
B. For small enterprise			
1. For credit	300	500	1000
2. For TA/training	-	-	-
C. For small farmer			
1. For credit	-	500	1000
2. For TA/training	-	-	-

FY 1990 ANNUAL BUDGET SUBMISSION  
 TABLE 1: LONG RANGE PLAN BY APPROPRIATION ACCOUNT  
 (\$000)

USDH/ESF LINE#	FY 1987	FY 1988	FY 1989		FY 1990	PLANNING PERIOD				
	ACTUAL	ESTIMATE	OF	ESTIMATE	AAPL	1991	1992	1993	1994	
<b>AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION</b>										
TOTAL	21,854	22,800	22,800	22,800	21,700	13,500	13,200	16,300	16,000	
GRANTS	9,275	17,901	22,191	24,494	21,030	13,500	13,200	16,300	16,000	
LOANS	12,579	4,899	609	2,306	670					
<b>POPULATION PLANNING</b>										
TOTAL										
GRANTS										
LOANS										
<b>HEALTH</b>										
TOTAL	250									
GRANTS	250									
LOANS										
<b>EDUCATION AND HUMAN RESOURCES</b>										
TOTAL										
GRANTS										
LOANS										
<b>SELECTED DEVELOPMENT ACTIVITIES</b>										
TOTAL	1,400	4,000	4,000	4,000	5,100	6,500	6,900	3,700	4,000	
GRANTS	1,400	4,000	4,000	4,000	5,100	6,500	6,900	3,700	4,000	
LOANS										
<b>SUBTOTAL FUNCTIONAL ACCOUNTS</b>										
TOTAL	23,504	26,800	26,800	26,800	26,800	20,000	20,000	20,000	20,000	
GRANTS	10,925	21,901	26,191	24,494	26,130	20,000	20,000	20,000	20,000	
LOANS	12,579	4,899	609	2,306	670					
<b>INTERNATIONAL DISASTER ASSISTANCE</b>										
TOTAL	1,705									
GRANTS	1,705									
LOANS										
<b>TOTAL DA ACCOUNT</b>										
TOTAL	25,209	26,800	26,800	26,800	26,800	20,000	20,000	20,000	20,000	
GRANTS	12,630	21,901	26,191	24,494	26,130	20,000	20,000	20,000	20,000	
LOANS	12,579	4,899	609	2,306	670					
<b>ECONOMIC SUPPORT FUND</b>										
<b>DA AND ESF TOTAL</b>										
TOTAL	25,209	26,800	26,800	26,800	26,800	20,000	20,000	20,000	20,000	
GRANTS	12,630	21,901	26,191	24,494	26,130	20,000	20,000	20,000	20,000	
LOANS	12,579	4,899	609	2,306	670					
<b>PL480</b>										
TITLE I	24,000	26,000	16,000	16,000	16,000	16,000	16,000			
TITLE III										
TITLE II	7,208	690	194	294	100					
<b>HOUSING</b>										
GUARANTEES	25,000	15,000	15,000	15,000	20,000	20,000	20,000	20,000	20,000	
<b>TOTAL PERSONNEL</b>										
USDH WORKYEARS		19		19	19					
FNCH WORKYEARS		22		22	22					

FY 1990 ANNUAL BUDGET SUBMISSION  
 TABLE III: PROJECT OBLIGATIONS BY APPROPRIATION  
 ('000')

383 SRI LANKA  
 APPROPRIATION ACCOUNT

PROJ. NO	PROJECT TITLE	L/B	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION					
383-0085	Development Studies & Training	S	1,250	566	
383-0086	Mahaweli Agr. & Rural Development	S L	4,841 609	1,635	1,429
383-0090	Mahaweli Enterprise Development Sect	S		4,393	3,966
383-0093	Development of Agr. Marketing Sys.	S		3,900	4,500
383-0101	PVO Co-financing II	S	500		
383-0103	Mahaweli Downstream Support	S L	1,300 4,290	2,306	670
383-0104	Wet Zone Intercrop & Diversification	S			645
383-0107	Rehabilitation Assistance Project	S	10,010	10,000	9,990
383-0109	Sri Lanka Environmental Resources Protection	S			500
APPROPRIATION TOTALS			22,800	22,800	21,700
GRANTS			17,901	20,494	21,030
LOANS			4,899	2,306	670
SELECTED DEVELOPMENT ACTIVITIES					
383-0085	Development Studies & Training	S	750	300	450
383-0100	Private Sector Policy Support	S	3,250	3,150	2,800
383-0101	PVO Co-financing II	S		550	850
383-0108	Science & Technological Initiative Private Sector	S			1,000
APPROPRIATION TOTALS			4,000	4,000	5,100
GRANT			4,000	4,000	5,100
LOAN					
DA ACCOUNT TOTALS			26,800	26,800	26,800
GRANTS			21,901	24,494	26,130
LOANS			4,899	2,306	670



Table IV (continued): Project Budget Data

PROJECT NUMBER AND TITLE	OBLIG DATE	FIN AUTH	TOTAL COST PLAN	ESTIMATED U.S. DOLLAR COST (\$000)		OBLIG THRU FY 87	PIPE LINE	FY 1988		FY 1989		SPECIAL ITEM NO
				OBLIG	THRU			OBLIG- ATTNS	EXPEND- ITURES	OBLIG- ATTNS	EXPEND- ITURES	
383-0080	L 86	87	11,700	11,700	11,625			SUBCAT	FMND			MA
									860		1,870	
383-0082	L 83	83	1,500	1,500	760			SUBCAT	FMPE		500	
									260			
383-0083	L 86	86	4,700	4,700	4,680			SUBCAT	FMFA		316	
									94			
383-0083	L 86	86	1,900	1,900	1,900			SUBCAT	FMFA		90	
									150			
383-0085	L 87	89	3,500	3,500	1,684			SUBCAT	FMIL		566	
									50		200	
383-0086	L 87	90	10,200	10,200	2,295			SUBCAT	FMFA		1,635	
									4,841		1,000	
383-0086	L 87	88	3,800	3,800	3,191			SUBCAT	FMFA		700	
									609			
383-0090	L 89	92	15,000					SUBCAT	FMNC			
											4,393	
383-0093	L 89	92	12,000					SUBCAT	FMNS			
											3,900	
383-0101	L 87	88	3,996	3,996	3,496			SUBCAT	FMNV		300	
									300			
383-0103	L 87	88	2,000	2,000	700			SUBCAT	FMND		443	
									534			
383-0103	L 87	90	13,000	13,000	5,734			SUBCAT	FMND		2,306	
									1,820		4,857	
383-0104	L 90	93	10,074					SUBCAT	FMNSA			
											645	
383-0107	L 88	92	50,000					SUBCAT	FMNI			
									500		10,000	
									39,990		6,000	
											9,990	

