

UNCLASSIFIED

**Annual Budget
Submission**

FY 1985

SRI LANKA

BEST AVAILABLE



JUNE 1983

**Agency for International Development
Washington, D.C. 20523**

UNCLASSIFIED



THE AMBASSADOR
OF THE
UNITED STATES OF AMERICA
Colombo, Sri Lanka

May 27, 1983

FORWARDING STATEMENT BY THE AMBASSADOR

I am pleased to endorse fully the USAID's FY 1985 Annual Budget Submission.

The program and budget reflect the strategy contained in the FY 1985 Country Development Strategy which I have endorsed and which has been approved in Washington.

The budget also reflects an appropriate and continuing priority on the Mahaweli Program, but the gradual shift of resources to other priorities outside the Mahaweli as investments in this program begin to taper down. From my assessment of Sri Lanka's needs, I believe this budget is soundly conceived, is responsive to U.S. interests, and will provide required assistance to this friendly developing country.


John H. Reed

FORWARDING STATEMENT BY THE AID MISSION DIRECTOR

I am pleased to submit the FY 1985 Annual Budget Submission (ABS) for Sri Lanka. The budget proposed reflects the strategy approved by AID/Washington in our FY 1985 Country Development Strategy Statement (CDSS), AID's priorities and policies, and the Asia Bureau's Strategic Plan.

USAID/Sri Lanka is maintaining its concentration on three key areas: Mahaweli Basin Development; Food Production and Natural Resource Management; and Human Productivity and Well-Being. The FY 1985 budget continues priority assistance to the Mahaweli Program, while setting the stage for the subsequent shift of resources from large irrigation infrastructure to an increasing focus on the downstream irrigation and agricultural development of the Mahaweli areas. The budget also provides support for new investments in smaller irrigation facilities and water management outside the Mahaweli areas, and support for a limited number of continuing projects, including those responsive to the health needs of the Sri Lankan people.

The proposed program strengthens the emphasis on AID's priorities of policy dialogue, institution building and training, technology transfer and research, and private sector development. The program presented is in line with Sri Lanka's development needs, priorities and implementation capacity, and is consistent with the GSL's 1983-1987 Public Investment Program. Although Sri Lanka has made great strides developmentally, it remains a poor country with continuing large foreign assistance requirements. Its economic policies are sound and should continue to earn the support of the U.S. and other donors. Through such support, a significant contribution can be made towards setting Sri Lanka on a path of self-sustained growth.

The ABS levels are based upon AID/Washington's guidance and, although higher levels could be justified on the basis of need, are adequate to meet our CDSS and ABS objectives. We look forward to continued support from AID/Washington in the conduct of our assistance program in Sri Lanka.

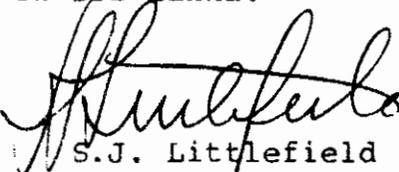

S.J. Littlefield
Director

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I. USAID/SRI LANKA ACTION PLAN

The February 14, 1983, AID/Washington review of the USAID/Sri Lanka FY 1985 Country Development Strategy Statement (CDSS) Update reaffirmed the approval of the USAID's strategy. The objectives of this strategy are increased food production, employment generation and improved human productivity and well-being. The USAID's CDSS is in consonance with the sectoral and sub-sectoral approaches outlined in the Bureau's Asia Strategic Plan.

The approved USAID strategy reflects a consolidation of assistance into three general categories:

- (1) Accelerated Mahaweli Basin Development;
- (2) Food Production and Natural Resource Management; and
- (3) Human Productivity and Well-Being.

The FY 1985 CDSS established longer-term goals for each of these categories to be achieved during the 1984-88 period. The action plan contained herein provides the linkage between these long-term goals and the operational objectives which will be sought through our FY 1984/85 assistance program.

A. Accelerated Mahaweli Basin Development Program (AMP)

The AMP continues to be the GSL's highest priority in that it is a key to the country's primary objectives of food self-reliance and employment. In addition, it will provide hydro power generation capacity to meet the growing demand for industrial and home uses. By 1986, three major storage projects (Kotmale, Victoria, and Maduru Oya) and major canal construction of irrigation systems B, C, G and H are expected to be completed. From 1986 onwards, the major thrust of the program will be the completion of downstream development.

AID's direct involvement is in System B where irrigation water will be provided by the Maduru Oya dam constructed with assistance from Canada.

During the FY 1984/85 period, the USAID will:

- Continue assistance for the design, construction and supervision of main and branch canals - Phases 1(a) and (b) - of the left bank irrigation canal facilities in System B. Supervision of construction will be completed by June 1986 in line with completion of construction and report preparation.

- Make its final contribution to the construction of the irrigation canal system covering the main and branch

canals of the left bank of System B. Canal construction is expected to be completed no later than March 1986.

- See AID's assistance to the environmental protection of the Mahaweli area well underway. This assistance includes the establishment of four national parks and the strengthening of the Department of Wildlife Conservation to ensure the stability of irrigated agricultural development and human settlement in the AMP area. AID's assistance will be completed by the end of FY 1987.

- Complete financial assistance through its Mahaweli Sector Support loan. This loan is providing a means for the GSL to maintain adequate levels of local currency investments to the AMP, specifically downstream efforts such as basic roads, schools and social infrastructure required to support resettlement. By the end of FY 1984, it is anticipated that about \$40 million in local currency equivalent will have been reimbursed for downstream support not only in System B, but also for settlement support in Systems H, C and G and related irrigation works.

- Initiate a specific project to further support the agricultural and social development of System B (see project narrative in Section IV).

As a result of the significant focus of our assistance to System B of the AMP, we expect the results noted below by the end of 1985.

1. Over 13,500 farm families (about 67,500 people) will be already settled in the left bank area, contributing to increased employment for an additional 28,000 people.
2. About 160 kilometers of truck and market roads will be in service.
3. Over 13,500 hectares of new lands will be under paddy production, contributing to an expected addition of 107,000 tons of paddy production valued at about \$20 million per annum. In addition, the value of increased production from other food crops would be increased by over \$750,000 per annum.

For the entire AMP, by the end of 1985, an additional 342 megawatts of installed hydro power from the Victoria and Kotmale dams will be available.

Key management steps to be undertaken to accomplish the long-term goals for our assistance to the Mahaweli Program will include the June 1983 review of implementation progress to date on Phase 1(a) of our System B involvement and the continuation of our dialogue with the GSL and World Bank on the implementation of efficient water management

practices, including water user charges, and the provision of adequate resources for systems operations and maintenance for irrigation systems country-wide.

B. Food Production and Natural Resource Management

Under this category, the USAID strategy is to concentrate on four program areas: (1) irrigation and water management; (2) diversified agriculture research, production and marketing; (3) agricultural policy and planning; and (4) alternative energy resources and environmental enhancement. The CDSS established goals to be accomplished for these areas by 1988.

To achieve the longer term CDSS goals, we have established operational objectives for the FY 1984/85 period. For each program area in this category, these operational objectives are outlined below.

1. Irrigation and Water Management: The USAID has recently approved an extension and increase in AID funding for the on-going Water Management project. This project will improve water management practices as well as the physical water delivery capability of the Gal Oya irrigation system and, by improving the institutional capability of the GSL's Irrigation Department, will provide a valuable contribution to the principal GSL objective of food self-reliance. The models developed and lessons learned under this project have already gained national attention, thus setting the stage for the successful replication of improved practices in irrigation systems nationwide, including those under the Mahaweli Program. By the completion of the project at the end of 1985, it is expected that, inter alia:

(1) irrigated acreage will be increased by 18,000 acres with a resultant increase in paddy production of 19,000 tons annually; and

(2) replicable technology both for operations and maintenance and farmer organization will be developed that can be applied to other irrigation systems.

This project will be the subject of a final evaluation in October 1985. Its successful completion will set the stage for a larger AID-supported irrigation sector project to be initiated in FY 1985. This new project will focus on the improvement and rehabilitation of six of the 61 major and minor irrigation schemes in the country outside the Mahaweli. These six schemes include about 65,000 acres and their improvement will impact upon approximately 25,000 small farm families. However, the primary emphasis will be given to the continued improvement of the institutional capacity of the GSL to better manage, operate and maintain

these systems with the full participation of farmers (see project narrative in Section IV).

2. Diversified Agriculture Research, Production and Marketing: The USAID's proposed initial project in this area will focus upon improving the GSL's institutional capability to carry out research on subsidiary crops, and the upgrading of the private sector's seed production and marketing capability. The current seed is produced by the farmers for auto-consumption. The overall goal is to have all certified seed provided by the private sector. Currently, a major study under our support for the GSL's agriculture, food and nutrition strategy deals with the marketing of subsidiary crops. The results of this study, our design work on the Project Paper for Diversified Agriculture Research, the Asia Bureau's upcoming policy paper on rainfed agriculture and the final strategy expected to be completed by the spring of 1984 will all influence our plans for assistance beyond research and seed production. Our operational objectives for FY 1984/85 are to complete the Project Paper and move ahead with the initial implementation of a subsidiary crop research focussed project. If our tentative schedule can be met, implementation experience by mid-1986 will justify an initial evaluation of this project to provide guidance on any needed modifications and possible future AID efforts in this area.

3. Agricultural Policy and Planning: In this program area, the USAID will build upon the assistance provided to the GSL to complete its comprehensive agriculture, food and nutrition strategy by focussing on the improvement of planning and managerial capabilities of relevant line ministries and local District Development Councils. It is expected that this Agricultural Planning project will be in only the initial stages of implementation by 1986, thus no operational objectives other than those related to our continued support for the completion of the strategy and the strengthening of the National Planning Division of the Ministry of Finance and Planning can be articulated at this time.

4. Alternative Energy Resources and Environmental Enhancement: Following our intensive review of the implementation experience to date under the on-going Reforestation and Watershed Management project (383-0055), the USAID will limit its direct project support in this program area to the extension to July 1987 and increased funding for this project. This increased support will include AID obligations in FY 1983 and FY 1985 to complete our current institution building support to the Forestry Department and to provide support to critical components - i.e., fire control and tree planting - necessary to support Sri Lanka's reforestation efforts. The additional AID

funding will cover increased local costs and an increased share of the total project costs, thereby relieving budgetary constraints faced by the project to date. The extension of this project will also permit the completion of additional training necessary in our institution building efforts. 1985 will be the pivotal year for this project as a number of critical preparatory steps will be completed (i.e., long and most short-term training completed, Forest College facilities and faculty in place, and extension service established). At that point, the integration of the various separate programs (e.g., village-run fuelwood plots, fire control, wood utilization research) into a cohesive national effort can take place.

Additional AID support in this program area will be directed to assisting the GSL in the development of energy policies and plans, and support for research and pilot efforts involving alternative energy sources. Such assistance will be funded in the main through our on-going Development Services and Training (DS&T) project (383-0044) and its FY 1985 follow-on. The Phase II portion of the evaluation of the DS&T project to be carried out in FY 1984 will provide needed guidance for any desirable modifications in the follow-on project.

C. Human Productivity and Well-Being

Under this assistance category, our CDSS calls for a concentration on: (1) health, population and nutrition; (2) low-income housing guarantees; (3) education and training; and (4) private enterprise development.

The USAID's latest CDSS established longer range goals for each of the above areas to be achieved by 1988. Our operational objectives for the FY 1984/85 period are noted below.

1. Health, Population and Nutrition: Based upon our judgment of the health and productivity problems affecting Sri Lanka's people, the USAID has proposed continued support to malaria control efforts and a FY 1984 water Supply and Sanitation Sector project (383-0088). The continued AID assistance to malaria control is in accord with the Agency's health policy and is considered critical. (See project narrative in Section IV). By the end of the Malaria Control project (383-0043) extension in 1986, it is expected that:

- (1) a stable surveillance network will be in place;
 - (2) initial steps will be taken to incorporate malaria control elements into the primary health system;
- and

(3) the annual incidence of malaria will be reduced to 2 cases per 1,000 population.

The proposed FY 1984 Water Supply and Sanitation (WS&S) Sector project (383-0088) is justified on the basis of the comprehensive WS&S Decade Plan prepared by the GSL with AID assistance. Our proposed project will be primarily an institution building effort consisting of the highest priority activities identified in the Decade Plan (see project narrative in Section IV).

Operationally, we plan to submit the Project Identification Document for this project by July 1983 and develop the Project Paper during the first quarter of FY 1984. The results of the AID/IBRD/GSL health/population sector strategy review and USAID health/population strategy (see below) will be thoroughly considered during project development. The USAID health/population strategy will also provide guidance as to the necessary management steps needed to proceed with assistance planning and implementation. By 1985, the project is expected to be well into implementation, although not far enough along to warrant its evaluation.

With respect to AID's further involvement in the health/population sector, the USAID (with AID/Washington support) is proceeding with a sector review in conjunction with the IBRD and GSL. In October 1983, the results of a number of studies/reviews will be used to shape the USAID's Health and Population Sector Strategy. This document will provide the conceptual and analytic basis for our future assistance in the sector.

With respect to plans for the Title II program, which are based upon CARE's recent submittal of its FY 1984-86 multi-year plan, AID's involvement in the School Feeding program will begin to phase out in FY 1985. By FY 1988, the phase out will be completed with total responsibility for the program assumed by the GSL. For the Maternal/Child Health program, current plans call for the expansion of food processing capacity which will permit an increase in the number of recipients, but a declining AID food input as increased use will be made of indigenous foods. This phase over to complete GSL responsibility would be achieved by FY 1990. The Commercial Marketing program is scheduled to be taken over by the GSL and/or private sector by FY 1986, after expanded production facilities come on stream.

2. Housing Guarantees: As endorsed during AID/Washington's CDSS review, the Housing Guarantee program with modest grant funds will continue to support the needed provision of low cost housing for the Sri Lankan people, while also providing support for the formation of the Housing Finance Bank and policy changes encouraging a predominant role for

the private sector. Current plans call for the amendment of the FY 1981 Project Paper to reflect the significant changes that have taken place in the housing sector. The level of continued AID support for FY 1985 and beyond will be determined on the basis of the FY 1984 evaluation of and our implementation experience with the program during the balance of FY 1983 and FY 1984. A key management step is the timely replacement this summer of the USAID's Housing Advisor, thereby permitting continuity in AID's efforts to influence the GSL's housing sector policies and future housing programs.

3. Education and Training: We have an interest in agriculture education which stems from the success to date evidenced by AID's assistance to the Post-Graduate Institute of Agriculture and Faculty of Agriculture at the University of Peradeniya under the Agricultural Education Development project (383-0049). The USAID is proposing no new projects in support of undergraduate agriculture institutions prior to FY 1986. Our operational plan is to assist the GSL in undertaking an assessment of the future demand for agriculture graduates in both the public and private sectors. The assessment is expected to be completed during FY 1984. The results of this assessment will determine what role, if any, AID should play in strengthening the undergraduate agriculture institutions in Sri Lanka.

In addition to agriculture education, the USAID will continue to concentrate our human resource development efforts on institution building, technical and managerial training, technology transfer and increasing the income generating skills of the rural poor. These efforts will be supported through the current Development Services and Training (DS&T) project (383-0044) and PVO Co-Financing (383-0060) project and the former's planned successor. (See project narratives in Section IV). Under the proposed DS&T follow-on project, priority will be given to upgrading human resources in key development agencies, public and private, through both long and short-term training conducted overseas and in Sri Lanka. Such skills upgrading will be closely tied to present and future GSL and USAID program emphases and will concentrate on selected institutions. We also will remain sensitive to the possible need for additional, specific assistance for the professional resource development of Sri Lankan counterparts.

