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AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C. 20523

PROJECT PAPER

CITIZENS' PARTICIPATION

BEST AVAILABLE DOCUMENT

SRI LANKA
383-0119

Citizens' Participation (CIPART) Project No. 383-0119

PROJECT PAPER

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A

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete) — Amendment Number

DOCUMENT CODE: 3

COUNTRY/ENTITY: Sri Lanka

3. PROJECT NUMBER: 383-0119

4. BUREAU/OFFICE: Asia and Near East — ANE

5. PROJECT TITLE (maximum 40 characters): Citizens' Participation

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 05 DD 15 YY 00

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 94 B. Quarter 3 C. Final FY 97

8. COSTS ($000 OR EQUIVALENT $1 = Rs 48.80)

A. FUNDING SOURCE	FIRST FY 94 B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
AID Appropriated Total	738	70	808	6,149	851	7,000
(Grant)	(738)	(70)	(808)	(6,149)	(851)	(7,000)
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S. 1.						
Other U.S. 2.						
Host Country		2,000	2,000		8,000	8,000
Other Donor(s) (NGOs)					1,000	1,000
TOTALS	738	2,070	2,808	6,149	9,851	16,000

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	2. Loan	D. OBLIGATIONS TO DATE 1. Grant	2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	2. Loan	F. LIFE OF PROJECT 1. Grant	2. Loan
(1)									
(2)									
(3)									
(4)									
TOTALS									

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To strengthen democratic processes that enhance opportunities for ordinary citizens to address fundamental social, economic, and political development needs.

14. SCHEDULED EVALUATIONS

Interim MM 08 YY 96 MM 08 YY 98 Final MM 01 YY 00

15. SOURCE/ORIGIN OF GOODS AND SERVICES

[X] 000 [ ] 941 [X] Local [ ] Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a ____ page PP Amendment.)

USAID/Sri Lanka Controller concurs with the proposed methods of implementation and financing.

Linda Tarpeh-Doe

Linda Tarpeh-Doe, Controller

17. APPROVED BY

Signature

Title: David A. Cohen, Director, USAID/Sri Lanka

Date Signed: MM 05 DD 19 YY 94

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

MM 05 DD 20 YY 94

AID 1330-4 (8-79)

B

PROJECT AUTHORIZATION

SRI LANKA

Name of Project: Citizens' Participation

Number of Project: 383-0119

1. Pursuant to Sections 103, 104, 105 and 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Citizens' Participation (CIPART) Project for Sri Lanka. CIPART involves planned obligations not to exceed Seven Million United States Dollars (US$7,000,000) in grant funds to help finance the foreign exchange and local currency costs of the project. The funds will be obligated over a four-year period from the date of authorization and are subject to the availability of funds, in accordance with the USAID OYB allotment process. The planned life of CIPART is six years from the date of initial obligation.

2. CIPART will strengthen ordinary citizens' participation in the decision-making processes that affect their social, economic, and political well-being and enable government to better respond to citizens' issues. Activities financed under CIPART will include technical assistance, training, commodities, project administration, and audits and evaluations.

3. The CIPART Project Agreement will be negotiated and executed by the officer to whom such authority is delegated, in accordance with USAID regulations and delegations of authority. It will be subject to the major conditions and covenants listed in paragraphs 4 and 5 below, together with such other terms and conditions as USAID may deem appropriate.

4. Conditions

a. Commodities financed by USAID under CIPART will have their source and origin in the United States or in Sri Lanka, except as USAID may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services will have the United States or Sri Lanka as their nationality, except as USAID may otherwise agree in writing.

b. Ocean shipping financed by USAID under CIPART will, except as USAID may otherwise agree in writing, be financed only on flag vessels of the United States.

5. Covenants

a. The Government of Sri Lanka will establish a project advisory committee within eight (8) months of execution of the CIPART Project Agreement. This advisory committee is essential to maintain the necessary policy support for CIPART.

b. The Government of Sri Lanka will undertake to provide recurrent costs for project activities within the Government organizations that are beneficiaries of project-funded training or commodity support and will undertake to continue providing these recurrent costs, as appropriate and required, after the CIPART completion date; and

c. The Government of Sri Lanka will take steps to ensure that all Government employees who receive training outside of Sri Lanka will directly return to work for the same organization or in a related field for a period of not less than twice the period of their training.

d. The Government of Sri Lanka will participate in and approve the use of project funds for periodic project evaluations. These will include two interim evaluations and one final evaluation, for the purposes of measuring how well CIPART is achieving its objectives and the impact of project activities.

6. Local Source Procurement

With this Project Authorization I also approve:

a. Local source procurement of a local management and support contractor for approximately $300,000, pursuant to Handbook 1B, Chapter 5, sections 5B4(a)(7) and (8), because a local firm will be more able to deal with the many local administrative details which will arise under this contract; and

b. Local source procurement of office equipment for approximately $350,000, pursuant to the same sections of Handbook 1B cited above, because the project cannot afford the delay in ordering such a relatively minor cost item from the U.S. and because U.S. made office supplies are not readily serviceable in Sri Lanka.

Signature: _____
David A. Cohen
Mission Director

Date: 5/20/94

Clearance:		Date:
PRJ:WJeffers		5/13/94
RLA:MWard	DRAFT	4/8/94
PRM:LKuhn		5/16/94
ANR:GAlex		5/16/94
PSD:JLindborg		5/16/94
CTR:LTarpeh-Doe		5/16/94

TABLE OF ACRONYMS

AAFLI	-	Asian American Free Labor Institute
ANE	-	Asia Near East (Bureau)
CARE	-	Cooperation for American Relief Everywhere
CBA	-	Chambers (of Commerce) and Business Associations
CCSS	-	Central Council for Social Services
CIPART	-	Citizens' Participation Project
ERD	-	External Resources Department
FSN	-	Foreign Service National
GDP	-	Gross Domestic Product
Government/GSL	-	Government of Sri Lanka
IRED	-	Innovations Et Reseaux Pour Le Developpement
MARD	-	Mahaweli Agriculture and Rural Development Project
MED	-	Mahaweli Enterprise Development Project
M/I	-	Ministry of Information
M/J	-	Ministry of Justice
M/PCHA	-	Ministry of Provincial Council and Home Affairs
M/PPI	-	Ministry of Policy Planning and Implementation
M/RRSW	-	Ministry of Reconstruction, Rehabilitation and Social Welfare
NAREPP	-	Natural Resources and Environmental Policy Project
NGO	-	Non-Governmental Organization
NIC	-	Newly Industrialized Country

PIO/P	-	Project Implementation Order/Participant
PIO/T	-	Project Implementation Order/Technical Services
PVO	-	Private Voluntary Organization
SCOR	-	Shared Control of Resources Project
USAID	-	United States Agency for International Development
USAID/SL	-	United States Agency for International Development/Sri Lanka
USDH	-	United States Direct Hire
USIS	-	United States Information Service

1. PROJECT RECOMMENDATION AND SUMMARY

1.1. Project Recommendation

USAID/Sri Lanka recommends the approval and authorization of a $7.0 million grant to the Government of Sri Lanka (GSL) for the Citizens' Participation (CIPART) project (383-0119). CIPART is a six-year project, with a Project Assistance Completion Date (PACD) scheduled for May 15, 2000.

1.1.1. *Grantee:* The Secretary of Treasury will be the signatory of the Grant Agreement on behalf of the GSL. The External Resources Department (ERD) is the principal GSL contact for the implementation of this project and serves as co-chair of the CIPART project advisory committee, which meets once a year.

1.1.2. *Coordinating Mechanisms:* Project coordination will be the primary responsibility of USAID/Sri Lanka's Office of Projects Democracy, Humanitarian and Voluntary Initiatives Division (DHVI/Projects). ERD is responsible for coordinating GSL activities under this project and facilitating project actions that require GSL input. An advisory committee consisting of GSL representatives, USAID, NGOs and implementing organizations will help coordinate and provide policy guidance for CIPART project activities.

1.1.3. *Amount and Sources of Funding:* The total project funding for CIPART is $16.0 million. Project funding consists of $7.0 million from USAID, $8.0 million equivalent in local currency from the GSL in Title III set-aside funds, and $1.0 million from participating NGOs.

1.2. Project Summary

1.2.1. Project Rationale: The CIPART project responds to the need to increase opportunities for ordinary citizens to participate in the public decision-making processes that affect their political, social and economic well-being. Over the last ten years, Sri Lanka's development progress has been restrained by widespread unemployment, poverty, social unrest, ethnic conflict and dependency on government for services. Though the Sri Lankans have a high regard for their democratic traditions, the country's democratic institutions are not adequately serving large segments of the citizenry, bridging differences between groups, or facilitating citizens' input to decision-making processes. As a result sustainability of Sri Lanka's progress is at risk. Broader participation and more responsive and capable democratic institutions are essential for Sri Lanka to achieve its aspirations of becoming a modern, developed society.

1.2.2. Project Goal and Purpose: CIPART's goal is to provide the stable democratic environment essential to achieve Sri Lanka's objective of becoming a democratic Newly-Industrialized Country (NIC). CIPART project's purpose is to strengthen democratic processes that enhance opportunities for ordinary citizens to address fundamental social, economic and political development needs.

1.2.3. Project Results: CIPART is "people focused." CIPART's basic premise is that sustainable development can only occur when people are active participants. CIPART will encourage ordinary citizens to identify their own issues and solve their own problems, and it will strengthen the democratic institutions that enable people to manage their own resources and build their own futures.

At the end of six years, CIPART will have produced the following results in Sri Lanka: a) a more responsive local government; b) a more effective NGO movement; c) modernized legal systems, including greater respect for fundamental rights; d) a more professional media.

1.2.4. Project Description, Implementation and Management: CIPART is USAID/Sri Lanka's first bilateral project designed specifically to support its democracy strategic objective: "the greater empowerment of a broad range of citizens to participate in development." Activities will target segments of the population that have been, for a variety of reasons, left out of the development mainstream, especially women, youth, and citizens affected by the conflict in the North and East. The CIPART project consists of four interrelated components.

Component 1: Local Government - This component will enhance the ability of local governments to form partnerships with citizens' groups and NGOs in order to address issues of mutual concern, initiate innovative development programs with community-based NGOs, and forge more productive linkages with national government and other local governments.

Component 2: Participatory Development - This component will improve non-government organizations' (NGOs) ability to identify citizens' concerns and represent them to public policy decision-makers, form stronger working relationships with their government counterparts, and develop participatory economic activities for disadvantaged groups, including citizens affected by the conflict in the North and East.

Component 3: Modernized Legal Systems - This component will enhance the capabilities of formal (Court of Appeals and other selected courts) and informal (mediation and other dispute resolution alternatives) legal systems so that they are more efficient, effective and accessible to citizens, train legal and judiciary personnel, educate citizens on fundamental rights, and provide legal counsel and services to disadvantaged groups.

Component 4: Professional Media - This component will increase the professionalism of Sri Lanka's media. This will be accomplished by training journalists and editors, establishing education programs in journalism, and producing more professional media coverage of project-related activities and other development-related issues.

The project will be implemented through two cooperative agreements. The first cooperative agreement will implement CIPART's Local Government and Participatory Development components. It will be competitively awarded to an NGO or a consortium of NGOs. The selected organization will work closely with the Ministry of Home Affairs and Provincial Councils, the Ministry of Social Welfare and Rehabilitation, and the Ministry of Policy Planning and Implementation. The second cooperative agreement will implement CIPART's Modernized Legal Systems and Professional Media components. It will be awarded to The Asia Foundation (TAF) based upon their previous experience and expertise in these areas in Sri Lanka. TAF will work closely with the Ministry of Justice and the Ministry of Information.

A Project Advisory Committee will provide overall policy guidance and serve as the mechanism for coordinating project activities. The Committee will have 13 members, consisting of representatives of the GSL, local governments, USAID, NGOs and the two implementing organizations.

CIPART will be managed by USAID/Sri Lanka's DHVI Division . The Division is responsible for the overall management of the project, will oversee the provision of technical assistance, and will coordinate the implementing organizations' project activities.

Additional administrative and implementation services to supplement available USAID staff will be provided by a project management and support contractor. This contractor will come under the technical direction of the DHVI Division and will assist in the day-to-day administration and management of the project, provide technical assistance to NGOs in financial management and reporting systems; and participate in project evaluations.

1.2.5. Analyses: Summary of Findings: USAID/Sri Lanka has reviewed and discussed the CIPART project in detail. The project is considered economically, administratively and technically feasible, socially sound, and without negative environmental effects. The cost estimates are reasonable, and the project meets all applicable statutory criteria. Detailed analyses and other information supporting the project design are presented in Annexes E.1. to 7.