Table IV (continued): Project Budget Data

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)										FY 1989		FY 90 APPL CODES	SPECIAL ITEM NO
	DBLIG DATE	OBLIG THRU	TOTAL COST PLAN	FY 87 PIPE LINE	FY 1988 OBLIG- ATTONS	FY 88 EXPEND- ATTONS	MORTGAGE END OF FY 88	OBLIG- ATTONS	EXPEND- ATTONS	FY 87 FIN AUTH	FY 88 EXPEND- ATTONS	FY 89 EXPEND- ATTONS		
383-0109	Sri Lanka Environmental Resources Protection										5,000			BD/RM
	6	90	94										500	
APPROPRIATION-ARDM														
TOTAL		238,511	321,420	209,950	68,604	22,800	19,592	46,596			22,800	23,425	21,700	
GRANTS		64,246	153,841	50,246	31,075	17,901	6,569	43,620			20,494	14,608	21,030	
LOANS		174,265	167,579	159,704	37,529	4,899	13,023	2,976			2,306	8,817	670	
						SUBCAT	FNZZ							
HEALTH														
383-0043	Malaria Control													
	6	78	85	3,000	3,000	3,000	1,653						50	
383-0043	Malaria Control													
	L	78	85	25,500	25,500	25,500	2,116							
383-0060	PVO Co-financing													
	B	79	86	1,224	974	974	488						230	
383-0062	National Institute of Health Sc., Kalutara													
	6	80	82	1,900	1,900	1,900	133							
383-0063	Martel Town Water Supply, Jaffna													
	L	80	82	6,000	2,991	2,991	27							
383-0088	Water Supply & Sanitation Sector													
	B	84	86	5,000	5,000	5,000	1,927							
383-0088	Water Supply & Sanitation Sector													
	L	84	86	7,300	7,300	7,300	6,817					2,500		
383-0101	PVO Co-financing II													
	B	87	87	250	250	250	250						100	
APPROPRIATION-HEALTH														
TOTAL		50,174	46,915	46,915	13,411		5,064						2,888	
GRANT		11,374	11,124	11,124	4,451		1,314						388	
LOAN		38,800	35,791	35,791	8,960		3,750						2,500	



Table IV (continued): Project Budget Data

PROJECT NUMBER AND TITLE	OBLIG DATE	OBLIG THRU	TOTAL COST PLAN	ESTIMATED U.S. DOLLAR COST (\$000)			FY 1988		FY 1989		FY 90 ANPL	SPECIAL ITEM NO
				OBLIG FY 87	PIPE- LINE	MORTGAGE END OF FY 88	OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES		
383-0168												
Science & Technol. Initiative for Private Sector												
6	90	94	10,000							1,000		FE
APPROPRIATION-SDA												
TOTAL			8,656	33,256	5,356	2,840	4,000	1,197	13,900	4,000	2,093	5,100
GRANTS			7,656	32,256	4,356	2,552	4,000	909	13,900	4,000	2,093	5,100
LOANS			1,000	1,000	1,000	288		288				
COUNTRY TOTAL												
TOTAL			298,300	402,550	263,180	85,144	26,800	26,053	60,496	26,800	28,495	26,800
GRANTS			84,235	198,180	66,685	38,367	21,901	8,992	57,520	24,494	17,178	26,130
LOANS			214,065	204,370	196,495	46,777	4,899	17,061	2,976	2,306	11,317	670

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE IV ATTACHMENT 1  
FORESTRY

383 - SRI LANKA

APPROPRIATION ACCOUNT PROJECT NO. TITLE	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
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NO PROJECTS PLANNED

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE IV ATTACHMENTS 2 & 3  
INTEGRATED RESOURCE MANAGEMENT & BIOLOGICAL DIVERSITY

383 - SRI LANKA

APPROPRIATION ACCOUNT PROJECT NO. TITLE	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
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Agriculture, Rural Dev. and Nutrition

383-0109	Sri Lanka Environmental Resources Protection	6	\$ 5,000	-	-	\$ 500
	Appropriation Total	6	\$ 5,000	-	-	\$ 500
	Country Total	6	\$ 5,000	-	-	\$ 500

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE IV ATTACHMENT 4  
CHILD SURVIVAL

383 - SRI LANKA

PROJ NUMBER	APPN	LQP FUND (000)	DRT %	IMM %	NUT %	HRB %	OTH/CS %	TOTAL CS %	NON-CS %
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NO PROJECTS PLANNED

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE IV ATTACHMENT 5  
BASIC EDUCATION

383 - SRI LANKA

APPROPRIATION ACCOUNT PROJECT NO. TITLE	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 APPL
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NO PROJECTS PLANNED

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE IV ATTACHMENT 6  
AIDS

383 - SRI LANKA

APPROPRIATION ACCOUNT PROJECT NO. TITLE	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 APPL
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NO PROJECTS PLANNED

COEA-87-27383-0000  
 CDPA-87-27383-0000

FY 1990 ANNUAL BUDGET SUBMISSION  
 TABLE VIII- FY 87 ACTUAL  
 SRI LANKA

EXPENSE CATEGORY	FUNC. CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST
<hr/>							
U S DIRECT HIRE	U100		408.7	0.0	408.7		
<hr/>							
U.S. CITIZENS BASIC PAY *	U101	110			0.0		
PT/TEMP US BASIC PAY *	U102	112			0.0		
DIFFERENTIAL PAY *	U103	116			0.0		
OTHER AID/W FUNDED CODE 11 *	U104	119			0.0		
OTHER MISSION FUNDED CODE 11	U105	119			0.0		
EDUCATION ALLOWANCES	U106	126	125.2		125.2	24.0	5.2
RETIREMENT- US DIRECT HIRE *	U107	120			0.0		
LIVING ALLOWANCES	U108	128			0.0		
OTHER AID/W FUNDED CODE 12	U109	129			0.0		
OTHER MISSION FUNDED CODE 12	U110	129	26.7		26.7		
POST ASSIGNMENT- TRAVEL	U111	212	32.6		32.6	6.0	5.4
POST ASSIGNMENT- FREIGHT	U112	22	100.7		100.7	6.0	16.8
HOME LEAVE- TRAVEL	U113	212	47.1		47.1	11.0	4.3
HOME LEAVE- FREIGHT	U114	22	33.8		33.8	11.0	3.1
EDUCATION TRAVEL	U115	215	4.9		4.9	2.0	2.5
R AND R TRAVEL	U116	215	18.8		18.8	19.0	1.0
OTHER CODE 215 TRAVEL	U117	215	18.9		18.9	11.0	1.7
<hr/>							
FOREIGN NATIONAL DIRECT HIRE	U200		127.9	0.0	127.9		
<hr/>							
BASIC PAY	U201	114	76.5		76.5	20.7	3.7
OVERTIME, HOLIDAY PAY	U202	115	4.9		4.9	0.2	24.5
ALL OTHER CODE 11- FN	U203	119	11.3		11.3		
ALL OTHER CODE 12- FN	U204	129	35.2		35.2		
BENEFITS FORMER FN PERSONNEL	U205	13			0.0		
<hr/>							
CONTRACT PERSONNEL	U300		161.1	0.0	161.1		
<hr/>							
PASA TECHNICIANS	U301	258			0.0		
US PSC- SALARY/BENEFITS	U302	113	48.1		48.1	1.5	32.1
ALL OTHER US PSC COSTS	U303	255			0.0		
FN PSC- SALARY/BENEFITS	U304	113	102.8		102.8	53.0	1.9
ALL OTHER FN PSC COSTS	U305	255	5.8		5.8		
MANPOWER CONTRACTS	U306	259	4.4		4.4	0.2	22.0
JCC COSTS PAID BY AID/W *	U307	113			0.0		
<hr/>							
HOUSING	U400		503.9	0.0	503.9		
<hr/>							
RESIDENTIAL RENT	U401	235	206.4		206.4	23.6	8.7
RESIDENTIAL UTILITIES	U402	235	110.5		110.5		
MAINTENANCE AND RENOVATION	U403	259	33.3		33.3		
QUARTERS ALLOWANCE	U404	127			0.0		
RESIDENTIAL FURNITURE/EQUIP	U405	311	57.0		57.0		
TRANS/FREIGHT- CODE 311	U406	22	29.9		29.9		
SECURITY GUARD SERVICES	U407	254	65.0		65.0	99.7	0.7
OFFICIAL RESIDENCE ALLOWANCES	U408	254			0.0		
REPRESENTATION ALLOWANCES	U409	252	1.8		1.8		