The planned continuing support for the PVO Co-Financing project will in large measure reflect the findings of the recently completed GSL/AID evaluation. A principal finding of the evaluation was that the project has responded well in directly addressing the poor majority, as well as responding to the GSL's and USAID's desire to involve PVOs

in development at local levels. Among other recommendations, the evaluation called for increased support for PVO activities. This recommendation will be considered in light of both the financial and staff constraints we anticipate over the ABS planning period. The request for an extension and increased funding for the PVO Co-financing project will be submitted to AID/Washington to permit these activities to continue in FY 1984 and beyond.

4. Private Enterprise Development: The USAID plans to move towards the goals set in the CDSS beginning in FY 1983 with a phased effort to foster greater private investment in Sri Lanka's development. The first phase covering the FY 1983/87 period includes a comprehensive assessment of the Sri Lankan private sector, the formulation of a sector development plan, assistance to specific institutions and entrepreneurial development programs, funding of pre-feasibility studies for investments that can yield more immediate impacts (e.g., agro-industry), and promotion of local and foreign investment. The assessment of the Sri Lankan private sector which is currently being carried out by a consultant team will be completed in June 1983. By FY 1985, the USAID's initial project effort directed at the private sector will be well into implementation. In addition to the completed assessment, further results expected by 1984 include an action plan for the private sector adopted by the GSL, legal status established for the Investors Service Center, initial pre-feasibility studies completed, and the technical assistance consultant team in place. By mid-1985, an evaluation of the project's progress will be undertaken. This evaluation will permit any necessary modifications in the current project and lay the groundwork for the Private Enterprise Promotion II project envisioned for FY 1986.

It is expected that the second phase of the USAID's private enterprise efforts will focus on refining the sector strategy and plan; expanding institutional, managerial, and entrepreneurial development; conducting pre-feasibility studies for other key areas in the sector development plan; and assisting selected investments, technology transfers or joint ventures that fall within AID's legislative mandate and areas of concentration.

The phased approach to AID assistance to the private sector as described above has been endorsed by AID/Washington in the CDSS review process. Key management steps which will influence our success in this area relate to AID's ability to move forward with its proposed assistance package as soon as possible and to encourage the GSL to use the soon to be completed private sector assessment to guide its future policy and financial decisions affecting the private sector.

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
 COUNTRY/OFFICE SRI LANKA

		FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
		ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
AGRICULTURE, RURAL DEVELOPMENT									
& NUTRITION	TOTAL	42,043	31,000	32,557	38,300	28,700	39,500	55,000	41,500
	GRANTS	3,400	7,500	7,540	8,200	10,600	11,500	10,000	9,500
	LOANS	38,643	23,500	25,017	30,100	18,100	28,000	45,000	32,000
POPULATION	TOTAL	-	-	-	-	-	-	-	-
	GRANTS	-	-	-	-	-	-	-	-
	LOANS	-	-	-	-	-	-	-	-
(CENT. PROC. COMMOD.)									
HEALTH	TOTAL	200	9,100	7,500	7,400	11,000	7,200	5,000	9,000
	GRANTS	200	1,100	1,700	1,600	5,600	3,200	5,000	9,000
	LOANS	-	8,000	5,800	5,800	5,400	4,000	-	-
EDUCATION	TOTAL	100	100	43	100	100	-	-	-
	GRANTS	100	100	43	100	100	-	-	-
	LOANS	-	-	-	-	-	-	-	-
SEL. DEV. ACT.	TOTAL	2,500	100	200	200	11,200	9,300	-	13,500
	GRANTS	1,500	100	200	200	3,200	2,300	-	4,000
	LOANS	1,000	-	-	-	8,000	7,000	-	9,500
FUNCTIONAL SUB-TOTAL	TOTAL	44,843	40,300	40,300	46,000	51,000	56,000	60,000	64,000
	GRANTS	5,200	8,800	9,483	10,100	19,500	17,000	15,000	22,500
	LOANS	39,643	31,500	30,817	35,900	31,500	39,000	45,000	41,500
(DISASTER)	TOTAL	-	-	-	-	-	-	-	-
	GRANTS	-	-	-	-	-	-	-	-
	LOANS	-	-	-	-	-	-	-	-
DA ACCOUNTS	TOTAL	48,843	40,300	40,300	46,000	51,000	56,000	60,000	64,000
	GRANTS	5,200	8,800	9,483	10,100	19,500	17,000	15,000	22,500
	LOANS	39,643	31,500	30,817	35,900	31,500	39,000	45,000	41,500
(OF WHICH PVOS)		(500)	(500)	(543)	(650)	(850)	(1,000)		
ESF	TOTAL	-	-	-	-	-	-	-	-
	GRANTS	-	-	-	-	-	-	-	-
	LOANS	-	-	-	-	-	-	-	-
DA & ESF	TOTAL	44,843	40,300	40,300	46,000	51,000	56,000	60,000	64,000
	GRANTS	5,200	8,800	9,483	10,100	19,500	17,000	15,000	22,500
	LOANS	39,643	31,500	30,817	35,900	31,500	39,000	45,000	41,500
<hr/>									
PL 480 TITLE I		(22,500)	(26,000)	(26,000)	(26,000)	(27,000)	(27,000)	(27,000)	(27,000)
(TITLE III)		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
PL 480 TITLE II		(4,226)	(4,658)	(4,176)	(3,637)	(2,923)	(2,030)	(1,117)	(825)
HOUSING GUARANTIES		(10,000)	(-)	(10,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
<hr/>									
TOTAL PERSONNEL									
USDH WORKYEARS		23.3	-	24	23.3	21			
FNDH WORKYEARS		24	-	33	33	32			

II.B. LONG RANGE PLAN (TABLE I) NARRATIVE

The FY 1985 budget proposed reflects the priorities of both AID and the GSL. It sets the stage for the subsequent shift of resources from large irrigation infrastructure investments in the Mahaweli Program to an increasing focus on the downstream and agricultural development of the Mahaweli areas, support for new investments in smaller irrigation facilities and water management outside the Mahaweli areas, and support for a limited number of new and continuing projects which are quick yielding and production oriented and responsive to the health needs of the Sri Lanka people. The program proposed will assist the GSL in its continued efforts for an open economy based upon sound economic and agricultural policies, and an expanded role for the private sector in the country's development.

The GSL has recorded major accomplishments over the past six years as evidenced by an impressive economic growth rate, expanded employment opportunities, and the approach of rice self-sufficiency. However, problems remain which must be addressed if the country is to reach the threshold of self-sustained growth. Over the next few years, the GSL will seek to maintain a reasonable growth in production and employment with improved domestic price stability. Although the government will increase its efforts to raise domestic revenues and savings for needed capital investments, there will be a continuing need for U.S. and other donor assistance to meet the costs of Sri Lanka's continued development. The program and budget presented in this ABS will support the GSL's continuing policies of private sector expansion, subsidy reductions, and investment and export promotion.

The USAID has followed the forward funding guidelines contained in the FY 1985 ABS guidance. New and continuing grant projects for FY 1985 have been forward funded for at least 18 and 12 months, respectively. Through this forward funding and the full funding of some ongoing projects, we have been able to reduce the program mortgage, making room in the FY 1983-85 period for several new projects which are based on the Agency's policy initiatives. Even more opportunity for new starts exists in FY 1986 and beyond. This reduction of the mortgage has come at a price, of course - a sizeable (although reduced) pipeline. However, with the GSL's increased attention to the need for improved disbursements for aid-assisted projects, the attainment of full staffing for the Mission, and our continued emphasis on implementation efficiencies, the pipeline is considered quite manageable.

By the end of FY 1984, the USAID's FY 1983 portfolio of seventeen projects is expected to be reduced to thirteen

on-going projects, plus two new projects scheduled for FY 1984, i.e., Diversified Agriculture Research and Water Supply and Sanitation Sector. During FY 1985, an additional four projects are scheduled to be successfully completed. With the three new projects proposed for FY 1985, the result would be a total project portfolio of fourteen. Thus, between FY 1983 and FY 1985, our project portfolio will decrease by about 18%. With the projected workforce levels available and limited adjustments in our current staffing mix, the USAID will have the technical and support staff required to design and implement the program proposed. The already AID/Washington approved staffing increases in USDH include the addition of a Private Enterprise Officer in FY 1983 and the establishment of a Project Manager - Agronomy position in FY 1984. These additions will permit the adequate AID oversight of our initiatives involving the private sector and the agricultural development of the downstream areas of the Mahaweli.

We are pleased with AID/Washington's continued support of our efforts to assist the GSL in the redirection of its economy and movement towards self-sustained growth. The USAID believes the AAPL of \$46 million in development assistance in FY 1985 is responsive to Sri Lanka's needs, development potential, and policy directions. The development assistance level of \$46 million, plus \$29.6 million in PL 480, Titles I and II, and \$25 million for a Housing Guarantee, represent total AID assistance of \$100.6 million for FY 1985.

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

Country/Office: USAID/SRI LANKA

Bureau Name: ASIA

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)											
TECH CODE	G L	OBLIG DATE	TOTAL COST	OBLIG THRU	FY 82	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
		INIT FINAL	AUTH PLAN	THRU	FY 82	PIPE-	OBLIG-	OBLIG-	AAPL	FUNDED	OBLIG	OBLIG	OBLIG
					LINE	LINE	ATIONS	ATIONS		THRU	OBLIG	OBLIG	FUTURE
							ITURES	ITURES			OBLIG	OBLIG	YEARS
AG. RURAL DEVELOPMENT													
AND NUTRITION													
383-0040	L	77	77	3,800	3,800	3,800	316	360					
							SUBCAT:FNDS						
383-0041	L	78	78	5,400	5,400	880	230						
							SUBCAT:FNMS						
383-0042	G	77	77	800	800	169							
							SUBCAT:FNDS						
383-0042	L	77	78	5,200	5,200	090	290						
							SUBCAT:FNLD						
383-0044	G	78	84	6,500	6,500	2,346	800	1,496					
							SUBCAT:FNIL						
383-0045	L	78	78	4,500	4,500	1,311	471	203					
							SUBCAT:FNIL						
383-0049	G	78	82	7,500	7,500	3,877	1,166	1,320					
							SUBCAT:FNIE						
383-0055	G	80	85*	950	1,450	700	300	440	200	7/87			
							SUBCAT:FNMC						
383-0055	L	80	85*	3,400	9,000	3,316	1,500	1,550	4,100	7/87			
							SUBCAT:FNMC						
383-0056	L	80	80	10,000	10,000	7,377	1,154	2,500					
							SUBCAT:FNWD						
383-0057	G	79	84	5,100	5,100	1,297	600	1,100	1,500	1,400			
							SUBCAT:FNWD						
383-0057	L	79	84	10,800	10,800	3,358	3,000	1,949	1,000	3,250			
							SUBCAT:FNWD						
383-0058	G	84	86*					450	1,750	9/86	1,650		
							SUBCAT:FNDS						
383-0058	L	84	84*					1,960	400				
							SUBCAT:FNDS						

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

Country/Office: USAID/SRI LANKA

Bureau Name: ASIA

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)														
TECH CODE	G L	OBLIG DATE	TOTAL COST AUTH PLAN	OBLIG THRU FY 82	FY 82 PIPE-LINE	FY 83 OBLIG-ATIONS	EXPEND-ITURES	FY 84 OBLIG-ATIONS	EXPEND-ITURES	FY 85 AAPL	FUNDED THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG	FUTURE YEARS
383-0060	G	79 87	900 2,300	700	626	SUBCAT:FNIL	200 225	200 400	400	250	6/86	450	500			
383-0073	L	81 85	85,000 110,000	52,000	44,000	SUBCAT:FNMD	26,600 44,064	13,400 25,000	18,000	3/86						
383-0075	G	82 84*	5,000 5,000	1,500	1,500	SUBCAT:FNMC	250	3,500 890								
383-0078	L	81 84	50,000 50,000	31,800	17,359	SUBCAT:FNSEA	7,543 10,909	8,657 12,000								
383-0079	G	87 89	Ren-forestation & Renewable Energy			SUBCAT:FNMC							3,000	2,000	2,000	
383-0079	L	87 89	Ren-forestation & Renewable Energy			SUBCAT:FNMC							3,000	6,000	12,000	
383-0080	G	85 86	Irrigation Sector			SUBCAT:FNMD				2,000	6/86	2,500				
383-0080	L	85 88	Irrigation Sector			SUBCAT:FNMD				2,000	6/86	4,000	7,000	11,000		
383-0082	G	83 83	Private Enterprise Promotion			SUBCAT:FNDE	1,500 230		500							
383-0083	G	86 88	Agricultural Planning			SUBCAT:FNDA										
383-0083	L	86 88	Agricultural Planning			SUBCAT:FNDA						2,000		2,000		
383-0084	G	86 88	Agricultural Education			SUBCAT:FNTE						1,000		2,000		
383-0084	L	86 88	Agricultural Education			SUBCAT:FNTE						3,000	2,000	3,000		
383-0085	G	85 90	Development Training & Support			SUBCAT:FNIL						2,000	3,000	7,000		
383-0086	G	85 87	Muhaweli Downstream Development			SUBCAT:FNSEA				1,000	6/86	1,000	1,000	1,000	1,000	1,000
										3,000	12/86		3,500			

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TECH CODE	G L	OBLIG DATE INIT FINAL	TOTAL COST AUTH PLAN	OBLIG THRU FY 82	FY 82 PIPE-LINE	FY 83 OBLIG-ATIONS	FY 84 OBLIG-ATIONS	EXPEND-ITURES	FY 85 AAPT	FUNDED THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG	FUTURE YEARS
383-0086			Mahaweli Downstream Development												
	O60	L 85 88	45,000						6,000	6/86	11,100	14,000	13,900		
383-0089			Professional Resources Development												
	O30	G 87 90	5,000									1,500	2,000	1,500	
383-0089			Professional Resources Development												
	O30	L 87 90	11,100									1,000	5,100	4,000	1,000
New projects for FY 89 and future years															
			Grant												5,000
			Loan												16,000
Appropriation Total			204,850	457,850	144,250	89,919	42,043	65,584	32,557	52,699	28,700	39,500	55,000	41,500	36,000
Grant			26,750	89,090	19,350	10,515	3,400	4,651	7,540	6,836	10,600	11,500	10,000	9,500	9,000
Loan			178,100	368,760	124,900	79,404	38,643	60,933	25,017	45,863	18,100	28,000	45,000	32,000	27,000

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

Country/Office: USAID/SRI LANKA

Bureau Name: ASIA

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)																		
TECH CODE	G L	OBLIG DATE	INIT FINAL	TOTAL COST	AUTH PLAN	OBLIG THRU FY 82	PIPE-LINE	FY 82	FY 83 OBLIG-ATTIONS	EXPEND-ITURES	FY 84 OBLIG-ATTIONS	EXPEND-ITURES	FY 85 AAPL	FUNDED THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG	FUTURE YEARS	
<u>HEALTH/POPULATION</u>																				
383-0043	G	540	84	84	600				SUBCAT:HECS		600	200								
Malaria Control																				
383-0043	L	540	78	86*	16,000	24,000	16,000	2,399	SUBCAT:HECS	2,152	3,000	3,247	3,000	10/86	2,000					
Malaria Control																				
383-0060	G	590	79	87	724	1,224	524	327	SUBCAT:HEIH	200	207	290	100	6/86	100	200				
IWO Co-Financing (U/I/R)																				
383-0062	G	560	80	82	2,200	2,200	2,200	2,200	SUBCAT:HEIH	166		1,116								
National Institute of Health Sciences, Kalutara																				
383-0063	G	540	80	82	2,000	2,000	2,000	1,338	SUBCAT:HEMS	1,072		133								
Market Town Water Supply																				
383-0063	L	540	80	82	6,000	6,000	6,000	5,987	SUBCAT:HEMS	2,025		3,348								
Market Town Water Supply																				
383-0081	G	510	86	89*	20,000				SUBCAT:HEID						3,000	3,000	5,000	9,000		
Preventive Health Services																				
383-0088	G	540	84	86	5,000				SUBCAT:HEMS		1,000	550	1,500	6/86	2,500					
Water Supply & Sanitation Sector																				
383-0088	L	540	84	87	13,000				SUBCAT:HEMS		2,800	1,800	2,800	6/86	3,400	4,000				
Water Supply & Sanitation Sector																				
Aggregations Total				26,924	74,024	26,724	12,251			200	5,622	7,500	10,684	7,400	11,000	7,200	5,000	9,000		
Grant				4,924	31,024	4,724	3,865			200	1,445	1,700	2,289	1,600	5,600	3,200	5,000	9,000		
Loan				22,000	43,000	22,000	8,386				4,177	5,800	8,395	5,800	5,400	4,000				

IV. NEW PROJECT NARRATIVES

<u>Project Title and No:</u>	PVO Co-Financing 383-0060
<u>AID Funding:</u>	(\$000)
<u>FY 1984:</u>	\$543
<u>FY 1985:</u>	\$650
<u>Life-of-Project:</u>	\$5,493
<u>Appropriation Accounts:</u>	Agriculture, Rural Development and Nutrition; Health; Education and Human Resources; and Selected Development Activities

Purpose: To enhance the opportunity of local communities to participate in their own development by assisting indigenous and U.S. PVOs in undertaking collaborative activities which improve the productivity and well-being of the poor.