2. BACKGROUND AND PROBLEM STATEMENT

2.1. Background

Sri Lanka has been a functioning democracy since gaining independence in 1948. It has a strong executive presidency and a unicameral parliament. Periodic parliamentary and presidential elections have been largely free and fair. With an educated population and high literacy rate, freedom of information has been an important and sought-after ideal. Sri Lanka's constitution guarantees a wide range of fundamental rights, comparable to rights guaranteed in many western democracies. A well established legal system exists to enforce the rule of law, based on the constitution. A system of provincial councils was established in 1987 to devolve greater power to provincial and local governments.

Since the country's earliest civilizations, Sri Lanka's citizens have participated in formal and informal village structures to meet their needs. This participation has centered on religious life, the administration and maintenance of irrigation systems, and the affairs of village government and has emphasized self-help and mutual cooperation.

In the second half of the 19th century, NGOs emerged to address the social and economic problems of the growing urban and rural disadvantaged groups. In the 1930s, development-oriented NGOs began to work in the rural areas. Their proliferation and the need for conduits for resources led to the creation of umbrella organizations, which often have had a national or regional focus and provided a range of administrative, informational, or technical services to their members, which were usually community-based NGOs.

Sri Lanka's democratic institutions and traditions of citizen participation have resulted in some impressive social and economic indicators: a literacy rate of almost 90 percent; a child mortality rate of 25 per 1,000 live births and life expectancy of 70 years; private sector-led, market-oriented economic policies that have delivered an average annual growth in GDP of over 4 percent over the past decade; and foreign investment that has risen significantly over the past five years. Sri Lankans take an active interest in politics, with high voter turnout, normally over 70 percent in local and national elections. Better educated citizens and their representative NGOs publicly debate a range of issues and increasingly influence national policies and decisions. The Government has become more responsive to citizens' concerns in some sectors, particularly in areas dealing with environmental impacts, natural resource management, and the promotion of private investment. Sri Lanka is working to become a newly-industrialized country (NIC) early in the 21st century, which many view as a realistic goal.

2.2. Problem Statement

Sri Lanka needs the contributions of all its citizens if it is to reach its goal of becoming a NIC by the first part of the next century. However, ordinary citizens have limited opportunities to participate in, let alone influence, decision-making that affects their political, social and economic well-being.

The following constraints are the most important barriers to greater citizens' participation in Sri Lanka's development efforts:

- Widespread unemployment and poverty;
- Disruption to almost every aspect of their normal life in the North and the East due to ethnic-based conflict;
- A predominance of top-down approaches to problem-solving leading to a dependency on government to solve problems and a lack of awareness concerning alternative development processes;
- Few effective channels for citizens to work with local government;
- Limited ability to articulate issues in an organized and productive way to policy and decision-makers;
- Inadequate information regarding constitutionally-guaranteed fundamental rights and means of redress;
- A legal system that is inadequate to resolve the wide range and large numbers of pending civil, criminal, and commercial cases; and
- Controls on the free flow of information, which inhibit making informed decisions concerning their own development.

Several studies have pointed out the challenges Sri Lanka has faced in recent years in its efforts to develop a more broadly based, populist democracy. Sri Lanka's democratic institutions and development strategies are, in many respects, still adjusting to the influences of colonial and post-independence policies. Almost four and one half centuries of colonial rule imposed some fundamental changes on the social and administrative structures of traditional Sri Lankan village life. Social barriers to participation in public service were reduced and universal education was introduced. The modern-day parliamentary and court systems, universal adult suffrage, and regular elections are also legacies of the colonial era. However, the centralization of government and the development of export-oriented industries during the colonial era resulted in a breakdown of village-based, participatory approaches to problem-

solving, an increase in ethnic tensions and related social issues, a growing dependency on government, and a governing elite concentrated in established economic and social circles.

The Government's post-independence social welfare strategy led to impressive social indicators, but low GDP growth. Competition for political power led to policies in the 1950s which alienated minority groups. Unemployment reached high levels in the 1970s, especially among rural youth. Many felt they had inadequate access to legal or political avenues of redress for their grievances. The 1980s were marred by communal rioting, insurrection, and armed conflict in reaction to these social, economic, and political conditions. This social unrest has tested the resiliency and challenged the credibility of some of Sri Lanka's democratic processes and institutions. Concepts of individual freedoms, tolerance for other points of view, and the protection of minorities' rights need to be reinforced. Emergency regulations pervade daily life and effectively neutralize some of the constitutional guarantees and laws designed to protect fundamental rights. The lives of people living in the North and East are profoundly affected by the war. It is time-consuming and costly to redress grievances within the legal system. There is still a relative paucity of fora and institutions that can represent the voice of ordinary people in discussions with local and national decision-makers.

2.3. Project Approach

2.3.1. CIPART Strategy: The key to addressing many of these problems is active participation of citizens in public decision-making processes. Citizen participation is defined as "interaction between citizens and their government" to identify and overcome constraints to development and redress grievances. CIPART efforts will equip citizens with knowledge and skills to articulate their development needs, encourage self-initiative, and provide the means to follow up with a plan of action. In this context, CIPART will work through organized intermediary organizations such as citizens' groups and NGOs and government organizations such as local government and the judiciary as important means to forging partnerships between citizens and their government to addressing problems of mutual concern.

In order to enlist the participation of citizens to help their country attain NIC status, CIPART will focus on two interrelated issues: 1) removing barriers which inhibit greater citizens' participation in the processes which identify and resolve their development problems and result in increased social or economic well being; and 2) assisting democratic institutions be more responsive in encouraging citizens' participation and identifying and resolving their problems.

Within this framework, CIPART will place the highest priorities on:

> Disadvantaged citizens who have been left out of the mainstream of social and economic development. Examples include persons displaced by the conflict in the North and

East, women, low wage industrial workers, urban slum dwellers, and people with disabilities;

- NGOs that can enlist and empower other citizens' groups and provide support services and leadership on development issues;

- Local governments, especially the "pradeshiya sabhas," which are willing to work with citizens' groups and their representatives on development issues of mutual concern;

- Institutions, both formal and informal, which improve citizens' access to legal services, dispute resolution and protection of fundamental rights; and

- Media organizations that provide reporting on development issues, based on accurate and balanced information.

Sustainability[1] is a preeminent concern of CIPART. Sustainable development hinges on people becoming active participants, not passive recipients of development processes. CIPART will help build the institutions and individual capacities that enable people to take control of their own lives and develop their own societies. In the areas of the CIPART project focus, the project will address issues of sustainability through the cross-cutting themes of advocacy, institutional strengthening, and technical program proficiency. Advocacy will be the constructive process where citizens' needs are articulated and negotiated at the appropriate policy level. It can take place in a variety of fora, including committees, public debate, and the media. Institutional strengthening will increase the professionalism and financial viability and accountability of citizens' groups, NGOs and local government. Technical program proficiency will result in less expensive, more efficient and effective solutions to development problems on the part of each of the development partners. These sustainability themes will be discussed in project evaluations.

2.3.2. Target Groups: Youth (ages 18-25) will be targeted for support under CIPART. Approximately 20% of the Sri Lankan population is concentrated in this age group. As the Report of the Presidential Commission on Youth describes, Sri Lankan youth have become alienated because of high unemployment rates and of limited opportunities for input into matters related to and shaping their future. It is vital that this generation be brought into the political and economic life of the country, both to avoid the violence of the past decade and to utilize the skills and energy that youth can contribute to Sri Lanka's efforts to become a NIC.

[1]Sustainability of the project is discussed throughout this paper including section 3.4 - page nos 15, 18, 20, 21, and 34, and also in the technical analysis.

Another segment of the Sri Lankan population that will be targeted under the CIPART project is women. In Sri Lanka, despite high education and literacy rates, women, who comprise almost 50% of the population, face significant legal, political, social, and economic obstacles to becoming full participants in civic life. For example, the unemployment rate for women is twice that for men. Also, though Sri Lanka was the first country to elect a woman as Prime Minister, women's participation in political decision-making processes at both national and local level has been extremely low. The wellspring of talent and civic commitment that women can bring to Sri Lankan economic and political life needs to be tapped.

Finally, it is vital to the health of democracy in Sri Lanka to encourage national integration and civic participation in the North and East. Approximately 14.5% of the population lives in the North and the East. Their lives have been severely disrupted by the war, and among the hardest hit have been women and children. In addition to contributing to comprehensive efforts to rebuild people's lives through employment, rehabilitation, and resettlement activities, efforts that reintegrate the population of these areas back into the democratic life of Sri Lanka must be supported. The recent elections of the Pradeshiya Sabhas in the East is an encouraging step in this direction. Political conditions permitting, CIPART will identify and support activities which link organizations in the (North and) East to organizations in other parts of the country engaging in similar activities.

The project will also target lead or umbrella groups that can consolidate citizens' groups' input and amplify their concerns. In the Sri Lankan development context, these umbrella groups play a vital role, acting as dynamic agents in reducing the isolation that numerous NGOs in the country experience, as facilitators in the transfer or provision of resources, expertise, and experience to the NGO community, in information dissemination, materials development and production, and in providing and coordinating training programs. CIPART is especially interested in umbrella groups that address issues related to the project's four component areas, such as human rights and groups that address the issues of target beneficiaries. CIPART will also support those groups that are poised to be effective agents of economic advocacy, such as farmer, micro-enterprise, and labor groups as well as chambers of commerce and business associations (CBAs), and groups that address cross-cutting issues of civic concern such as drug abuse, AIDS, or child survival.

Project implementation will be primarily the responsibility of the lead implementing organizations. Some activities will be implemented by these organizations through subgrants with organizations such as NGOs, chambers of commerce and business associations, as well as with local government entities. Covering the four project components, approximately ten of these subgrants will be made over the life of project, based on certain administrative and programmatic criteria. Examples of administrative criteria could include the potential recipient's organizational capability to absorb USAID funding, including its experience with donor funding, demonstrated management, technical and administrative capabilities, and established financial systems, and its compliance

with applicable U.S. and Sri Lankan NGO regulations. Examples of programmatic criteria could include the potential recipient's area of expertise (e.g., displaced persons, representation of small businesses, targeted poverty groups), its experience or potential to work with local government (or, in the case of local government entities, with citizens' groups and local NGOs), its experience in organizing community-based citizens' groups, and its experience or potential to serve as advocates for its constituents. These criteria will be further refined in the process of soliciting proposals and negotiating the program descriptions of the cooperative agreements with the lead implementing organizations.

2.3.3. USAID Strategy: Within USAID's "sequencing" of democracy programs, Sri Lanka falls within the category of "sustainable development countries" with entrenched democratic institutions. CIPART is consistent with the preliminary draft guidance from USAID/Washington, entitled "Building Democracy: USAID's Strategy" and the draft of USAID/W's "Democracy Implementation Guidelines." USAID/W has identified four program areas for democracy--elections, rule of law, civil society, and governance. CIPART's four program components coincide with rule of law (modernized legal systems), civil society (participatory development), and governance (local government), with the addition of a professional media component. The selection of these components is based on USAID/SL's experience with democracy activities and is supported by a constraints and feasibility analysis in the Technical Analysis Annex E.1. Under each component, CIPART's focus will be on some of the same activities recommended in the draft of USAID's democracy strategy: Governance (public administration, government accountability, decentralization, management and outreach training, and local government capabilities); Participatory Development (organizational development of human rights groups, professional organizations, and local NGOs); and Modernized Legal Systems (legal reform, judicial infrastructure, training of judges and lawyers, alternative dispute resolution, citizen awareness of legal rights). Guidance from USAID has emphasized the important role of international and local NGOs in development. CIPART recognizes and supports the vital role played by NGOs in the implementation of democracy projects.

CIPART is also consistent with USAID/SL's democracy program, which has evolved as a result of analyses and activities initiated under the ANE Bureau's Democratic Pluralism Initiative. Among the recommendations made in past analytical work for broader USAID support of democracy in Sri Lanka, the project will implement specific recommendations dealing with disadvantaged groups, human rights, policy-oriented research, better communication among development partners, measurement of public opinion and attitudes, civic education, support to umbrella and local NGOs, and the special problems of the conflict areas.

This project is also consistent with USAID/SL's Strategic Framework, with the overall goal of Sri Lanka becoming a greener, democratic, newly industrialized country with sustainable accelerated economic growth. This framework has strategic objectives which focus on economic growth, environment, and

democracy. CIPART is USAID/SL's first bilateral project designed specifically to support the democracy strategic objective, which is "the greater empowerment of people to participate in development and democracy." The CIPART tracking and monitoring system will contribute data which support the four program outcomes under the democracy strategic objective, including 1) a viable and effective NGO movement; 2) increased public awareness and participation; 3) established avenues of communication; and 4) targeted program results.