COEA-87-27383-0000  
 CCPA-87-27383-0000

FY 1990 ANNUAL BUDGET SUBMISSION  
 TABLE VIII- FY 87 ACTUAL  
 SRI LANKA

EXPENSE CATEGORY	FUNC. CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST
OFFICE OPERATIONS	U500		648.4	0.0	648.4		
OFFICE RENT	U501	234	5.1		5.1		
OFFICE UTILITIES	U502	234			0.0		
BUILDING MAINT/ RENOVATION	U503	259	12.2		12.2		
OFFICE FURNITURE/EQUIPMENT	U504	310	122.8		122.8		
VEHICLES	U505	312	26.7		26.7		
OTHER EQUIPMENT	U506	319	184.0		184.0		
TRANSPORTATION/ FREIGHT	U507	22	20.4		20.4		
FURN/EQUIP/VEHICLE REPAIR	U508	259	47.9		47.9		
COMMUNICATIONS	U509	230	15.0		15.0		
SECURITY GUARD SERVICES	U510	254			0.0		
PRINTING	U511	24			0.0		
SITE VISITS-MISSION PERSONNEL	U513	210	27.8		27.8	592.0	0.0
SITE VISITS- AID/W PERSONNEL	U514	210	37.2		37.2		
INFORMATION MEETINGS	U515	210			0.0		
TRAINING ATTENDANCE	U516	210	28.2		28.2	10.0	2.8
CONFERENCE ATTENDANCE	U517	210	24.4		24.4	15.0	1.6
OTHER OPERATIONAL TRAVEL	U518	26			0.0		
SUPPLIES AND MATERIALS	U519	257	60.6		60.6		
CONSULTING SERVICES- CONTRACTS	U521	259			0.0		
MGT/PROF SVCS- CONTRACTS	U522	259			0.0		
SPEC. STUDIES/ANALYSES CONT.	U523	259			0.0		
ALL OTHER CODE 25	U524	259	36.1		36.1		
TOTAL O.E. BUDGET			1,850.0	0.0	1,850.0		
RECONCILIATION			0.0	0.0	0.0		
636C REQUIREMENTS	U600	32					
TOTAL ALLOWANCE REQUIREMENTS +	U000		1,950.0	0.0	1,950.0		

FY 1990 ABS  
SRI LANKA

BIOLOGICAL DIVERSITY AND TROPICAL FORESTS  
Status and Recommended Conservation Needs

A SUMMARY

Introduction

This paper summarizes a larger document prepared in fulfillment of new Mission Country Development Strategy Statement preparation requirements included in the 1986 amendments to Sections 118 (tropical forests) and 119 (biological diversity) of the U.S. Foreign Assistance Act of 1961. The paper discusses issues related to tropical forests and biological diversity in Sri Lanka which include: (1) a brief description of the historical, physical, legislative and institutional factors that affect tropical forests and biological diversity in Sri Lanka; (2) a summary statement on the current status, relative importance and major issues related to conservation of the country's forests and other biological resources; and (3) a listing of major actions required to promote future conservation and sustainable management of these resources. The paper concludes with a brief statement of priority areas for future resource conservation support in Sri Lanka given existing needs and constraints.

Major Issues

Sri Lanka possesses a great wealth and diversity of biological resources, which include a relatively high proportion of endemic plant and animal species. Yet, despite a generally favourable policy climate and impressive national commitment to protection of these natural assets, they are gradually being lost due to a variety of different reasons, which are discussed in this report:

The island possesses a great number of laws that pertain to resource conservation, yet implementation of these are often inadequate, due to a variety of reasons ranging from inadequate funds and personnel, to a lack of a singleness of purposes and a mixture of priorities.

Although there are a number of agencies involved in resource conservation and management, there is a general lack of coordination between these agencies. Consequently there are divided interests and overlap of activities among these agencies which are not conducive to effective resource management.

Although the island has a tradition that supports the conservation of natural resources there is much that has to be done to improve appreciation of the wise use

of these resources.

The lack of adequate information on biological resources is a major constraint towards their good management.

### Priority Needs

Given appropriate, coordinated and limited assistance, especially in the critical areas of improved resource information, education and institutional coordination and strengthening, the islands problems related to tropical forests and biological diversity are clearly manageable. Some of the suggested priority needs are:

A review of all laws pertaining to management of natural resources with a view to incorporating new concepts of conservation, resource management, monitoring, quality standards, etc., and to the amalgamation, rationalization and integration of these laws.

Completion and implementation of the National Conservation Strategy, and improve coordination between the different agencies involved in its implementation.

Upgraded capabilities in key governmental and non-governmental agencies for effective resources management and conservation.

Improved resource information base with biological research related to resource surveys and inventories, critical habitat assessments, distribution patterns, etc.

Strengthened formal environmental education at all levels of the education system and strengthen publicity campaigns.

Conservation programs that bring tangible benefits to communities and improve local community participation in conservation initiatives.

Strengthened application of existing protective legislation.

Physical boundary adjustments to existing protected areas to provide for easier management; greater ecological soundness or integrity; inclusion of adjacent and new, previously unidentified resource-valuable properties.

Proper protection area management plans for all areas of the country.

LOCAL CURRENCY USE PLAN

Source of Funding: PL 480 Title I

FY 1987	\$24.0 million
FY 1988	\$26.0 million
FY 1989	\$16.0 million
FY 1990	\$16.0 million
FY 1991	\$16.0 million
FY 1992	\$16.0 million
FY 1993	\$16.0 million

Local currency generations are deposited into a GSL budget account and disbursed for government development projects, subsectoral areas and administrative support for the program. The specific annual budgets representing planned allocations of local currency generations are directed towards projects and areas of highest priority to the GSL in the agriculture/rural development sector (based on the National Agriculture, Food and Nutrition Strategy) and supportive and complementary to USAID's programs in the sector. Programs in irrigation and agricultural diversification, research, planning and marketing represent the primary focus.

In FY 1987, \$7 million were directed toward drought relief. Similarly, in FY 1988, \$10 million are targeted for rehabilitation and reconstruction in the North and East. The local currency resources support the USAID objectives of improving rural productivity and enhancing the private sector's role in the economy. We have also added a section 108 program both in FY 1987 and FY 1988: a portion of the local currency generation is used to pay back part of the loan immediately. The US owned local currency funds are lent to a privately owned intermediate financial institution for onlending to productive private sector enterprises.

The mission pursues the approach outlined above and does not place the local currency generations in a special account because of the consonance between the GSL's development strategies and USAID's. The Mission has not adopted a policy of jointly programming the local currency resources because the GSL has demonstrated that PL 480 generations are used properly for development purposes. Further, our DA projects have received their required GSL budgetary support.

