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MAHAWELI ENTERPRISE DEVELOPMENT

MED/EIED PROJECT

(USAID/Sri Lanka Project No. 383 - 0090)
(Contract No. C-00-0031-00)

MED/EIED QUARTERLY REPORT

APRIL - JUNE, 1992

MED/EIED QUARTERLY PLAN

JULY - SEPTEMBER, 1992



INTERNATIONAL SCIENCE AND TECHNOLOGY INSTITUTE, INC.

WITH :

ERNST & YOUNG CONSULTANTS (Sri Lanka)
DEVELOPMENT ALTERNATIVES, INC.
HIGH VALUE HORTICULTURE, PLC.
SPARKS COMMODITIES, INC.
AGROSKILLS, LTD

CONSULTANTS TO THE MAHAWELI AUTHORITY OF SRI LANKA

The Mahaweli Enterprise Development Project

The Government of Sri Lanka and the international donor community have given high priority to the development of the natural and human resources of the Mahaweli river basin. The first phase of this development, the construction of dams, irrigation and power systems, roads and other physical infrastructure, is largely complete. The second phase, settling the land and forming an agricultural production base, is well under way. The third phase, the major challenge for the 1990's, is the building of a diverse and dynamic economy, improving employment and income prospects for Mahaweli settlers and their families. In this phase the private sector has a leading role to play.

The Mahaweli Enterprise Development Project (MED) is a USAID-supported initiative of the Mahaweli Authority of Sri Lanka to promote investment and business development in agribusiness, manufacturing, tourism, minerals and services. MED directly assists small, medium and large-scale investors with technical assistance, marketing support, training, business advisory services and credit. MED also provides policy assistance to improve access to resources, such as land, water and capital, and the legal and institutional framework for enterprise development.

The official MED implementing agency is the Employment, Investment and Enterprise Development Division of the Mahaweli Authority. The main MED technical consultancy is provided by a consortium led by the International Science and Technology Institute, Inc., a private consulting firm with head offices in Washington DC. Other firms in the consortium are Agroskills, Development Alternatives, Ernst and Young, High Value Horticulture and Sparks Commodities. Marketing services are provided by SRD Research and Development Group, Inc.

MAHAWELI ENTERPRISE DEVELOPMENT PROJECT

MED/EIED QUARTERLY REPORT
APRIL - JUNE 1992

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INTRODUCTION

This report covers activities carried out during April - June, 1992, and activities planned for July - September, 1992.

During the period April - June a planning session to draw up the 3rd Quarter Workplan was held at Bentota, where for the first time the active participation of the MEA was seen. This helped to strengthen our relations with them and also move ahead with the programme.

Mr Ariya Abeysinghe was appointed the new Director of the MIED and with his entry the programme moved on ahead at a fair pace. The main features being the opening of the proposed Business Centres in all the Mahaweli projects.

A new procedure for the approval of business proposals, designed to quicken the process, has been drawn up and sent to the MASL Board for their information.

OUTPUT INDICATORS: MAHAWELI AGRIBUSINESS INVESTMENTS

1. APPLICATIONS FOR LAND DURING REPORTING PERIOD

Total Mahaweli	1986 - 1990	1991	1992			1986 - 1992
			1st Q	2nd Q	To date	
Agribusiness investor applications for land to EIED	381	23	8	7	15	419
approved by MABL evaluation panel	127	14	7	5	12	153
pending with EIED at end of period	1	-	5	8	13	14
final approval received	93	12	0	4	3	108

2. CUMULATIVE STATUS OF APPROVED AGRIBUSINESS INVESTMENTS

Total Mahaweli	as of end 1989	as of end 1990	as of end 1991	1992			
				end 1st Q	end 2nd Q	end 3rd Q	end 4th Q
Investments, number which have received final approvals	75	93	105	105	109		
Of which: withdrawn by investor before handover	14	14	14	14	14		
Land not yet handed over to investor	3	4	4	4	8		
Land handed over to investor	58	75	87	87	87		
Of which: leases issued	1	1	1	1	1		
cancelled by EIED	11	29	33	33	37		
Hectares handed over - irrigable uplands	489	654	800	850	NA		
Hectares handed over - non-irrigable uplands	253	529	587	587	NA		

3. CURRENT STATUS OF APPROVED AGRIBUSINESS INVESTMENTS

Total Mahaweli	at end 1989	at end 1990	at end 1991	1992			
				at end 1st Q	at end 2nd Q	at end 3rd Q	at end 4th Q
Active investments (lands handed over to investor less those subsequently cancelled by EIED)	47	46	54	54	50		
Of which: not in operation			8	8	7		
preparatory work underway			9	11	7		
in operation	22	30	37	37	36		
On which: hectares cultivated of irrigable uplands	50	95	125	125	NA		
hectares cultivated of non-irrigated uplands		100	153	153	NA		
persons directly employed	64	87	480	260	NA		
outgrowers contracted	725	956	1320	992	NA		

OUTPUT INDICATORS: ENTERPRISES AND EMPLOYMENT (1)
(explanatory notes at end of table)

Total Mahaweli		Total 1991	Total This Quarter	Cumulative Total since January 1992	Cumulative Total since January 1991
Business consultancies		4775	1759	3657	8432
Aspiring entrepreneurs assisted with planning, technical advice and credit (excluding existing)		750*	208	346	1096
Existing entrepreneurs assisted with planning, technical advice and credit (excluding aspiring)		1329	392	859	2188
Entrepreneur Development Training - number of individuals trained		939	0	0	939
Product and Service groups - number of individuals trained (ad-hoc training)		711	203	592	1303
Self employment opportunities created	Full time	625	70	223	848
	Part time	145	43	83	228
Jobs created in micro and small enterprises of which :	Full time	297	165	262	650
	Part time (secondary employment)	265	58	117	380
a) Jobs created by <u>start-ups</u> of micro and small enterprises	Full time	201	95	141	342
	Part time (secondary employment)	198	22	60	258
b) Jobs created by <u>expansions</u> of micro and small enterprises (6)	Full time	96	70	121	217
	Part time (secondary employment)	67	34	55	122
Savings and Credit Societies	Number of societies formed	9	05	12	21
	Number of members (3)	121	58	143	264
	Value of member equity (4)	161000	46000	131000	282000
	Value of collateral funds	161000	68800	153800	314800
Grants to Savings and Credit Societies	Number of grants made (5)	Nil	12	18	18
	Value of grants made	Nil	290800	347400	437100
	Value of grant disbursements	Nil	22800	22800	22800

OUTPUT INDICATORS: ENTERPRISES AND EMPLOYMENT (1)
(explanatory notes at end of table)

Total Mahaweli		Total 1991	Total This Quarter	Cumulative Total since January 1992	Cumulative Total since January 1991
Loans submitted to Banks for Savings and Credit Society members	Number of loans	Nil	39	53	53
	Value of loans	Nil	1479000	1934000	1934000
Loans received by Savings and Credit Society members	Number of loans	Nil	02	02	02
	Value of loans	Nil	40000	40000	40000
Direct loans submitted to Banks for non SCS entrepreneurs	Number of loans	896	128	256	1152
	Value of loans	1300500 0	3997800	6425800	19430800
Direct loans received from Banks by non SCS entrepreneurs	Number of loans	639	75	167	806
	Value of loans (Rs. 000s)	6227000	2028440	3866440	10093440

(1) Data compiled from reports sent by each business center giving combined EIED and FBC totals for 1992.

* Figure is a rough estimate as no data was collected in 1991 on aspiring entrepreneurs.

** Employment figures do not include business contractions and failures

Jobs created in MLP's	1991	1992			
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Agribusiness					
Government					
Others					

OUTPUT INDICATORS: POLICY, PROCEDURES AND REGULATIONS

1990

- 1,600 allotments were selected for the issuing of transferable leases.
- Director General/MASL decided that investors should be charged for water taken from the canals.
- Streamlined process of approving investor applications and made quicker through the appointment of a Ministry representative to the EIED evaluation panel which reviews proposals.
- MASL agreed to change practice from one in which MASL permits investors to grow only specified crops to one in which only crops not to be grown (namely, rice) are specified.