Description of the Problem: While recognizing the importance of major policies and programs, the GSL recognizes that the process of development requires an approach which reflects the "felt-needs" of local communities and which stimulates development from the bottom-up. In recent years, the GSL has shown increasing interest in marshalling the considerable resources of PVOs towards assisting local communities in self-development. This endeavor is well-suited to AID's mandate to meet basic human needs by bringing assistance as directly as possible to the poor majority.

Description of Project: This project is being implemented through a variety of indigenous and U.S. PVOs and consists of a great variety of development activities. Some of the major activities supported to date are noted below.

1. The Diyagala Boys Town sub-project which provides vocational training for 450 young men for a three-year period. The number of beneficiaries will eventually be increased to 750.
2. The Overseas Education Fund/Women's Bureau sub-project has initiated useful "bottom-up" economic activities for women which have more than recouped the cost of the sub-project. This sub-project is intended for the benefit of poor rural women in Sri Lanka. In addition, the nature of this activity and its associated project

management responsibilities have resulted in considerable development of the institutional capacity of the GSL's Women's Bureau.

3. The Sri Lanka Overseas Foundation in collaboration with the Sarvodaya Movement (an indigenous NGO) is having a beneficial impact on several thousands of villagers through a ten-village integrated rural development sub-project.

Proposals which are currently under consideration are noted below.

1. The Asia Foundation is seeking a grant for an entrepreneur development program primarily to assist aspiring entrepreneurs to start industries and first generation entrepreneurs to run their industries more efficiently. Special attention is to be given to human capital development and enhanced levels of technical skills.

2. In order to reduce administrative costs by simplifying management and administrative procedures, the USAID has under consideration a proposal to grant a block sum of \$120,000 to an indigenous PVO (the Central Council of Social Services) to which over 35 indigenous PVOs are affiliated to provide small sub-grants to its members. The grantee will be responsible for the management and supervision of the sub-projects and accountable for all funds.

GSL Entities Involved: The primary GSL project coordinating institutions are the Ministry of Plan Implementation and the Ministry of Finance and Planning.

The Overseas Education Fund of the League of Women Voters (OEF/LWV); Save the Children Federation (SCF); International Human Assistance Programs, Inc. (IHAP); and Sri Lanka Overseas Foundation (SLOF) are some of the U.S. PVOs in receipt of grant funds. The Sri Lanka Technical Institute and Diyaqala Boys' Town (DBT); Lanka Mahila Samithi (LMS); Marqa Institute; Sri Lanka Jathika Sarvodaya Shramadana Sangamaya (Sarvodaya); and the Sri Lanka Women's Conference (SLWC) are some of the indigenous PVOs which have previously received project funding.

Sri Lanka is blessed with a number of well-organized indigenous PVOs. This is reflected in the number of indigenous sub-projects - six of the 11 activities supported to date under this project. U.S. PVOs add

another useful dimension to PVO activities. A proper mix between the two categories assures that, in addition to supporting Sri Lankan PVOs, there is an influx of new and useful approaches from U.S. PVOs whose experience in many different countries provides them with a broad expertise and an assortment of techniques and ideas which can be shared with the people of Sri Lanka.

Major Issues: None.

<u>Project Title and No:</u>	Irrigation Sector 383-0080
<u>AID Funding:</u>	(\$000)
<u>FY 1985:</u>	\$2,000 (G) \$2,000 (L)
<u>Life-of-Project:</u>	\$ 4,500 (G) \$24,000 (L)
<u>Total:</u>	\$28,500
<u>Appropriation Account:</u>	Agriculture, Rural Development and Nutrition

Purpose: To increase the institutional capability of the GSL to rehabilitate and improve operations of major irrigation systems in order to increase food production and farmer incomes, and provide a more equitable distribution of irrigation water.

Description of Problem: During the past three years USAID has supported the Water Management Project (383-0057) and activities of the Water Management Synthesis project, including a Diagnostic Analysis Workshop and an Irrigation Sector Study. The general problem identified by all of these activities is the relatively low productivity of irrigation systems resulting from inefficient management, particularly operations and maintenance. These conditions mean that far less food is being produced than is possible. Studies by AID, the GSL and other donors and the experience of the Water Management Project indicate that substantial increases in cropping intensities, yields and production are possible with rehabilitation and modernization of the water distribution systems, improved water management (including on-farm water usage and system wide operations and maintenance) and improved institutional arrangements.

The major problem in the irrigation sector is the poor conditions of the systems which limit efficient control and issue of available water. Excessive water consumption is caused by the lack of control over the release of water in the irrigation systems and is compounded by the serious deterioration of the systems due to lack of maintenance. The main reasons for excessive water use and generally poor water management in Sri Lanka are:

- (1) poor management and operation of the systems due to lack of experience and training;
- (2) poor maintenance of irrigation system equipment and facilities including control structures, canals and field channels;

- (3) lack of proper measuring devices and regulators for controlling the flow and issue of water;
- (4) improper cultivation practices and the cultivation of crops unsuited to soil and other conditions;
- (5) lack of or ineffective communication and coordination between farmers and irrigation authorities;
- (6) prolonged periods of preparation and late tillage due to lack of farm power and farmer preference; and
- (7) illicit tapping and use of water.

Description of the Project: This project attempts to bridge the critical gap between the irrigation engineer and the farmer through an innovative, multi-disciplinary combination of local participation, training and extension and various demonstration rehabilitation activities. In doing so, it provides the fundamental basis for the sustainability of major CDSS objectives for the Accelerated Mahaweli Program and Food Production and Natural Resource Management in accordance with the Agency's policies in food and agricultural development, institutional development and recurrent costs. Project activities will be based upon the lessons learned during the implementation of the Water Management project.

In Sri Lanka there are 61 major irrigation schemes serving a total cultivated area of about 540,000 acres. The proposed project will improve and rehabilitate six schemes consisting of approximately 65,000 acres in total. The primary beneficiaries are the 25,000 small holder farm families located in the project area. While efforts will be concentrated in these systems, some improvements can be expected in all of the medium and major schemes in the country through better water management practices with an emphasis on improvements in operations and maintenance procedures. Thus, secondary beneficiaries from other schemes could amount to about 200,000 farm families.

While a major cost component of the project will be for irrigation systems' rehabilitation and improvement, primary emphasis will be given to the improvement of the institutional capability of the GSL to better manage and operate these systems with the full participation of farmers. The build up of a viable irrigation institution which is responsive to farmer clients is essential. Based on the experience gained already from the Water Management Project, the establishment of farmer organizations is key to this institutional development. The "software" aspects of the project will include strengthening of an irrigation training institute for officials of the Irrigation

Department and others dealing with irrigation, with special emphasis on irrigation system operations and management. Other important aspects are:

(1) prior to rehabilitation, systems will be studied using a multi-disciplinary approach to determine the extent of rehabilitation required, farmer attitudes, economic benefits, etc.

(2) a pragmatic approach to rehabilitation with first priority on: (a) establishing system safety, (b) improving water distribution and control, and (c) improving ease of operation and maintenance and meeting farmers' needs;

(3) farmers in the systems will be organized into water user associations and trained and encouraged to adopt on-farm water management practices;

(4) irrigation system committees will be established at the district level to provide general management of irrigation systems and coordinate complementary activities (e.g., credit and fertilizer);

(5) a performance monitoring system will be established to report system performance versus established goals;

(6) private sector participation in the rehabilitation and improvement of irrigation systems will be encouraged; and

(7) an agricultural component will encourage farmers to adopt more suitable crop rotations having lower water requirements than paddy.

GSL Entities Involved: The primary implementing agency is expected to be the Irrigation Department of the Ministry of Lands and Land Development. Other important agencies involved in the project will include the Agriculture Department and public administrators at the local level.

Major Issues: Major issues which may affect the project are:

(1) the availability of qualified GSL staff and financial resources to implement the project on a timely basis;

(2) the restructuring of the Irrigation Department to make it more responsive to the shift in emphasis from design and construction to improved operations and maintenance and improved water management practices; and

(3) the current relatively low level of funds allocated to operations and maintenance.

<u>Project Title and No:</u>	Development Training and Support 383-0085
<u>AID Funding:</u>	(\$000)
<u>FY 1985:</u>	\$1,000 (G)
<u>Life-of-Project:</u>	\$6,000 (G)
<u>Appropriation Account:</u>	Agriculture, Rural Development and Nutrition

Purpose: To improve the institutional capability of priority development agencies to plan, design, implement and evaluate sound development programs through the provision of short and long-term technical, managerial and administrative training. The project will also provide funding for studies and innovative activities which support USAID/GSL development priorities.

Description of the Problem: Although top administrative leadership within the GSL is generally of high caliber, the quality and quantity of staff at the mid-management, administrative and technical levels, while varying somewhat among ministries, are in short supply. This is true, almost without exception, of the institutions with which USAID works. Lack of enough well-trained managers and technical personnel limits the absorptive capacity of counterpart institutions; frustrates progress in key development activities; results in the adoption of less than optimum development policies and programs; and impedes the efficient allocation of resources and effective program implementation.

Despite a highly literate population (85%) and above-average primary and secondary school enrollment rates, the availability and quality of human resources in Sri Lanka are constrained by a number of factors. Among the most important constraints are limited university level education (in-country universities are able to accept just 18% of eligible secondary school graduates); post-graduate education in only two fields (medicine and agriculture); and insufficient in-country technical and managerial training capabilities. Even the small number fortunate to enter universities generally require some kind of technical or vocational training following graduation before they enter the work force. The limited supply of human resources needed for development has been reduced further in recent years by a significant migration of qualified and experienced personnel for employment abroad and by the Mahaweli Program, which has drawn qualified personnel (semi-skilled through managers) away from a variety of GSL institutions. Serious manpower shortages in key GSL

development program areas are projected to continue through the 1980s at all levels - mid-management, technical, administrative - diminishing the capability of key institutions to plan, implement and assess sound development programs.

Description of the Project: The project will help upgrade human resources in priority development agencies (public and private) through a variety of external and, on a more modest scale, in-country training. Training under the project will differ from that funded under the Development Services and Training (DS&T) (383-0044) project in the ways noted below.

1. It will include longer-term, degree-level education.
2. It will train more people in fewer institutions and thereby seek to create a critical mass of trained individuals in selected institutions. This will facilitate the transfer of new knowledge, attitudes, and methods learned during training.
3. It will do more in the area of management/administrative training for technical personnel in AID/GSL priority sectors who are now in senior administrative positions, but lack management skills.
4. It will emphasize technical and managerial training for women in line with a new GSL priority on moving more women into more senior positions throughout the economy.
5. It will be used, to the extent practicable, to strengthen human resources in areas in which AID/GSL plan to work. This would help minimize the continuing problem of having key project personnel absent on long-term training for critical years of project implementation. One candidate area for this kind of pre-project training is natural resources management (e.g., training in soil and water conservation). Others are food technology, health administration, and population planning and administration.

The project will also finance studies in areas of promising investment potential and/or substantial developmental impact to the GSL, AID and other donors. Illustrative fields include food technology development; agricultural input delivery systems; and rural road operations and maintenance. Other areas may emerge from the agriculture, food and nutrition strategy expected to be completed by mid-FY 1984 and a USAID Health and Population Sector Strategy now being developed. Project funds will also be available to finance activities which support USAID/GSL development priorities - e.g., preparation and publication of a manual on subsidiary food crop utilization for rural and urban housewives; alternative energy technology

development; environmental and natural resource management and women in development activities.

GSL Entities Involved: The primary focus of the project will be selected institutions with major roles in economic development, e.g., Department of Agriculture, Ministry of Lands and Land Development, Ministry of Health and the Mahaweli Authority of Sri Lanka. In addition, certain types of skills will be upgraded although falling, in some cases, outside the project's main cluster of institutions. Engineering is a case in point; the country produces 330 engineers a year with virtually no specialization even in critical fields like hydrology and transportation. Energy and financial planning and management are other needed skill areas.

The Department of External Resources of the Ministry of Finance and Planning will coordinate project activities on behalf of the GSL.

Major Issues:

(1) the extent to which Sri Lanka's training requirements can be better served by development of in-country training capability rather than by off-shore training; and

(2) the measures the GSL is willing to take to ensure that those trained under the project continue to benefit the country's development efforts.

<u>Project Title and No:</u>	Mahaweli Basin Downstream Development 383-0086
<u>AID Funding:</u>	(\$000)
<u>FY 1985:</u>	\$1,000 (G) \$6,000 (L)
<u>Life-of-Project:</u>	\$ 6,500 (G) \$45,000 (L)
<u>Total:</u>	\$51,500
<u>Appropriation Account:</u>	Agriculture, Rural Development and Nutrition

Purpose: To provide assistance in irrigation development and settlement of about 23,000 hectares of irrigable land in the left bank canal System B area of the Accelerated Mahaweli Basin Development Program (AMP).

Description of the Problem: The GSL has identified the AMP as its major strategy priority for increasing domestic food production, and rural employment and incomes. In 1977, the Ministry of Mahaweli Development was given the tasks of planing, designing and implementing the program with the responsible agency being the Mahaweli Authority of Sri Lanka (MASL).