AID PROGRAM IN FY 1990  
ANNUAL BUDGET SUBMISSION  
TABLE V - PROPOSED PROGRAM RANKING  
( \$ 000 )

383 SRI LANKA

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT		PROGRAM FUNDING (\$000)		CUM
						APPROP	INCR.	
1	383-0107	Rehabilitation Assistance Project	0	G	FN		9,990	9,990
2	383-0103	Mahaweli Downstream Support	0	L	FN		670	10,660
3	383-0086	Mahaweli Agriculture & Rural Development	0	G	FN		1,429	12,089
4	383-0100	Private Sector Policy Support	0	G	SD		2,800	14,889
5	383-0090	Mahaweli Enterprise Dev.Sector	0	G	FN		3,766	18,655
6	383-0093	Development of Agricultural Marketing Systems	0	G	FN		4,500	23,155
7	383-0099	PL 480 Title I	0	L	FN		(10,000)	23,155
8	383-0085	Development Studies & Training	0	G	SD		450	23,605
9	383-0101	PVO Co-Fi II	0	G	SD		350	24,655
10	383-H6	Low Income Shelter Program	N	L	SD		(20,000)	24,655
11	383-0109	Sri Lanka Environmental Resources Protection	N	G	FN		500	25,155
12	383-0108	Science & Technological Initiative for Private Sector	N	G	SD		1,000	26,155
13	383-0104	Wet Zone Intercropping and Diversification	N	G	FN		645	26,800
14	383-0095	PL 480 Title II	0	G	FN		(100)	26,800

FY 1990 ABS

TABLE VII

 USAID/SRI LANKA  
 EVALUATION PLAN — UPDATED 5/87

DATE	PROJECT & NUMBER	TYPE/PURPOSE OF EVAL	FUNDING	LAST EVAL
PLANNED FY 1988*****				
MAR 1988	WATER SUPPLY & SANITATION SECTOR PROJECT, 383-0088	MID-PROJECT. ISSUES: CONTRACTOR EXTENSION; INSTITUTION BUILDING LESSONS LEARNED.	PROJECT	NONE
***** NOTE: BECAUSE OF THE FY 88 PD&S FUND SHORTAGE, SEVERAL EVALUATIONS PLANNED FOR ***** ***** FY 88 HAD TO BE DROPPED OR DEFERRED TO FY 89: (1) THE IRRIGATION MANAGEMENT ***** ***** SECTOR ASSESSMENT, (2) REFORESTATION WATERSHED MANAGEMENT FINAL EVALUATION, ***** ***** AND (3) THE CH2M HILL IRRIGATION MANAGEMENT CONTRACT UNDER THE MAHAWELI BASIN ***** ***** II AMENDMENT. THE PRIVATE ENTERPRISE PROMOTION PROJECT (383-0082) FINAL ***** ***** EVALUATION WAS DEFERRED BECAUSE OF A PACD EXTENSION. EVALUATION OF THE EIED ***** ***** AMENDMENT TO MAHAWELI BASIN PHASE I WAS DROPPED AS DUPLICATIVE OF WORK DONE ***** ***** DURING MED DESIGN. A FINAL EVALUATION OF THE CONSTRUCTION UNDER MAHAWELI ***** ***** BASIN DEVELOPMENT I & II WAS ALSO DEFERRED FOR A COMBINATION OF REASONS, PD&S ***** ***** FUND SHORTAGE, ONGOING LITIGATION, AND QUESTION WHETHER THERE IS FURTHER ***** ***** BENEFIT TO BE DERIVED FROM A FINAL EVALUATION.				
PLANNED FY 1989 *****				
NOV 1988 (TENTATIVE)	MAHAWELI SETTLEMENTS POLICY REVIEW	ANOTHER IN A SERIES OF REVIEWS OF PROGRESS IN SETTLEMENT AND SETTLEMENT POLICY ISSUES.	PD&S	10/85
JAN 1989	IRRIGATION SYSTEMS MANAGEMENT * PROJECT IMPLEMENTATION EVALUATION, 383-0080	FIRST MID-PROJECT EVALUATION	PROJECT	NONE
MARCH 1989	MAHAWELI ENVIRONMENT PROJECT 383-0075	END OF PROJECT	PROJECT	3/87
MAY 1989	IRRIGATION MANAGEMENT SECTOR ASSESSMENT	A REVIEW OF MISSION AND GSL ACTIVITIES, POLICY ISSUES, AND PRIORITIES IN IRRIGATION MANAGEMENT	PD&S	N.A.
JUNE 1989	PVO CO-FINANCING I & II, 383-0060 & 383-0101	END OF PROJECT FOR CO-FI I; EVALUATION OF MICRO-GRANT PROGRAM, SUPPORT TO PVO CONSORTIUM, AND NEW GSL/MISSION APPROVAL PROCEDURES UNDER CO-FI II.	PROJECT	6/86 NONE
JULY 1989	PRIVATE ENTERPRISE PROMOTION PROJECT (PEPP), 383-0082	END OF PROJECT; FOCUS ONLY ON SRI LANKA BUSINESS DEVELOPMENT CENTER COMPONENT.	PROJECT	11/86
PLANNED FY 1990*****				
NOV 1989	DIVERSIFIED AG RESEARCH PROJECT, 383-0058	SECOND MID-PROJECT EVALUATION	PROJECT	9/87
JAN 1990	AGRICULTURE PLANNING & ANALYSIS, 383-0083	FIRST MID-TERM EVALUATION, AND REVIEW OF DESIGN ISSUES.	PROJECT	NONE
APRIL 1990	COMBINED DIVERSIFIED AGRICULTURE SECTOR ASSESSMENT	AN EVALUATION OF MISSION/GSL ASSUMPTIONS ABOUT AGRICULTURAL DIVERSIFICATION UNDERLYING CURRENT PROJECTS (DARP, MARD, AGPLAN, & MED) AND EMERGING GSL POLICY.	PD&S	N.A
AUG 1990	MAHAWELI AG RURAL DEVELOPMENT AND MAHAWELI DOWNSTREAM SUPPORT, 383-0086 & 383-0103	FIRST MID-TERM EVALUATION	PROJECT	NONE

PRM:EVALPLN7:JPE:5/18/88

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE VIII - FY88  
SRI LANKA

EXPENSE CATEGORY	FUNC. OBJECT CODE CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST DOLS	LOCAL CURRENCY REQUIRED DOLLARS
<hr/>							
U S DIRECT HIRE	U100	411.7		411.7			
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EDUCATION ALLOWANCES	U106 126	109.1		109.1	16.0	6.8	
OTHER MISSION FUNDED CODE 12	U110 129	53.1		53.1			
POST ASSIGNMENT TRAVEL	U111 212	18.5		18.5	5.0	3.7	
POST ASSIGNMENT FREIGHT	U112 22	56.0		56.0	5.0	11.2	
HOME LEAVE TRAVEL	U113 212	45.5		45.5	16.0	2.8	
HOME LEAVE FREIGHT	U114 22	51.6		51.6	16.0	3.2	
EDUCATIONAL TRAVEL	U115 215	1.4		1.4	1.0	1.4	
R&R TRAVEL	U116 215	41.0		41.0	13.0	3.2	
OTHER CODE 215 TRAVEL	U117 215	35.5		35.5	20.0	1.8	
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FOREIGN NATIONAL DIRECT HIRE	U200	124.3		124.3			
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FNDH BASIC PAY	U201 114	72.4		72.4	21.0	3.4	72.4
FNDH OT/HOLIDAY PAY	U202 115	4.0		4.0	0.7	5.7	4.0
FNDH-ALL OTHER CODE 11	U203 119	11.5		11.5			11.5
FNDH-ALL OTHER CODE 12	U204 129	36.4		36.4			36.4
BENIFITS FORMER FN PERSONNEL	U205 13						
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CONTRACT PERSONNEL	U300	285.9		285.9			
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PASA TECHNICIANS	U301 258						
USPSC-SALARY/BENEFITS	U302 113	140.3		140.3	4.0	35.1	
USPSC-ALL OTHER	U303 255	1.0		1.0			
FNPSC-SALARY/BENIFITS	U304 113	135.7		135.7	57.0	2.4	135.7
FNPSC-ALL OTHER	U305 255	4.9		4.9			4.9
MANPOWER CONTRACT	U306 259	4.0		4.0	2.0	2.0	4.0
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HOUSING	U400	523.9		523.9			
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RESIDENTIAL RENT	U401 235	174.8		174.8	21.0	8.3	174.8
RESIDENTIAL UTILITIES	U402 235	108.1		108.1			108.1
RESIDENTIAL MAINT/RENOV	U403 259	30.0		30.0			30.0
QUARTERS ALLOWANCE	U404 127						
RESIDENTIAL FURN/EQUIP	U405 311	113.7		113.7			50.0
TRANSPORT/FRT CODE 311	U406 22	17.3		17.3			
RESIDENTIAL SECURITY GUARDS	U407 254	78.0		78.0	56.0	1.2	78.0
OFFICIAL RESIDENCES ALLOWANCE	U408 254						
REPRESENTATION ALLOWANCE	U409 252	2.0		2.0			2.0