1991

- MASL agreed to lease MASL farms to private sector for development of commercial farms
- MASL agreed in principle to transfer facilities to the private sector for tourism development
- MASL agreed to keep water in lined canals in System B to permit 12 month irrigation
- New lease and permit formats approved and introduced into practice
- Policy decision made to transfer with title commercial allotments to investors

First Quarter 1992

- MASL agreed to issue title to tourism, housing, industry investors

Second Quarter 1992

- The appraisal procedure for project proposals steamlined

MEDIUM AND LARGE ENTERPRISE ACTIVITIES

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>MLE Activity #2</u></p> <p>Provide support to investors through special projects (SP)</p> <p><u>1992 Target</u></p> <p>Implement 3 special projects</p> <p><u>3rd Quarter Target</u></p> <p><u>To date</u></p>	<p>Continue preparation for cold chain</p> <p>Develop SP for bottling plant with Forbes</p>	<p>Continued preparation for implementing cold chain with Aitken Spence</p> <p>Developed special project for bottling plant with Forbes</p> <p>Evaluation Panel made recommendation for privatisation of commercial farms</p>	<p>Assist develop special projects with FAS and RPAE.</p>	
<p><u>MLE Activity #3</u></p> <p>Promote Mahaweli investment in Sri Lanka and abroad</p> <p>Approve 50 investor applications and startup 20 investments</p> <p><u>1992 Todate</u></p> <p><u>3rd Quarter Target</u></p>	<p>Continue Board room presentations. Join GCEC missions to Netherlands, Korea, Singapore and Japan</p> <p>Circulate guidebooks</p> <p>Prepare inserts with details for guidebooks</p> <p>Prepare groundwork for participation Anuga Trade Fair with selected companies</p> <p>Hold joint GCEC-MASL workshop</p>	<p>Continued presentation to companies together with GCEC. Participated in GCEC Investment Promotion Mission to South Korea</p> <p>Prepared inserts with details for brochure</p> <p>Prepared ground work for investor participation in trade fairs.</p>		

MEDIUM AND LARGE ENTERPRISE ACTIVITIES				
Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>MLE Activity #4</u></p> <p>Develop agribusiness sector with field based advisory services and training</p> <p><u>1992 Target</u></p> <p>Assist 15 commercial farms to export products</p> <p><u>1992 To date</u></p> <p><u>3rd Quarter Target</u></p>	<p>Complete plans for 3 farms under study and do four additional studies</p> <p>Complete four crop production and marketing profiles for field base manual in English and Sinhala</p> <p>Assist four clients who were assisted in the 1st quarter to develop export crops</p> <p>Continue coordination with MARD on field production of water melons, casaba melons, honeydew melons, cantaloupes, brinjal, sweetcorn and zucchini squash</p>	<p>All plans still underway. Completion difficult due to paper work of commercialization fund request. Most positive plan is that of Kapila farm.</p> <p>Still in draft form in English pending critic of cooperating agencies</p> <p>FAS - fired red peppers and gherkins Aitken Spence - field trials planted Informatics - advise on special project Richard Pieris - Plantings of tomatoes & melons underway</p> <p>Progress slow, coordination with MARD continues with all products</p>	<p>Formalize complete planned program for 2nd quarter completion</p> <p>To complete and publish 11 crop production and marketing profiles for field base manual in English and Sinhala</p> <p>Continue to assist the four clients</p> <p>Speed up actual field plantings of the mentioned products</p>	<p>Extensive paper work for commercialization funds compliance. Indecisiveness of commercial farmers to identify crop selection for planting</p> <p>It is difficult to incorporate changes as to DOA/MARD and other agency recommendations</p> <p>Slow progress on completion of packhouse. Complicated paper work and documentation for commercialization fund applicants</p>

MEDIUM AND LARGE ENTERPRISE ACTIVITIES

Activity and 1992 target	Actions planned 2nd quarter :	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>MLE Activity #5</u></p> <p>Provide marketing services for export and local markets</p> <p><u>1992 Target</u></p> <p>Provide basic marketing services to 100 investors and special market development assistance to 15 high potential investors</p> <p><u>1992 To date</u></p> <p>Provided basic services to 45 clients and special services to 6 firms</p> <p><u>3rd Quarter Target</u></p>	<p>Hold two seminars in Colombo and Kandy</p> <p>Prepare one QMB</p> <p>Prepare three AVBs</p> <p>Collect and distribute local market information</p> <p>Provide basic services to 25 new clients and assist five high potential investors</p>	<p>Preparation of seminar material complete</p> <p>Three AVBs green beans, tomato and melons complete. Collected and distributed to 13 investors, 13 offices, 6 settler organisations</p> <p>Published Mahaweli News letter</p> <p>Published technology brief on mango</p> <p>Listed information resources on ginger and banana</p> <p>Basic market services to 31 new clients. Provided special market assistance to Aitken Spence, Sunfrost, Forbes, Informatics and Mahaweli Farms</p>	<p>Hold 2 seminars in Colombo and Kandy</p> <p>Prepare one QMB</p> <p>Prepare 3 AVBs</p> <p>Collect and distribute local market information</p> <p>Preparation of a brochure on information available to investors at EIED</p> <p>Preparation of technology brief on pineapple</p> <p>Publication of Mahaweli News letter</p> <p>Preparation of leaflets on information resources on 4 potential products</p>	<p>Seminars could not be held as planned due to non-availability of resource persons and island wide power cuts. No requests for QMB. 18 QMBs are already available for the investors to get new project ideas</p>

SMALL SCALE ENTERPRISE ACTIVITIES

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>SSE Activity #1</u></p> <p>Provide business advisory services</p> <p><u>1992 Target</u></p> <p>Deliver 6,000 business advisory consultations</p> <p><u>1992 Todate</u></p> <p><u>3rd Quarter Target</u></p>	<p>Open 8 business centers</p> <p>Train staff in 2nd module of SSE consulting methods</p> <p>Finalise administration systems for business centers</p> <p>Hire and place 4 FBCs and 6 office aides</p> <p>Complete draft of Consulting Manual for FBCs</p> <p>Contract two feasibility studies for SSEs</p> <p>Submit KKTA consultancy report and begin implementation phase</p> <p>Facilitate start-up of tile factory</p>	<p>8 business centers officially opened</p> <p>2nd module of SSE consulting methods held</p> <p>Administrative manual submitted for approval</p> <p>3 FBCs and 4 office aides hired</p> <p>Draft of Consulting manual submitted for comments</p> <p>Snake venom extraction and video parlour feasibility studies contracted</p> <p>KKTA consultancy report submitted</p> <p>Papers submitted to MASL Board for approval</p>	<p>Conclude housing arrangements for FBCs</p> <p>Train staff in 3rd module of SSE consulting methods</p> <p>Administrative procedures standardised for all centres</p> <p>Hire 1 FBC and 2 Office Aides</p> <p>Finalise Technical Consulting manual</p> <p>Carry out studies on snake venom and video parlours and contract two additional feasibility studies</p> <p>Begin implementation phase of KKTA consultancy</p> <p>Clear pending applications for industrial parks and develop promotion strategy. Draft SSE investor guidelines</p>	<p>Housing still required in Uda Walawe and System H. Clear policy on SSE land availability incentives and infrastructure support for small investor needs to be articulated</p>

SMALL SCALE ENTERPRISE ACTIVITIES				
Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>SSE Activity #2</u></p> <p>Facilitate access to credit</p> <p><u>1992 Target</u></p> <p>Arrange 360 loans to SSE clients and form 23 new Savings and Credit Societies</p> <p><u>1992 to date</u></p> <p>Arranged 55 loans to SSE clients and formed 12 new Savings and Credit Societies</p> <p><u>3rd Quarter Target</u></p> <p>Arrange 74 loans to SCS members and 165 loans to non SCS entrepreneurs</p>	<p>Provide 580 credit consultations</p> <p>Identify members and form 7 new SCSs</p> <p>Provide guidance to SCSs in registration and register at least 11 SCSs</p> <p>Disburse 5 grants</p> <p>Arrange loans to 114 SCS members for Rs. 2.8 million and 130 loans to non SCS entrepreneurs for Rs. 2.15 million</p>	<p>Provided 656 consultations</p> <p>Formed five SCSs</p> <p>Assisted registration of five Societies</p> <p>Disbursed one grant for 22,800 and 12 grants approved for 290,800</p> <p>Submitted 39 loans for 1,479,000 to banks for SCS members and 128 loans for 3,997,800 for other enterprises</p>	<p>Provide 595 credit consultations</p> <p>Form 5 more SCSs</p> <p>Provide guidance to SCSs in registration and register at least four SCSs.</p> <p>Disburse 6 grants</p> <p>Arrange loans to 74 SCS members for Rs. 2.575 ml and 165 loans to non SCS entrepreneurs for Rs. 3.08 ml</p>	
<p><u>SSE Activity #3</u></p> <p>Provide technical, credit entrepreneurship and other training</p> <p><u>1992 Target</u></p> <p>Train 1300 individuals</p> <p><u>1992 To date</u></p> <p><u>3rd Quarter Targets</u></p>	<p>Finalise draft procedures at business centers for training</p> <p>Conduct 20 technical training programs</p> <p>Conduct 10 credit and business development sessions for SCSs members</p> <p>Commission sample survey to determine success rates after one year for EDP trainees</p>	<p>Procedures finalised for training in administrative manual</p> <p>xx technical training programs conducted</p> <p>xx credit and business training sessions conducted</p> <p>Contract let to Ernst and Young to audit EDP success rates</p>	<p>Training given to MED field staff in assessing training needs</p> <p>Conduct 15 technical training programs</p> <p>Conduct 8 credit and business development sessions for SCSs members</p> <p>Contract Kotmale EDP program : train 200 entrepreneurs. Design EDP with SSED of Youth Affairs Ministry for Lagunukolapelesse</p>	