Since 1977 the MASL has made impressive strides towards completion of the program, but there are a number of weaknesses which will have to be strengthened to assure full development and utilization. Areas where assistance is needed include technical assistance for programming, agriculture inputs and research, marketing and transportation, rural development including resettlement, training, operations and maintenance, domestic water supply and sanitation, and construction. Unemployment, lack of self-sufficiency in food production and landless people remain major problems in Sri Lanka. The GSL has identified institution building, private sector development and technology transfer as key areas to focus attention to address the present weaknesses.

The AMP is based on a revision of an earlier plan to utilize the resources of the Mahaweli River. Feasibility studies have been completed for all the individual projects within the program. Phases of the development have been partially financed by AID projects 383-0042, 383-0056, 383-0073, 383-0075, and 383-0078. The AMP consists of various headworks including Kotmale, Victoria, Randenigala, and Maduru Oya dams and the development of land areas designated Systems A, B, C, D, and G. The program area is

in the central eastern portion of the country. When completed the program will bring about 117,000 hectares under production, result in the settlement of about 450,000 people, create new jobs, and increase domestic paddy and other crop production. Various donors are associated with financing the different elements of the program such as the UK, Canada, Sweden, Japan, EEC, World Bank, Germany, Australia, OPEC, and Saudi Arabia.

System B is the largest of the land areas under the AMP. Development of System B is divided into the left bank project and the right bank project for the convenience of management and financing. The left bank project will provide irrigation facilities for about 23,000 hectares of irrigable land to be settled by about 21,200 voluntary farm families. Additional off-farm, construction and support employment opportunities to be created as a result of this development effort are estimated to be 44,400. In addition to AID's assistance, the GSL now expects participation in the development of the left bank downstream project from Australia, EEC and OPEC. If all of the expected financing from the above donors occurs, there is still expected to be an additional funding requirement of about \$130 million based on an estimated total cost of about \$300 million.

The development plan for the left bank System B project proposed by the GSL shows completion of all construction and settlement by late 1988 and identifies constraints related to manpower and institutional deficiencies. Areas identified for support are training, planning, design, institution building, private sector development, construction, implementation and operation.

Description of Project: The System B downstream development project is a part of the long-term GSL program toward which AID already provides substantial funding. The project will provide assistance which has a large proportion of effort directed towards institutional and private sector development; and technology transfer for agriculture production and marketing, construction and water management. The assistance includes: tertiary system development; preventive health services; canal construction and market roads. The effort will focus on related development in System B which AID considers necessary to ensure that effective land settlement and agricultural production keeps pace with development of the main irrigation system. The project will provide technical assistance, commodities, construction and training. The activities proposed under the project are described below.

1. The tertiary system development activity will provide for the design and construction of the tertiary irrigation system, on-farm development, agricultural production and research services and facilities, and water management.

2. The preventive health services activity will provide for the design and construction of domestic water supplies, including a ground water study and sanitation facilities. It also will include technical assistance and training in public health as it relates to water supply, sanitation, and operation and maintenance of systems.

3. The canal construction activity will provide for the completion of the left bank canals in the "drop off" area. The drop off area was deferred for construction until 1985 by the GSL and consists of about 21 kilometers of canals serving 2,300 hectares of irrigable lands.

4. The market road activity will provide for the design and construction of roads to serve the agricultural production and marketing needs of the left bank project area. It will also provide technical assistance and training in the design, construction and maintenance of roads.

The project will include a technical assistance contract(s) with consultant(s) to design, supervise, monitor and review all required project aspects. All aspects of the project will be performed by appropriate GSL agencies and/or consultants and contractors.

GSL Entities Involved: The primary coordinating body for planning and implementation will be the MASL of the Ministry of Mahaweli Development.

Major Issues: The major issues that could affect the project include:

- (1) agriculture and related private sector policies including marketing, subsidies and water charges;
- (2) institutional capability including administration, training, monitoring and evaluation; and
- (3) human resources including the availability of adequate numbers of trained management and technical personnel.

<u>Project Title and No:</u>	Malaria Control 383-0043
<u>AID Funding:</u>	(\$000)
<u>FY 1984:</u>	\$ 600 (G) \$3,000 (L)
<u>FY 1985:</u>	\$3,000 (L)
<u>Life-of-Project:</u>	\$ 600 (G) \$24,000 (L)
<u>Total:</u>	\$24,600
<u>Appropriation Account:</u>	Health

Purposes:

- (1) to assist the GSL to bring malaria under control to the level where it is no longer a serious public health problem; and
- (2) to strengthen the GSL's institutional capability to maintain that level of control.

Description of the Problem:

Malaria has been a serious health problem in Sri Lanka for centuries, causing widespread suffering and death and severely interfering with orderly social and economic development. Malaria epidemics were facilitated by an extensive tank and irrigation systems which assisted establishment of malaria carrying mosquitoes. It is in these areas that the Mahaweli Development Program which will settle up to 450,000 people is now being implemented. There is national concern that the conditions which make Sri Lanka a natural incubator for this disease could again create a serious malaria problem and negate the GSL's efforts in providing a new future for its landless.

As late as 1976, malaria epidemics were driving populations from the dry zone, resulting in agricultural lands being abandoned. In an effort to control malaria, the GSL prepared a plan of operations and requested international assistance. AID (along with WHO, Netherlands, and the U.K.) responded to this urgent problem by providing assistance over the period 1977-83. With this assistance, the GSL has been able to reduce the number of confirmed malaria cases by 85% (from 262,466 in 1977 to around 38,000 estimated for 1982). But more needs to be done to stabilize the newly instituted epidemiological surveillance and response systems of the Anti-Malaria Campaign (AMC), lower the insecticide requirements, lower the likelihood of

developing malathion resistance, and insure the disease will not return again in yet another devastating epidemic. This institutional development requires technical assistance, support of operational research, increased training opportunities, sustained financing of commodity inputs and further development of community participation activities.

The on-going USAID malaria control project provides \$16 million in loan assistance for training, operational research and commodity support. The purposes of this on-going project are to:

- (1) assist the GSL in bringing malaria under control;
- and
- (2) to strengthen the GSL's institutional capability for administrating the malaria control program during both attack and maintenance phases.

The first purpose has been largely achieved and progress has been made on the second purpose. To a major extent the malaria epidemic has been overcome; large areas have now been freed of severe endemic malaria and spray operations are being systematically reduced; the AMC administration and management systems have begun a process of decentralization; a new epidemiological system has been developed and initiated; over 600 surveillance workers have been trained and are in place; the vehicle fleet is now up to the 200 level necessary for field operations; increased warehouse systems for the storage and distribution of insecticides are operational; and a village malaria volunteer system of over 3,000 people is in place and functioning. While these and other program gains have resulted in the reduction of malaria, the process of institutionalizing an effective malaria control system is behind schedule and will not be completed by the present PACD of October 1984. The main reason for the delay was the heavier than anticipated emphasis that had to be placed on spraying operations as a result of the tenacity of the disease itself, widespread population movements, shortfalls in complete residual spray coverage, delay of over a year in the recruitment and training of surveillance personnel, and inadequate epidemiological data. All of these reasons have contributed to higher than expected consumption rates of malathion and slower than expected institutionalization of the infrastructure necessary to maintain control. Annual in-depth external evaluations with AID participation have assisted substantially by identifying problems and providing recommendations necessary to improve program operations. The 1982 evaluation concluded that further support and additional time are required to complete the institutionalization of necessary malaria control measures.

Description of the Project: Continued AID assistance in malaria control was officially requested by the GSL in October 1982. Continued AID support to anti-malaria activities in Sri Lanka is in accord with Agency health policy and strategy statements and with USAID's CDSS objectives. Malaria control relates directly to the ultimate success of other AID projects, particularly those in the Mahaweli resettlement areas. Additional reasons for continued assistance are:

(1) AID has a comparative advantage in commodity support; (2) there is strong national will and fiscal support; (3) an institutional structure now exists which, with further strengthening, should be capable of maintaining an effective, self-sustaining malaria control system by the end of the project; and (4) a return of epidemic malaria would seriously affect other AID project activities in Sri Lanka as well as reduce the impact of past investments.

Under the proposed project supplement, the following will be accomplished:

- (1) continue to reduce the incidence of malaria to a level where it is no longer a serious public health problem;
- (2) institutionalize/complete the new epidemiological stratification process which was initiated in 1982;
- (3) provide new and refresher training for village malaria volunteers and AMC staff;
- (4) provide protection for the newly developing settlement areas both within and outside the Mahaweli project and prevent a resurgence of the disease in these endemic areas;
- (5) initiate operational research, especially in biological controls; and
- (6) increase national capabilities in data collection, review and evaluation.

Under the project supplement, we propose to provide funding for three years of technical assistance to insure that technical transfer of modern malaria control methodologies is being effectively introduced, implemented, and institutionalized.

GSL Entities Involved: The principal implementing agency will be the AMC of the Ministry of Health. The Ministry of Finance also will be involved.

Major Issue: The major issue will be the GSL ability/willingness to assume complete responsibility for insecticide financing in 1987.

<u>Project Title and No:</u>	Water Supply and Sanitation Sector 383-0088
<u>AID Funding:</u>	(\$000)
<u>FY 1984:</u>	\$1,000 (G) \$2,800 (L)
<u>FY 1985:</u>	\$1,500 (G) \$2,800 (L)
<u>Life-of-Project:</u>	\$ 5,000 (G) \$13,000 (L)
<u>Total:</u>	\$18,000
<u>Appropriation Account:</u>	Health

Purpose: To strengthen existing institutional capabilities to enable them to provide safe and reliable drinking water and sanitation facilities accessible to the entire population by the year 2000.

Description of the Problem: The GSL has identified water related diseases caused by unsafe drinking water and the lack of adequate sanitation facilities as being two of its most serious problems to the health and well-being of its people. The 1981 census indicated that 12.28 million people were without adequate safe water supply services and 6.98 million people lacked adequate excreta disposal facilities out of a total population of 14.58 million. There has been little or no improvement in piped water supply services since 1971, while the percentage of people who have access to piped water on tap has actually decreased from 20.1 percent to 17.3 percent of the total population. There has been a small increase in the provision of adequate sanitation facilities as the number of the people who have use of latrines has increased from 45.5 percent to 53.0 percent of the total population.

Water-borne and water washed diseases in Sri Lanka rank close to the top on both the morbidity and mortality scales. Diarrheal diseases spread easily if water is not safe for drinking or is insufficient for personal hygiene. Also, sanitation facilities are required as diseases of fecal origin will not be reduced by just supplying safe drinking water.

The Water Supply and Sanitation Decade Plan prepared by the GSL in 1980, with AID assistance, identified the major constraints and problems in safe drinking water and sanitation facilities to all the people of Sri Lanka by the year 2000. These are divided into two major categories,

institutional and system deficiencies. The institutional deficiencies include:

- (1) a lack of skilled and trained personnel;
- (2) a lack of institutional coordination;
- (3) inadequate institutional capability for carrying out integrated analysis in project preparation phases resulting in a lack of investment priorities;
- (4) a lack of selection criteria to guide the systematic allocation of project priorities;
- (5) inadequate funding mechanisms for providing financial resources;
- (6) inadequate facilities and organization to ensure adequate water quality standards;
- (7) inadequate facilities and organization to operate and maintain the water supply and sanitation systems; and
- (8) a lack of community participation and health education in the sector.

The system deficiencies identified include:

- (1) unsatisfactory operation and inadequate maintenance of existing systems;
- (2) insufficient supplies and repair parts to operate and maintain systems;
- (3) unsafe water being provided by existing systems; and
- (4) inadequate levels of service in existing systems.

Description of the Project: This project directly addresses the Asia Bureau's strategic water supply and sanitation sector priorities by focusing upon the development of the human resource capability of key sector institutions rather than the more traditional capital intensive system construction efforts. Construction under the project is envisaged only insofar as it serves to strengthen and support the project's institutional development and training thrusts. Moreover, the project is responsive to current Agency sectoral policy initiatives in emphasizing such prime concerns as institutional responsibility, existing health linkages, systems operation and maintenance, recurrent costs and local community participation.

The project is primarily an institution building project designed to initiate implementation of the highest priority activities identified in the Decade Plan. The Plan calls for an initial emphasis on water supply and sanitation support programs, such as human resources development, appropriate technology adaptation, increased health education, enhanced community participation, institutional change and financial investment prioritization. This project will focus on the National Water Supply and Drainage Board (NWSDB), currently the lead GSL agency in implementing the Decade Plan. The project will provide assistance in the following activities:

- (1) manpower development and training in programming, planning and design; and operations and maintenance for water supply and sanitation systems; and
- (2) rehabilitation/construction of a central training center, regional operations and maintenance centers, and selected demonstration/pilot activities.

The manpower development and training activity will be a major component of the project. It will provide for the construction, staffing and initial operation of a central training center. The center will provide the required skilled and unskilled personnel to meet the needs for the Decade Plan. Training will include both long and short-term training in the U.S. and third world countries in addition to a substantial amount of in-country training for all levels of technicians working in the sector.

The planning and design activity will provide for strengthening the planning and coordination unit of the Ministry of Local Government, Housing and Construction (MLGHC) and the Planning and Design Office of the NWSDB.

The operations and maintenance activity will provide for strengthening the central and eight regional operations and maintenance centers and water quality monitoring laboratories, and training of operations and maintenance and laboratory and field staff; improvement of workshops, repair parts stores and offices; and the purchase of equipment, tools, supplies and vehicles to provide operations and maintenance and water quality testing and control support for water production and distribution facilities.

The rehabilitation/construction activity will provide for the rehabilitation of existing and the construction of new water supply and sanitation facilities. The projects rehabilitated/constructed under this activity will be considered pilot projects in each of the eight regions for demonstrating and augmenting the improved institutional aspects developed and implemented. It will also include the

adaptation of appropriate technology in these systems wherever possible.

GSL Entities Involved: The primary implementing agency involved will be the NWSDB. The MLGHC will play a supporting role in policy, strategy, planning, community participation, financing and coordination with other agencies in the water supply and sanitation sector. The Ministry of Health will play a supporting role in water quality and public health training.

Major Issues:

(1) the effective demand for improved water supply and sanitation facilities must be clearly indicated by consumers' willingness to: (a) support recurrent costs through some combination of fees, contributions, and local or national budget allocations; and (b) cover some portion of the investment costs to improve traditional systems or build new ones; and

(2) the GSL must show clear evidence that the institutions can be strengthened to the point where they can assume the responsibility and have the personnel and budgetary resources to ensure the construction, expansion and continued operation and maintenance of the improved water supply and sanitation systems with modest outside support.