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE VIII - FY88  
SRI LANKA

EXPENSE CATEGORY	FUNC.OBJECT		TRUST			UNIT	LOCAL
	CODE	CLASS	DOLLARS	FUNDS	TOTAL	UNITS	CURRENCY DOLLARS REQUIRED
OFFICE OPERATIONS	U500		671.5		671.5		
OFFICE RENTS WAREHOUSE	U501	234	4.8		4.8		4.8
OFFICE UTILITIES	U502	234					
OFFICE MAINT/RENOV	U503	259	30.0		30.0		30.0
OFFICE FURN/EQUIP	U504	310	70.5		70.5		15.0
VEHICLES	U505	312	31.0		31.0		
OTHER EQUIPMENT	U506	319	108.1		108.1		
TRAN/FRT CODE 310	U507	22	21.6		21.6		
FURN.,EQUIP. REPAIR MAINT.	U508	259	62.8		62.8		8.0
COMMUNICATIONS	U509	230	15.5		15.5		15.5
OFFICE SECURITY GUARDS	U510	254	0.0		0.0		
PRINTING	U511	24	0.0		0.0		
SITE VISITS	U513	210	28.5		28.5	294.0	0.1 18.5
SITE VISITS(AID/W)	U514	210	22.0		22.0	5.0	4.4 10.0
INFORMATION MEETINGS	U515	210	4.4		4.4	1.0	4.4 2.0
TRAINING TRAVEL	U516	210	19.8		19.8	10.0	2.0 7.0
CONFERENCE TRAVEL	U517	210	34.9		34.9	10.0	3.5 15.5
OTHER OPERATIONAL TRAVEL	U518	210	0.0		0.0		
SUPPLIES & MATERIALS	U519	26	55.0		55.0		35.0
FASS	# U520		117.3		117.3		
ALL OTHER CODE 25	U524	259	45.3		45.3		45.3
TOTAL OE BUDGET			2017.3		2017.3		
RECONCILIATION			117.3		117.3		
OPERATING BUDGET REQUIREMENTS			1900.0		1900.0		
636(C) REQUIREMENTS	U601						
TOTAL ALLOWANCE REQUIREMENTS	U000		1900.0		1900.0		
DOLLARS REQUIRED FOR LOCAL CURRENCY			920.4				
EXPENSES EXCHANGE RATE USED (MAY 9, 1988)							Rs 30.86=\$1.00

INFLATION RATE PER YEAR USING COLOMBO CONSUMER'S PRICE INDEX  
 JANUARY 1987 THRU DECEMBER 1987 7.7%  
 APRIL 1987 THRU APRIL 1988 13.0%

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FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE VIII-FY89  
SRI LANKA

EXPENSE CATEGORY	FUNC.OBJECT CODE CLASS	DOLLARS	TRUST FUNDS TOTAL	UNITS	UNIT COST DOLS	LOCAL CURRENC REQUIRE DOLLARS
<hr/>						
U S DIRECT HIRE	U100	382.4	382.4			
<hr/>						
EDUCATION ALLOWANCES	U106 126	137.9	137.9	18.0	7.7	
OTHER MISSION FUNDED CODE 12	U110 129	24.1	24.1			
POST ASSIGNMENT TRAVEL	U111 212	13.0	13.0	3.0	4.3	
POST ASSIGNMENT FREIGHT	U112 22	51.0	51.0	3.0	17.0	
HOME LEAVE TRAVEL	U113 212	41.0	41.0	21.0	2.0	
HOME LEAVE FREIGHT	U114 22	48.0	48.0	21.0	2.3	
EDUCATIONAL TRAVEL	U115 215	1.4	1.4	1.0	1.4	
R&R TRAVEL	U116 215	31.0	31.0	10.0	3.1	
OTHER CODE 215 TRAVEL	U117 215	35.0	35.0	20.0	1.8	
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FOREIGN NATIONAL DIRECT HIRE	U200	127.5	127.5			
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FNDH BASIC PAY	U201 114	74.5	74.5	21.0	3.5	74.5
FNDH OT/HOLIDAY PAY	U202 115	4.0	4.0	0.7	5.7	4.0
FNDH-ALL OTHER CODE 11	U203 119	12.0	12.0			12.0
FNDH-ALL OTHER CODE 12	U204 129	37.0	37.0			37.0
BENIFITS FORMER FN PERSONNEL	U205 13					
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CONTRACT PERSONNEL	U300	256.7	256.7			
<hr/>						
PASA TECHNICIANS	U301 258					
USPSC-SALARY/BENEFITS	U302 113	109.4	109.4	3.0	36.5	
USPSC-ALL OTHER	U303 255					
FNPSC-SALARY/BENIFITS	U304 113	138.4	138.4	57.0	2.4	138.4
FNPSC-ALL OTHER	U305 255	4.9	4.9			4.9
MANPOWER CONTRACT	U306 259	4.0	4.0	2.0	2.0	4.0
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HOUSING	U400	572.5	572.5			
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RESIDENTIAL RENT	U401 235	206.2	206.2	21.0	9.8	206.2
RESIDENTIAL UTILITIES	U402 235	111.3	111.3			111.3
RESIDENTIAL MAINT/RENOV	U403 259	33.0	33.0			33.0
QUARTERS ALLOWANCE	U404 127					
RESIDENTIAL FURN/EQUIP	U405 311	120.5	120.5			58.0
TRANSPORT/FRT CODE 311	U406 22	19.5	19.5			
RESIDENTIAL SECURITY GUARDS	U407 254	80.0	30.0	60.0	1.2	80.0
OFFICIAL RESIDENCES ALLOWANCE	U408 254					
REPRESENTATION ALLOWANCE	U409 252	2.0	2.0			2.0

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE VIII-FY89  
SRI LANKA

EXPENSE CATEGORY	FUNC.OBJECT		TRUST		UNITS	UNIT COST DOLS	LOCAL CURRENC REQUIRE DOLLARS
	CODE	CLASS	DOLLARS	FUNDS TOTAL			
<hr/>							
OFFICE OPERATIONS	U500		689.9	689.9			
<hr/>							
OFFICE RENTS WAREHOUSE	U501	234	5.0	5.0			5.0
OFFICE UTILITIES	U502	234	0.0	0.0			
OFFICE MAINT/RENOV	U503	259	15.0	15.0			15.0
OFFICE FURN/EQUIP	U504	310	114.5	114.5			15.0
VEHICLES	U505	312	20.0	20.0			
OTHER EQUIPMENT	U506	319	89.7	89.7			
TRAN/FRT CODE 310	U507	22	21.4	21.4			
FURN.,EQUIP. REPAIR MAINT.	U508	259	65.0	65.0			10.0
COMMUNICATIONS	U509	230	15.5	15.5			15.5
OFFICE SECURITY GUARDS	U510	254	2.0	2.0			2.0
PRINTING	U511	24	1.0	1.0			1.0
SITE VISITS	U513	210	30.0	30.0	300.0	0.1	19.0
SITE VISITS(AID/W)	U514	210	22.0	22.0	5.0	4.4	10.0
INFORMATION MEETINGS	U515	210	4.6	4.6	1.0	4.6	2.0
TRAINING TRAVEL	U516	210	21.1	21.1	10.0	2.1	10.5
CONFERENCE TRAVEL	U517	210	30.3	30.3	9.0	3.4	14.0
OTHER OPERATIONAL TRAVEL	U518	210					
SUPPLIES & MATERIALS	U519	26	55.5	55.5			40.0
FAAS	#U520		129.0	129.0			
ALL OTHER CODE 25	U524	259	48.3	48.3			48.3
TOTAL OE BUDGET			2029.0	2029.0			
RECONCILIATION			129.0	129.0			
OPERATING BUDGET REQUIREMENTS			1900.0	1900.0			
636(C) REQUIREMENTS	U601						
TOTAL ALLOWANCE REQUIREMENTS			1900.0	1900.0			
DOLLARS REQUIRED FOR LOCAL CURRENCY			972.6				
EXPENSES EXCHANGE RATE USED (MAY 9, 1988)			Rs 30.86=\$1.00				
ESTIMATED INFLATION RATE			14.0%				