SMALL SCALE ENTERPRISE ACTIVITIES

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>SSE Activity #4</u></p> <p>Develop SSE-MLE export product linkages</p> <p><u>1992 Target</u></p> <p>Carry out 5 SSE-MLE export deals.</p> <p><u>1992 To date</u></p> <p><u>3rd Quarter Target</u></p> <p>Carry out 5 SSE-MLE export deals</p>	<p>Contract and complete consultancy to identify 15 potential export products suitable for subcontract production, identify 10 interested buyers or direct exporters of the products and carry out preliminary negotiations between Mahaweli producers and the buyers or exporters.</p> <p>Issue report with workplan for developing capabilities of the Mahaweli producers</p>	<p>TOR written, consultant recruited</p>	<p>Undertake study to identify 15 potential export products suitable for subcontracting, 10 interested buyers or direct exporters and carry out preliminary negotiations for 5 SSE-MLE export deals</p>	<p>Awaiting approval to undertake study</p>
<p><u>SSE Activity #5</u></p> <p>Develop private sector associations and chambers</p> <p><u>1992 Target</u></p> <p>Implement assistance programs with 15 organisations</p> <p><u>To date</u></p> <p><u>3rd Quarter Target</u></p>	<p>Develop assistance programs for 5 associations</p>	<p>3 proposals submitted for approval</p>	<p>Develop assistance programs for 2 associations. develop guidelines for business centers for association assistance</p>	

POLICY, PROCEDURES & REGULATIONS ACTIVITIES				
Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>PPR Activity #1</u></p> <p>Establish land policies which support enterprise development.</p> <p><u>1992 Target</u></p> <p>Issue 1,000 freehold titles (i.e. special grants without restrictions) issued to SSEs and 15 thirty year leases to MLEs).</p> <p><u>1992 Todate</u></p> <p><u>3rd Quarter Target</u></p>	<p>Employ surveyors as necessary for commercial farms</p> <p>Completed audits of commercial plots available in Mahaweli systems</p> <p>Promote Ministry to issue statement on freehold titles for SSEs and 30-year leases to larger farms</p> <p>Issue initial titles and leases</p> <p>Improve investor approval process</p>	<p>Audit of commercial plots in System ... completed</p> <p>Investor approval system streamlined</p>	<p>Identify lands presently occupied by MLE and SSE suitable for lease</p> <p>Continue ... issue of leases to MLE and SSEs</p>	

POLICY, PROCEDURES & REGULATIONS ACTIVITIES

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>PPR Activity #2</u></p> <p>Improve physical infrastructure for enterprise development</p> <p><u>1992 Target</u></p> <p>Make road, power or water infrastructure investments to support 3 private projects</p> <p><u>1992 To date</u></p> <p><u>3rd Quarter Target</u></p>	<p>Contract study on infrastructure requirements of Mahaweli to facilitate private investment</p> <p>Coordinate with GCEC and other agencies to encourage private investment in Mahaweli infrastructure</p>		<p>Identify three infrastructure investors to enable specific investment projects</p> <p>Continue coordination with GCEC</p>	

POLICY, PROCEDURES & REGULATIONS ACTIVITIES				
Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>PPR Activity #3</u></p> <p>Privatize loss-making and underutilised MASL land and facilities</p> <p><u>1992 Target</u></p> <p>Transfer to the private sector ten MASL farms, 100 buildings, 3 major facilities and 500 new commercial and industrial plots</p> <p><u>1992 Todate</u></p> <p><u>3rd Quarter Target</u></p>	<p>Advertize Mahaweli facilities suitable for transfer to private sector. monthly</p> <p>Advertize and lease out SEDF equipment</p>	<p>Documentation of two Mahaweli farms status</p>	<p>Continue to advertise Mahaweli facilities available to investors</p> <p>Continue documentation of balance Mahaweli farms</p> <p>Determine how industrial parks can be utilised</p>	

POLICY, PROCEDURES & REGULATIONS ACTIVITIES

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>PPR Activity #4</u></p> <p>Improve MASL policies to support enterprise development</p> <p><u>1992 Target</u></p> <p>Introduce five specific policy or procedural changes in the areas of water, tourism, minerals, housing and transport which improve business environment in Mahaweli</p> <p><u>1992 Todate</u></p> <p><u>3rd Quarter Target</u></p>	<p>Contract consultancy to ascertain possibility of year-round irrigation in all Mahaweli systems</p> <p>Develop land use plan and zoning policies to protect the environment and build confidence for tourism development</p>		<p>Received action to encourage private housing development in the Mahaweli</p>	

POLICY, PROCEDURES & REGULATIONS ACTIVITIES				
Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>PPR Activity #5</u></p> <p>Improve MASL capacity to support enterprise development</p> <p><u>1992 Target</u></p> <p>Improve official environment for private investment and confirm through MLE and SSE investor opinion surveys</p> <p><u>1992 To date</u></p> <p>Relations between EIED and MEA much improved</p> <p><u>3rd Quarter Target</u></p> <p>Improve relations with MED/EIED and MEA staff in the field</p>	<p>Host MED orientation programme with MASL and MEA senior staff</p> <p>Conduct MED orientation programme with project staff of two Systems</p>	<p>MED orientation program with MASL and MEA staff held</p> <p>Meetings of MED staff and field staff of all systems held</p>		

EIED STAFF TRAINING AND OTHER ACTIVITIES

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>Other Activity #1</u></p> <p>Plan, monitor and report</p> <p><u>1992 Target</u></p> <p>Establish 1992 baseline data for enterprises and employment in Mahaweli</p> <p><u>1992 Todate</u></p> <p><u>3rd Quarter Target</u></p>	<p>Contract and initiate census</p>	<p>Census contracted and initial design meetings held.</p> <p>Technical consultant contracted</p>	<p>Complete census issue report</p>	
<p><u>Other Activity #2</u></p> <p>Provide equipment as required for EIED</p> <p><u>1992 Target</u></p> <p><u>2nd Quarter Target</u></p> <p><u>To date</u></p>				

EIED STAFF TRAINING AND OTHER ACTIVITIES				
Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<u>Other Activity #3</u> Provide training for EIED staff <u>1992 Target</u> <u>2nd Quarter Target</u> <u>To date</u>				
<u>Other Activity #4</u> Report and plan <u>1992 Target</u> Report quarterly and annually; carry out quarterly, mid-year and annual reviews; prepare 4 quarterly plans and 1992 annual plans <u>1992 To date</u> <u>3rd Quarter Target</u> One quarterly report and plan;	Prepare quarterly report	Prepared quarterly report	Prepare quarterly report	

MAIIAWELI BUSINESS CENTER: ANGUNUKOLAPELESSE

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>1992 Target</u></p> <p><u>2nd Quarter Staffing</u></p> <p>2 FBC 1 Office Aide/Secretary</p> <p><u>2nd Quarter Target</u></p> <p>25 jobs created in self-employment, micro and small enterprises</p> <p><u>1992 Todate</u></p> <p>17 jobs created in self-employment, micro and small enterprises</p>	<p>150 business advisory consultations delivered including 80 to arrange loans and 30 to address land issues</p> <p>60 enterprise and entrepreneur clients served</p> <p>Form 1 additional SCS, disburse 1 grant to SCS and register 2 SCSs</p> <p>20 loans made to SCS members totalling Rs. 500,000</p> <p>10 loans to non-SCS entrepreneurs totalling Rs. 200,000</p> <p>Make inventory of available commercial and industrial SSE plots (5-40 perches)</p> <p>4 adhoc training courses delivered including 2 sessions for SCS members</p> <p>Identify potential SSE opportunity and write scope of work for study</p> <p>Submit one grant application for assistance to associations and chambers</p>	<p>110 business advisory consultations delivered including 45 to arrange loans and 40 to address land issues</p> <p>25 enterprise and entrepreneur clients served</p> <p>1 additional SCS formed and registered 1 SCS</p> <p>Inventory of available commercial and industrial SSE plots compiled</p> <p>3 adhoc training courses conducted including 2 sessions for SCS members and 1 on technical training; 34 persons trained</p>	<p>Deliver 150 business advisory consultations including 80 to arrange loans and 30 to address land issues</p> <p>Serve 65 enterprise and entrepreneur clients</p> <p>Register 1 SCS</p> <p>10 loans made to SCS members totalling Rs. 250,000</p> <p>5 loans to non-SCS entrepreneurs totalling Rs. 200,000</p> <p>Transfer 15 commercial plots</p> <p>Deliver 3 adhoc training courses including 2 sessions for SCS members</p> <p>Assess 1 opportunity (cane cultivation)</p> <p>Submit 1 grant proposal to a private association</p>	