TABLE V - FY 1985 PROPOSED PROGRAM RANKING				Country/Office	USAID/SRI	LANKA	
RANK	PROGRAM ACTIVITY		ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION					INCR	CUM
<u>NEW AND CONTINUING PROJECTS</u>							
1	383-0073	Mahaweli Basin Development II	O	L	ARDN	18,000	18,000
2	383-0086	Mahaweli Downstream Development	N	G	ARDN	3,000	21,000
3	383-0086	Mahaweli Downstream Development	N	L	ARDN	6,000	27,000
4	383-0055	Reforestation and Watershed Management	O	G	ARDN	200	27,200
5	383-0055	Reforestation and Watershed Management	O	L	ARDN	4,100	31,300
6		PL 480, Title I	O	L		(26,000)	
7	383-0058	Diversified Agriculture Research	O	G	ARDN	1,750	33,050
8	383-0080	Irrigation Sector	N	G	ARDN	2,000	35,050
9	383-0080	Irrigation Sector	N	L	ARDN	2,000	37,050
10	383-0088	Water Supply and Sanitation Sector	O	G	HE	1,500	38,550
11	383-0088	Water Supply and Sanitation Sector	O	L	HE	2,800	41,350
12	383-0043	Malaria Control	O	L	HE	3,000	44,350
13	383-0085	Development Training & Support	N	G	ARDN	1,000	45,350
14		PL 480, Title II - Maternal/ Child Health	O	G		(1,632)	
15		HG - Low Income Housing	O	L		(25,000)	
16	383-0060	PVO Co-Financing	O	G	ARDN, HE, EA, SDA	650	46,000
17		PL 480, Title II - School Feeding	O	G		(1,936)	
18		PL 480, Title II - Thripasha Comm. Marketing	O	G		(69)	

V.B. PROPOSED PROGRAM RANKING (TABLE V) NARRATIVE

The program ranking in this years's Annual Budget Submission has been determined on the basis of four major considerations:

- (1) the relationship and importance of the activity in attaining the Country Development Strategy Statement (CDSS) and Action Plan objectives;
- (2) the importance of the activity to the GSL's development efforts and program;
- (3) the program guidance reflected by AID/Washington in its policy and strategy issuances and the Asia Bureau's Strategic Plan; and
- (4) our judgment of the prospects that adequate counterpart resources, both human and financial, will be available to effectively implement the activities proposed.

Our FY 1985 CDSS continues the AID program focus on:

- (1) the Mahaweli Basin Development Program;
- (2) food production and natural resource management; and
- (3) human productivity and well-being.

The on-going Mahaweli Basin Development II and Mahaweli Downstream Development projects are the highest ranked due to their importance in increasing food production and generating employment, and the continuing priority of the Mahaweli Program to the GSL and Sri Lanka's development. The funding proposed for the Mahaweli Basin II project in both FY 1984 and FY 1985 reflects the most accurate cost estimates available. This funding is contingent upon the upcoming June 1982 AID review of the project's progress to date and the GSL commitment to this effort.

The Reforestation and Watershed Management project is accorded the next order of priority. The funding proposed will complete AID's contribution to this effort which aims to increase the supply of fuelwood (the principal source of fuel for rural people) and maintain an environmentally acceptable forest cover, including the upper catchment areas of the Mahaweli.

The PL 480, Title I, program is next ranked. The 1982 PL 480, Title I, Impact Evaluation concluded that the program has made a positive contribution to US/Sri Lankan relations and has represented a significant and positive balance of payments resource. Thus, the program is a means for helping

the GSL to continue implementation of its generally sound and liberalized economic policies, represents a large amount of quick-disbursing food assistance which Sri Lanka needs, and is closely integrated with the development assistance program through encouragement for the development of a national agriculture, food and nutrition strategy and related investment programs, and the provision of local currency proceeds to support activities of priority to the GSL and USAID's development strategy.

The next priority is for Diversified Agriculture Research which will support the GSL's efforts to shift from a narrow strategy of rice self-sufficiency to one of greater food self-reliance and strengthen the institutional capacity to increase the production of and policies for subsidiary food crops. This project is a high priority of the GSL and is responsive to AID's policy on food and agriculture development and agricultural research priorities. The project also is in accord with the Asia Bureau's Strategic Plan.

The Irrigation Sector project will build on AID's experience under the Water Management project. The new project will focus on the improvement and rehabilitation of a number of irrigation schemes outside the Mahaweli area. The primary emphasis, however, will be on the improvement of the institutional capacity of the GSL to better manage, operate and maintain these systems with the active involvement of farmers. This effort will contribute to increasing Sri Lanka's food production and, again, is in consonance with Agency policy and the Bureau Strategy. The rehabilitation of irrigation facilities and improvement of water management are key elements of the GSL's strategy for the agricultural sector. Therefore, we are confident that the necessary human and financial resources will be available for the effective implementation of this project.

Next ranked are the on-going Water Supply and Sanitation (WS&S) Sector and Malaria Control projects which will address major health problems affecting the Sri Lankan people. The WS&S project directly addresses the Asia Bureau's sector priorities and will be primarily an institutional building effort. The Malaria Control project funding represents the final obligation of AID funds and will result in bringing malaria under control and the strengthening of the GSL's institutional capability to maintain this control.

The Development Training and Support project will improve the institutional capability of private and public sector organizations through selective short and long-term technical, managerial and administrative training. It will also support studies and small-scale activities responsive to USAID/GSL development priorities. Although AID's inputs

will be relatively small, this project will provide a means for the strengthening of Sri Lanka's human resource and institutional capabilities and is, thus, responsive to current Agency priorities.

The PL 480, Title II, Maternal Child Health (MCH) program is ranked as the next priority. The USAID continues to consider the MCH (Thriposha) program to be important because it is already well-integrated into the Sri Lankan health system and addresses the malnutrition problem at the most critical stage in the mother's pregnancy and lactating period and in the child's development.

Next ranked is the Housing Guaranty program which will continue to support the needed provision of low cost housing, while also providing support for the formation of the Housing Finance Bank, and policy changes encouraging a predominant role for the private sector. The magnitude of future AID support will be contingent upon our experience with the program in FY 1983/84 and the GSL's institutional capability to effectively implement the program.

The penultimate priority is given to the PVO Co-Financing project which will support the efforts of indigenous and U.S. PVOs to carry out small-scale development efforts in agriculture, health, education, women in development and private sector development. Emphasis will be given to strengthening local private organizations to contribute directly to Sri Lanka's development.

The final priority is given to the Title II School Feeding and Commercial Marketing programs. With regard to the former, FY 1985 represents the beginning of AID's phase-out from the program which is planned to be completed by FY 1989 when the GSL will assume full responsibility. The Commercial Marketing program reaches a smaller number of Title II beneficiaries, but offers the potential of becoming a significant factor in improving child nutrition. FY 1985 represents the last year of AID's involvement with this program in anticipation of its being taken over by the GSL and/or private sector by FY 1986.

VI. EVALUATION PLAN

A. Issues Narrative

For the FY 1984/85 period, the USAID will focus on the evaluation of projects, principally in the agricultural sector - the priority of our CDSS strategy. Comprehensive program evaluations of the Titles I and II programs were conducted in FY 1982. Therefore, no further evaluations of these are currently planned.

Related to strategy development, the gathering of sectoral data, and program design; two major efforts are underway which will directly impact on future AID assistance to the agriculture and health sectors. The first is the AID-assisted agriculture, food and nutrition strategy which will consider production, consumption and nutritional needs and goals. It will also provide the basis for the rational allocation of resources to the agriculture sector and will influence the future direction of AID's assistance to the sector. Secondly, the USAID (with AID/Washington support) is proceeding with a health/population sector review in conjunction with the IBRD and GSL. The USAID's epidemiological and demographic review is expected to be completed in May 1983; with the IBRD's review of health care financing, services, family planning expected to be available by September 1983. In addition, the USAID will review AID's portfolio of centrally-funded population assistance and Sri Lanka's population program problems, assistance needs and options during September 1983. In October 1983, the results of these reviews will be used to articulate the USAID's Health and Population Sector Strategy. It will also provide important baseline data which will be used to judge the future results of AID's involvement in the sector.

A total of fourteen projects have been identified for evaluation in our plan - seven each during FY 1984 and FY 1985. The emphasis of our evaluation plan will be on those projects in the agricultural sector, those likely to require future year funding, those which emphasize the priorities of the current administration, and the impact of these projects on intended beneficiaries.

The evaluation schedule for FY 1984 includes initial evaluations for four projects, two annual reviews and one end-of-project evaluation. The key evaluations during the fiscal year are more fully described below.

The in-depth Mahaweli Basin Development project (383-0056) will critically assess the design work for System B and the farmer settler program. It will also review the benefits gained by the farmers and their families from the

agricultural support and other services provided them, particularly during the construction and crucial early phases of settlement. Related to this project is the Mahaweli Sector Support project (383-0078) which reimburses the GSL for downstream components of the Mahaweli Program. These downstream components include farm-to-market roads, schools, community and health centers to support farm settlers. Although no formal evaluations have been planned for this activity, a special review will be made of the Mahaweli Authority of Sri Lanka reports to determine if the GSL has provided adequate amounts of financing to downstream development activities. Additionally, progress towards established targets and assumptions will be assessed. The evaluations of these two projects will have a bearing upon the development and design of the Mahaweli Downstream Development project (383-0086) for which initial funding is contemplated in FY 1985.

The Market Town Water Supply project (383-0063) evaluation will assess progress, including the effectiveness of the GSL agencies involved and the health impact upon beneficiaries. It will also provide planners with essential data and backup material for the development of the Water Supply and Sanitation Sector project (383-0088) which is to be funded initially in FY 1984.

Three of the evaluations scheduled for FY 1985 are directed at projects which are of high priority to the Agency - the Reforestation and Watershed Management project (383-0055), the Mahaweli Environment project (383-0075), and the Private Enterprise Promotion I project (383-0082).

The mid-term evaluation of the Reforestation and water Management Project will critically assess progress towards the project's objectives, implementation progress and validity of the original objectives and assumptions. It also will collect baseline data to permit assessment of the employment impact of the agroforestry plots component of the project. Evaluation findings will greatly affect implementation planning for the balance of this project and planning of new efforts, particularly the Reforestation and Renewable Energy project currently anticipated for FY 1987.

The Mahaweli Environment Project is expected to experience an extremely low level of implementation due to expenditure ceilings imposed by the GSL fiscal authorities in 1983 and 1984. This evaluation will give particular emphasis to the examination of implementation progress, counterpart administrative and managerial capabilities, as well as the GSL's budget constraints and future allocations to determine the possible effect on the project.

The Private Enterprise Promotion project (383-0082) is scheduled for its first evaluation in FY 1985. In view of

the importance of this activity the first evaluation will assess the need for adjustments to ensure attainment of the project's purpose.

In addition and as a supplement to the information in the narrative and evaluation plans contained herein and in response to the request of AA/ASIA Charles Greenleaf, we will submit by July 1, 1983, a Part C annex which will include:

- (1) the identification of projects which will provide empirical information on trends or impact by January 1984, the indicators of trends or impact and the approach which is to be followed in generating and analyzing the data; and
- (2) the identification of major planned data-gathering activities for FY 1984/85.

VI.B. TABLE VII - LIST OF PLANNED EVALUATIONS

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SRI LANKA

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
383-0056 Mahaweli Basin Development I	None	2*	3*			<u>FIRST-IN-DEPTH:</u> (1) Evaluate the design of the irrigation system and particularly note: (a) whether available labor was utilized to the fullest; (b) what the impact was on the environment; (c) control of water usage; (d) whether health problems have been minimized; (e) what the maintenance implications are; (f) drainage capability. (2) Select sample areas and assess what impact the project has had on farmers and farmer organizations; review the management of small farms; determine whether the farmer assistance program can be effectively replicated throughout the system.	PDS	28	AID/W TDY - One Irrigation Engineer for one month.

(Anne Damarell,
 Mission Evaluation
 Officer, 20% of time)

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		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
383-0078 Mahaweli Sector Support	None	2*	3*			<p><u>FIRST SPECIAL EVALUATION:</u></p> <p>Since the basic purpose of this sector support loan will be achieved if and when the GSL provides adequate amounts of money for downstream development activities in each year's Mahaweli budget, this evaluation will review and assess MASL reports, and seek clarification of any problems which may emerge from the review.</p> <p>Progress towards established targets and assumptions will also be assessed.</p>	PDS	29	AID/W TDY - One Financial Analyst and one Civil Engineer for two weeks each.

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Project List (Project No. & Title)	FY 1984		FY 1985		Last Eval Completed (No./Yr.)	Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)					
383-0063 Market Town Water Supply - Jaffna	1*	2*			None	Project	60	27	None
<p><u>FIRST IN-DEPTH:</u></p> <p>(1) Assess progress made towards reaching project objectives and determine whether or not targets established were realistic.</p> <p>(2) Evaluate the effectiveness of the agencies involved in the program and determine the adequacy of their administrative, operating and maintenance procedures.</p> <p>(3) Evaluate the effectiveness of the health information program and the responsible agency's role in disseminating the information to the villagers. Also assess the villagers' receptivity towards this program.</p> <p>(4) Assess the impact the health program has had on the villagers.</p>									

TABLE VII - 49 LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
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 COUNTRY/OFFICE

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
383-0044 Development Services and Training	None	1*	2*			<p><u>FIRST IN-DEPTH:</u></p> <p>Evaluate the technical impact of the project's 25 sub-projects and of its large participant training component, and address two main issues:</p> <p>(1) With a PACD of 8/31/85 and \$2.2 million remaining in uncommitted funds, should mid-course corrections be made changing the types of training and sub-projects funded by this project?</p> <p>(2) In designing a planned FY 85 follow-on project, should we concentrate heavily on participant training and reserve only a modest amount for pre-project studies and small-scale activities which support USAID/C&I development priorities?</p>	PDS OE	35	USAID/Indonesia Regional Environmental Officer for 20 person days.

TABLE VII - LIST OF ⁵⁰PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SRI LANKA

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
383-0045 Agricultural Base Mapping	May 1982	3*	4*			<p><u>END-OF-PROJECT:</u></p> <p>(1) Assess the progress made by the GSL Survey Department since last evaluation (May 1982).</p> <p>(2) Evaluate the Survey Department's capabilities and determine whether it can continue project activities once donor support ends. Particularly assess its capabilities in producing maps at 1:10,000 and 1:50,000 series in accordance with targets established (quantity and dates).</p> <p>(3) Rate the Survey Department's responsiveness to customer demands and its abilities in maximizing and utilizing new technological developments.</p> <p>(4) Evaluate progress accomplished to date against established project objectives.</p>		23	None (in-house).

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 TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SRI LANKA

Project List (Project No. & Title)	Last Eval Completed (No./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start To (Qtr)	Start To (Qtr)	Start To (Qtr)	Start To (Qtr)				
383-CO43 Malaria Control	June 1983	3	4	3	4	ANNUAL MULTI-DONOR EVALUATIONS: Review and evaluate the CSL's Anti-Malaria Campaign and assess its effectiveness in lowering incidence of malaria.	FY 84 PDS 20	27	AID/W TDY - Malaria Technician for 2 weeks.
							FY 85 HEA (Project) 20	27	AID/W TDY - Malaria Technician for 2 weeks.

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 TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SRI LANKA

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To AID/W (Qtr)	Start To AID/W (Qtr)	To AID/W (Qtr)				
383-HG-001 Low Income Housing Program	October 1982	3*	4*	3	4	FY 84 None	16	AID/W - PRE/H financed contractors (3) for one week each. RHUDO to coordinate regular annual evaluation for one week.
						FY 85 None	16	AID/W - PRE/H financed contractors (3) for one week each. RHUDO to coordinate regular annual evaluation for one week.