CIPART will also learn from and indirectly enhance some of the activities of other USAID/SL projects, such as MARD, MED, NAREP, AGENT, PVO II, and SCOR, that are working with citizens' groups. Lessons learned from this project pertaining to citizens' groups, the establishment of policy agendas and dialogue with Government, and the use of NGOs as advocacy organizations, may be applicable to these projects. CIPART will invite these projects' implementing organizations to observe and, as appropriate, participate in project review sessions. This will encourage them to apply CIPART's experiences to their own development issues.

2.3.4. GSL Strategy: The Government's goal is for Sri Lanka to become a NIC early in the 21st century. Its strategy to achieve this is through a process of economic liberalization that has been accelerated in recent years. While restructuring its economic framework, the Government is decentralizing various powers to eight provincial councils and over 200 "divisional secretaries," which typically serve communities not larger than 50,000 citizens and sometimes as few as 5,000. Although the Government has maintained a strong policy of support for poverty alleviation and rural development, it recognizes that its resources are limited. It has endorsed the participation of NGOs in community-level programs; but it has expressed concern about NGO accountability and transparency. The preliminary findings and subsequent "emergency legislation" of a recently concluded presidential commission on NGOs indicate that the Government intends to monitor NGO activities more closely in the future.

Speeches by senior Government officials emphasize the great importance the government and the Sri Lankan people ascribe to their democratic traditions. For example, excerpts from a recent speech by the Prime Minister to the Overseas Development Council in Washington, D.C. on October 14, 1993 include the following:

> ...Freedom of the people and democratic institutions are corollaries of a free market economy. They all have to go together, in a symbiotic relationship.
>
> ...the leading economies and international financial institutions...must support democracy, good governance and human rights.
>
> ...Sri Lanka welcomes the Clinton Administration policy of "enlargement of the world's free community of market democracies" for the post-

Cold War era and looks forward to active American leadership. I hope that strengthening "old" democracies would be an integral part of the implementation of this policy.

With its emphasis on democratic institutions, increased responsibility and responsiveness of government, and greater citizens' participation, CIPART is consistent with these Government strategies. CIPART will also emphasize the professionalism of NGOs as agents of development and advocates of citizens' participation, consistent with recent Government calls for greater transparency and accountability on the part of development organizations.

2.4. Project Assumptions

There are assumptions and issues, some of which are external to USAID's assistance program, which will indirectly affect prospects for CIPART's success. Four major assumptions are discussed in this section; other assumptions are included in the project's logical framework (annex B).

An important assumption pertains to Government policies that affect Sri Lanka's ability to move toward NIC status. These include the need for a private sector-fueled growth strategy and the link between the environment and sustainable development. USAID's broad development strategy for the country will continue to support policies conducive to private sector growth and protection of the environment. CIPART will contribute to these policies, for example, through its support to chambers of commerce and business organizations (CBAs) as they continue to strengthen their capacities for policy dialogue with the government at the national level. In addition, CIPART will promote stronger efforts to link national level CBAs with CBAs at province level and below.

Another assumption will be the progress made toward resolution of the conflict in the North and East. With the successful local elections in the Eastern Province and Vavuniya in the Northern Province, the Government has already made progress in introducing democratic institutions in the conflict areas. However, more needs to be done to successfully resolve this conflict and introduce democratically elected local government bodies in the North. Emergency Regulations give the President broad powers to proclaim special laws without going through the normal legislative process. They have been used mainly to deal with the North and East conflict but have adversely affected Sri Lanka's democratic political process throughout the country. Although it would be presumptuous to say that the CIPART project will directly contribute to introducing democracy in the North, the democratic processes that are strengthened and the feeling of empowerment that is awakened by CIPART may contribute to changes in attitudes and practices that are prerequisites for sustainable conflict resolution on a national scale.

Continuing commitment by Government to devolve power to lower levels of government is an important issue. Local government partners must have

adequate resources at hand to address their needs. Although the project may be able to deal with some resource deficiencies, such as training needs, it may sometimes only identify other deficiencies, such as staffing and budgetary requirements, which will require separate source of adequate Government counterpart contributions. Even these deficiencies, however, could become an asset. As these deficiencies are recognized as obstacles to the development process, it may be possible for NGOs and other citizens' organizations to cooperate with local government from the village level to provincial councils in bringing these deficiencies to the attention of national government institutions and to seek greater devolution of power over resource allocations at lower levels, closer to the people.

Statements by political leaders and even the findings of official government commissions, such as the Youth Commission Report, have highlighted many of the problems confronting democratic development in the country. The Sri Lankan government and its political leadership appear committed to the continued development of democratic processes. The media is full of statements by political leaders of the ruling and opposition parties that praise Sri Lanka's democratic traditions and institutions (see Section 2.3.4.). The most important assumption of the project is that the people and leaders of Sri Lanka are, in fact, committed to the public debate and changes that may occur under a democratic system and that they will see the wisdom and strength in allowing democratic forces to shape the country's future and help it realize sustainable and equitable development.

3. PROJECT DESCRIPTION

CIPART will empower citizens to participate more effectively in public decision-making by: 1) supporting non-government organizations which consolidate citizens' inputs and forge alliances between citizens and government; 2) facilitating joint projects between community-based organizations and local government; 3) modernizing legal systems to expand citizens' access through improved administration of justice, alternative dispute resolution, and broader public understanding of fundamental rights; and 4) strengthening media organizations to increase the quantity and improve the quality of information necessary for the public exchange of ideas and views. CIPART builds on USAID/SL's strong relationship with the Government and over 14 years' experience with international and local NGOs and other citizens' groups such as CBAs, professional associations and farmer organizations. It emphasizes professionalism on the part of its implementing institutions. It encourages a partnership between citizens and their local government in identifying and resolving problems. It works on two levels-identifying and resolving grassroots issues at the local level, and working with national institutions to create a better policy framework for the work undertaken at the grassroots level. It recognizes that there is a proper balance between "process" and "results" orientation that must be maintained. It also recognizes that the strengthening of democratic processes that result in social, economic and political improvements is incremental and takes time.

3.1. The Project Goal

The project goal is to provide the stable democratic environment essential to achieve Sri Lanka's objective of becoming a democratic NIC. This goal supports the often-stated Government objective of reaching NIC status by enhancing citizens' awareness of their country's longstanding democratic values and their role as partners in development.

3.2. The Project Purpose

The project purpose is to strengthen democratic processes that enhance opportunities for ordinary citizens to address fundamental social, economic, and political development needs.

3.3. End of Project Status

CIPART is people focused. The basic premise of the project is that sustainable development can only occur when people are active participants and have a stake in the development process. Project assistance will help encourage ordinary citizens to identify their own issues and solve their own problems and will help to strengthen the democratic institutions that enable people to manage their own resources and build their own futures. By the end of the project, CIPART will have supported programs and policy dialogue which will contribute to the following results:

- More responsive local government;
- A more effective NGO movement;
- Modernized legal systems, including greater respect for fundamental rights; and
- A more professional media.

These results often complement and reinforce each other, and their mutually reinforcing nature is described in the Technical Analysis Annex E.1. The Technical Analysis contains a constraints analysis, justification for CIPART intervention, and proposed project strategies for overcoming these constraints. The following paragraphs are a summary description of each of the four CIPART program areas of focus, hereinafter referred to as "project components."

3.4. Project Components

The following project components will be achieved through targeted activities, to be implemented by the recipients of two cooperative agreements. The exact nature of activities will be elaborated during the solicitation and negotiation process for the agreements. A summary of proposed activities is attached to the Logical Framework (Annex B).

3.4.1. Component 1 - Local Government: Local government and officials often have the best contact with ordinary citizens, are most familiar with their development issues, and provide the most convenient opportunities for them to air their grievances and resolve their problems. The Thirteenth Amendment to the Constitution and the Provincial Councils Act devolve certain powers to local and provincial governments. There is a network and hierarchy of national, provincial, and local government offices which are responsible for various infrastructure and administrative functions. In the local government category, there are municipal and urban councils which govern the large cities and towns, and the "pradeshiya sabhas" which govern a smaller population base. This devolved system of governance was created in 1987 to respond to appeals, especially by minority groups, for greater decentralization. In the East, "pradeshiya sabhas" were elected for the first time in 1994.

Although certain powers have been devolved to provincial and local governments, there are a number of constraints that affect their performance. These include a lackluster effort to date by national government to provide training, budgetary, and other support services to local government, a lack of managerial experience by the elected leaders, and administrative procedures and a "bureaucratic culture" that are not user-friendly or service-oriented. Budgetary resources are inadequate because of the limited authority of local officials to raise revenues. Many officials do not understand or exercise the powers that have been devolved to them. Many officials inadequately involve citizens in policy planning. Local governments often do not have effective mechanisms for discussing or resolving their needs with national officials. As a result, citizens lack confidence in their local governments to help them address their needs and problems.

The CIPART strategy for this component will be to increase the participation of ordinary people in public decision-making. This will be accomplished by working with "pradeshiya sabhas," local government bodies with the best structure to interface with citizens' groups. The project will create working relationships between citizens' groups and other local NGOs and local government for development activities. The project will improve the ability and interest of local government to respond to citizens' needs in the provision of social services and the development of economic opportunities through training in management and in participatory development strategies. The project will also develop links between local government and other levels of government to represent its constituencies. The project expects to achieve the following outputs:

- Better trained local government officials;

- Productive working relationships between local governments, citizens' groups and local NGOs;
- Innovative local government development initiatives that have been worked out with citizens' groups; and
- Improved links between national and local governments.

The following activities are planned under this component:

- Joint local government and NGO community-based development projects
- Training and technical assistance to citizens and government officials for addressing development concerns and improving the representation of citizens' groups with government agencies; and
- Seminars establishing a dialogue with government officials, NGOs and donors, especially for identifying sources of funding and for linking local government development programs with other resources.

Project-funded activities will enhance the leadership skills of target groups (see Section 2.3.2.) through both training and apprenticeships. Opportunities to create links between the newly reestablished local governments in the East and other local governments will be pursued. Local government officials will work with NGOs to address such local issues as land and water use and other resource management concerns. Other activities will focus on citizens, especially women, youth, and residents of the North and East, to overcome obstacles to finding employment through partnerships with labor groups, micro-enterprise groups, and/or CBAs. Civic education training for local communities, including programs in consensus-building and in gender sensitization, will be funded.

CIPART's focus on strengthening local governments is vital to good governance, a core element of sustainable development. Local governments are essential entities for promoting, increasing and sustaining citizens' participation. Analyses indicate that forging a relationship between government and citizens at the local level encourages pluralism, inclusion and problem-solving.

The Local Government program will sustain the project purpose by: 1) increasing the capacities of local governments to implement their responsibilities efficiently and effectively and to influence national decision-making processes that will benefit disadvantaged, minority groups and the citizenry at large, and 2) increasing government and citizen partnerships to address problems of mutual concern.

3.4.2. Component 2 - Participatory Development: There are over 50,000 local NGOs in Sri Lanka, many crossing ethnic and religious barriers, that give voice to their constituents in such disparate areas as politics, labor, women, environment, and human rights. There are also a few national umbrella organizations that link many of these local NGOs. Many of these umbrella organizations have been established only recently.

A number of historical and modern societal factors have reduced the initiative and/or capability of ordinary citizens to organize themselves in ways to influence the development issues that affect their daily lives. This is especially true for the disadvantaged groups who suffer from the effects of poverty, ignorance, and civil strife. Although they have recognized the plight of these groups and stepped in to advocate on their behalf, NGOs in Sri Lanka are only beginning to make the transition from a welfare to a participatory development orientation. Too often, beneficiary groups of NGO activities are not involved in organizational decision-making processes. Some groups have administrative and programmatic weaknesses that affect the sustainability of their programs. Sometimes, their inexperience and lack of professionalism has led to distrust on the part of the Government and reduced their effectiveness as advocacy organizations.

There are special issues and important opportunities in working with people in the conflict areas of the North and East. Administrative and social structures have been damaged, even down to the family unit, and need to be rebuilt. At least 140,000 families have been displaced because of the conflict. Many more face restrictions to their travel and economic activities. With food rations and basic health services, the Government and NGOs are providing for the immediate need of people in displaced persons' camps. However, there are concerns of psychological adjustment, particularly of children, due to the stresses of prolonged camp life and of malnutrition and other health problems brought on by inadequate food supplies and inadequate living conditions. The next steps in restoring a sense of dignity and control over their lives is the creation of jobs, the resettlement of people in their homes and the rebuilding of avenues of social, economic and political participation. Recent elections and the establishment of "pradeshiya sabhas" in the East give hope to opportunities to reintegrate citizens' groups within a normal civic structure.