MAIIAWELI BUSINESS CENTER: BAKAMUNA

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<u>1992 Target</u>	200 business advisory consultations delivered including 100 to arrange loans and 30 to address land issues	Delivered 268 business advisory consultations including 42 to arrange loans and 9 to address land issues	Deliver 180 business advisory consultations, including 80 to arrange loans and 20 to address land issues	
<u>2nd Quarter Staffing</u>	65 enterprise and entrepreneur clients served	Served 58 enterprise and entrepreneur clients	Serve 50 enterprise and entrepreneur clients	
2 EIED Assistant Managers 2 FBC 1 Office Aide/Secretary	Disburse 1 grant to SCS; register 2 SCSs	Registered 1 SCS		
<u>2nd Quarter Target</u>	10 loans to SCS members totalling Rs. 500,000	1 loan made to a SCS member totalling Rs. 30,000	10 loans to SCS members totalling Rs. 250,000	
60 jobs created in self-employment, micro and small enterprises	10 loans to non-SCS entrepreneurs totalling Rs. 300,000	3 loans made to non-SCS entrepreneurs totalling Rs. 1,000,000	20 loans to non-SCS entrepreneurs totalling Rs. 500,000	
<u>1992 Todate</u>	5 commercial and industrial SSE plots (5-40 perches) transferred to entrepreneurs		Transfer 5 commercial and industrial SSE plots (5-40 perches) to entrepreneurs	
39 jobs created in self-employment, micro and small enterprises	4 adhoc training courses delivered including 2 sessions for SCS members; 30 persons trained	Conducted 1 adhoc training program in pottery manufacture; 9 persons trained	Deliver 2 adhoc training courses including 1 in credit; train 40 persons	
	Write scope of work for study on the assessed SSE opportunity		Assess SSE opportunity (goat rearing for 30 farmers)	
	Submit one grant application for assistance to assoc. and chambers		Submit one grant proposal to associations and chambers	
	Write half page status report on blasting policy and recommended changes			

MAIIAWELI BUSINESS CENTER: DEHIATTAKANDIYA

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>1992 Target</u></p> <p><u>2nd Quarter Staffing</u></p> <p>1 EIED Deputy Manager 2 EIED Assistant Managers 1 EIED Food Technologist 2 FBC 1 Office Aide/Secretary</p> <p><u>2nd Quarter Target</u></p> <p>50 jobs created in self-employment, micro and small enterprises 100 MLE jobs including outgrowers</p> <p><u>1992 Todate</u></p> <p>190 jobs created in self-employment, micro and small enterprises</p>	<p>300 business advisory consultations delivered including 130 to arrange loans and 110 to address land issues</p> <p>Serve 170 enterprise and entrepreneur clients</p> <p>Form 1 new SCS</p> <p>Disburse 1 grant to SCS;</p> <p>Register 2 SCSs</p> <p>18 loans to SCS members totalling Rs. 120,000</p> <p>15 loans to non-SCS entrepreneurs totalling Rs. 150,000</p> <p>100 commercial and industrial SSE plots (5-40 perches) transferred to entrepreneurs</p> <p>6 adhoc training courses delivered including 2 sessions for SCS members; 30 persons trained</p> <p>1 SSE start-up facilitated in industrial park</p> <p>Submit one grant application for assistance to associations and chambers</p>	<p>Delivered 320 business advisory consultations including 120 to arrange loans and 105 to address land issues</p> <p>Served 140 enterprise and entrepreneur clients</p> <p>Formed 1 new SCS</p> <p>Registered 1 SCS</p>	<p>Deliver 375 business advisory consultations including .. to arrange loans and .. to address land issues</p> <p>Serve 100 enterprise and entrepreneur clients</p> <p>7 loans to SCS members totalling Rs. 175,000</p> <p>45 loans to non-SCS members totalling Rs. 500,000</p> <p>Deliver 3 adhoc training courses; train 60 persons</p> <p>Assess 1 new SSE opportunity</p>	

MAIIAWELI BUSINESS CENTER: EMBILIPITIYA

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>1992 Target</u></p> <p><u>2nd Quarter Staffing:</u></p> <p>1 EIED Deputy Manager 2 FBC 1 Office Aide/Secretary</p> <p><u>2nd Quarter Target</u></p> <p>25 fulltime jobs created in self-employment, micro and small enterprises</p> <p><u>1992 Todate</u></p> <p>17 fulltime jobs created in self-employment, micro and small enterprises</p>	<p>150 business advisory consultations delivered including 75 to arrange loans and 25 to address land issues</p> <p>Serve 60 enterprise and entrepreneur clients</p> <p>Form 1 new SCS and register 1 SCS</p> <p>12 loans to SCS members totalling Rs. 450,000</p> <p>10 loans to non-SCS entrepreneurs totalling Rs. 250,000</p> <p>15 commercial and industrial SSE plots (5-40 perches) transferred to entrepreneurs</p> <p>6 adhoc training courses delivered including 1 session for SCS members; 150 persons trained</p> <p>Identify potential SSE opportunity and assess for commercial viability</p> <p>Submit two grant applications for assistance to associations and chambers</p>	<p>165 business advisory consultations delivered including 82 to arrange loans and 37 to address land issues</p> <p>64 enterprise and entrepreneur clients served</p> <p>One society is in the process of being formed</p> <p>8 loans to SCS members totalling Rs 350,000</p> <p>5 loans made to non-SCS entrepreneurs totalling Rs. 94,000</p> <p>Nil</p> <p>3 adhoc training courses delivered including 1 for SCS members; 51 persons trained</p> <p>Study on Quartz and Serpentine carried out</p> <p>Nil</p>	<p>Deliver 150 business advisory consultations including 80 to arrange loans, 25 to address land issues</p> <p>Serve 65 enterprise and entrepreneur clients</p> <p>Form 1 new SSE</p> <p>12 loans to SCS members totalling Rs. 450,000</p> <p>10 loans to non-SCS entrepreneurs totalling Rs. 180,000</p> <p>Transfer 17 commercial and industrial SSE plots to entrepreneurs</p> <p>Deliver 4 adhoc training courses including 2 sessions for SCS members</p> <p>Assess 2 new SSE opportunities</p> <p>Submit 1 grant</p>	

MAHAWELI BUSINESS CENTER: KOTMALE

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>1992 Target</u></p> <p><u>2nd Quarter Staffing</u></p> <p>1 EIED Deputy Manager 1 EIED Food Technologist 2 FBC 1 Office Aide/Secretary</p> <p><u>2nd Quarter Target</u></p> <p>60 fulltime jobs created in self-employment, micro and small enterprises</p> <p><u>1992 Todate</u></p>	<p>175 business advisory consultations delivered including 100 to arrange loans and 15 to address land issues</p> <p>Serve 77 enterprise and entrepreneur clients</p> <p>Form 1 additional SCS and register 1 SCS</p> <p>14 loans to SCS members totalling Rs. 545,000</p> <p>25 loans to non-SCS entrepreneurs totalling Rs. 200,000</p> <p>3 commercial and industrial SSE plots (5-40 perches) transferred to entrepreneurs</p> <p>4 adhoc training courses delivered including 1 session for SCS members; 50 persons trained</p> <p>Re-establish Colombo market links for ornamental fish and re-open 20 ponds to production</p> <p>Identify and submit one private association for assistance</p>	<p>370 business advisory consultations delivered including 133 to arrange loans and 6 to address land issues.</p> <p>60 enterprise and entrepreneur clients served</p> <p>4 loans made to non-SCS entrepreneurs totalling Rs. 35,000.</p> <p>Transferred 3 commercial and industrial SSE plots to entrepreneurs</p> <p>3 adhoc training courses delivered including 1 session for SCS members; 38 persons trained</p> <p>Inquiries made from a fish exporter, response positive</p>	<p>Deliver 200 business advisory consultations including 75 to arrange loans and 20 to address land issues</p> <p>25 loans to non-SCS members totalling Rs. 350,000</p> <p>Transfer 5 commercial and industrial SSE plots to entrepreneurs</p> <p>Deliver 4 adhoc training courses including 2 sessions for SCS members; train 40 persons</p> <p>Assess 3 new SSE opportunities</p> <p>Submit one grant proposal</p>	