TABLE VII - LIST OF PLANNED EVALUATIONS
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Project List (Project No. & Title)	Last Eval Completed (No./Yr.)	FY 1984		FY 1985		Reasons/Issues	Punding Source (\$000)	USAID Person Days	Collateral AID Assistance	
		Start To	Start To	Start To	Start To					
		(Qtr)	(Qtr)	(Qtr)	(Qtr)					
383-0055 Reforestation and Watershed Management	None			1*	2*	<p><u>MID-TERM:</u></p> <p>(1) Assess progress made towards established project objectives.</p> <p>(2) Evaluate implementation progress and determine whether assumptions made and objectives established were realistic.</p> <p>(3) Review life-of-project work plan (i.e., scope, inputs, outputs, etc.) and whether established objectives will be met.</p> <p>This evaluation will include the collection of baseline data with respect to the current employment situation in the 15 proposed agro-forestry plots. These data will enable the final evaluation to judge the employment trends through the establishment of these plots and to influence the development of appropriate forest extension methodologies.</p>	Project OE	15 4	20	USAID/Indonesia - Regional Forestry Advisor for 3 weeks.

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Project List (Project No. & Title)	FY 1984		FY 1985		Last Eval Completed (Mo./Yr.)	Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)					
383-C075 Mahaweli Environment			4	1 (FY 86)	N/A	<u>FIRST IN-DEPTH:</u> (1) Examine the implementation process as well as the project's impact in achieving planned outputs and project objectives. (2) Assess progress made towards established goals of the project. (3) Examine administration and managerial capabilities of the Department of Wild Life Conservation and assess its effectiveness in implementing project activities. (4) Assess the effectiveness of the project's baseline data and monitoring procedures which were designed to provide information on seasonal movements of and other data on wild life to DWLC officials to enable them to implement sound park management options. (5) Evaluate social and economic benefits gained by local residents through productive use of buffer zones, employment in park construction and maintenance work, and participation in tourism-generated job opportunities.	Project OE 24 3	40	USAID/Indonesia - Regional Environmental Officer to assist in planning evaluation including scope of work for the outside consultants (2 weeks).

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
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Project List (Project No. & Title)	Last Eval Completed Start (Mo./Yr.) (Qtr)	FY 1984 To Start AID/W (Qtr)	FY 1985 To Start AID/W (Qtr)	Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
383-0082 Private Enterprise Promotion	None	3	3	<u>FIRST EVALUATION:</u> An evaluation has been planned to take place one year after commencement of activities to allow for adjustments to project direction which will ensure attainment of project purpose.	Project 25	43	None.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
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Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance	
		Start To AID/W (Qtr)	To AID/W (Qtr)	Start To AID/W (Qtr)	To AID/W (Qtr)					
383-0040 Rice Research	August 1982			3	4	<p><u>END-OF-PROJECT:</u></p> <p>(1) Assess the relevancy and effectiveness of the training courses provided under the training component.</p> <p>(2) Assess the benefits gained by the participants trained under the training component, and how such benefits impacted on the CSL.</p> <p>(3) Determine whether or not personnel trained under the project are actively engaged in research programs involving rice production and rice based cropping systems.</p> <p>(4) Evaluate the effectiveness and utilization rate of research commodities procured under the project.</p> <p>(5) Evaluate laboratory and field research stations established under the project, assess their functional abilities and capacities in relation to expected project outputs.</p> <p>(6) Assess the project's impact upon rice production.</p> <p>(7) Record lessons learned.</p>	PDS	20	43	None.

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 TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SRI LANKA

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance	
		Start To AID/M (Qtr)	Start To AID/M (Qtr)	Start To AID/M (Qtr)	Start To AID/M (Qtr)					
383-0062 National Institute of Health, Kalutara	September 1983		4	1 (FY 86)		<p><u>END-OF-PROJECT:</u></p> <p>(1) Review the Institute's development and assess the impact it has made on public health services in the Kalutara district.</p> <p>(2) Examine the project's field research program and determine the extent to which the program was utilized to improve the Institute's training programs.</p>	Project	20	27	None.

VII. OVERSEAS WORKFORCE AND OPERATING EXPENSES

TABLE VIII - FY 1983

ORGANIZATION USAID/SRI LANKA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		<u>1,606.3</u>		<u>1,606.3</u>	<u>XXXXX</u>
U.S. CITIZENS BASIC PAY	U101	110	<u>1,048.6</u>		<u>1,048.6</u>	<u>22.4</u>
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	<u>168.8</u>		<u>168.8</u>	<u>XXXXX</u>
OTHER AID/W FUNDED O.C. 11	U104	119				<u>XXXXX</u>
OTHER MISSION FUNDED O.C 11	U105	119				<u>XXXXX</u>
EDUCATION ALLOWANCES	U106	126	<u>86.3</u>		<u>86.3</u>	<u>18.0</u>
RETIREMENT - U.S.	U107	120	<u>85.5</u>		<u>85.5</u>	<u>XXXXX</u>
LIVING ALLOWANCES	U108	128				<u>XXXXX</u>
OTHER AID/W FUNDED O.C. 12	U109	129				<u>XXXXX</u>
OTHER MISSION FUNDED O.C.12	U110	129	<u>2.1</u>		<u>2.1</u>	<u>XXXXX</u>
POST ASSIGNMENT - TRAVEL	U111	212	<u>16.8</u>		<u>16.8</u>	<u>7.0</u>
POST ASSIGNMENT - FREIGHT	U112	22	<u>64.9</u>		<u>64.9</u>	<u>7.0</u>
HOME LEAVE - TRAVEL	U113	212	<u>29.4</u>		<u>29.4</u>	<u>6.0</u>
HOME LEAVE - FREIGHT	U114	22	<u>24.6</u>		<u>24.6</u>	<u>6.0</u>
EDUCATION TRAVEL	U115	215	<u>5.0</u>		<u>5.0</u>	<u>4.0</u>
R AND R TRAVEL	U116	215	<u>62.3</u>		<u>62.3</u>	<u>28.0</u>
ALL OTHER CODE 215 TRAVEL	U117	215	<u>12.0</u>		<u>12.0</u>	<u>6.0</u>
<u>FOREIGN NATIONAL DH</u>	U200		<u>71.7</u>		<u>71.7</u>	<u>XXXXX</u>
BASIC PAY	U201	114	<u>51.9</u>		<u>51.9</u>	<u>25.0</u>
OVERTIME, HOLIDAY PAY	U202	115	<u>3.0</u>		<u>3.0</u>	<u>1.5</u>
ALL OTHER CODE 11 - FM	U203	119	<u>2.6</u>		<u>2.6</u>	<u>XXXXX</u>
ALL OTHER CODE 12 - FM	U204	129	<u>13.7</u>		<u>13.7</u>	<u>XXXXX</u>
BENEFITS FORMER FM PERS.	U205	13	<u>.5</u>		<u>.5</u>	<u>XXXXX</u>
<u>CONTRACT PERSONNEL</u>	U300		<u>37.5</u>		<u>37.5</u>	<u>XXXXX</u>
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				<u>XXXXX</u>
F.M. PSC - SALARY/BENEFITS	U304	113	<u>36.0</u>		<u>36.0</u>	<u>29.0</u>
ALL OTHER F.M. PSC COSTS	U305	255	<u>1.5</u>		<u>1.5</u>	<u>XXXXX</u>
<u>HOUSING</u>	U400		<u>515.2</u>		<u>515.2</u>	<u>XXXXX</u>
RENT	U401	235	<u>200.9</u>		<u>200.9</u>	<u>22.0</u>
UTILITIES	U402	235	<u>90.9</u>		<u>90.9</u>	<u>XXXXX</u>
RENOVATION AND MAINT.	U403	259	<u>47.0</u>		<u>47.0</u>	<u>XXXXX</u>
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	<u>120.0</u>		<u>120.0</u>	<u>XXXXX</u>
TRANS./FREIGHT - CODE 311	U406	22	<u>26.7</u>		<u>26.7</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U407	254	<u>27.7</u>		<u>27.7</u>	<u>XXXXX</u>
OFFICIAL RESIDENCE ALLOW.	U408	254				<u>XXXXX</u>
REPRESENTATION ALLOWANCE	U409	252	<u>2.0</u>		<u>2.0</u>	<u>XXXXX</u>

ORGANIZATION USAID/SRI LANKA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>419.9</u>		<u>419.9</u>	<u>XXXXX</u>
RRNT	U501	234	<u>17.3</u>		<u>17.3</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>2.0</u>		<u>2.0</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>2.0</u>		<u>2.0</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>31.6</u>		<u>31.6</u>	<u>XXXXX</u>
VEHICLES	U505	312	<u>42.0</u>		<u>42.0</u>	<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>20.0</u>		<u>20.0</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>14.3</u>		<u>14.3</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>3.2</u>		<u>3.2</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>1.2</u>		<u>1.2</u>	<u>XXXXX</u>
PRINTING	U510	24	<u>.3</u>		<u>.3</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	<u>24.0</u>		<u>24.0</u>	<u>192.0</u>
INFORMATION MEETINGS	U513	210	<u>3.0</u>		<u>3.0</u>	<u>5.0</u>
TRAINING ATTENDANCE	U514	210	<u>19.1</u>		<u>19.1</u>	<u>7.0</u>
CONFERENCE ATTENDANCE	U515	210	<u>11.6</u>		<u>11.6</u>	<u>12.0</u>
OTHER OPERATIONAL TRAVEL	U516	210	<u>16.8</u>		<u>16.8</u>	<u>15.0</u>
SUPPLIES AND MATERIALS	U517	26	<u>33.4</u>		<u>33.4</u>	<u>XXXXX</u>
FAAS	U518	257	<u>137.7</u>		<u>137.7</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U519	259				<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U520	259				<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259				<u>XXXXX</u>
ALL OTHER CODE 25	U522	259	<u>40.4</u>		<u>40.4</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>2,650.6</u>		<u>2,650.6</u>	<u>XXXXX</u>
RECONCILIATION			<u>1,440.6</u>		<u>1,440.6</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>1,210.0</u>		<u>1,210.0</u>	<u>XXXXX</u>
OTHER INFORMATION:						
Dollar requirement for local currency costs				<u>839.9</u>		
Exchange rate used (as of May 1, 1983)				<u>22.72</u>		

ORGANIZATION USAID/SRI LANKA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,155.7		2,155.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,184.8		1,184.8	24.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	237.0		237.0	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	103.7		103.7	23.0
RETIREMENT - U.S.	U107	120	106.7		106.7	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	23.7		23.7	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	2.8		2.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	49.5		49.5	9.0
POST ASSIGNMENT - FREIGHT	U112	22	157.5		157.5	9.0
HOME LEAVE - TRAVEL	U113	212	48.8		48.8	14.0
HOME LEAVE - FREIGHT	U114	22	79.7		79.7	14.0
EDUCATION TRAVEL	U115	215	22.5		22.5	9.0
R AND R TRAVEL	U116	215	123.0		123.0	30.0
ALL OTHER CODE 215 TRAVEL	U117	215	16.0		16.0	8.0
<u>FOREIGN NATIONAL DH</u>	U200		119.0		119.0	XXXXX
BASIC PAY	U201	114	83.8		83.8	33.0
OVERTIME, HOLIDAY PAY	U202	115	5.1		5.1	2.0
ALL OTHER CODE 11 - FN	U203	119	4.2		4.2	XXXXX
ALL OTHER CODE 12 - FN	U204	129	25.1		25.1	XXXXX
BENEFITS FORMER FN PERS.	U205	13	.8		.8	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		336.5		336.5	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	147.1		147.1	2.0
ALL OTHER U.S. PSC COSTS	U303	255	153.9		153.9	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	33.8		33.8	24.4
ALL OTHER F.N. PSC COSTS	U305	255	1.7		1.7	XXXXX
<u>HOUSING</u>	U400		596.6		596.6	XXXXX
RENT	U401	235	229.5		229.5	25.0
UTILITIES	U402	235	120.0		120.0	XXXXX
RENOVATION AND MAINT.	U403	259	51.7		51.7	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	106.3		106.3	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	56.1		56.1	XXXXX
SECURITY GUARD SERVICES	U407	254	30.5		30.5	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.5		2.5	XXXXX

ORGANIZATION USAID/SRI LANKA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		530.1		530.1	XXXXX
RENT	U501	234	35.0		35.0	XXXXX
UTILITIES	U502	234	2.2		2.2	XXXXX
BUILDING MAINT./RENOV.	U503	259	12.2		12.2	XXXXX
OFFICE FURN./EQUIP.	U504	310	53.6		53.6	XXXXX
VEHICLES	U505	312	68.2		68.2	XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22	41.6		41.6	XXXXX
COMMUNICATIONS	U508	230	3.5		3.5	XXXXX
SECURITY GUARD SERVICES	U509	254	1.3		1.3	XXXXX
PRINTING	U510	24	.4		.4	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	26.4		26.4	192.0
INFORMATION MEETINGS	U513	210	4.7		4.7	5.0
TRAINING ATTENDANCE	U514	210	21.0		21.0	7.0
CONFERENCE ATTENDANCE	U515	210	22.1		22.1	12.0
OTHER OPERATIONAL TRAVEL	U516	210	32.5		32.5	16.0
SUPPLIES AND MATERIALS	U517	26	37.7		37.7	XXXXX
FAAS	U518	257	141.1		141.1	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	26.6		26.6	XXXXX
TOTAL O.E. BUDGET			3,737.9		3,737.9	XXXXX
RECONCILIATION			1,693.3		1,693.3	XXXXX
OPERATING ALLOWANCE REQUEST			2,044.6		2,044.6	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs			1,301.8			
Exchange rate used (as of May 1, 1983)			22.72			
Estimated Wage Increases - FY 1983 to FY 1984			5%			
Estimated Price Increases - FY 1983 to FY 1984			10%			

ORGANIZATION USAID/SRI LANKA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,108.4		2,108.4	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,124.4		1,124.4	23.3
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	224.9		224.9	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	202.0		202.0	
RETIREMENT - U.S.	U107	120	101.2		101.2	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	22.5		22.5	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	1.4		1.4	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	43.2		43.2	6.0
POST ASSIGNMENT - FREIGHT	U112	22	115.5		115.5	6.0
HOME LEAVE - TRAVEL	U113	212	73.7		73.7	18.0
HOME LEAVE - FREIGHT	U114	22	64.4		64.4	18.0
EDUCATION TRAVEL	U115	215	25.2		25.2	9.0
R AND R TRAVEL	U116	215	92.4		92.4	18.0
ALL OTHER CODE 215 TRAVEL	U117	215	17.6		17.6	8.0
<u>FOREIGN NATIONAL DH</u>	U200		125.0		125.0	XXXXX
BASIC PAY	U201	114	88.0		88.0	33.0
OVERTIME, HOLIDAY PAY	U202	115	5.3		5.3	2.0
ALL OTHER CODE 11 - FN	U203	119	4.4		4.4	XXXXX
ALL OTHER CODE 12 - FN	U204	129	26.4		26.4	XXXXX
BENEFITS FORMER FN PERS.	U205	13	.9		.9	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		38.7		38.7	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	36.9		36.9	25.4
ALL OTHER F.N. PSC COSTS	U305	255	1.8		1.8	XXXXX
<u>HOUSING</u>	U400		592.3		592.3	XXXXX
RENT	U401	235	257.0		257.0	25.0
UTILITIES	U402	235	134.4		134.4	XXXXX
RENOVATION AND MAINT.	U403	259	56.9		56.9	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	67.5		67.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	40.5		40.5	XXXXX
SECURITY GUARD SERVICES	U407	254	33.5		33.5	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.5		2.5	XXXXX