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FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE VIII-FY90  
SRI LANKA

EXPENSE CATEGORY	FUNC. CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST DOLS	LOCAL CURRENCY REQUIRED DOLLARS
<hr/>								
U S DIRECT HIRE	U100		438.4		438.4			
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EDUCATION ALLOWANCES	U106	126	154.6		154.6	18.0	8.6	
OTHER MISSION FUNDED CODE 12	U110	129	26.0		26.0			
POST ASSIGNMENT TRAVEL	U111	212	18.5		18.5	4.0	4.6	
POST ASSIGNMENT FREIGHT	U112	22	68.5		68.5	4.0	17.1	
HOME LEAVE TRAVEL	U113	212	46.5		46.5	21.0	2.2	
HOME LEAVE FREIGHT	U114	22	52.3		52.3	21.0	2.5	
EDUCATIONAL TRAVEL	U115	215	3.0		3.0	2.0	1.5	
R&R TRAVEL	U116	215	34.0		34.0	10.0	3.4	
OTHER CODE 215 TRAVEL	U117	215	35.0		35.0	20.0	1.8	
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FOREIGN NATIONAL DIRECT HIRE	U200		131.3		131.3			
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FNDH BASIC PAY	U201	114	76.8		76.8	21.0	3.7	76.8
FNDH QT/HOLIDAY PAY	U202	115	4.0		4.0	0.7	5.7	4.0
FNDH-ALL OTHER CODE 11	U203	119	12.4		12.4			12.4
FNDH-ALL OTHER CODE 12	U204	129	38.1		38.1			38.1
BENIFITS FORMER FN PERSONNEL	U205	13						
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CONTRACT PERSONNEL	U300		260.0		260.0			
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PASA TECHNICIANS	U301	258						
USPSC-SALARY/BENEFITS	U302	113	110.0		110.0	3.0	36.7	
USPSC-ALL OTHER	U303	255						
FNPS-C-SALARY/BENIFITS	U304	113	141.1		141.1	60.0	2.4	141.1
FNPS-C-ALL OTHER	U305	255	4.9		4.9			4.9
MANPOWER CONTRACT	U306	259	4.0	*	4.0			4.0
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HOUSING	U400		500.9		500.9			
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RESIDENTIAL RENT	U401	235	210.3		210.3	21.0	10.0	210.3
RESIDENTIAL UTILITIES	U402	235	113.5		113.5			113.5
RESIDENTIAL MAINT/RENOV	U403	259	35.0		35.0			35.0
CHARTERS ALLOWANCE	U404	127						
RESIDENTIAL FURN/EQUIP	U405	311	48.1		48.1			17.4
TRANSPORT/PRT CODE 311	U406	22	12.0		12.0			
RESIDENTIAL SECURITY GUARDS	U407	254	80.0		80.0			80.0
OFFICIAL RESIDENCES ALLOWANCE	U408	254						
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0			2.0

FY 1990 ANNUAL BUDGET SUBMISSION  
TABLE VIII-FY90  
SRI LANKA

EXPENSE CATEGORY	FUNC. CODE	OBJECT CLASS	TRUST		UNITS	UNIT LOCAL	LOCAL
			DOLLARS	FUNDS TOTAL		COST DOLS	CURRENCY REQUIRED DOLLARS
-----							
OFFICE OPERATIONS	U500		702.5	702.5			
-----							
OFFICE RENTS WAREHOUSE	U501	234	5.1	5.1			5.1
OFFICE UTILITIES	U502	234	80.0	80.0			80.0
OFFICE MAINT/RENOV	U503	259	15.0	15.0			15.0
OFFICE FURN/EQUIP	U504	310	32.5	32.5			
VEHICLES	U505	312	37.5	37.5			
OTHER EQUIPMENT	U506	319	97.5	97.5			
TRAN/FRT CODE 310	U507	22	5.8	5.8			
FURN.,EQUIP. REPAIR MAINT.	U508	259	60.0	60.0			10.0
COMMUNICATIONS	U509	230	16.0	16.0			16.0
OFFICE SECURITY GUARDS	U510	254	2.0	2.0			2.0
PRINTING	U511	24	1.0	1.0			1.0
SITE VISITS	U513	210	30.2	30.2	300.0	0.1	18.2
SITE VISITS(AID/W)	U514	210	23.0	23.0	5.0	4.6	13.0
INFORMATION MEETINGS	U515	210	5.0	5.0	1.0	5.0	2.5
TRAINING TRAVEL	U516	210	21.1	21.1	10.0	2.1	10.1
CONFERENCE TRAVEL	U517	210	31.1	31.1	10.0	3.1	13.1
OTHER OPERATIONAL TRAVEL	U518	210					
SUPPLIES & MATERIALS	U519	26	56.5	56.5			40.0
FAAS	#U520		133.1	133.1			
ALL OTHER CODE 25	U524	259	50.1	50.1			50.1
TOTAL OE BUDGET			2033.1	2033.1			
RECONCILIATION			133.1	133.1			
OPERATING BUDGET REQUIREMENTS			1900.0	1900.0			
636(C) REQUIREMENTS	U601						
TOTAL ALLOWANCE REQUIREMENTS	U000		1900.0	1900.0			
DOLLARS REQUIRED FOR LOCAL CURRENCY			1015.6				
EXPENSES EXCHANGE RATE USED (MAY 9, 1988)			Rs 30.86=#1.00				
ESTIMATED INFLATION RATE			14.0%				

90ABS90.WK1:MP

Table VIII (A)SECTION A: MANAGEMENT IMPROVEMENTS

With limited resources, USAID Colombo took a meaningful step towards becoming fully automated and sacrificed all other potential improvements to purchase a WANG VS-100 computer and sufficient terminals which will nearly double the number of workstations in this mission. This effort will eventually allow our mission to produce significantly more work through automation that could not otherwise be accomplished with the personnel available to the Mission. If past patterns of use and demand increase are an indicator, more workstations will be required in FY 89 and 90. Additional peripherals, such as laser printer capability and telecommunications, should also be added to the system.

As a result of ADP expansion, automation service and maintenance costs will also increase. The Mission has added significant quantities of WANG equipment to USAID resources and service and maintenance charges will rise accordingly. It has also become apparent that duplication equipment is deteriorating and must be replaced with better and more productive equipment.

We have instituted a selective housing program whereby newly acquired houses are only leased after due consideration of rehabilitation requirements to meet our housing standards and we have effectively renegotiated current leases at their expiration date which provides the mission with reasonable housing costs in Colombo. Housing costs, over the long term, could be reduced further if the USG should initiate a program to purchase houses.