MAIIAWELI BUSINESS CENTER: MADATUGAMA

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>1992 Target</u></p> <p><u>2nd Quarter Staffing</u></p> <p>2 EIED Assistant Managers 2 FBCs 1 Office Aide/Secretary</p> <p><u>2nd Quarter Target</u></p> <p>45 fulltime jobs created in self-employment, micro and small enterprises</p> <p><u>1992 Todate</u></p> <p>30 fulltime jobs created in self-employment, micro and small enterprises</p>	<p>200 business advisory consultations delivered including 60 to arrange loans and 10 to address land issues</p> <p>Serve 75 enterprise and entrepreneur clients</p> <p>Disburse 1 grant to SCS, register 1 SCS and form 1 new SCS</p> <p>8 loans to SCS members totalling Rs. 200,000</p> <p>15 loans to non-SCS entrepreneurs totalling Rs. 200,000</p> <p>30 commercial and industrial SSE plots (5-40 perches) transferred to entrepreneurs</p> <p>6 adhoc training courses delivered including 1 session for SCS members; 50 persons trained</p> <p>1 SSE opportunity assessed for commercial viability</p>	<p>148 business advisory consultations delivered including 64 to arrange loans and 16 to address land issues</p> <p>66 enterprise and entrepreneur clients served</p> <p>Disbursed 1 grant to SCS, registered 1 SCS and formed 1 new SCS.</p> <p>6 loans made to SCS members totalling Rs. 210,000</p> <p>10 loans to non-SCS entrepreneurs totalling Rs. 945,000</p> <p>3 adhoc training courses delivered including 1 session for SCS members; 34 persons trained</p>	<p>Deliver 210 business advisory consultations including 60 arrange loans and 30 to address land issues</p> <p>Serve .. enterprise and entrepreneur clients</p> <p>Form 1 new SCS, disburse 1 grant to SCS</p> <p>10 loans to SCS members totalling Rs. 500,000</p> <p>10 loans to non-SCS entrepreneurs totalling Rs. 200,000</p> <p>Deliver 3 adhoc training courses including 2 sessions for SCS members; train 45 persons</p> <p>Assess 1 SSE opportunity for commercial viability</p> <p>Establish 1 MLE-SSE link</p> <p>Submit one grant proposal</p>	

MAHAWELI BUSINESS CENTER: NOCHICHYAGAMA

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>1992 Target</u></p> <p><u>2nd Quarter Staffing</u></p> <p>2 EIED Assistant Managers 2 FBCs 1 Office Aide/Secretary</p> <p><u>2nd Quarter Target</u></p> <p>40 fulltime jobs created in self-employment, micro and small enterprises</p> <p><u>1992 Todate</u></p> <p>114 jobs created in self-employment, micro and small enterprise</p>	<p>Deliver 250 business advisory consultations including 100 to arrange loans and 30 to address land issues</p> <p>Serve 75 enterprise and entrepreneur clients</p> <p>Disburse 1 grant to SCS, form 1 new SCS and register 2 SCSs</p> <p>10 loans to SCS members totaling Rs. 275,000</p> <p>20 loans to non-SCS entrepreneurs totalling Rs. 400,000</p> <p>Transfer 6 commercial and industrial SSE plots (5-40 perches) to entrepreneurs</p> <p>Deliver 4 adhoc training courses including 1 session for SCS members;</p> <p>Carry out 1 local market study</p> <p>1 SSE opportunities assessed for commercial viability</p> <p>Submit 1 grant proposal</p>	<p>Delivered 255 business advisory consultations including 126 to arrange loans and 25 to address land issues</p> <p>Served 103 enterprise and entrepreneur clients</p> <p>Disbursed 1 grant to SCS, formed 1 new SCS and registered 1 SCS</p> <p>13 loans to non-SCS entrepreneurs totalling Rs. 455,000</p> <p>Delivered 3 adhoc training courses including 1 session for SCS members; 26 persons trained</p>	<p>Deliver 250 business advisory consultations including 100 to arrange loans and 30 to address land issues</p> <p>Serve 80 enterprise and entrepreneur clients</p> <p>Disburse 1 grant to SCS, form 1 new SCS and register 1 SCS</p> <p>6 loans to SCS members totalling Rs. 200,000</p> <p>20 loans to non-SCS entrepreneurs totalling Rs. 400,000</p> <p>Transfer 4 adhoc training courses including 1 session for SCS members</p> <p>Deliver 4 adhoc training courses including 1 session for SCS members</p> <p>Carry out one local marked study on bakery projects</p> <p>1 SSE opportunity on production of house hold brass fittings</p> <p>Submit 1 grant proposal</p> <p>Make 1 grant to private associations</p>	

MAHAWELI BUSINESS CENTER: WELIKANDE

Activity and 1992 target	Actions planned 2nd quarter	Actions taken 2nd quarter	Actions planned 3rd quarter 1992	Issues
<p><u>1992 Target</u></p> <p><u>2nd Quarter Staffing</u></p> <p>1 EIED Deputy Manager 1 EIED Assistant Manager 1 FBC 1 Office Aide/Secretary</p> <p><u>2nd Quarter Target</u></p> <p>50 fulltime jobs created in self-employment, micro and small enterprises</p> <p><u>1992 Todate</u></p> <p>32 fulltime jobs created in self-employment, micro and small enterprises</p>	<p>Deliver 150 business advisory consultations</p> <p>Serve 50 enterprise and entrepreneur clients</p> <p>Form 1 new SCS</p> <p>12 loans to SCS members totalling Rs. 410,000</p> <p>25 loans to non-SCS entrepreneurs totalling Rs. 500,000</p> <p>Identify 1 entrepreneur to transfer a commercial and industrial SSE plot (5-40 perches)</p> <p>Deliver 3 adhoc training courses including 1 session for SCS members;</p> <p>Identify potential SSE opportunity and write scope of work for study</p> <p>Submit 1 grant application for assistance to associations and chambers</p>	<p>Delivered 123 business advisory consultations including 44 to arrange loans and 22 to address land issues</p> <p>Served 40 enterprise and entrepreneur clients</p> <p>Formed 1 new SCS</p> <p>12 loans to non-SCS entrepreneurs totalling Rs. 169,440</p> <p>Forwarded for approval 7 applications</p> <p>Delivered 2 ad-hoc training courses including 1 session for SCS members; 16 people trained</p>	<p>Deliver 300 business advisory consultations</p> <p>Serve .. enterprise and entrepreneur clients</p> <p>Form 2 new SCSs</p> <p>15 loans to SCS members totalling Rs. 600,000</p> <p>35 loans to non-SCS entrepreneurs totalling Rs. 650,000</p> <p>Deliver 3 adhoc training courses including 2 sessions for SCS members; 85 persons trained</p> <p>20 more ponds to be activated</p> <p>Submit two grant proposals</p>	

MED SHORT TERM TECHNICAL ASSISTANCE JANUARY - JUNE, 1992			
Program area	Topic	Name	Dates
MLE	Tomato PIP	Peter Florance	January - March
MLE	Essential oils PIP	Tom Davies	February - March
MLE	Cold Chain	Fredrick E. Henry	February - March
MLE/SSE	Management information system	Dias Gunasinghe	January - March
MLE/SSE	Development of MLE-SSE export product linkages	David Holbourne	June - August
MLE	Preparation of commercial farm business plans	Cedric de Vaz	June - August

MED/EIED 2nd Quarter Report 1992, 3rd Quarter Plan, 1992

MED/ISTI SHORT TERM TECHNICAL ASSISTANCE ANTICIPATED JULY - SEPTEMBER, 1992			
Program area	Topic	Name	Dates
MLE	Organic Agronomist	J. Smillie	August
MLE	Dried Fruit	Dr Kamal Hyder	August
MLE/SSE	Enterprise and employment census and enterprise opinion survey	Teams Ltd.	
MLE/SSE	Minerals survey		
	Study on extraction of snake venom	Anslern de Silva/S. Balasuriya	July

MED/EIED 1992 REPORTS

MED (ISTI) REPORTS JANUARY - JUNE 1992		
Title	Name	Report # and Date
Cold Chain requirements for Uda Walawe	Fredrick E. Henry	1/1992 - March 1992
Field Manual for Processing Tomatoes	Peter Florance	2/1992 - March 1992
Processing Tomato Trials in Mahaweli System H	Peter Florance	3/1992 - March 1992
Processing Tomato Trials in Mahaweli System C	Peter Florance	4/1992 - March 1992
MED/EIED Quarterly Report January - March 1992 and MED/EIED Quarterly Plan April - June 1992		March - 1992
Report on the Commercial Farms in the Mahaweli System B	Jayantha Jayewardene	5/1992 - March 1992
MED/EIED Quarterly Report April - June 1992 and MED/EIED Quarterly Plan July - September 1992		June 1992

MED/EIED 2nd Quarter Report 1992, 3rd Quarter Plan, 1992

INPUTS AND ACCRUED EXPENDITURES BY PROJECT LINE ITEM Reporting period: April - June 1992			
Project line item	Project targets for inputs and expenditures	Inputs this period	Cumulative inputs to date
Entrepreneur training Ad hoc training EIED staff training	Persons trained: xx persons xx persons xx person-months staff training \$650,000	- \$	 \$
Pre-investment programs	15 PIPs presented to EIED/USAID 10 PIPs approved 10 PIPs completed 40 firms assisted with PIPs \$250,000 on PIPs	 0	9 presented 9 approved 6 completed 18 assisted 0
Investment promotion	xx promotion seminars xx overseas missions \$750,000	 1 \$12,072.07	3 seminars 4 \$35,278.76
Information dissemination	xx market seminars xx market studies distributed \$150,000	 	16
Grants to associations	xx associations assisted xx grants to Savings and Credit Associations xx grants to other associations xx loans to members of SCS's \$200,000	5 12 39 0	21 18 53 0