The CIPART strategy for this component will be to build the institutional and individual capacities that enable ordinary people to take control of their own lives and develop their own futures. This will be accomplished by using umbrella organizations, working with local NGOs, to address a range of development issues that affect the ordinary citizens who will be project beneficiaries, be they victims of civil strife, rural farm women, urban slum dwellers, industrial workers, small-scale entrepreneurs, or others. CIPART will encourage participatory approaches by groups to problem-solving. The project will work on improving the linkages between citizens' groups and local NGOs and the working relationships of NGOs, citizens' groups and government at all levels.

Building on past USAID experience and by working with a variety of local and international NGOs, the project expects to achieve the following outputs:

- Creation of new or strengthened citizens' groups using participatory development approaches;
- Economic opportunities for disadvantaged groups and more jobs for more people, with a special emphasis on citizens' located in the North and East;
- More productive working relationships between NGOs and government organizations; and
- Professional NGOs which serve as an umbrella to other citizens' groups, provide support services and leadership and demonstrate strong networking capability.

The following activities are planned under this component:

- Assistance in the (North and) East directed at economic rehabilitation, the creation of local government institutions, and assistance to vulnerable groups, particularly women and children;
- Assistance to "umbrella" NGOs that form networks with smaller, community-based NGOs, advocate on behalf of their members, and strengthen the coordination between government and NGOs; and
- Development of new program areas which are supportive of participatory development.

Project-funded activities of target groups (see Section 2.3.2.) will promote the involvement of women, youth, and low-income groups in NGO decision-making and program planning, perhaps through a combination of leadership training for these groups and the development of institutional mechanisms to ensure representation of these groups in decision-making processes. The CIPART project will support grassroots participatory economic programs for women, youth, and citizens in the North and East as well as support comprehensive programs for the resettlement of displaced people. Funds will be earmarked to umbrella groups for skills training for target groups and for policy analysis of issues facing them. Training will be provided to NGOs in participatory approaches to development, including programs in consensus-building and in gender sensitization.

Participatory development is fundamental to a vibrant civic society, a core element of sustainable development. Participatory development extends decision-making to the grass-roots level and reaches out to major segments of the population which have been left out. This results in more broad-based development and deepens benefits to society. Analyses indicate that citizens

groups and NGOs serving as intermediary organizations are essential and appropriate entities for sustaining broad-based participatory development.

The Participatory Development component will sustain the project purpose by: 1) building the professional and institutional (including financial viability) capabilities of the intermediary organizations to assist citizens improve their prospects and represent their interests in the public policy and decision-making processes, and 2) increasing the participation of major groups of citizens whose interests are under-represented in Sri Lanka's development programs. These groups include women, youth, people affected by the conflict in the North and East, and the economically disadvantaged groups in the rural and urban areas of Sri Lanka.

3.4.3. Component 3 - Modernized Legal Systems: Respect for such fundamental rights and freedoms as those of conscience, thought, speech, association, religion, legal protection, habeas corpus, and due process are considered inalienable by Sri Lanka and most democracies. In Sri Lanka, there is widespread belief in the rule of law and support for the legal structures that exist to uphold the rule of law.

The formal judicial structure, based on English and Dutch legal systems, includes a system of magistrate, district, appeals, and supreme courts, dealing with a wide range of civil, criminal, and commercial cases. A separate system of labor tribunals hear labor and industrial disputes. An informal structure of mediation boards comprising of volunteers trained in dispute resolution exists for people who do not have the need, time or financial resources to use the court system.

There are problems of accessibility and institutional capacity which mean that many citizens do not have effective legal recourse for their grievances. The civil conflict in the North and East has effectively destroyed legal processes based on due process in those areas. Poverty excludes a large number of people who cannot afford legal fees, especially those living in rural areas. Overcrowding and inefficient procedures in the lower courts result in case bottlenecks. Mediation board adjudicators are not well trained, resulting in a lower than normal case resolution rate. There is a need for specialized boards to handle commercial cases. More than a decade of civil strife has seen abuse of fundamental rights by officials and civilians operating outside of the law and the imposition of emergency regulations that give the Government broad powers of arrest and detention without due process.

The CIPART strategy for this component will be to encourage ordinary people to resort to existing legal processes and to make those processes more responsive to their needs. It will also increase the security of ordinary people in the knowledge that their fundamental rights will be protected. This will be accomplished by building on past USAID experience and by working with a variety of local NGOs, the Ministry of Justice, the Court of Appeals (and possibly the Labor Tribunal and Magistrate and District Courts), and mediation boards. The project expects to achieve the following outputs:

- Modernization of the Court of Appeals and possibly selected other courts;
- More efficient and effective mediation boards;
- Better trained judges, lawyers, and other court officials;
- A raised public awareness of legal rights; and
- Legal aid services to disadvantaged groups.

The following activities are planned under this component:

- Modernization of the court system by assisting the automation of the Court of Appeals, enhancement of mediation boards' performance, and examination of other dispute resolution alternatives;
- Technical assistance and training to upgrade the skills of judges and lawyers in areas which will improve case management and facilitate new legal approaches related to development issues;
- Support to legal aid clinics established by citizens' groups by assisting lawyers' associations providing free legal counsel;
- Community legal awareness programs;
- Development and implementation of university (and perhaps secondary school) curricula on constitutional issues; and
- Support to one or two new and/or existing groups involved with fundamental rights.

With respect to the CIPART project's target groups (see Section 2.3.2.), project-funded activities will ensure that legal awareness programs target women, youth and citizens of the North and East. Activities will facilitate the translation of fundamental rights discourse and judgements into Sinhala and Tamil. CIPART will support research into areas of legal reform as well as support efforts to introduce public interest litigation in order to ensure that the law addresses issues of concern to target groups. Support will also be given to efforts by umbrella groups to address, for example, the legal issues of farmers, laborers, micro-entrepreneurs, and business people perhaps through internship programs. Civic education programs will heighten citizens' awareness of fundamental rights issues, including those related to women and minorities.

Modernizing Sri Lanka's legal system will enhance respect for the rule of law and fundamental rights, core characteristics of sustainable development. Analyses indicate that a legal framework that is accessible guarantees respect for citizens' rights and ensures a degree of regularity in public and private affairs

of ordinary people. Legal systems are prerequisites for sustaining active and effective citizens' participation.

The Modernized Legal Systems component will sustain the project purpose by: 1) increasing the accessibility of the legal systems to ordinary citizens; and 2) increasing citizens' utilization of the legal systems and mediation alternatives to resolve disputes and redress their grievances.

3.4.4 Component 4 - Professional Media: Access to an objective, independent, professional media is important for information purposes and as a forum for informed public debate. There are eight national daily newspapers, publishing in Sinhala, Tamil and English. There are dozens of small periodicals known as "tabloids" that range from reliable and influential papers with investigative pieces and opinion articles to fly-by-night publications with limited life spans. The Free Media Movement was founded in 1993 to sponsor meetings to discuss media freedoms and to protest moves to control the press. Since 1992, six privately-owned television and radio stations have come on the air, providing chiefly entertainment media. This media variety has an avid following among people from all levels of society, who are highly literate and usually have access to radios or television.

The high standards of Sri Lankan journalism in the 1950s have declined over the past decades due to several factors. These include the censorship restrictions imposed by Government in response to civil strife, state ownership and control of the largest newspaper group, self-censorship by journalists who fear reprisals by Government and other groups, the low image and pay scales of the profession, and inadequate training in researching articles and journalistic writing. Sri Lankan media also lack a public opinion polling capability.

The CIPART strategy for this component will be to make ordinary people better informed of their development opportunities and their rights as citizens. Through the media, CIPART interventions will increase citizens' participation in public debate, encourage a more responsive and accountable government to citizens' issues, and provide more accurate information to the public at large. This will be accomplished by building on past USAID and USIS experience and by working with a variety of local and national NGOs, the project expects to achieve the following outputs:

- Strengthened media associations;
- Better trained journalists and editors;
- Establishment of a university degree program in journalism that includes development issues;
- Establishment of a press ombudsman and journalism awards; and

- More professional media coverage of project-related activities dealing with local government, participatory development, modernized legal systems, professional media, and other development and democracy issues.

The following activities are planned under this component:

- Technical assistance and training (including workshops and study tours) to senior journalists and editors to expose them to international practices and improved management techniques;
- Upgrading of university journalism programs by funding a faculty position and/or production of local language classroom texts;
- Establishment of a press ombudsman through media organizations;
- Development of a public polling capacity in the media; and
- Institutional support to strengthen and professionalize media associations so that they can effectively represent the interests of their members with government and other organizations.

With respect to the CIPART project's target groups, project-funded activities will support media initiatives by women, youth, and citizens in the North and East. Under the CIPART project, journalism training will be available in Sinhala, Tamil, and English and scholarships will be available to students who are financially unable to pursue journalism degrees. A course in media ethics will be included in training courses and in the university curriculum. The project will consider the equitable, non-derogatory coverage of youth, women, minorities, and economically disadvantaged groups as important criteria for the press ombudsman's evaluation and for journalism awards.

CIPART's focus on employing the media to enhance citizens' participation will contribute to sustainable development. Access to objective, independent media is important to promoting and protecting freedom of expression and participation.

The Professional Media component will sustain the project purpose by: 1) increasing the capability of the media to provide a non-biased, non-partisan free flow of facts which offers a wide variety of opinions and information and represents many different perspectives, and 2) increasing citizens' use of quality media information to make informed development choices.

4. COST ESTIMATE AND FINANCIAL PLAN

4.1. Project Costs

The total project cost is estimated at $16 million. USAID will contribute $7.0 million from Development Assistance funds for foreign exchange and some local currency costs. The Government will allocate the equivalent of $8.0 million in local currency from the PVO Title III set-aside. NGOs will provide $1.0 million, split between cash and in-kind contributions. Detailed budget worksheets, with a further breakdown of projected costs by component and line item, are included in the project files.

TABLE 1

SUMMARY COST ESTIMATE AND FINANCIAL PLAN

(US $ 000)

Source	AID		Host Country		Other*		Total	
Inputs	FX	LC	FX	LC	FX	LC	FX	LC
Tech. Assistance	3,059	189	0	5,145	0	1,000	3,059	6,334
Training	1,977	24	0	896	0	0	1,977	920
Commodities	910	359	0	1,379	0	0	910	1,738
Logistical Support	0	100	0	580	0	0	0	680
Audit/Evaluation	203	179	0	0	0	0	203	179
Total	6,149	851	0	8,000	0	1,000	6,149	9,851

*PVO Contribution

4.2. Sources and Uses of Funds

Project financing will be used for the following items:

TABLE 2

COSTING OF PROJECT OUTPUTS/INPUTS

(US $ 000)

Project Inputs	Project Outputs					Total
	Local Government	Development Groups	Legal Systems	Media	Project Support	
AID Appropriated:						
Tech. Assistance	244	1,069	1,321	286	328	3,248
Training	376	495	606	469	55	2,001
Commodities	0	275	984	0	10	1,269
Logistical Support	0	0	0	0	100	100
Audit/Evaluation	0	0	0	0	382	382
Other US:	0	0	0	0	0	0
Host Country:						
Tech. Assistance	1,266	2,547	660	672	0	5,145
Training	254	265	249	128	0	896
Commodities	440	939	0	0	0	1,379
Logistical Support	0	0	0	0	580	580
Audit/Evaluation	0	0	0	0	0	0
Other (NGOs):						
Tech. Assistance	0	1,000	0	0	0	1,000
Total	2,580	6,590	3,820	1,555	1,455	16,000

4.3. Host Country Contribution

It is estimated that host country contributions will represent 56 percent of project costs, or approximately $9.0 million. These contributions will come from Government owned local currency ($8 million) as well as cash and in-kind contributions ($1 million) of participating NGOs, citizens' groups, and local governments. The NGOs contributions will be further defined at the time that the implementing agreements are negotiated.

4.4. Projection of Expenditures by Fiscal Year

Funds for USAID's contribution to CIPART will be obligated to the project over four years. These funds will be supplemented by allocations from Title III local currency generations. Table 3 represents the projected expenditures by fiscal year.

TABLE 3

PROJECTION OF EXPENDITURES BY FISCAL YEAR

(US $ 000)

Fiscal Year	USAID	Host Country	Other (NGO)	Total
1994	245	75	0	320
1995	2,197	3,343	1,000	6,540
1996	1,986	2,286	0	4,272
1997	1,299	1,507	0	2,806
1998	905	668	0	1,573
1999	279	121	0	400
2000	89	0	0	89
Total	7,000	8,000	1,000	16,000

The above expenditure schedule is also based on recent USAID projections of the Title III levels for Sri Lanka and requirements for GSL budget support to implement the policy changes negotiated in the recent Title III agreement.