Office space currently occupied by USAID is totally inadequate for our needs. This government-owned building, has over the years, suffered continual deterioration to the extent that it now requires extensive rehabilitation. Problems include asbestos, termite damage, poor electrical wiring, leaking roofs, inadequate air-conditioning and crowded offices; all of which contribute to an unacceptable working environment. It has been recommended that the Mission give serious consideration to relocation as FBO estimates that the cost to renovate our present office space to an acceptable standard would exceed US Dollars 1,500,000. Even with the needed renovations and security upgrading, space will continue to be a serious constraint to the extent USIS continues to share the building. The Mission strongly supports relocation. Estimated costs if this proposed relocation should become a reality are as follows:

Annual rental	US \$ 160,000
Rehabilitation of new space to our specifications	US \$ 75,000
Relocation expenses for furniture/equipment	US \$ 25,000
Utilities (FBO currently pays for present OB Utilities)	US \$ 90,000

#### SECTION B: TRUST FUNDS

The reduced program level, as well as the current political situation, has not provided a favourable climate in which to discuss trust funds.

#### SECTION C: JUSTIFICATION OF FUNDING CHANGES

##### F.C. EXPENSE CATEGORY

##### 100 US DIRECT HIRE

1988/1989 - Percent of change (7.1%)

Overall decreases in funding requirements in the 100 and 200 FC expense categories are a result of the loss of one American employee position (Legal Officer) at the end of FY 88. Other adjustments in funding requirements are a result of anticipated price and allowance rate increases or anticipated changes in student away from school education costs.

1989/1990 - Percent of change 14.6%

The increases in FY 90 OE's over FY 89 are a result of American personnel changes due to take place with required increases in post assignment travel and shipment costs, additional away from post education allowances and an overall slight price increase in most FC categories.

##### 200 FOREIGN NATIONAL DIRECT HIRE

1988/1989 - Percent of change 2.6%

We have provided for a modest salary increase.

1989/1990 - Percent of Change 3.0%

As above

##### 300 CONTRACT PERSONNEL

1988/1989 - Percent of change (10.2%)

It is anticipated that the need for US contract services

will not be required in FY 89 to the extent that it was in FY 88. FY 88 costs were primarily the result of Controller assistance necessary due to early retirement of incumbent.

1989/1990 - Percent of change 1.2%

We have provided for a modest increase in PSC salary rates.

#### 400 HOUSING

1988/1989 - Percent of change 9.3%

We have anticipated a slight increase in some of the leases which are due for renegotiation in 1989. Additionally, we have allowed for a modest increase in utilities costs due to a possible rate increase caused by inflation. We have also provided for a slight increase in NXP purchases over last year in accordance with mission's replacement schedule for furniture and equipment.

1989/1990 - Percent of change (12.5%)

Although we have planned for anticipated increases in leases which are due for renegotiation in FY 90, a significant reduction in our FC 405 (residential furniture/equipment) requirements results in a net reduction of our requirements in this area of 12.5%.

#### 500 OFFICE OPERATIONS

1988/1989 - Percent of change .5%

1989/1990 - Percent of change 4.0%

The increase in FY 90 over FY 89 is primarily due to the requirement that USAID fund the cost of utilities for office buildings whereas in previous years FBO funds were expended for this purpose. Although the estimated cost in FY 90 is \$80,000, this amount has been partially offset by reductions in other FC's such as 504, 507 and 509.

NOTE: There may be a need for an increase in vehicle funding to facilitate mission supervision of the rehabilitation and reconstruction activities in the north and east of Sri Lanka. This assumes that peace will come to those areas and that contract teams and USAID personnel will be able to travel freely and safely in those areas. A small increase in travel costs would also occur.

RHUDO operating expenses for FY 88 & 89 are not included in this ABS. Funds in the amount of US Dollars 20.3 for FY 88 and US Dollars 22.1 for FY 89 are required to be allotted to Sri Lanka per BANGKOK 22754 of May 9, 1988.

## ORGANIZATION

TABLE VIII (b)  
INFORMATION ON PSC COSTS

POSITION TITLE/DESCRIPTION	FY1987	FY1988	FY1989	FY1990
EXECUTIVE ASSISTANT	31.1 (6/87 - 6/88)	30.1 (6/88 - 6/89)	30.0 (6/89 - 6/90)	30.0 (6/90 - 6/91)
SECRETARY-DIRECTOR'S OFFICE (R&R/HL COVERAGE)	3.5 (4/88 - 5/88)	5.0 (6/88 - 7/88)	5.0 (6/89 - 7/89)	5.0 (6/90 - 7/90)
EXECUTIVE OFFICER (R&R/HL COVERAGE)	2.6 (12/86 - 1/87)	0.0	20.0 (8/89 - 9/89)	25.0 (8/90 - 9/90)
CONTROLLER (R&R/HL COVERAGE)	8.3 (9/87 - 10/87)	41.5 (5/88 - 9/88)	29.4 (11/89 - 12/89)	25.0 (11/90 - 12/90)
SECRETARY- EXO OFFICE	0.0	3.5 (3/88 - 5/88)	0.0	0.0
PDS-LEGAL OFFICER	0.0	23.5 (2/88 - 9/88)	0.0	0.0
LIBRARIAN (4-6 MONTHS)	0.0	25.0 (6/88 - 6/89)	25.0 (6/89 - 6/90)	25.0 (6/90 - 6/91)
EDITOR/WRITER (4-6 MONTHS)	0.0	12.7 (6/88 - 9/88)	0.0	0.0
SUMMER INTERNS	2.6 (5/87 - 8/87)	0.0	0.0	0.0
TOTAL	48.1	141.3	109.4	110.0

TABLE b 1. WK 1: MF

TABLE VIII (b) (Continued)  
FSN PSC SALARIES

	NAME	BASE SALARY (RS)	EARNINGS FOF FY 1988
1	ALLANSON JANSZ	42,021.00	49,794.00
2	RUDOLPH JANSZ	42,021.00	49,794.00
3	STANLEY PERERA	35,335.00	43,015.00
4	DON WIJESINGHE	36,773.00	44,473.00
5	CHANDRANI SUNDARARAJ	31,126.00	38,747.00
6	RONALD KOCH	32,460.00	40,099.00
7	SHIREEN MUNASINGHE	28,533.00	36,117.00
8	MOHAMED NIZAR	81,376.00	129,434.00
9	DRUPATHI DE SILVA	81,376.00	129,434.00
10	ABDUL RAHIM MOHAMED	24,172.00	31,695.00
11	PREMUDE DEVANATH	27,236.00	34,802.00
12	LORNA RAJADURAI	35,122.00	44,966.08
13	MOHAMED RAZIK HASSAN	26,298.00	33,851.00
14	PIYASIRI MADUGODA	29,584.00	37,183.00
15	PRIYANI JAYATILLAKE	44,371.00	54,802.00
16	ANNE DE ZOYSA	27,236.00	34,802.00
17	ANTHONY RODRIGO	29,584.00	37,183.00
18	SOMASIRI LOKUGE	29,584.00	37,887.25
19	ROHAN WEERASEKARA	27,236.00	34,802.00
20	WIJITHA WEERASINGHE	21,941.00	29,433.00
21	ALBERT WITHANAGE	22,684.00	30,187.00
22	RANGASAMY ARUMUGAM	21,941.00	29,433.00
23	M.CHULARATNE	21,941.00	29,433.00
24	PETER SENEVIRATNE	28,146.00	35,725.00
25	SUBASHINI KARUNATILLAKE	25,939.00	25,115.25
26	CHINTA DE SILVA	38,205.00	45,925.00
27	DEVIKA JAYASINGHE	45,912.00	53,740.00
28	SENEKA ABEYRATNE	135,259.00	183,317.00
29	WALTER ABEYGUNAWARDENE	135,259.00	183,317.00
30	S.H CHARLES	110,447.00	158,505.00
31	JEAN PERERA	44,377.00	55,951.00
32	LORRAINE PERERA	54,712.00	77,690.00
33	ENOKA TENNEKON	64,750.00	87,728.80
34	ROSABEL SELVARAJAH	41,288.00	49,051.00
35	TERRY ADAMS	32,039.00	39,673.00
36	UMANGA THAMMANNAGODA	44,377.00	55,951.00
37	CHARMAINE KULARATNE	38,205.00	47,962.00
38	M.RUSHDI HASSEN	30,272.00	37,254.00
39	LAKSHMAN RAJARATNAM	116,650.00	164,708.00
40	ATHULA WEERASURIYA	116,650.00	164,708.00
41	JAYANTHA PERERA	67,822.00	90,800.00
42	ASHANTHI AMARASEKARA	32,039.00	39,673.00
43	M.FALLIL	104,244.00	131,534.67
44	WILFRED HENAGE	86,254.00	109,232.00