ORGANIZATION USAID/SRI LANKA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>451.7</u>		<u>451.7</u>	<u>XXXXX</u>
RENT	U501	234	<u>38.5</u>		<u>38.5</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>2.4</u>		<u>2.4</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>3.0</u>		<u>3.0</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>36.6</u>		<u>36.6</u>	<u>XXXXX</u>
VEHICLES	U505	312				<u>XXXXX</u>
OTHER EQUIPMENT	U506	319				<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>21.7</u>		<u>21.7</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>3.9</u>		<u>3.9</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>1.5</u>		<u>1.5</u>	<u>XXXXX</u>
PRINTING	U510	24	<u>.5</u>		<u>.5</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	<u>29.0</u>		<u>29.0</u>	<u>200.0</u>
INFORMATION MEETINGS	U513	210	<u>5.2</u>		<u>5.2</u>	<u>5.0</u>
TRAINING ATTENDANCE	U514	210	<u>23.1</u>		<u>23.1</u>	<u>8.0</u>
CONFERENCE ATTENDANCE	U515	210	<u>24.3</u>		<u>24.3</u>	<u>12.0</u>
OTHER OPERATIONAL TRAVEL	U516	210	<u>44.6</u>		<u>44.6</u>	<u>17.0</u>
SUPPLIES AND MATERIALS	U517	26	<u>41.5</u>		<u>41.5</u>	<u>XXXXX</u>
FAAS	U518	257	<u>146.1</u>		<u>146.1</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U519	259				<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U520	259				<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259				<u>XXXXX</u>
ALL OTHER CODE 25	U522	259	<u>29.8</u>		<u>29.8</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>3,316.1</u>		<u>3,316.1</u>	<u>XXXXX</u>
RECONCILIATION			<u>1,619.1</u>		<u>1,619.1</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>1,697.0</u>		<u>1,697.0</u>	<u>XXXXX</u>
OTHER INFORMATION:						
Dollar requirement for local currency costs			<u>1,194.0</u>			
Exchange rate used (as of May 1, 1983)			<u>22.72</u>			
Estimated Wage Increases - FY 1984 to FY 1985			<u>5%</u>			
Estimated Price Increases - FY 1984 to FY 1985			<u>10%</u>			

VII.B. OPERATING EXPENSE (TABLE VIII) NARRATIVE

1. Management Improvement

Our principal objective is the limited automation of Mission accounts to achieve a high degree of consistency, accuracy and timeliness in the accounting system. While a program has been developed for the larger Missions and Area Accounting Offices (MACO), there have been no improvements or ADP programs designed to assist the majority of field operations. The number of funding limitations now and/or periodically imposed by AID/Washington create an inordinately complex workload and the variety of registers necessary to monitor and control fund limitations is a totally manual system. Therefore, we plan to obtain the services of a data systems specialist to design the limited program we require in late FY 1983 or FY 1984 and to go forward with equipment acquisition at the earliest possible date. The expected benefits are a limitation of Controller staff growth, increased accuracy and timeliness of reporting, and simplification of the fund monitoring process.

2. Justification for Funding Changes

a. U100 - Estimated costs for FY 1984 under this category show a total increase of 34.2% over FY 1983 costs. Most of this increase is attributable to the increased numbers of personnel movements scheduled for FY 1984. Nine assignments are scheduled as opposed to seven for FY 1983; fourteen officers are eligible for home leave as opposed to six in FY 1983; workforce levels are fully staffed. Assumptions as to family size and composition of replacement personnel are conservative, but nonetheless result in increases of costs such as education allowances, educational travel, and freight. No allowance increases are included. All costs are based on current levels. Estimated costs for FY 1985 show a slight decrease from FY 1984 estimates, also because of workforce levels and personnel movements.

b. U200 - Eight authorized FNDH positions are to be filled in FY 1984. This and estimated wage/benefit increases account for a 66% increase over the FY 1983 budget. With this workforce remaining stable through FY 1985, the FY 1985 budget shows only normal wage increases.

c. U300 - Increases in this category for FY 1984 are attributable to the addition of a two-year personal services contract for a U.S. contractor in FY 1984. As the contract is not planned for renewal until FY 1986, there

are no costs associated with it for FY 1985 and a resulting large decrease in this function code.

d. U400 and U500 - Funding patterns in these categories are primarily a function of the procurement schedules, which are based upon useful life projections of Mission-owned NXP. As noted in the FY 1984 ABS, USAID usage of Embassy controlled office space will be uncertain when the Embassy transfers to its new building and location. No decision has yet been reached as to disposition of the property currently occupied by the Embassy and AID. The budgeted office rental assumes continued occupancy of rent-free premises for the bulk of the Mission and an anticipated doubling of the cost of commercial property currently used by the USAID's Agriculture and Rural Development and Health, Population and Human Resources Offices. The move of these offices to FBO-owned premises after the Embassy relocation would naturally result in a savings. However, if FBO should sell the property and AID be forced to totally relocate on commercial property, the line items for rent, utilities and renovation would have to be substantially increased. AID/Washington will be kept current on this situation.

The USAID would also like to point out that budgeting in accordance with the FTE planning levels for FY 1984/85 has resulted in an increase in scheduled personnel entitlement travel and increased usage of AID/Washington TDY assistance in operational travel. The travel ceilings for these fiscal years will, therefore, need to be significantly increased.

TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

	-----Fiscal Year-----		
	1983	1984	1985
A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment			
2. Purchase of Software	<u>5.0</u>	<u>27.0</u>	<u>15.0</u>
Subtotal	5.0	27.0	15.0
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel			
2. Workyears			
Subtotal			
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals			
2. Supplies and Leased Software	<u>.5</u>	<u>1.0</u>	<u>1.5</u>
Subtotal	.5	1.0	1.5
D. <u>Commercial Services</u>			
1. ADP Service Bureau			
2. Systems Analysis and Programming			
3. ADPE Maintenance (If separate from item C.1.)	<u>1.5</u>	<u>3.0</u>	<u>7.5</u>
Subtotal	1.5	3.0	7.5
E. <u>Total Obligations</u> (A-D)	7.0	31.0	24.0
F. <u>Interagency Services</u>			
1. Payments			
2. Offsetting Collections			
Subtotal			
G. <u>Grand Total</u> (E+F)	7.0	31.0	24.0
Amount included in <u>Mission allowance</u> for existing systems	1.2	3.3	7.5
Amount included in <u>Mission allowance</u> for new/expanded systems	5.8	27.7	16.5

VII.D. AUTOMATIC DATA PROCESSING (TABLE VIII(a)) NARRATIVE

1. Current and Long Range Plans

The current plans for using equipment already owned are to: (1) increase the professional staff's familiarity with the capabilities of the equipment so they can identify ways in which the equipment can be used to improve the USAID's operations; and (2) increase and improve the secretarial staff's competence and use of the equipment for word processing functions. The long range plans include: (1) using automation for some accounting functions so information and reports are available on a more timely, complete and accurate basis; (2) monitoring of project implementation of the over \$171 million project portfolio; and (3) monitoring of mission operations. In order to achieve optimum use of ADP, it is essential that there be enough terminals (or work stations) so the professional staff can have access to them for programming, planning, analysing activities related to their work. Access to and use of ADP must not be limited to computer experts and secretaries. The entire USAID staff must become familiar with and have access to the micro-computers so the equipment becomes another office tool to be used. Such familiarity and usage is essential to increased efficiency and productivity.

2. Planned Use of Equipment (Present and Future)

The equipment will continue to be used for word processing work and limited storage of national macro-economic and agricultural statistical data. In the near future, as the USAID acquires equipment with greater storage capacity and the staff becomes more familiar with its potential, we expect to begin: (1) storing and analyzing additional national economic statistical data; (2) expanding the storage/analysis of agricultural statistical data; (3) recording and monitoring procurement and usage of project commodities; (4) monitoring progress of project implementation; and (5) automating accounting records and reports. The Mission does not plan to purchase a new "system", but to expand the existing system in FY 1984 and FY 1985. The target dates for new equipment orders are February and December 1984.

3. Existing Equipment

In FY 1982, the Mission bought three Radio Shack Model III micro-computers (48K 2-disk model 26-1066), two printers (one daisy wheel and one line) and related software. In FY 1983, the Mission bought two Radio Shack daisy wheel printers.

VII.E. WORKFORCE REQUIREMENTS (TABLE IX) NARRATIVE

1. U.S. Personnel

Although the attached USDH workforce tables reflect approved FTE planning levels for FYs 1984-86, we believe holding to these levels will result in disruption of program implementation. The levels were achieved for planning purposes by assuming: (1) that most employees will elect to serve a single tour (although experience tells us otherwise), and (2) that there will be gaps of not less than 2.6 months and in some cases as much as 4.8 months before replacement personnel arrive. As neither of these assumptions is realistic nor desirable, the USAID strongly urges reconsideration and upward adjustment of FTE workyear levels.

As justified in the FY 1984 ABS, the USAID continues to report the Housing Advisor as an integral part of our Mission rather than separately. However, in order to meet other program needs and the FTE work-year levels, this position is eliminated in FY 1986, as is the General Development Officer (Health) position. FY 1985 USDH staffing changes include a new Project Manager - Agronomy to handle major components of the Mahaweli Downstream Development project and an Environmental Advisor position to be filled by our current IDI. In addition to the above changes, the growing complexity of Mission management requires a trained management person. Accordingly, we plan to eliminate the Executive Assistant position at the end of the current incumbent's tour, and replace it with a management position.

The USAID also plans the addition of a U.S. Health Specialist under a Personal Services Contract in FY 1984. This person will provide technical backstopping for the Malaria Control project and other health projects as required.

If USAID is held to the FTE planning levels for USDH personnel, there will be significant gaps in several offices for which AID/Washington TDY assistance will be needed. We also anticipate a need for some TDY participation in evaluation as reflected in Section VI.B.

2. FN Personnel

Workforce tables reflect approved workyear levels and the technical and support resources we judge are necessary to effectively implement the program proposed. However, until the hiring freeze is lifted, these positions will be filled only on a case-by-case basis as approved by AID/Washington. We will continue to rely on PSC and other contract

personnel to meet the bulk of our professional and support staff needs.

The USAID's response to the accommodation and impact of an additional 10% reduction in workforce planning levels will be addressed in a separate message.

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	Mission Director	1.0	.8	1.0	1.0
012	Deputy Mission Director	1.0	1.0	1.0	.6
850	Legal Advisor	1.0	.8	1.0	1.0
201	Housing Advisor	.8	1.0	.9	-
071	Executive Assistant	1.0	1.0	-	-
050	Secretary	1.0	.8	1.0	1.0
023	Program Officer	1.0	1.0	.8	1.0
023	Asst. Program Officer	.8	1.0	.8	1.0
021	Program Economist	1.0	1.0	.8	1.0
043	Controller	1.0	1.0	1.0	.6
042	Budget & Accounting Officer	.8	1.0	1.0	1.0
940	Project Development Officer	1.0	.8	1.0	.6
940	Asst. Project Development Officer	1.0	1.0	1.0	.6
940	Asst. Project Development Officer	1.0	1.0	.7	1.0
251	General Engineering Officer	1.0	1.0	.9	.7
252	Civil Engineering Officer	1.0	1.0	.7	1.0
252	Civil Engineering Officer	1.0	1.0	1.0	.6
940	Asst. Project Development Officer	1.0	.8	1.0	.6
500	General Dev. Officer	1.0	1.0	.8	-
502	Health Dev. Officer	1.0	1.0	.8	1.0
103	Agric. Dev. Officer	1.0	1.0	.8	1.0
103	Asst. Ag. Dev. Officer	1.0	1.0	.7	1.0
103	Asst. Ag. Dev. Officer	1.0	1.0	1.0	.7
209	Private Enterprise Offr.	.2	1.0	.8	1.0
104	Project Manager - Agronomy	-	-	1.0	1.0
032	Management Officer	-	-	.9	1.0
753	Environmental Advisor	-	-	.6	1.0
753	IDI - Environment	.7	1.0	.3	-
TOTAL WORKYEARS - REGULAR		22.6	23.0	23.0	21.0
TOTAL WORKYEARS - IDI		.7	1.0	.3	-

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
024	Program Specialist	8.0	13.0	13.0	13.0
050	Secretary	4.0	6.0	6.0	5.0
071	Administrative Asst.	1.0	1.0	1.0	1.0
072	C&R Supervisor	1.0	1.0	1.0	1.0
070	Chauffeur	1.0	1.0	1.0	1.0
040	Accounting Specialist	1.0	1.0	1.0	1.0
040	Voucher Examiner	2.0	2.0	2.0	2.0
040	Accountant	1.0	1.0	1.0	1.0
041	Financial Analyst	1.0	1.0	1.0	1.0
100	Agriculture Specialist	2.0	3.0	3.0	3.0
251	Engineer	<u>2.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
	TOTAL FTE (Full-Time)	<u>24.0</u>	<u>33.0</u>	<u>33.0</u>	<u>32.0</u>
070	Librarian		.5	.5	.5
040	Secretary		<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
	TOTAL FTE (Part-Time)		<u>2.0</u>	<u>2.0</u>	<u>2.0</u>

VIII.A. PL 480 NARRATIVE

The PL 480 program in Sri Lanka consists of both Titles I and II. By FY 1990, the Title II program will be entirely phased-over to either GSL or private sector programs. Thus, Title II resources decline significantly over the planning period. In FY 1983, approximately 133,000 metric tons of wheat at a value of \$22.5 million are to be imported under Title I. The proposed FY 1984 and FY 1985 programs are increased to \$26 million which is estimated to procure about 150,000 metric tons of wheat. The FY 1985 Title I program is planned to be the first year of a multi-year agreement. Under the Title II program, commodities (ICSM, Non Fat Dry Milk, All Purpose Flour and Salad Oil) valued at over \$4 million are to be provided in FY 1983. By FY 1985, the value of Title II commodities begins to decline as the school feeding program is phased over. The PL 480 program is considered an integral part of our program strategy for it provides quick-disbursing aid which assists Sri Lanka to meet its food and nutrition needs, a continuing balance of payments problem and budgetary deficits. It also selectively supports AID development programs in agriculture and health.

1. PL 480, Title I

Sri Lanka's rice production trend since 1977 has been impressive, increasing from 1.07 million metric tons of milled rice to an estimated 1.59 million metric tons in 1983. Many authorities are hailing the near-term possibility of self-sufficiency in rice. Such self-sufficiency is judged possible by 1984/85 based upon annual per capita rice consumption levels of the past decade. However, if consideration is given to increasing demand due to increasing incomes and nutritional requirements, rice self-sufficiency is more likely to be attained by 1987/88. With respect to wheat (all of which must be imported), projections are for demand to increase at just over 2% per annum through 1986. On the basis of these projections, Sri Lanka's wheat demand in 1985 would be about 584,000 metric tons, up from the 560,000 metric tons estimate for 1983. Of the total 1985 requirement of 584,000 metric tons, Title I would represent 150,000 metric tons or about 26%. Of the total wheat requirements, at least 55% is expected to be purchased commercially. In this regard, Sri Lanka has become a relatively small but attractive market for U.S. wheat capturing 71% of Sri Lanka's commercial imports during the first two quarters of FY 1983. We would expect the U.S. to maintain, if not improve upon this share of the growing future market.

Together, rice and wheat account for about 98% of the total grain consumption in Sri Lanka. Thus, the country will

continue to face the need to increase the production of rice and other food crops while facing prospects for continued pressures on the balance of payments and budget deficits.