5. IMPLEMENTATION PLAN

5.1. Project Management Structure

CIPART's management structure must deal with concerns of coordination, participation, and information dissemination. Numerous organizations, each with its own interests, will be involved in this project. Some of those organizations will be expected to continue supporting the project objectives after USAID funding has finished. The project will generate significant information which can be useful to other development activities in Sri Lanka, both within USAID programs and others.

CIPART will be coordinated on behalf of the GSL by the External Resources Department, Ministry of Finance, headed by the Director General. The management responsibilities for the project will be provided by USAID'S Democratic, Humanitarian, and Voluntary Initiatives (DHVI) Division, represented by the Division Chief and designated DHVI staff. The DHVI Division will draw upon the resources of other USAID offices for advice and assistance in project monitoring (see Section 5 for a more detailed explanation).

A CIPART Project Advisory Committee will meet once a year and be the principal mechanism for coordinating project activities. It will include the following members:

- Director General, ERD (Co-chairperson)
- Director, USAID (Co-chairperson)
- Representative, Ministry of Social Welfare and Rehabilitation
- Representative, Ministry of Policy Planning and Implementation
- Representative, Ministry of Justice
- Representative, Ministry of Provincial Council and Home Affairs
- Representative, Ministry of Information
- Representatives (3) NGOs
- Representatives (2) Project Implementing Organizations
- Representative, Local Government Organization

The functions of the committee will be to

- review, discuss and make recommendations concerning policy level issues which substantially impact the project; and

- review and approve annual project workplans.

5.2. Implementation Arrangements

USAID will award two cooperative agreements and a project management and support contract for the purposes of implementing this project. In selecting these mechanisms, USAID has highlighted two principles. First, project activities must be sustainable, using local organizations and resources to the maximum extent practicable. Second, because of limited staff resources, day-to-day project management requirements for both USAID and the Government should be kept to a minimum and must be supplemented by implementing and contractor organizations.

5.2.1. Cooperative Agreement 1: The Local Government and Participatory Development components of the project have similar technical and support requirements related to grassroots development activities and institutional development, and therefore can be dealt with appropriately by one implementing organization. However, the planned activities are complex and diverse and will require a relatively sophisticated implementing organization to acquire the expertise necessary to manage the various component activities.

A competitively-awarded cooperative agreement under Handbook 13 to either a Private Voluntary Organization (PVO), a not-for-profit firm or a consortium of more than a single PVO is the preferred method for implementing these two components. Proposals will be requested to show how the lead implementing organization plans to work with Sri Lankan partner organizations.

The project manager will prepare a PIO/T which requests the USAID regional grants officer to prepare an Invitation for Application. This PIO/T will include a conceptual program description with indicators and draft evaluation criteria against which the various applications (proposals) will be judged (see Annex E.1 for possible selection criteria). The Invitation for Assistance will be announced in appropriate publication(s) in the U.S., as well as copies sent to those organizations which have already informally expressed an interest in project implementation.

A committee will be formed to evaluate the proposals which will consist of three USAID employees and two GSL representatives. The Chief of the DHVI Division will serve as the chairman of the committee and be responsible for preparation of the selection memorandum to the regional contracting officer, who will negotiate and award the cooperative agreement.

The cooperative agreement will detail the input requirements (technical assistance, training, commodities, logistical support, audits and evaluations) to successfully implement and achieve the outputs of CIPART's Local Government and Participatory Development components. It will describe and set out procedures for USAID's substantive involvement in project monitoring.

5.2.2. Cooperative Agreement 2: The Modernized Legal Systems and Professional Media components require special technical support capabilities and the ability to work towards development interests in politically sensitive areas. A cooperative agreement will be awarded to The Asia Foundation (TAF), based on its predominant capability as evidenced by its past experience in Sri Lanka, technical competence, and existing relationships with potential CIPART beneficiaries. This approach is consistent with Chapter 2 of Handbook 13 which discusses the basis for non-competitive selection of cooperative agreement recipients, and it has been cleared with the Regional Contracting Officer.

The project manager will prepare a PIO/T to request the regional grants officer to negotiate a cooperative agreement with TAF. The rationale for noncompetitive selection will be based on TAF's long and good-standing relationships with Sri Lankan judicial and media institutions, credibility with the GSL, excellent performance on existing grants in these areas and demonstrated technical skills in managing judicial, human rights, and media activities. TAF will be requested to submit a responsive proposal which includes partnership arrangements with Sri Lankan organizations to implement and sustain project activities.

The cooperative agreement will detail the input requirements (technical assistance, training, commodities, logistical support, audits and evaluations) to successfully implement and achieve the outputs of the Modernized Legal Systems and Professional Media components. It will describe and set out procedures for USAID's substantive involvement in project monitoring.

5.2.3. Project Management and Support Contractor: Based on USAID's past experience, the assistance of a local project management and support contractor is both an essential and cost-effective approach to CIPART implementation. USAID has invested considerable effort in establishing accountability, audit, and monitoring/reporting systems for NGOs and citizens' groups. These USAID standards and procedures are more amenable to monitoring and enforcement through a contract rather than through the proposed cooperative agreements.

On this basis, a local contractor-managed Support Unit will be established under the technical direction of USAID's DHVI Division. This contractor must be familiar with USAID training, grant and cooperative agreement management, procurement, financial management, and audit requirements, as articulated in USAID Handbooks 10, 13, 14, 19 and relevant mission orders. The contractor's scope of work will include financial and non-financial administrative requirements of project management that do not need to be handled within USAID (for example, preparing PIO/Ps for participant training), technical assistance to NGOs in their financial management and reporting systems, identification of study tour and other training programs, support to local training institutions, and the coordination of project activities. This contractor may also identify and analyze other opportunities for CIPART intervention that were not included in the cooperative agreements' program descriptions (for example, ways to support the professionalism of NGOs, such as the establishment of an NGO code of ethics strategy).. This contractor may also assist USAID in coordinating/preparing annual project workplans and participating in project evaluations.

USAID will use project funding to provide in-house project management services under personal services contracts. This includes an FSN project manager and an assistant to the project manager, with expertise in NGO institutional development and/or local government development. Project funds will support the upgrading of technical and managerial skills of USAID's project-funded FSN staff in areas which will facilitate the implementation of the project and add to its success, for example in the roles and uses of NGOs and local government in community-based development.

5.3. Training: A substantial input of each of the CIPART project components will be training. It is anticipated that government, NGO, legal, and media personnel will undergo training to enhance their performance in their respective areas. Specifics of training plans, however, will not be identified until the Cooperative Agreements are approved. Based on training needs assessment of the participating institutions, training will involve in-country, regional, and other international training. In some instances training in Sri Lanka will be conducted by groups from outside the country, for example participatory development groups in the U.S. and in the South Asian region may be called upon to conduct workshops or exchanges with NGOs in Sri Lanka. CIPART's implementing organizations will follow the USAID/SL Mission

Order 620.04, "Guidelines for Administration of Mission Training Activities," issued on March 17, 1994, when planning specific training activities. Requirements include the setting of training objectives, the establishment of selection criteria for trainees, the preparation of realistic training plans, and the monitoring and evaluation of training performance.

5.4. Procurement

Both cooperative agreements and the project management and support contract will have procurement plans which describe their services, training, and commodity acquisition requirements. For any commodity procurement, the development of technical specifications and procurement will be part of the cooperative agreement. These inputs will be obtained in accordance with the provisions of USAID Handbooks and other relevant procurement regulations. Cooperative agreement recipients will handle procurement for their subgrantees.

Local source procurement will be included in the project authorization for the local management and support contractor and for the procurement of office equipment. This is justified based on the need to deal with local administrative details and relative non-availability of U.S.-made office equipment in Sri Lanka. No other source/origin procurement waivers will be approved as part of this project paper.

5.5. Gray Amendment Concerns

Gray Amendment firms may participate under the competitively-awarded cooperative agreement or as IQCs providing advisory services, if services outside the above implementing organizations are needed. Preference for the participation of Gray Amendment firms will be included in the requests for applications and proposals which will be used to select the organizations to receive the cooperative agreements and contract.

5.6. Disbursement of Project Funds

USAID will be responsible for disbursing foreign exchange to cooperative agreement recipients and the project management and support contractor. Disbursements will be made by the USAID Controller on a quarterly advance basis. Vouchers will be prepared and submitted to the USAID Controller's Office or the Office of Financial Management in USAID/Washington for letters of credit. Foreign exchange denominated expenditures and some local currency expenditures will be financed from the appropriate dollar project account. Direct support costs which require Sri Lankan Rupees (such as housing, utilities, in-country travel, staff salaries, etc) will be disbursed to the implementing organizations by USAID from the NGO Local Currency Account.

The Government will be responsible for providing the local currency programmed for use by the project from the Title III funds which are earmarked for indigenous NGOs.

5.6.1. Pre-Implementation Activities: An essential element of success for this project is consultation and regular exchange of information between USAID, key government policy makers and selected citizens' organizations. Since the solicitation and negotiation of the proposed cooperative agreements is likely to take up to six months, it is important to undertake a number of activities to bridge the time between when solicitations for cooperative agreements begin and the implementing organizations are mobilized and get started. For this reason, a pre-implementation phase is required.

During this phase, USAID will undertake limited procurement of short-term technical assistance and commodities to support key activities, including the development of a baseline survey; a short-term consultancy to undertake an assessment of programming options in the North and East; assistance to USAID to develop the program descriptions for the cooperative agreement; and preparation of training programs for key Sri Lankan opinion makers and project staff. The information gleaned during this pre-implementation phase will help USAID reach agreement with the government and cooperative agreement recipients on the activities to be undertaken under the project.

5.6.2. Implementation Activities: The following overall project implementation schedule has been developed to highlight anticipated important project activities. Annex G contains three more detailed schedules, two of which focus on the events leading up to annual work plans by the cooperative agreement recipients, and a detailed project implementation schedule for the first ten months of the project. The implementation schedules for the project components will be finalized with the approval of their annual work plans.

Authorize CIPART Project	5/94
Sign Project Agreement	5/94
Develop Cooperative Agreement No. 1 Program Description PIO/T	5/94
Recruit Long-term Management Assistant PSC	7/94
Develop Contractor Scope of Work	7/94
Develop Program Description for Cooperative Agreement No. 2 PIO/T	8/94
Sign Cooperative Agreement No. 1	8/94

Sign Cooperative Agreement No. 2	10/94
Sign Management and Support Contract	11/94
Prepare Consolidated Monitoring and Evaluation Plan	12/94
Review 1995 Training Plan	12/94
Conduct CIPART Workshop (annual action)	March
Review Next Year's Work Plans (annual action)	October
Review Next Year's Training Plan (annual action)	December
Conduct First Interim Project Evaluation	8/96
Complete Project Paper Supplement	10/96
Conduct Second Interim Project Evaluation	8/98
Conduct CIPART Final Evaluation	1/00
Close Out Project	5/00

6. MONITORING AND EVALUATION PLAN

Determining CIPART's success with citizens' participation and democratic institutions will involve measuring two different streams of benefits with two sets of indicators. One set will measure the process of how citizens organize and interact with NGOs and local government and the policies and decisions they influence; the other set will measure the economic and social impact of the policies and programs that derive directly from these processes.

USAID/Washington's Democracy Evaluation Guidelines will be utilized to guide USAID/SL project staff and implementing organizations to ensure that monitoring and evaluation are efficiently and effectively implemented. The primary purposes of the Monitoring and Evaluation plan are to verify the CIPART approach, to provide adequate data to facilitate the ongoing cooperative relationships between USAID and its implementing organizations, and to show whether adequate progress is being made towards achieving sub-project objectives (especially output and purpose-level indicators). This monitoring and evaluation plan is meant to be a learning tool, a basis on which decisions on changing course or reallocating resources can be made.

6.1. Responsibilities

USAID's DHVI Division in the Office of Projects will be responsible for overall project monitoring and evaluation. The CIPART project manager will be responsible for establishing the requirements, format, and schedule for all monitoring and evaluation activities. Within one month of executing the project cooperative agreements, the project manager will prepare a consolidated project monitoring and evaluation plan, based upon information provided by the implementing organizations. This plan will be updated on a six-monthly basis.

The cooperative agreements' recipients will assign monitoring responsibilities to their staff and prepare monitoring and evaluation plans, based upon discussions with the USAID project manager and the requirements of the consolidated plan.

The project management and support contractor will provide regular monitoring of financial information and ensure that expenditures are being made to support the achievement of project objectives. If USAID has direct assistance arrangements with any Sri Lankan NGOs, the contractor may examine their vouchers and determine whether procurements were made on time and according to standard accounting regulations and USAID regulations. The contractor will provide financial training, on-going monitoring and evaluation of financial staff, and establish standard accounting systems for project-supported NGOs and citizens' groups, as needed and agreed.