INPUTS AND ACCRUED EXPENDITURES BY PROJECT LINE ITEM Reporting period: April - June 1992			
Project line item	Project targets for inputs and expenditures	Inputs this period	Cumulative inputs to date
Special projects	xx activities proposed to EIED/USAID		1
	xx activities approved		1
	xx activities completed		
	\$1.0m	0	0
Equipment	5 vehicles		5
	16 motorcycles	4	10
	8 business centers equipped		
	\$700,000	\$5,624.55	\$78,076.15
Surveys, monitoring	xx opinion surveys completed		
	1 MLE baseline established		
	1 SSE baseline established		1
	\$200,000	\$75.75	\$38,764.87
Evaluation and audits	25 steering committee meetings including Project Review Committee meetings)	1	7
	1 mid-term project external evaluation		
	1 final project external evaluation		
	xx audits		
Planning and operations	750 leases issued		-
	6 annual MED/EIED workplans		3
	xx planning workshops	1	5
	\$50,000	\$592.0	\$10,878.45

MED/EIED 2nd Quarter Report 1992, 3rd Quarter Plan, 1992

INPUTS AND ACCRUED EXPENDITURES BY PROJECT LINE ITEM Reporting period: April - June 1992			
Project line item	Project targets for inputs and expenditures	Inputs this period	Cumulative inputs to date
Technical assistance	20 MED quarterly reports	1	8
	6 MED annual reports		2
	1 mid-term MED report		
	1 final MED report		
	302 months long term MED t.a.	n.a.	81.0
	60 months short term local t.a.	4.87	23.16
	95 months short term foreign t.a.	3.9	26.87
	780 months MED field advisors	23.04	89.46
	xx months short term market t.a.		

• Data for compiling this table is incomplete.

PIP STATUS AS AT 30 JUNE 1992

APPROVED PRE INVESTMENT PROGRAMS (PIPs)		
Company/address	Description of PIP	Status
<p>1. Dasa Timber Works Moraketiya Road Embilipitiya Uda Walawe</p>	<p>To install and commission a box making business in Uda Walawe to produce wooden fruit packing boxes for an integrated fresh fruit production operation planning to export to the European market.</p>	<p>Awaiting confirmation of an acceptable market and an adequate price for the box products through the proposed "Cold Chain" PIPs. No change to March quarter status.</p> <p>A. Private Sector Contributions</p> <p>1. Budgeted Amount \$ 81,400</p> <p>2. Amount To Date \$ NIL</p> <p>B. MED Technical Assistance</p> <p>Level of effort 0 days</p>
<p>2. John Keells Holdings PO Box 76 130 Glennie Street Colombo 2</p> <p>Possible location: Girandurukotte, System C.</p>	<p>To conduct a review of a fruit juice and pulping production and processing venture that could be established in the Mahaweli. This work will help to confirm viability of the venture.</p>	<p>A fruit cultivation and processing pre-feasibility study for JKHL concluded: a) dried fruit is a viable, profitable venture; b) juicing and pulping are not viable because it is expensive and requires high technology; and c) recommended JKHL carry out R & D of several fruit varieties. JKHL applied for 150 acres of land (Lots 409 and 410) in System C and await a Cabinet decision.</p> <p>As part of the PIP assistance JKHL plan to visit Thailand mid July 1992 to study fruit production and processing operations and to develop market contacts. Pac Rim Group a Thai company are facilitating this visit. A PIP amendment was approved during the quarter to enable JKHL to develop market linkages.</p> <p>A. Private Sector Contributions</p> <p>1. Budgeted Amount \$ 21,000</p> <p>2. Amount This Period \$ Nil</p> <p>3. Amount To Date \$ 24,442</p> <p>B. MED Technical Assistance</p> <p>Level of effort 100 days</p>

MED/EIED 2nd Quarter Report 1992, 3rd Quarter Plan, 1992

APPROVED PRE INVESTMENT PROGRAMS (FIPs)										
Company/address	Description of PIP	Status								
<p>3. Sunfrost/Hayleys P.O.Box 70 400, Deans Road Colombo 10.</p> <p>Location: Systems B, C, and Uda Walawe</p>	<p>To provide a silver skin onion expert that can help to implement the effective commercial production of the crop on Sunfrost and out-grower lands.</p>	<p>A silver skin onion production advisor, Mr Walt Neuberg assisted Sunfrost to do further planting, harvesting of previous trials and post harvest handling of silver skin onions. Sunfrost advise latest crop trials planted during January 1992 are now due to be harvested. An Australian buyer has placed an order with Sunfrost for three containers requiring yields of up to 35 tonnes. Production of onions has commenced aiming for an August/September harvest. Sunfrost and have applied for commercialization fund assistance through MARD. Sunfrost have now targeted Japan as a potential market for their silver skin onions and additional PIP assistance to develop Japanese market contacts was approved through a PIP amendment this quarter.</p> <p>A. Private Sector Contributions</p> <table style="margin-left: 20px;"> <tr> <td>1. Budgeted Amount</td> <td style="text-align: right;">\$ 23,000</td> </tr> <tr> <td>2. Amount This Period</td> <td style="text-align: right;">\$ 3,100 ⁽ⁱ⁾</td> </tr> <tr> <td>3. Amount To Date</td> <td style="text-align: right;">\$ 26,620</td> </tr> </table> <p>⁽ⁱ⁾ Includes \$650 labour cost, \$1,260 input costs and \$1,200.00 on market promotional tour.</p> <p>B. MED Technical Assistance</p> <table style="margin-left: 20px;"> <tr> <td>Level of effort</td> <td style="text-align: right;">45 days</td> </tr> </table>	1. Budgeted Amount	\$ 23,000	2. Amount This Period	\$ 3,100 ⁽ⁱ⁾	3. Amount To Date	\$ 26,620	Level of effort	45 days
1. Budgeted Amount	\$ 23,000									
2. Amount This Period	\$ 3,100 ⁽ⁱ⁾									
3. Amount To Date	\$ 26,620									
Level of effort	45 days									

APPROVED PRE INVESTMENT PROGRAMS (PIPs)