Given this setting and the favorable impact evaluation of the Title I program conducted in FY 1982 (the principal conclusions and recommendations were reviewed in our FY 1985 CDSS), the USAID proposes to maintain a significant level of Title I program in Sri Lanka over the ABS planning period and to move forward with the design of a multi-year Title I agreement to begin in FY 1985. This multi-year agreement is to be based upon the national agriculture, food and nutrition strategy and the GSL's investment program for the 1985-89 period.

The development of the agriculture, food and nutrition strategy is the major self-help measure contained in our current Title I agreement. Through development assistance being provided by the USAID and AID/Washington, we are supporting the provision of technical assistance, the conduct of critical sub-sector studies and related efforts to help ensure the timely completion of this strategy, now scheduled for mid-1984. In addition to their contribution to the strategy, where relevant, these sub-sector studies will also be integrated with our development assistance program. For example, the on-going study of subsidiary crop marketing will be directly relevant to the USAID-supported Diversified Agriculture Research project scheduled for FY 1984. From the strategy will flow the GSL's investment program for the economy and the agricultural sector. We intend to design a multi-year Title I agreement that will have as its basis the national strategy and will include mutual agreement on the allocation of local currency proceeds to critical sub-sectors (e.g., irrigation and water management; agricultural production, extension and research; and reforestation and water conservation) which are priorities of both the GSL and AID.

The USAID believes the Title I program has been successful in supporting the generally sound agricultural policies of the GSL, relieving serious balance of payments problems and helping to fill a food gap. The program is integrated with the development assistance program and this integration will be further strengthened through the development of a multi-year Title I agreement in FY 1985. While Sri Lanka has made great strides toward its objective of rice self-sufficiency, it will continue to require concessional food aid, of which Title I should be an integral part.

2. PL 480, Title II

In FY 1982, the USAID conducted a major in-depth evaluation of the Title II program which includes a Maternal/Child

Health (MCH) Feeding program, a School Feeding program, and a pilot study of the commercial marketing of Thripasha, a weaning food used in the MCH program. The results of the evaluation were contained in the Final Evaluation Report printed in October 1982. In general, the evaluation was very positive regarding the beneficial, nutritional impact of the Maternal/Child Feeding program, but indicated that the impact of the School Feeding program could not be measured.

Taking into consideration the findings of the evaluation, AID/Washington guidelines, GSL interests and CARE's own institutional interests and goals; CARE has prepared a new multi-year operational plan for the period 1984-86. The multi-year plan has not yet been approved by CARE's headquarters. However, in keeping with the excellent relations which we enjoy with CARE and periodic discussions we have had concerning AID's development strategy, and mutual interests and problems, CARE has provided an advance copy of that part of the plan affecting the Title II program which CARE administers. The programs proposed are subject to formal approval by CARE's headquarters and the GSL.

During the period covered by the plan, CARE proposes the continuation of the MCH program, an expansion of the commercial marketing project, an expansion of the Thripasha processing facilities, and the phase-down of the School Feeding program. We endorse CARE's proposals for the feeding programs and the gradual expansion of the commercial marketing project, and recommend support for the commodity levels requested herein. The proposal to expand the Thripasha processing facilities does not require Title II support. In principle, we support the proposal. However, this expansion has yet to be endorsed by the Ministry of Health and submitted formally for our consideration.

Inasmuch as CARE has not yet formally submitted the multi-year plan for AID consideration, we are not including more extensive comments on the plan in the ABS. However, the Elements of Operations dealing with administration of the program will, for the most part, remain unchanged from the multi-year plan of 1980-84. Those elements of the plan affecting commodity levels in FY 1985 and the out years are reflected below.

a. School Feeding

(1) Coverage: In FY 1985, the USAID requests commodity support for 750,000 primary school children in grades kindergarten through grade III. The number of recipients takes into consideration the evaluation of the Title II program and USAID and AID/Washington agreement on gradually phasing out the School Feeding program. In order

to allow the GSL sufficient time to adjust its own budget and to take other measures necessary to take over full responsibility for administering the program, AID/Washington approved a recipient level of one million children for FY 1983 and FY 1984. Beginning in FY 1985, the program will be phased out at the rate of 25% per year.

For more detailed discussions on the evaluation itself and the proposals regarding gradual phase out to the School Feeding Program, see the ABS for FY 1984 and the FY 1985 CDSS. Recipient levels for the School Feeding program for the FY 1983-FY 1987 period were confirmed by AID/Washington in State 253979. The USAID's request for school feeding in FY 1985 reflects the beginning of the phase down of the program.

(2) Formulation: In addition to reflecting a 25% reduction in the number of recipients from FY 1984, the USAID request also reflects a continuation of the use of All Purpose Flour (APF) and Non Fat Dry Milk (NFDM) in the preparation of the biscuits distributed in the program. These low cost commodities were introduced in FY 1983 as a substitute for the higher priced 12% Soya Fortified Flour.

The request for FY 1985 includes three commodities:

<u>Commodity</u>	<u>Metric Tons</u>	<u>\$ Value</u> <u>(000)</u>
All Purpose Flour	4,725	1,200
Non Fat Dry Milk	1,200	132
Vegetable Oil	750	604

TOTAL		1,936 =====

b. Maternal/Child Health Program (MCH)

(1) Coverage: In FY 1985, the USAID proposes to continue the MCH program at a level of 650,000 recipients. The categories of recipients are broken down as follows:

Infants, pre-school aged children and pregnant and lactating mothers at health centers and estates	540,000
Pre-school children institutionalized in Department of Social Service Centers	15,000
On-site feeding program at Sarvodaya	50,000
On-site feeding program in Mahaweli settlements	45,000
TOTAL	650,000
	=====

The above categories reflect an increase in the number of recipients in the Mahaweli settlements from 26,000 in FY 1983 to 45,000 in FY 1985. CARE proposes to continue the above categories of recipients through the period covered by its multi-year plan FY 1984-86.

Beginning in FY 1987, CARE proposes a gradual increase in the total number of recipients from 650,000 to 675,000 in FY 1987, 700,000 in FY 1988, 725,000 in FY 1989 and 750,000 in FY 1990, at which point the Ministry of Health will reach its projected coverage target for the free distribution of Thriposha to infants, pre-school aged children and pregnant and lactating mothers.

Looking toward the long-term phase out of AID food support and CARE management of the program and the gradual transfer of responsibilities for its administration to the GSL, the Ministry of Colombo Hospitals and Family Health has appointed a committee to meet with CARE officials monthly and assess the progress of implementation and discuss future plans of action. Further discussions will be held on setting up a separate unit within the Ministry to gradually take over responsibility for running the program and deadlines set for handing over functions to it.

(2) Formulation: During FY 1985 and FY 1986, CARE proposes that the formulation of Thriposha be continued at the current ratio of 40% local inputs (maize and soya-beans) and 60% Instant Corn Soya Milk and Non Fat Dry Milk. This formulation will be maintained until the proposed installation of new processing equipment is completed. Once the additional equipment is in place, the processed maize and soyabeans, which are provided by the GSL, can be increased. The proposal to expand the maize and soyabeans processing equipment is currently under study within the Ministry of Health. The USAID hopes that this project will be approved in FY 1983 and that the new processing equipment will be operational in late FY 1985 or early FY

1986. In its FY 1980-FY 1984 multi-year plan CARE had projected a gradual phase out of the U.S. donated commodities starting in FY 1982. However, in view of the demonstrable health benefits of this feeding program and the continued need to support the vulnerable groups now receiving Thriposha, we support the continuation of AID donated commodities at the levels requested by CARE.

(3) Commodities: In FY 1983, in an effort to reduce the cost of the program, CARE introduced the use of Non-Fat Dry Milk as a component in the processing of Thriposha. As a result, the requirements for the higher priced ICSM were reduced. The use of NFDM will be continued as long as it is available at the price of \$110 per metric ton. The food requirement to support the MCH program in FY 1985, therefore, is as follows:

<u>Commodity</u>	<u>Metric Tons</u>	<u>\$ Value</u> <u>(000)</u>
ICSM	5,967	1,516
NFDM	1,053	116

TOTAL		1,632
		=====

c. Commercial Marketing Program

(1) Coverage: In FY 1985, CARE proposes continuing the gradual expansion of the marketing area for the sale of Thriposha. The number of recipients in FY 1985 will be increased to 45,000 from the level of 30,000 in FY 1984 by adding the districts of Badulla and Batticaloa to the existing marketing area comprising the districts of Kandy, Matale, Galle, Matara, Ambalangoda, Tangalle, Ratnapura, Balangoda and Nuwara Eliya.

USAID approval of CARE's request is based on the assumption that the Ministry of Health will approve the proposed expansion of the maize and soyabean processing facilities at the Thriposha production facility. Based on this assumption, USAID anticipates that new equipment will be installed in FY 1984/85. During this period, it is considered important to continue promoting and expanding the commercial sale of Thriposha in order to maintain consumer interest in and support for the product. Once the new processing facilities are installed, AID commodity support will no longer be required, as the plant will be able to produce the Thriposha mix for the Commercial Marketing Program from indigenously grown maize and soyabeans.

In the event the Ministry of Health decides not to expand the processing facilities, AID support for the Thripasha Commercial Marketing Program would be phased out in FY 1984.

(2) Formulation: CARE proposes that the present ratio of 60% U.S. donated commodities (ICSM and NFDM) to 40% GSL donated commodities (maize and soyabeans) be maintained through the end of FY 1985. The Mission anticipates that the expansion of the maize and soyabean processing facilities will be completed by the end of FY 1985. At that time, AID donated commodities will no longer be required and AID support of the Commercial Marketing program will be phased out.

(3) Commodities: USAID requests a continuation of AID donated ICSM and NFDM in FY 1985 to support the expansion of the Commercial Marketing program to 45,000 recipients. The commodities requested are as follows:

<u>Commodity</u>	<u>Metric Tons</u>	<u>\$ Value</u> <u>(000)</u>
ICSM	250	64
NFDM	43	5
		--
TOTAL		69
		==

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1983			Estimated FY 1984			Projected FY 1985		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
Title I									
Wheat	22.5 133	22.5 133	- -	26.0 150	26.0 150	- -	26.0 149	26.0 149	- -
Total	22.5 133	22.5 133	- -	26.0 150	26.0 150	- -	26.0 149	26.0 149	- -
Of which Title III									
Total									

COMMENT: See PL 480, Title I, narrative.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II
(FY 1985)

I. Country SRI LANKA

Sponsor's Name CARE

A. Maternal and Child Health.....Total Recipients 650,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>650,000</u>	<u>Instant Corn Soya Milk*</u>	<u>5967</u>	<u>1516</u>
<u>650,000</u>	<u>Non Fat Dry Milk*</u>	<u>1053</u>	<u>116</u>
Total MCH			<u>1632</u>

B. School Feeding.....Total Recipients 750,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>750,000</u>	<u>All Purpose Flour</u>	<u>4725</u>	<u>1200</u>
<u>750,000</u>	<u>Salad Oil</u>	<u>750</u>	<u>604</u>
<u>750,000</u>	<u>Non Fat Dry Milk</u>	<u>1200</u>	<u>132</u>
Total School Feeding			<u>1936</u>

C. Other Child Feeding.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Other Child Feeding			

D. Food for Work.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Food for Work			

E. Other (Specify) Thripasha Commercial Marketing..Total Recipients 45,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>45,000</u>	<u>Instant Corn Soya Milk*</u>	<u>250</u>	<u>64</u>
<u>45,000</u>	<u>Non Fat Dry Milk *</u>	<u>43</u>	<u>5</u>
Total Other			<u>69</u>

II. Sponsor's Name CARE Total 3637

* PL 480 commodities represent 60% of the Thripasha formula. The balance of 40% will be local maize and soyabeans.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

(FY 1986)

I. Country SRI LANKA

Sponsor's Name CARE

A. Maternal and Child Health.....Total Recipients 650,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars 1/
<u>650,000</u>	<u>Instant Corn Soya Milk*</u>	<u>5967</u>	<u>1516</u>
<u>650,000</u>	<u>Non Fat Dry Milk*</u>	<u>1053</u>	<u>116</u>
Total MCH			<u>1632</u>

B. School Feeding.....Total Recipients 500,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars 1/
<u>500,000</u>	<u>All Purpose Flour</u>	<u>3150</u>	<u>800</u>
<u>500,000</u>	<u>Salad Oil</u>	<u>500</u>	<u>403</u>
<u>500,000</u>	<u>Non Fat Dry Milk</u>	<u>800</u>	<u>88</u>
Total School Feeding			<u>1291</u>

C. Other Child Feeding.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Other Child Feeding			

D. Food for Work.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Food for Work			

E. Other (Specify).....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Other			

II. Sponsor's Name CARE Total 2923

* PL 480 commodities represent 60% of the Thripasha formula. The balance of 40% will be local maize and soyabeans.

1/ At 1985 prices.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

(FY 1987)

I. Country SRI LANKA

Sponsor's Name CARE

A. Maternal and Child Health.....Total Recipients 675,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars 1/
<u>675,000</u>	<u>Instant Corn Soya Milk*</u>	<u>4982</u>	<u>1265</u>
<u>675,000</u>	<u>Non Fat Dry Milk*</u>	<u>1094</u>	<u>120</u>
Total MCH			<u>1385</u>

B. School Feeding.....Total Recipients 250,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars 1/
<u>250,000</u>	<u>All Purpose Flour</u>	<u>1575</u>	<u>400</u>
<u>250,000</u>	<u>Salad Oil</u>	<u>250</u>	<u>201</u>
<u>250,000</u>	<u>Non Fat Dry Milk</u>	<u>400</u>	<u>44</u>
Total School Feeding			<u>645</u>

C. Other Child Feeding.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Other Child Feeding			

D. Food for Work.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Food for Work			

E. Other (Specify).....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Other			

II. Sponsor's Name CARE

Total 2030

* PL 480 commodities represent 50% of the Thripasha formula. The balance of 50% will be local maize and soyabeans.

1/ At 1985 prices.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

(FY 1988)

I. Country SRI LANKA

Sponsor's Name CARE

A. Maternal and Child Health.....Total Recipients 700,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars 1/
<u>700,000</u>	<u>Instant Corn Soya Milk*</u>	<u>3906</u>	<u>992</u>
<u>700,000</u>	<u>Non Fat Dry Milk*</u>	<u>1134</u>	<u>125</u>
Total MCH	40/60 Formulation		<u>1117</u>

B. School Feeding.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total School Feeding			

C. Other Child Feeding.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Other Child Feeding			

D. Food for Work.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Food for Work			

E. Other (Specify).....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
Total Other			

II. Sponsor's Name CARE Total 1117

* PL 480 commodities represent 40% of the Thripasha formula. The balance of 60% will be local maize and soyabean.

1/ At 1985 prices.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

(FY 1989)

I. Country SRI LANKA

Sponsor's Name CARE

A. Maternal and Child Health.....Total Recipients 725,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars ^{1/}
<u>225,000</u>	<u>Instant Corn Soya Milk*</u>	<u>2740</u>	<u>696</u>
<u>225,000</u>	<u>Non Fat Dry Milk*</u>	<u>1175</u>	<u>129</u>
Total MCH			<u>825</u>

B. School Feeding.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child Feeding.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding		_____	_____

D. Food for Work.....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Food for Work		_____	_____

E. Other (Specify).....N/A.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other		_____	_____

II. Sponsor's Name CARE Total 825

* PL 480 commodities represent 30% of the Thripasha formula. The balance of 70% will be local maize and soyabean.

^{1/} At 1985 prices.