The active participation of the CIPART Advisory Committee in the monitoring and evaluation process is an important element in maintaining policy support for the project. Monitoring and evaluation information will be shared with the Committee in advance to their scheduled meetings to allow the Committee to discuss and provide its conclusions and recommendations. Highlighted issues drawn from reports, meetings, seminars and workshops will be part of the agenda for Committee meetings.

6.2. USAID Project Monitoring

The CIPART project manager will chair the project review committee, which will comprise technical, program, and financial/administrative expertise from other USAID/SL offices, as well as interested representatives from the U.S. Embassy. This committee will meet at least quarterly to review progress. Committee members will also contribute more frequently on an ad hoc basis to address specific issues.

The CIPART project manager will incorporate cooperative agreement recipient and contractor quarterly financial and narrative reports in USAID/SL's Semi-Annual Project Implementation Reports (SPIRs). This will be a formal opportunity to review project issues and progress with USAID senior management.

6.3. Evaluation

By November 1994, it is planned that the consolidated Monitoring and Evaluation Plan for CIPART will be finalized by USAID, with input from the Government and the implementing organizations selected for the Cooperative Grants. The CIPART Evaluation Plan in Annex F provides guidelines for evaluating each of the project's four components. Data for evaluation purposes will rely upon reports from implementing organizations, citizens' surveys, NGO reports, site visits and gazette notices. Data will be stratified by age, gender, region and income level. The two interim evaluations (to be implemented in FY96 and FY98) will ascertain the continuing validity of the project assumptions and whether project outputs are being accomplished and on time, and to make recommendations to improve project implementation and for any follow-on project or activities. The FY98 evaluation will assess the initial impact trends on the citizens' participation process. The final evaluation will take place in FY00 focusing on the delivery and implementation of inputs, the experience and status of the implementing organizations/NGO relationship, the degree of attainment of planned outputs, the degree of attainment of project purpose, the continued validity of assumptions at purpose and output levels, problems encountered, resolved and lessons learned during the project, and recommended adjustments for any follow-on project. It will also include an impact assessment.

6.4. Baseline Survey

The project management and support contractor will sub contract with a local firm, with possible supplementary short-term advisory services, to conduct the citizens' survey that will establish a baseline for CIPART evaluation. Data collected will form the basis for monitoring and evaluating changes in citizens' participation, in terms of their knowledge, attitudes and participation brought about by the activities of the implementing organizations. Similar surveys will be conducted, but on a smaller scale, prior to the two interim evaluations in order to assess attitudinal and behavioral changes. The original surveys will be repeated prior to the final evaluation to measure achievement of CIPART project outputs.

Survey information will also be utilized to establish a user-friendly information system for USAID and the implementing organizations in their monitoring and evaluation processes.

In addition to the citizens' survey, the cooperative agreement recipients will be required to do an institutional assessment of the local NGOs that will likely receive CIPART support. This assessment will provide information as to the necessity for staff development activities in technical, leadership, managerial, financial and administrative areas. Data will also be utilized to establish a monitoring and evaluation system to track the development of NGO professionalism.

6.5. Monitoring and Evaluation by Implementing Organizations

The two implementing cooperative agreement recipients will be responsible for hiring adequate staff for their organizations' monitoring and evaluation requirements. The evaluation and monitoring process entails formulation of scopes of work, ensuring quality evaluation instruments and data, analysis, and reporting of results, conclusions and recommendations. The recipients will also ensure that baselines are established and proper analysis on information is collected, and that all activities outputs and reporting of these outputs are consistent with CIPART's outputs, purpose and goal.

Due to the fact that evaluation is an on-going process, there will be times that in-depth information will be needed by various parties, including USAID, the Government, and implementing organizations. The CIPART Advisory Committee may need more information for decision-making in a specific area. If so, local social and political scientists can be called upon to provide this type of information, and their expertise can be recruited under the cooperative agreements or by USAID.

7. SUMMARIES OF ANALYSES

7.1. Technical Analysis

The technical analysis provides an overview of democracy in Sri Lanka, evaluates the technical feasibility of CIPART in terms of the project's proposed concept, activities, and delivery system, and raises technical issues that need to be given consideration in its design and implementation of the project. Each of CIPART's four components are examined in terms of the relevant structures or institutions in the area, the problems that demonstrate the need for assistance in the area, CIPART's strategy to overcome these problems, and the potential development consequences of CIPART's activities.

In 1931, Sri Lanka became one of the first countries in the world to gain universal suffrage. In 1948, Sri Lanka gained independence from the British in a remarkably smooth transition of power. Sri Lanka inherited from the colonial powers, principally the Dutch and the British, many of the institutions of modern democracy including an independent judiciary, a legislative system based on the Westminster model, and active civil society institutions. Since independence, these institutions have been changed and challenged, but despite crises, "Sri Lanka shares with India the distinction, among the post-colonial states of South Asia, of sustaining a democratic political system throughout the four decades and more of independence." Recent statements by the present government have emphasized the vital link between free markets, democracy and development. For example, Prime Minister Ranil Wickremasinghe, in a speech before the Overseas

Development Council, asserted that "the freedom of the people and democratic institutions are corollaries of a free market economy ... they all have to go together in a symbiotic relationship."

The CIPART project rests on the premise that the issues of democracy and development are inextricably linked and that they can be mutually reinforcing. This technical analysis begins with a delineation of these linkages.

How does democracy reinforce the sustainability of socioeconomic development? Conventional wisdom long has argued that democracy depends on first achieving strong economic development. The collapse of communism in the Soviet Union and Eastern Europe provides compelling evidence that even if the reverse may not be true, development efforts that include stimulation of democracy actually improve the prospects for sustainable economic growth, because it ensures the broadest possible participation by empowered people. Democratic political processes - even in their early stages - tend to encourage and help ensure the broadest possible participation by people who are willing and able to define their own destinies, and to empower themselves as individuals.

To go beyond modernization and develop self-sustaining political, social, and economic institutions requires active participation <u>from</u> and <u>with</u> an increasingly empowered, innovative and knowledgeable population. Such a human resource base depends on, among other things, expanding citizens' access to information and exchange of ideas, research, and other development experience. Today's information and communication research technologies - on which so many other aspects of economic and social development depend - demand a work force that is free to seek and create knowledge in all economic, scientific, and social areas.

Development invariably creates new capabilities, both in individuals and organizations. Democratic political processes influence government institutions in ways that help ensure more timely and effective government responses to the expressed needs of the people. This interaction, in turn, establishes and strengthens the legitimacy of the government and its political leaders in the eyes of the people. Perhaps the most vital element is the emergence of citizens' groups - pluralistic institutions outside the established government that can work with the government to respond to the people's desires for change.

Some of the Western notions and institutions that characterize democratic development may be inappropriate for certain developing societies. Nevertheless, there are more fundamental democratic practices that are well suited to giving people opportunities to define and control their own destinies. For example, what may matter more to ordinary citizens throughout a developing society than the formal democratic institutions and practices, such as legislatures and elections that set national policies, is the extent to which these ordinary citizens can affect or control the allocation and use of those development resources on which their

incomes and overall well being depend.

Within the CIPART project context, development is defined as a process that enables people to take control of their lives and improve conditions and prospects for themselves and their families. It is a process that seeks maximization of the potential in citizens' organizations and NGOs to engage in policy analysis, policy advocacy, and policy dialogue with government. It is also about interest group mobilization and maximizing the potential of people to control their own destinies as they learn more about their rights and responsibilities. CIPART recognizes that development implies commitment to change and empowerment, including the risks of occasional failure along the way. Thus, in the CIPART context, democracy is considered operational to the extent that citizens are able at all levels to influence or participate in those government policy, program, and resource allocation decisions that most affect them.

The program components of the CIPART project have been selected to directly respond to constraints to citizens' participation in Sri Lanka. They are consistent with the cluster of democracy programs recommended in an evaluation of the Asia Democracy Program carried out in 1992. These components (Local Government, Participatory Development, Modernized Legal Systems, and Professional Media) are also in line with the democracy program options presented in the preliminary draft (January 1994) of USAID/W's Democracy Implementation Guidelines.

Decision-making at the local and regional level empowers ordinary people, often too far removed to participate in development planning at the national level, to make effective contributions to national development. Toward this end, the government introduced a provincial council system leading to a devolution of power. As the devolution system is still comparatively new, opportunities exist for improvement. The main constraints to devolution are lack of resources, and staff training, and ineffective representation at higher levels of government. The CIPART project aims to address these constraints through the local government body that has the most interaction with local citizens, the Pradeshiya Sabhas. Although the Gramodaya Mandalayas and Community Development Centers function below the Pradeshiya Sabha and Councils, these are neither precisely structured nor functioning in all areas, leaving the Pradeshiya Sabha, urban councils and municipal councils as the most appropriate unit for counterpart activities under CIPART. At the end of the project, Pradeshiya Sabha and Urban and Municipal Council members would have productive working relationships with citizens' groups and NGOs, with other local governments, and with national government. They will have increased capacity to raise funds, implement development programs in local areas together with NGOs, and sustain the activities that have been initiated under CIPART.

A dynamic network of citizens' groups can perform a number of significant functions including informing their members on relevant topics, articulating

members' views to the press and government, stimulating civic participation, increasing citizens' efficacy and effectiveness, and enhancing commitment to democratic processes. There are over 50,000 citizens' groups in Sri Lanka today. These range from the traditional "death donation societies" of approximately 10-20 members, to large organizations with island-wide outreach such as Sarvodaya. Under the CIPART project, assistance will be given to NGOs for institutional strengthening, for the establishment of communication channels with each other and other agencies, and for program implementation in order to become more effective partners in development.

A democratic society requires a legal system that guarantees respect for the rights of the citizenry and ensures a degree of regularity in public and private affairs. Sri Lanka's legal institutions and processes face several challenges. As a response to the conflict in the North and East, the government has introduced several regulations under Emergency Regulations. Many people are unaware of the wide fundamental rights available to citizens under the constitution of Sri Lanka. There is a serious backlog of cases pending judgment at the courts. Prohibitive legal costs restrict the ability of disadvantaged citizens to gain redress from the court system. CIPART efforts under this component will result in a more efficient and expedited case adjudication and tracking, increased public confidence in the administration of justice through the formal court system and mediation boards, revisions in Emergency Regulations, fewer laws promulgated under the Emergency Regulations rather than through the Parliament, and far fewer arbitrary detentions along with more reliable accounting and protection for those who may be detained under the Emergency Regulations.

A basic aspect of modern governments is that people are able to develop and express politically relevant opinion and knowledge, and organize to consider and promote ideas or interests individually or collectively. In Sri Lanka, there has been an unfortunate decline in media standards and freedom, particularly over the past 20 years. Efforts to strengthen the media will promote citizens' participation by ensuring the free flow of information on public issues and encouraging open debate on alternative ways to resolve them. NGOs will also have increased capacity to provide information and policy papers to both the print and the electronic media concerning their development priorities and the suggested policy or program changes they expect from their policy dialogue with government. Stronger media associations, with enhanced capabilities for policy dialogue with government will be able to better articulate and protect their members' professional interests.

NGOs will be used as CIPART's main delivery units. This is a technically feasible approach because of their strength their potential as partners of the Government in development activities, their demonstrated administrative capabilities, and their position in relation to the citizens' groups that CIPART wants to work with.

There are several interlinking assumptions that will affect prospects for CIPART's

success at both goal and purpose levels. These include assumptions that Sri Lanka will continue private sector-fueled growth strategies in its move toward NIC status, that there will be significant progress toward resolution of the conflict in the North and the East, and that there will be a continued commitment by government to devolve power to lower levels of government.

7.2. Social Analysis

The Social Soundness analysis examines the factors that indicate that promoting citizens' participation in democracy and development is socially feasible, describes the socio-political situations that indicate that there is a need for the CIPART project, and evaluates each of CIPART's four components in terms of need, feasibility, and the social issues that need to be addressed in the activities of the project.

Sri Lanka's citizenry, distinguished by high literacy and education rates, high voter participation rates, and a long history of involvement in civic affairs, as well as Sri Lanka's well established democratic institutions, are indicators that the CIPART project is socially feasible. Recently social, political and economic crises have severely disrupted Sri Lankan society. It is a testimony to the strength of democracy in Sri Lanka that these crises have not weakened the commitment to democratic processes, but rather reaffirmed the necessity of strengthening these processes and making them more receptive to citizens' input.