TABLE VIII (b) (Continued)  
PSM PSC SALARIES

NAME	BASE SALARY (RS)	EARNINGS FOR FY 1988			
45 YVONNE CASIECHETTY	39,747.00	47,488.00			
46 RAMYANI RODRIGO	42,829.00	50,614.00			
47 PREMA SILVA	42,829.00	37,960.50			
48 NAZEERA LAXANA	44,377.00	55,951.00			
49 YOGARANI SIVANATHAN	33,581.00	41,236.00			
50 MIGNONNE RANASINGHE	36,664.00	25,877.83			
51 JANE DAVID	33,581.00	41,236.00			
52 DIANA MANOGURU	35,122.00	32,099.25			
53 IMELDA VAZ	33,581.00	41,236.00			
54 RANJITH RATNAYAKE	160,071.00	208,129.00			
55 CELONIA KERKOVEN	67,822.00	90,800.00			
56 JUANITA WICKRAMANAYAKE	44,371.00	52,177.00			
57 RACHEL SAMUEL	41,288.00	28,613.08			
58 MOHAMED M HASSIM	18,284.00	10,718.75			
59 PAPPAN KANDASAMU	18,284.00	10,718.75			
60 MADAN MUNIYANDI	18,284.00	10,718.75			
61 URUKALAN MUTHUSAMY	18,284.00	10,718.75			
62 YASMIN HORADAGODA	32,039.00	19,836.50			
63 K. SHANMUGARAJAH	147,665.00	97,861.50			
64 VERONICA LAWRENCE	33,581.00	20,618.00			
65 NILANI DE SILVA	32,039.00	6,612.17			
66 M. DISSANAYAKE	162,282.00	17,528.33			
67 CHRISTINE RAJARATNAM	36,664.00	3,696.83			
68 TILAK SAMARANAYAKE	188,763.00	59,205.25			
<hr/>					
PSC GROSS SALARY (RS)	3,554,829.00	3,803,578.29			
	FY1987	FY1988	FY1989	FY1990	
PSC GROSS SALARY (\$)	\$102,791.20	123,252.70	125,717.75	128,232.11	
*1=RS 30.86 (MAY 9 1988)	5,781.01	12,476.15	12,725.67	12,980.19	
FUNCTION CODE U304	108,572.21	135,728.85	138,443.43	141,122.29	
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TABLEb2.WK1:MP

ORGANIZATION

TABLE VIII(C)

ALL OTHER CODE 25 DETAIL

DESCRIPTION	FY1987	FY1988	FY1989	FY1990
SECRETARIAL SERVICES	4.4	4.0	4.0	4.0
TOTAL	4.4	4.0	4.0	4.0

TABLE C-4K1:MP

ORGANIZATION \_\_\_\_\_  
 TABLE VIII (d)  
 MANPOWER CONTRACT DETAIL

DESCRIPTION	FY1987	FY1988	FY1989	FY1990
RAMC CHARGES	8.8	9.0	9.5	10.0
OTHER (LOCAL EMPLOYEES TRAINING, USDH LANGUAGE TRAINING, AIR CONDITIONERS MAINTENANCE CONTRACT, PETTY CASH ITEMS, ETC.)	27.3	36.3	38.8	40.1
TOTAL	36.1	45.3	48.3	50.1

TABLEd. WK1:MF

ORGANIZATION

TABLE VIII (e)  
 OBLIGATIONS FOR ACQUISITION, OPERATION  
 AND USE OF INFORMATION TECHNOLOGY SYSTEMS  
 (\$000)

ITEM AND EXPLANATION	FY1987	FY1988	FY1989	FY1990
1 CAPITAL INVESTMENT				
A PURCHASE OF HARDWARE	157.2	70.0	53.0	50.0
B PURCHASE OF SOFTWARE	13.4	15.0	25.0	25.0
C SITE FACILITY	0.0	0.0	0.0	0.0
SUBTOTAL Section 1	170.6	85.0	78.0	75.0
2 PERSONNEL				
A COMPENSATION, BENEFITS AND TRAVEL				
B WORKYEARS				
3 EQUIPMENT RENTAL, SPACE AND OTHER OPERATING COSTS:				
A LEASE OF EQUIPMENT				
B SPACE				
C SUPPLIES AND OTHER MATERIAL				
D NON-COMMERCIAL TRAINING				

SUBTOTAL Section 3

TABLE VIII (e)  
(Continued)  
(\$000)

ITEM AND EXPLANATION	FY1987	FY1988	FY1989	FY1990
4 COMMERCIAL SERVICES:				
A COMPUTER TIME				
B LEASED TELECOMMUNICATIONS SERVICES			67.0	
C OPERATIONS AND MAINTENANCE				
(1) OPERATIONS				
(2) MAINTENANCE				
OTHER THAN WANG EQUIPMENT	6.6	7.0	8.0	8.0
WANG EQUIPMENT (LOCAL MAINTENANCE)	0.8			
WANG EQUIPMENT (AID/W MAINTENANCE)	40.5	55.8	57.0	52.0
D SYSTEMS ANALYSIS AND PROGRAMMING:				
E SYSTEMS DESIGN AND ENGINEERING				
F STUDIES AND OTHER	3.5	4.0	4.0	4.0
SUBTOTAL Section 4	51.4	66.8	136.0	64.0
TOTAL DOLLARS				
TOTAL WORKYEARS (FROM ITEM 2A)				
MISSION ALLOWANCE LEVELS:				
A EXISTING SYSTEMS	1850.0	1900.0	1900.0	1900.0
B NEW OR EXPANDED SYSTEMS	1850.0	1900.0	1967.0	1900.0

TABLE e. WK1:MF

Country/Office: Sri Lanka/USAID

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XI

PL 480 Title I/III Requirements  
 (Dollars in Millions, Tonnage in Thousands)

	<u>Actual</u> <u>FY 1988</u>		<u>Projected</u> <u>FY 1989</u>		<u>Projected</u> <u>FY 1990</u>	
	\$	MT	\$	MT	\$	MT
<u>Commodities</u>						
<u>Title I</u>						
Wheat	26.0	236	16.0	145	16.0	145
Total	26.0	236	16.0	145	16.0	145
<hr/>						
Of which Title III	0.0	0	0.0	0	0.0	0
Total	26.0	236	16.0	145	16.0	145

Title II Work Sheet  
Cost of NFDM

Ref: State 103007, April 7, 1987

1 MT = \$110  
1 Kg = \$0.11

Year	# Beneficiaries	Commodity	Kgs (000)	Dollars (000)
1989 <sup>1</sup>	580,000	NFDM	3,654	402
1990 <sup>2</sup>	333,500 <sup>3</sup>	NFDM	1,723	190
	650,000 <sup>4</sup>	NFDM	1,931	213

- 
1. PL 480 commodities represent 30% of Thripasha formula.
  2. PL 480 commodities represent 15% of Thripasha formula.
  3. Cooking capacity of Thripasha factory remains the same.
  4. GSL proceeds with plan to expand cooking capacity of the Thripasha factory.