Company/address	Description of PIP	Status												
<p>4. Forbes & Walker 46/38, Nawam Mawatha P.O. Box 60 Colombo 2.</p> <p>Contact: S. Rabindranath Tel: 431272</p> <p>Location: System C</p>	<p>Provide assistance to help improve the fermentation and brining technology being used by the gherkin industry.</p>	<p>Mr Wolfgang Pach, a brining and fermentation specialist, upgraded a pickle packing plant feasibility study, which may lead to a major investment upwards of Rs.200 million. FAS have applied for Mahaweli land for a processing and bottling plant site and still await a cabinet decision. FAS report a net loss to 31/03/92 of some Rs 4 million due to project start up, however incoming orders indicate a profit turnaround during next financial year.</p> <p>A. Private Sector Contributions</p> <table border="0"> <tr> <td>1. Budgeted Amount</td> <td>\$ 91,150</td> </tr> <tr> <td>2. Amount This Period</td> <td>\$ 68,500 ⁽ⁱ⁾</td> </tr> <tr> <td>3. Amount To Date</td> <td>\$ 565,500</td> </tr> </table> <p>⁽ⁱ⁾ Estimated figures as at 30/06/92 include labour costs, input costs, development of collection centres and packaging materials.</p> <p>B. MED Technical Assistance</p> <table border="0"> <tr> <td>Level of effort Apr 03 - Jul 03</td> <td>90 days</td> </tr> <tr> <td>Level of effort Aug 23 - Oct 22</td> <td>60 days</td> </tr> </table>	1. Budgeted Amount	\$ 91,150	2. Amount This Period	\$ 68,500 ⁽ⁱ⁾	3. Amount To Date	\$ 565,500	Level of effort Apr 03 - Jul 03	90 days	Level of effort Aug 23 - Oct 22	60 days		
1. Budgeted Amount	\$ 91,150													
2. Amount This Period	\$ 68,500 ⁽ⁱ⁾													
3. Amount To Date	\$ 565,500													
Level of effort Apr 03 - Jul 03	90 days													
Level of effort Aug 23 - Oct 22	60 days													
<p>5. Aromatic, Herbs and Spices PIP shared by a minimum of five companies including Richard Pieris Ltd., Informatica (Agrotech) Limited., Mahaweli Farm Development Pvt Ltd., Forbes and Walker and Sunfrost.</p>	<p>To assess the commercial viability of growing a range of herbs/spice and aromatic plants in the Mahaweli through a monitored pilot operation designed to assess the yields, costs and returns from the cultivation of a range of such crops and to identify areas of the Mahaweli most suitable to their cultivation. Market testing of the resultant products both in Sri Lanka and abroad will also be undertaken to assess the quality of material produced and to identify potential local and overseas buyers.</p>	<p>Imported Indian ginger had to be destroyed due to poor quality and presence of nematodes. Maha Farms castor yields data sent to HVH for their assessment and their response passed on to Maha Farms. As the other four participating companies have yet to advise crop and yield data on castor, coriander, and lemongrass trials, EIED have requested them to call at this office. Dr Davies is due back in August/September to assist with further trials.</p> <p>A. Private Sector Contributions</p> <table border="0"> <tr> <td>1. Budgeted Amount</td> <td>\$ 47,500</td> </tr> <tr> <td>2. Amount This Period</td> <td>\$ 5,000 ⁽ⁱ⁾</td> </tr> <tr> <td>3. Amount To Date</td> <td>\$ 35,000</td> </tr> </table> <p>⁽ⁱ⁾ Estimates include increased working capital requirements for the five companies.</p> <p>B. MED Technical Assistance</p> <table border="0"> <tr> <td>Level of effort - up to</td> <td>150 days</td> </tr> <tr> <td>Level of effort 04 Nov - 05 Dec</td> <td>32 days</td> </tr> <tr> <td>Level of effort 10 Feb - 03 Mar</td> <td>32 days</td> </tr> </table>	1. Budgeted Amount	\$ 47,500	2. Amount This Period	\$ 5,000 ⁽ⁱ⁾	3. Amount To Date	\$ 35,000	Level of effort - up to	150 days	Level of effort 04 Nov - 05 Dec	32 days	Level of effort 10 Feb - 03 Mar	32 days
1. Budgeted Amount	\$ 47,500													
2. Amount This Period	\$ 5,000 ⁽ⁱ⁾													
3. Amount To Date	\$ 35,000													
Level of effort - up to	150 days													
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APPROVED PRE INVESTMENT PROGRAMS (PIPs)													
Company/address	Description of PIP	Status											
<p>6. Vanathawilluwa Vineyard 441/1A Razendale Gardens Colombo 4</p> <p>Location: Girandurukotte System C</p> <p>Richard Pieris Agricult' Enterprises Ltd 69 Hyde Park Corner. Colombo 2</p> <p>Contact: Mr Cumaranatunga Director</p> <p>Location: System H.</p>	<p>To assist two companies: Vanathawilluwa Vineyards Ltd (VVL) and Richard Pieris Agricultural Developments (RPAE) carry out production trials and assist VVL with preliminary processing work on processing tomatoes that will help to confirm the viability of an integrated tomato paste project in the Mahaweli.</p> <p>RPAE processes paddy for Mahaweli farmers in System 'H' and is planning to cultivate fresh tomatoes for the local market and to develop chili and curry powder for export.</p>	<p>Mr Peter Florance, the tomato production agronomist specialist assisted two companies, VVL and RPAE conduct tomato trials. He also conducted an tomato production workshop and prepared a field manual on production of processing tomatoes.</p> <p>VVL are providing Dept of Agriculture 121 varieties of seed to do further trials. After completing his terms of reference, Mr Florance voluntarily assisted RPAE prepare 14 acres for tomato trials at their Anuradhapura site. RPAE are awaiting a decision on their application submitted in December 1991 for Malwanegama commercial farm in System 'H'.</p> <p>A. Private Sector Contributions</p> <table> <tr> <td>1. Budgeted amount</td> <td>\$ 119,530</td> <td></td> </tr> <tr> <td>2. Amount this period</td> <td>\$ 6,000</td> <td>(1)</td> </tr> <tr> <td>3. Amount to date</td> <td>\$ 17,000</td> <td></td> </tr> </table> <p>(1) Estimates only includes \$1,500 for VVL and \$4,500 for RPAE. Awaiting confirmation from companies.</p> <p>B. MED Technical Assistance</p> <table> <tr> <td>Level of effort to date</td> <td>46 days</td> </tr> </table>	1. Budgeted amount	\$ 119,530		2. Amount this period	\$ 6,000	(1)	3. Amount to date	\$ 17,000		Level of effort to date	46 days
1. Budgeted amount	\$ 119,530												
2. Amount this period	\$ 6,000	(1)											
3. Amount to date	\$ 17,000												
Level of effort to date	46 days												

APPROVED PRE INVESTMENT PROGRAMS (PIPs)										
Company/address	Description of PIP	Status								
<p>7. Aitken Spence & Co. 13, Sir Baron Jayatilake Mawatha Colombo 1</p> <p>Contact: Mohon Ratwatte Tel: 434843</p> <p>Location: Uda Walawe</p>	<p>ASAD will be a pioneer producer in the large scale export of fresh fruit and vegetable. ASAD seek PIP assistance for the services of three specialists to assist ASAD design the cold chain facility, train ASAD staff in cold chain procedures and to carry out sound environmental practices. Transport and marketing development assistance is also sought.</p>	<p>Refrigeration design specialist Mr Fred Henry designed the Uda Walawe cold chain facility requirements for Aitken Spence (ASAD).</p> <p>a) Building: ASAD have arranged for specifications to be redrawn and sent to contractors. Quotations expected by 30 June. Estimated building completion time is 90 days. One acre of land identified at Uda Walawe for the factory is now not available, however Mahaweli have offered another block close by.</p> <p>b) Production: Baby corn, sweet corn and melon trials on Uda Walawe plots were destroyed by a dissatisfied employee.</p> <p>c) Management: ASAD advise Ace Processing has been allegedly accepted as the cold chain management company.</p> <p>A. Private Sector Contributions</p> <table> <tr> <td>1. Budgeted Amount</td> <td>\$ 37,800</td> </tr> <tr> <td>2. Amount This Period</td> <td>\$ 11,100 ⁽¹⁾</td> </tr> <tr> <td>3. Amount To Date</td> <td>\$ 22,300</td> </tr> </table> <p>⁽¹⁾ Includes production costs, overheads costs, R&D and marketing.</p> <p>B. MED Technical Assistance</p> <table> <tr> <td>Level of effort to date</td> <td>18 days</td> </tr> </table>	1. Budgeted Amount	\$ 37,800	2. Amount This Period	\$ 11,100 ⁽¹⁾	3. Amount To Date	\$ 22,300	Level of effort to date	18 days
1. Budgeted Amount	\$ 37,800									
2. Amount This Period	\$ 11,100 ⁽¹⁾									
3. Amount To Date	\$ 22,300									
Level of effort to date	18 days									

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APPROVED PRE INVESTMENT PROGRAMS (PIPs)												
Company/address	Description of PIP	Status										
<p>8. CTC Foliage Limited P.O. Box 18, 108 George R.de Silva Road Colombo 7</p> <p>Contact: Mr Bharvi Kurian - General Manager</p> <p>Location: System C</p>	<p>Processing of tropical fruits for pulping or drying and production of soya and maize used in the production of milk substitutes (Thripasha) for Government of Sri Lanka contracts.</p>	<p>Approved PIP supports a CTC project proposal for tobacco production, accepted by GCEC, by providing off season income to some reported 5,000 farmer families in Systems C and H and other North Central Province areas. CTC have identified a candidate for the dried fruit technologist position however will defer implementation of dried fruit T/A until they return from Thailand (see below).</p> <p>As part of the PIP assistance CTC and JKHL plan to visit Thailand mid July 1992 to study fruit production and processing operations and to develop market contacts. Pac Rim Group, a Thai company are facilitating this visit.</p> <p>A. Private Sector Contributions</p> <table> <tr> <td>1. Budgeted Amount</td> <td>\$ 403,277 ⁽¹⁾</td> </tr> <tr> <td>2. Amount This Period</td> <td>\$ 8,150</td> </tr> <tr> <td>3. Amount To Date</td> <td>\$ 150,000 ⁽²⁾</td> </tr> </table> <p>⁽¹⁾ Includes \$232,500 estimate to purchase dehydration equipment which appears excessive.</p> <p>⁽²⁾ Includes all expenditure from 1987 thru June 1992</p> <p>B. MED Technical Assistance</p> <table> <tr> <td>Level of effort</td> <td>Nil</td> </tr> <tr> <td>To date</td> <td>Nil</td> </tr> </table>	1. Budgeted Amount	\$ 403,277 ⁽¹⁾	2. Amount This Period	\$ 8,150	3. Amount To Date	\$ 150,000 ⁽²⁾	Level of effort	Nil	To date	Nil
1. Budgeted Amount	\$ 403,277 ⁽¹⁾											
2. Amount This Period	\$ 8,150											
3. Amount To Date	\$ 150,000 ⁽²⁾											
Level of effort	Nil											
To date	Nil											

APPROVED PRE INVESTMENT PROGRAMS (PIPs)