USAID chose its four component areas of activity (Local Government, Participatory Development, Modernized Legal Systems, and Professional Media) as a result of extensive research and ongoing consultation with both government and NGO representatives. These components are all areas where assistance from USAID is both necessary and appropriate. In each of these areas there are well-established groups with which to work on specific issues. In designing and successfully implementing programs, it is necessary to pay attention to social cleavages within the society and to look for opportunities for civic education in order to contribute to a strong, pluralistic democracy in Sri Lanka. Efforts should be made through CIPART to mobilize groups, such as women, youth, rural farmers, urban slum dwellers, and citizens' in the North and East, that face economic, social, or political barriers to participation in order to ensure inclusion of and attention to these groups in local as well as national policy-making dialogues.

There will be two streams of beneficiaries of the CIPART project. First, local government officials (and through them national government officials), NGO participants, judges and lawyers, and media personnel will be better able to address citizens' issues as the result of training and technical assistance. The second stream of beneficiaries will be those citizens, especially youth, women,

citizens of the North and East, farmers, urban slum dwellers, low-wage workers, micro-entrepreneurs, and business people, who will benefit from strengthened local government, participatory development, legal and media institutions, as well as from projects supported by these institutions.

The social soundness of the project can be ensured by the active participation of the CIPART Advisory Committee, comprising USAID, the Government, and GO/citizens' group representatives, in monitoring the project.

7.3. Administrative Analysis

The implementation and monitoring requirements of CIPART will be handled by several organizations and/or committee structures. This analysis discusses these organizations and structures and their administrative characteristics that will affect CIPART.

7.3.1. Project Advisory Committee: The proposed Project Advisory Committee members are listed in Section 4.1. They represent the governmental, non-governmental, and donor interests of the project. Based on the long standing and excellent working relationship between ERD and USAID, as well as ERD's coordinating role on behalf of the Government agencies working with donors, this committee will be co-chaired by ERD and USAID. The committee will convene annually for a one or two-day session to review progress and issues and proposed work plans for the coming year. The committee will be advisory and provide the overall guidance necessary to ensure consistency with the Government's and USAID's development objectives. It will take decisions informally and by consensus. It will also use the contacts and experience of its constituent members to help resolve implementation issues that need such intervention.

7.3.2. National-Level Government Agencies: ERD is USAID's principal counterpart in designing and implementing its development assistance program in Sri Lanka. ERD plays an essential role in coordinating the input of all relevant Government agencies, in representing their interests in the negotiation of project agreements, and in ensuring that project activities reflect the priorities and policies of the Government. ERD is thoroughly familiar with USAID procedures and is most competent in resolving programmatic issues on behalf of the Government. For this reason, ERD is a logical choice to co-chair of the Project Advisory Committee. In addition, ERD has many years' experience with USAID and other donors and will help ensure the smooth implementation of the project.

Various line agencies, such as the Ministries of Justice, Reconstruction, Rehabilitation and Social Welfare, Information, and Provincial Councils and Home Affairs, and the courts have programmatic and technical experience and interests in CIPART. Accordingly, they will be represented on the Project Advisory Committee. CIPART is consistent with their various mandates, and their existing

administrative structures are capable of absorbing CIPART's activities. USAID has past experience working with the Ministries of Justice and M/RRSW. These agencies have demonstrated their ability to work with donors and USAID procedures. Although USAID has had little contact with the Ministries of Information and M/PCHA, and with the Court of Appeals, these are sophisticated agencies that have considerable donor experience, and their administrative capabilities are sound.

USAID has also had a close working relationship with the M/PPI, which is the Government's central, policy-setting and coordinating agency. M/PPI is familiar with USAID procedures, and it will serve an important project advisory role. It is not anticipated that CIPART will impose any administrative burden on M/PPI.

7.3.3 Local-level Government Agencies: An important CIPART component are the activities with local government agencies, especially the Pradeshiya Sabhas. Although USAID has no experience working with Pradeshiya Sabhas, many of them have become quite effective in public administration. Their administrative capabilities will not only be considered as part of the selection criteria for individual activities with local government, but they will also be strengthened as a result of project assistance.

7.3.4 USAID: The project will be monitored within USAID's Office of Projects, by the DHVI Division. Project monitoring will be the primary responsibility of the FSN project manager and assistant project manager, with guidance from the DHVI chief. Administrative services will be provided by one administrative assistant and a full-time secretary. Some of the technical support services for the different project components will be provided by other USAID staff, for example in the Office of Private Sector Development for the activities with CBAs. Other services, mostly of an advisory nature for training, commodity, and audits requirements, will be provided by USAID staff in various divisions specializing in those requirements.

7.3.5 Implementing Organizations: Project implementation will be the primary responsibility of the two cooperative agreement recipients, anticipated to be TAF for two project components and to be competitively-selected for the other two project components. These two cooperative agreement recipients will be selected based on a set of criteria that will include their administrative/managerial capabilities to implement the project. TAF, with its longstanding relationship with USAID and familiarity with USAID project administration requirements, is anticipated to be able to meet project administrative requirements. However, the capabilities of both recipients will be confirmed by USAID's Office of the Controller before a cooperative agreement is executed.

Many of the CIPART activities will be implemented through subgrants to Sri Lankan NGOs. In selecting their subgrantees, the cooperative agreement recipients will be expected to apply selection criteria that include a demonstrated institutional capacity to absorb, expend, and account for USAID project funds. Many of the likely subgrantees have worked with USAID/SL under past projects. Insofar as they require some institutional support (hiring and training of key staff, establishment of organizational procedures and guidelines, etc.) to become competent implementing organizations, the required institutional support will be accessible and budgeted within the program descriptions of the cooperative agreements.

The cooperative agreement recipients may also choose to set up their own project advisory committees, specifically focused on the activities of the two components they are implementing. These committees could also provide guidance on a range of topics.

Because USAID's staff does not have adequate administrative staff to respond to all the needs of the project, a project management and support contract will be negotiated with a local contractor to provide additional administrative support. This will include financial and accounting assistance to subgrant recipients, the setting up of local training programs, workshops, and seminars, and possible other inputs such as the processing documentation for training participants. These administrative inputs will be coordinated with the program descriptions and administrative requirements of the cooperative agreement recipients. The administrative capabilities of the contractor will be confirmed by USAID's Office of the Controller before a contract is signed.

7.4. Economic Analysis

CIPART is considered an important impact to Sri Lanka's achieving NIC status. Sustainable, equitable development and growth require a well-functioning democracy. An economic analysis of the overall project is not possible since CIPART comprises different components with a mix of activities, of which some will have quantifiable benefits and others will not. Furthermore, specific development activities will only be identified after implementing arrangements have been negotiated with the cooperative agreement recipients. However, insofar as those activities are intended to produce economic returns, the implementing organizations will be expected to monitor and report on achievement of those economic objectives.

In particular, many of the activities under the Participatory Development component and some of the activities under the Local Government component are expected to yield positive economic returns to disadvantaged groups and other project beneficiaries. It is expected that the umbrella and other NGOs, citizens' groups, and local government organizations that plan and implement these

activities will include economic criteria such as employment and income generation in their activity selection criteria.

There are some economic characteristics of CIPART which should be mentioned. Many project activities will be directed at some of the 40 percent of Sri Lankans who exist below the poverty line (defined by the Government as households with a monthly income of Rs. 750 [$15] per month or less). In some cases, the project will mobilize underutilized community funds and/or other resources. The project will involve low capital costs per activity. The project will support a diverse range of economic activity, from assistance to CBAs and their members to upliftment of displaced persons in the North and East, to generation of income for rural women and urban slum dwellers.

Other activities of CIPART will focus on strengthening citizens' groups, NGOs, and local government organizations. Although these activities will not have quantifiable benefits, they will indirectly benefit the development activities which those groups and organizations sponsor, by increasing their effectiveness as development and advocacy organizations.

7.5. Financial Analysis

CIPART is not a commercial project with a projected revenue stream, and is therefore not subject to the traditional financial internal rate of return analysis of such projects. As a non-commercial, "human infrastructure" project, CIPART's value will often be spoken of in non-tangible ways. It is therefore appropriate to demonstrate that the stated project objectives will be achieved based on reasonableness of projected costs, and to assure that sufficient resources will be made available to cover the project's costs in a timely manner.

Annex E.7. Financial Analysis demonstrates that CIPART's cost estimates are reasonable, based on prevailing costs under ongoing projects and standard cost estimates used by USAID. These cost estimates also include a projected annual inflation factor of 3% for US Dollar Costs and 10% percent for local currency costs over the life of project. The anticipated schedule of expenditures set forth in Table 3 of Section 4.4. will be financed by the obligations projected in Table 1 of Annex E.7. These obligations will be provided on a timely basis to obtain the necessary inputs to implement the project's four components and other project activities. The amount of new recurrent costs to be generated by project activities will not be significant, and therefore not an important factor in assessing the project's longer term financial viability. Table 2 in Annex E.7. shows the various methods of implementation and financing, selected as the most effective alternatives to achieve the project's objectives and in accordance with standard USAID practices. Table 4 of Annex E.7. is a summary presentation of the project's audit requirements, in accordance with USAID practices and procedures.

Based on the analyses of Annex E. 7., CIPART is deemed to be financially reasonable.

7.6. Environmental Analysis

CIPART-funded activities are not anticipated to have a significant effect on the physical and natural environment. On this basis, a categorical exclusion from further environmental review as per 22 CFR 216.2, "Applicability of Procedures," subparagraphs (c)(2)(i), (iii), and (xiv), was approved by the ANE Bureau Environmental Coordinator on August 20, 1993 (Annex E.5). The following classes of actions are covered by the categorical exclusion: education, technical assistance, or training programs [Section 216.2((c)(2)(i)]; analyses, studies, academic or research workshops and meetings [Section 216.2((c)(2)(iii)]; and, studies, projects or programs intended to develop the capability of recipient countries to engage in development planning [Section 216.2((c)(2)(xiv)]. As stipulated in the ANE Bureau Environmental Coordinator's approval of the categorical exclusion, in the event a proposed CIPART-funded subproject does not fall into one or more of the above classes of actions covered by the categorical exclusion, the Mission will prepare an initial environmental examination as per 22 CFR 216.3(a)(2), "Threshold Decision" for ANE Bureau Environmental Coordinator review and approval prior to a decision to proceed with the subproject in question.

7.7. Gender Analysis

In Sri Lanka, despite high education and literacy rates, women face significant legal, political, social and economic obstacles to becoming full participants in civic life. Issues of participation and attention to women's issues within each of CIPART's focus areas need to be addressed if CIPART's end of project status indicators are to be realized for women as well as for men in Sri Lanka.

Several constraints to women's participation that cross-cut all areas of CIPART interest can be identified. These have to do with women themselves, such as lack of skills; they have to do with Sri Lankan society, such as gender-based role

restraints; and they have to do with institutions and their ability to identify and act upon women's issues. The strategies to overcome these restraints include legal literacy to enhance women's awareness of their rights, skills training to increase confidence in for example, public speaking, and gender sensitization to role restraints. Gender sensitization programs have been carried out by NGOs such as CENWOR (Center for Research on Women) and the Social Scientists's Association and have proven to be successful in initiating organizational dialogue about gender issues. Institutional support should be given to enhance the ability of organizations, both governmental and non-governmental, to identify and act on women's needs.

The analysis further recommends that potential grantees be scrutinized on the institution, program, and project level to ensure that they include women as participants, as decision-makers, and as beneficiaries. Also, the gender analysis recommends that several subgrant proposals take women as a focus group.

All proposals should provide, when appropriate, gender disaggregated data. Wherever possible, grantees should be asked to provide a brief assessment of the status of women in the project areas in which they will work at the beginning of the project and to provide qualitative and quantitative indicators of potential improvement. This "baseline" will help in later evaluation of the impact of the project on women. Monitoring should be an on-going process by both USAID/SL and the lead implementing organizations, as many of this analysis' recommendations have to do with evaluating processes and participation as well as with evaluating results.

8. CONDITIONS AND COVENANTS

8.1. Current Status

The design of this project paper has included significant participation by Government representatives and NGO leaders and representatives of other citizens' groups. Consultations were undertaken with senior officers in the Ministry of Finance, Ministry of Policy Planning and Plan Implementation, the Attorney General's Office, the Ministry of Information, the Ministry of Justice, and the Ministry of Home Affairs and Provincial Councils. Some of the NGOs which were consulted during project paper design were the Ceylon Chamber of Commerce, the Federation of Chambers of Commerce of Sri Lanka, Sarvodaya, CARE, CCSS, AAFLI, the Asia Foundation, Agromart, IRED, and the Sri Lanka Anti-Narcotic Association. Several other donors offered advice and information which assisted in the design.

Based upon USAID's previous project experience and the recommendations of the design team, the following conditions precedent and covenants are proposed for the grant agreement.

8.2. Recommended Conditions Precedent

In addition to the standard designation of representatives and their signatures, the grant agreement will contain the following conditions precedent:

8.2.1. Commodities financed by USAID under CIPART will have their source and origin in the United States or in Sri Lanka, except as USAID may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities

or services will have the United States or Sri Lanka as their nationality, except as USAID may otherwise agree in writing.