Company/address	Description of PIP	Status										
<p>9. Heron Agro Products (Fvt) Ltd. 87 Cemetery Road Ethukala Negombo</p> <p>Contact: Martin van Asseldonk Managing Director Tel: 031 3274 (messages only) Fax: 031 4281 (bureau)</p> <p>Location: Uda Walawe</p> <p>Approved April 1992</p>	<p>Heron a foreign owned company plan to conduct asparagus trials and produce bananas and mangoes on Lot 8, Uda Walawe special area, for the export market. The asparagus trials will be conducted on an experimental pre-investment basis before a final decision on full investment will be made. Assistance sought includes: a) the services of an agronomist to conduct asparagus trials; b) funding of irrigation equipment which can be used as a demonstration farm; c) marketing development for asparagus trials; and d) training for out-growers.</p>	<p>PIP assistance submitted and approved this quarter to assist Heron Agro Products develop asparagus trials in Uda Walawe. Heron have applied for land at Lot 8, Uda Walawe special area and await a cabinet decision. They are currently conducting land and water surveys. Providing the surveys are positive they will then commence operations to meet European March - May markets. Other planned activities include a study on outgrowers including availability, capability and hiring process.</p> <p>A. Private Sector Contributions</p> <table border="0"> <tr> <td>1. Budgeted Amount</td> <td>\$ 48,948</td> </tr> <tr> <td>2. Amount This Period</td> <td>\$ Nil</td> </tr> <tr> <td>3. Amount To Date</td> <td>\$ Nil</td> </tr> </table> <p>B. MED Technical Assistance</p> <table border="0"> <tr> <td>Level of effort</td> <td>Nil</td> </tr> <tr> <td>To date</td> <td>Nil</td> </tr> </table>	1. Budgeted Amount	\$ 48,948	2. Amount This Period	\$ Nil	3. Amount To Date	\$ Nil	Level of effort	Nil	To date	Nil
1. Budgeted Amount	\$ 48,948											
2. Amount This Period	\$ Nil											
3. Amount To Date	\$ Nil											
Level of effort	Nil											
To date	Nil											

PROPOSED PRE INVESTMENT PROGRAMS (PIP's)		
Company/address	Description of PIP	Status
<p>Forbes & Walker 46/38, Nowam Mawatha P.O. Box 60 Colombo 2. 4 Loc: System C</p> <p>Contact: S. Rabindranath Managing Director Tel: 431272</p>	<p>Provide assistance to carry out selected crop trials of sweet peppers for export, and other crops such as baby corn and onions that can be processed through the proposed pickle bottling factory facility.</p>	<p>FAS are preparing a proposal for PIP technical assistance to cultivate crop trials in System C. Proposal is expected to be completed early next quarter.</p>
<p>Country Style Foods Ltd. 201 St. Anthony's Road Kirimetiyyagara -Kandy Rd</p> <p>Contact: Mr Sarath Alahakoon Tel: 525027</p> <p>Location: System H Tambuttegama area.</p>	<p>To assist the company - the manufacturers of "SMAK" natural fruit and milk drinks - in the production of tropical fruits, including mango, papaya, lime and possibly guava for their fruit juice operations.</p>	<p>Mr Alahakoon visited System 'H' in December to identify suitable land for fruit production. Mr Indra Phillips agreed to assist Mr Alahakoon prepare his proposal for Mahaweli land and PIP assistance to increase his source of raw material supplies. Mr Alahakoon called late June to discuss production plan and crop data based on SMAK's next >5 years supply requirements. He is to research estimated water requirements and crop inputs. Estimate PIP will be finalized in coming quarter.</p>

POTENTIAL PRE-INVESTMENT PROGRAM (PIP) INVESTORS.

Company/address	Potential project	Status
<p>Heli Restaurant 233 Kandy Road Wakapola</p> <p>Contact: Mr Chamika Chandradasa Tel: none</p>	<p>Interested in producing rice vinegar and/or fruit vinegar for gherkin processors. They have paid CISIR Rs.40,000 for vinegar research and a study report. Estimate they will need Rs 5 lakhs to start the project. rs.150,000 for buildings, Rs. 250,000 for distillery equipment and remainder for working capital.</p>	<p>Mr Chandradasa and CISIR officials will meet with MED/EIED team on 2 July 1992 to discuss their proposal. Company state Forbes & Walker and Sunfrost have expressed interest in this vinegar project.</p>
<p>Informatics Agrotech Ltd., 65 Walukarama Road Colombo 3 Contact: General Manager Chandra Wijayatilake</p> <p>Tel: 575545/574789</p>	<p>Company project concept is to erect a cashew processing facility and to develop cashew on an additional 411 acres totalling 1,000 acres in System C.</p>	<p>Company envisage supplementary cashew production and processing facility on additional land in System C resulting in total land to be held by company at 1,000 acres. Unfortunately their main requirement is working capital assistance, which is not available under a PIP. We have advised them to consider a pilot processing facility under PIP assistance before seeking extensive assistance under a special project. We await company proposal.</p>
<p>Pure Beverages Co. Ltd 74 Union Place Colombo 2 Contact: S. de Silva - Manager General Accounting Tel: 20603, 447497 Fax: 447320</p>	<p>The company's main business is the bottling of Coca-Cola and other soft drinks. PBL are keen to develop an out-grower scheme for commercial fruit production of tropical fruits for processing into squash drinks and juice products.</p>	<p>No change from previous quarter. If taxes are reduced PBL are confident of submitting their corporate plan and proposal for PIP assistance, which will include future Mahaweli investments. We await PBL proposal.</p>
<p>Startechs 4A Perahera Mawatha Colombo 3</p> <p>Contact: Mrs S. Athauda</p> <p>Tel: 446605</p>	<p>Startechs plan to cultivate rambutan, foliage plants, papaya and passion fruit and will require technical assistance in agronomy and marketing.</p>	<p>No change since last quarter. Mrs Athauda still awaits a decision from EIED on her application for land of approximately 10 acres at the Pallekela area of Victoria dam project area for production of rambutan, papaya and passion fruit. Depth of management and financial position considered doubtful. Any PIP assistance would be small.</p>

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POTENTIAL PRE-INVESTMENT PROGRAM (PIP) INVESTORS.		
<p>Bary and Company 20 Malwatta Road Dehiwela</p> <p>Contact: Mohamed Bary Proprietor</p>	<p>Company are interested in the cultivation of specialty bananas. They are interested in land at Hingunukanamediyara (close to the Presidents bungalow) in Embilipitiya, Uda Walawe. State they would like 1,200 hectares and desire land with adequate water for cultivation.</p>	<p>No change from previous quarter. Earl Guise has been requested to arrange a meeting to discuss bananas and other alternate crops.</p>
<p>Ceylon Supply and Development Co Senanayake Building 7 Station Road Colombo 3</p> <p>Tel: 574511-5</p> <p>Contact: Priantha Dias</p>	<p>CSD intend to establish four collection centres and a cold chain distribution system in Mahaweli System 'H'. CSD plan to seek PIP technical assistance design the cold chain facility, train CSD staff in cold chain procedures. Some travel and marketing assistance may be sought.</p>	<p>CSD management have submitted a proposal for a cold chain in System H based on the MARD System B 50 tonne throughput facility. We have advised them to scale down their proposal to a 10 tonne facility. Further advised them that under PIP assistance, we are not in a position to provide similar funding assistance offered by MARD for the establishment of the System B cold chain facility. Discussions are to continue next quarter.</p>
<p>Ceylon Botanicals Ltd. 69 Sri Jinaratna Road Colombo 2</p> <p>Contact: Mr Candappa - Chairman of Directors Tel: 422694, 435213 436778/82, Telx: 21324CBL</p>	<p>CBL propose to lease 50 acre of Mahaweli land to set up a nucleus farm for the cultivation of organic rice and sesame for export. The company plan to demonstrate organic cultivation practices and help outgrowers convert their existing plantations to organic under certification. CBL also plan to function as a purchasing and processing centre for organic produce.</p>	<p>No change from previous quarter. We propose the organic farming specialist, now expected during 3rd quarter, inform Ceylon Botanicals (CBL) on market requirements and potential as well as develop the existing draft PIP proposal on organic rice and other potential PIPs.</p>

Project Steering Committee

Mr. D.G. Premachandra, Secretary, M/L.I. & M.D.
Mr. S. Jayaweera, Secretary, M/MD
Mr. K.H.S. Gunatilaka, Director-General, MASL
Mr. P.T. Senaratne, Secretary-General, MASL
Mr. Ananda Herath, Acting Managing Director, MEA
Mr. A.M. Ariya Abeysinghe, Director, EIED
Mr. Ajith Jayaratne, private sector
Mr. Granville Perera, private sector
Mr. Stephen Hadley, USAID representative

EIED Management Team

Mr. A.M. Ariya Abeysinghe, Director
Mr. Indra Phillips, Investor Services Manager
Mr. Sunil Amerasinghe, Market Development Manager
Dr. Upatissa Pethiyagoda, Consultant Agronomist
Mrs. P.C. Mathais, Finance and Administration Manager
Mr. Buwaneka Samarasekera, Special Projects/Enterprise
Development Manager

ISTI/MED Consultant Team

Dr. James Finucane, Chief of Party
Mr. Jayantha Jayewardene, Deputy Chief of Party
Mr. Paul Bundick, Small Scale Enterprise Advisor
Mr. Earl Guise, Medium/Large Enterprise Advisor
Mr. M. W. Panditha, Credit Advisor
Mr. Geoffrey Peters, Credit Consultant