8.2.2. Ocean shipping financed by USAID under CIPART will, except as USAID may otherwise agree in writing, be financed only on flag vessels of the United States.

8.3. Recommended Covenants

The major covenants which are included in the Draft Project Authorization are as follow:

8.3.1 The Government of Sri Lanka will establish a project advisory committee within eight (8) months of execution of the CIPART Project Agreement. This advisory committee is essential to maintain the necessary policy support for CIPART.

8.3.2. The Government of Sri Lanka will undertake to provide recurrent costs for project activities with the Government organizations that are beneficiaries of project-funded training or commodity support and will undertake to continue providing these recurrent costs, as appropriate and required, after the CIPART completion date; and

8.3.3. The Government of Sri Lanka will take steps to ensure that all Government employees who receive training outside of Sri Lanka will directly return to work for the same organization or in a related field for a period of not less than twice the period of their training.

8.3.4. The Government of Sri Lanka will participate in and approve the use of project funds for periodic project evaluations. These will include two interim evaluations and one final evaluation, for the purposes of measuring how well CIPART is achieving its objectives and the impact of project activities.

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AID INFO AMB DCM ECON CHRON

MAY 14 1993

ANNEX A

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UNCLAS SECTION 01 OF 02 STATE 145140

AIDAC FOR MISSION DIRECTOR FROM ACTING AA/ASIA LAUDATO
E.O. 12356: N/A
TAGS:
SUBJECT: SRI LANKA: CITIZEN PARTICIPATION IN DEVELOPMENT AND DEMOCRACY (CIPART) PROJECT (383-0119)

REF: NEW PROJECT DESCRIPTION (NPD)

1. SUMMARY: ACTING AA/ASIA APPROVES NPD FOR THIS PLANNED FY 94 PVO/NGO UMBRELLA PROJECT. AUTHORITY TO APPROVE ALL SUBSEQUENT DESIGN DOCUMENTATION AND AUTHORIZE THE CIPART PROJECT IS DELEGATED TO THE FIELD. END SUMMARY.

2. ASIA BUREAU REVIEW ON APRIL 20 OF CIPART NPD WAS CHAIRED BY PHYLLIS FORBES, ASIA/DR DIRECTOR. ASIA/DR, ASIA/SA, ASIA/FPM AND GC/ASIA WERE REPRESENTED. MISSION IS COMPLIMENTED FOR DEVELOPING AN EXCELLENT NPD WHICH WAS VERY FAVORABLY RECEIVED BY THE REVIEWERS.

3. THE REVIEW CONSIDERED SEVERAL ISSUES/CONCERNS WHICH THE MISSION IS REQUESTED TO EXAMINE AND DEAL WITH DURING THE DESIGN PROCESS. THESE ARE OUTLINED BELOW:

-- A. RELATIONSHIP WITH MISSION OBJECTIVES: WHILE THE REVIEW RECOGNIZED THAT CIPART IS A GOOD FIT WITH MISSION'S DEVELOPMENT OBJECTIVES, THE NPD DID NOT PROVUDE A CLEAR LINK BETWEEN CIPART AND THE MISSION'S PROGRAM STRATEGY. THE REVIEWERS RECOGNIZED THAT CIPART IS AN INSTRUMENT DESIGNED TO CONTRIBUTE TO ALL MISSION OBJECTIVES THROUGH NON-GOVERNMENTAL ORGANIZATIONS. SUBSEQUENT DESIGN DOCUMENTATION SHOULD SPECIFY THE LINKAGE BETWEEN THE NEW PROJECT, THE MISSIONIS STRATEGY AND ITS COMPONENT OBJECTIVES.

-- B. LINKAGES WITH OTHER PROJECTS IN MISSION'S PORTFOLIO: REVIEWERS WERE PLEASED WITH MISSION PLAN FOR CIPART TO BUILD ON USAIDIS PREVIOUS EXTENSIVE WORK WITH NGOS IN SRI LANKA. DESIGN DOCUMENTATION SHOULD SPECIFY HOW LESSONS LEARNED FROM PREVIOUS EVALUATIONS AND ASSESSMENTS OF MISSION WORK WITH NGOS HAVE INFLUENCED THE CURRENT DESIGN. PROJECT DESIGN SHOULD ALSO ENSURE THAT THERE IS ADEQUATE FEEDBACK FROM CIPART AND ITS GRANTEE OPERATIONS TO OTHER ACTIVE PROJECTS IN MISSION PORTFOLIO TO ENSURE THAT EXPERIENCES AND INPUTS FROM NGOS REINFORCE ONGOING WORK IN THE BALANCE OF THE PORTFOLIO.

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-- C. ANALYSIS OF NGO STATUS UNDER CURRENT POLITICAL ENVIRONMENT: THE BUREAU IS CONCERNED ABOUT THE CURRENT GSL APPROACH TO THE NGO MOVEMENT AS EXPRESSED IN THE NPD. SEVERAL SUGGESTIONS FOR DEALING WITH THIS WERE PROPOSED BY THE REVIEWERS. FIRST, THE PID DESIGN SHOULD PROVIDE AN ANALYSIS OF CONSTRAINTS ON NGO ACTIVITIES WHICH RESULT FROM THE PREVAILING CLIMATE AND SPECIFY WHAT CAN BE DONE TO MITIGATE THOSE CONSTRAINTS. SECOND, THE MISSION CAN UNDERTAKE POLICY DIALOGUE, EITHER THROUGH CIPART OR BY OTHER MEANS, TO PROMOTE NGOS AS A POSITIVE FORCE TO HELP THE GSL ACHIEVE ITS DEVELOPMENT GOALS.

-- D. PROJECT OPERATING STRUCTURE: THE REVIEWERS NOTED THE HIGHLY SPECIFIC NATURE OF THE COMPONENTS OF THE PROJECT AND THE WELL-DEFINED SET OF OUTCOMES. THE BUREAU APPLAUDS THE CLEAR DEFINITION OF THE PROJECT. HOWEVER, IN AN UMBRELLA PROJECT OF THIS NATURE, THE HIGHLY DETAILED COMPONENT STRUCTURE MAY ALSO HAVE A DOWNSIDE. FLEXIBILITY IN DEALING WITH CHANGING CIRCUMSTANCES IN THE NGO COMMUNITY ANDFLEXIBILITY IN RESPONDING TO NEW TARGETS OF OPPORTUNITY MAY BOTH BE LOST. THE COMPARTMENTALIZED NATURE OF THE DESIGN BY TYPE OF ACTIVITY AND TYPE OF NGO MAY ALSO INHIBIT AN EMPHASIS ON CROSS-CUTTING THEMES APPLICABLE TO ALL CATEGORIES SUCH AS ADVOCACY, EMPOWERMENT, AND ISSUES DEVELOPMENT AT THE NATIONAL LEVEL. THERE ARE OBVIOUS TRADE-OFFS INVOLVED HERE WHICH SHOULD BE FURTHER EXAMINED AS THE DESIGN PROCEEDS.

-- E. PROJECT MANAGEMENT: REVIEWERS RECOGNIZED MISSION HAS GAINED MUCH EXPERIENCE IN MANAGING PV PROJECTS AND HAS TAKEN EFFECTIVE STEPS TO LIMIT T MANAGEMENT BURDEN ON MISSION STAFF. MISSION IS U CONTINUE EXAMINING THROUGH THE DESIGN PROCESS WAY MEANS TO MITIGATE THE MANAGEMENT BURDEN WITHOUT D THE VIABILITY OF AND ACCOUNTABILITY FOR PROJECT

CTIVITIES.

-- F. PROJECT BUDGET: REVIEWERS BELIEVE, PARTICULARLY GIVEN THE NEED TO ASSURE SUSTAINABILITY OF RESULTS, THAT THE TA COMPONENT OF THE PROJECT IS UNDERFUNDED. MANAGEMENT AND ORGANIZATIONAL TRAINING AND SUPPORT WILL BE CRITICAL

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TO ACHIEVEMENT OF OBJECTIVES. THE BUDGET SHOULD BE RECONSIDERED IN SUBSEQUENT DESIGN WORK, PARTICULARLY IN LIGHT OF ITEM H BELOW.

--G. PL 480 TITLE III LINKAGE: THE REVIEWERS SUGGEST, GIVEN THE TITLE III LINKAGE ON THE LOCAL CURRENCY SIDE, THAT YOU EXPLORE THE OPPORTUNITY TO DEVELOP TITLE III POLICY REFORM ITEMS ON ISSUES RELATED TO THIS PROJECT. AN

EXAMPLE WOULD BE THE TAX STRUCTURE RELATED TO CORPORATE PHILANTHROPY OR THE NGO COMMUNITY AT LARGE.

-- H. SUSTAINABILITY: CLEARLY, SUSTAINABILITY IS A KEY ISSUE ASSOCIATED WITH THIS PROJECT AND ONE WHICH ATTRACTED A GREAT DEAL OF ATTENTION AT THE REVIEW MEETING.

THERE MUST BE CLARITY IN THE DESIGN DOCUMENTS ON WHAT IT IS AID IS HOPING TO SUSTAIN THROUGH THIS PROJECT: THE PROCESS OF CITIZEN ADVOCACY ITSELF, THE TRANSFORMATION OF SPECIFIC ISSUES RAISED BY CITIZEN GROUPS INTO POLICY AND LAW, OR THE ACTUAL EXISTENCE OF PARTICULAR NGOS AND CITIZENS GROUPS IN SRI LANKA. ALL OF THESE ARE LAUDABLE OBJECTIVES. IT WILL BE IMPORTANT TO SPECIFY WHICH OF THESE GUIDES THE MISSION'S APPROACH TO EXECUTION OF THIS PROJECT.

THE CHOICES NOTED ABOVE WILL ALSO INFLUENCE THE SELECTION OF METHODS TO PROMOTE SUSTAINABILITY. AMONG THOSE NOTED DURING OUR REVIEW: (1) THE IMPORTANCE OF COALITION BUILDING TO THE SUCCESS OF MANY NGO EFFORTS, (2) THE NEED FOR A WELL-DEFINED, SUPPORTIVE LEGAL FRAMEWORK IN WHICH TO OPERATE, (3) THE SIGNIFICANCE OF CLEAR STANDARDS AMONG THE NGO COMMUNITY INVOLVING SUCH ELEMENTS AS PROFESSIONAL CONDUCT AND ACCOUNTABILITY, (4) AND THE BENEFITS WHICH CAN FLOW FROM PARTNERSHIPS BETWEEN THE PRIVATE SECTOR AND THE NGO COMMUNITY. A POTENTIAL HAZARD TO SUSTAINABILITY IS THE POSSIBILITY OF CONFLICTING OBJECTIVES BETWEEN GROUPS

WHICH WILL BE SUPPORTED BY THE PROJECT - ENVIRONMENTAL GROUPS VERSUS BUSINESS ADVOCACY GROUPS FOR EXAMPLE.

WE NOTE, IN TERMS OF ORGANIZATIONAL SUSTAINABILTY, THAT APPROACHES MAY VARY DEPENDING ON THE TYPE OF GROUP. BOTH THE MEANS AND THE CRITERIA TO JUDGE RESULTS OF SUSTAINABILITY EFFORTS MAY BE SIGNIFICANTLY DIFFERENT BETWEEN A BUSINESS ASSOCIATION AND A HUMANITARIAN RELIEF ORGANIZATION - AS AN EXAMPLE.

THE BUREAU EXPECTS THE MISSION TO EXAMINE SUSTAINABILITY ISSUES CAREFULLY AS IT PURSUES THE DEVELOPMENT OF THIS PROJECT.

4. AGAIN, WE CONGRATULATE YOU ON THE THOROUGHNESS AND RELEVANCY OF YOUR PRESENTATION. PLEASE ADVISE IF WE CAN BE OF FURTHER ASSISTANCE.

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CITIZENS' PARTICIPATION PROJECT – LOGICAL FRAMEWORK

Annex B

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
PROJECT GOAL:	MEASURES OF ACHIEVEMENT:	METHODS/SOURCES OF VERFICATION:	ASSUMPTIONS FOR SUCCESS:
To provide the stable democractic environment essential to achieving Sri Lanka's objective of becoming a democratic NIC by the first part of the next century.	Increased % of surveyed citizens personally active in promoting development and democracy, and/or attributing value/effectiveness to citizens' participation Reduction in Human Rights Violations	Baseline and follow–up surveys Government Reports, State Department Reports, and Amnesty International Reports	Continued will to improve HR records Goverment policies continue to encourage private sector growth and environmentally sound investment Continued high voter participation in elections
PROJECT PURPOSE:	END OF PROJECT STATUS		
To strengthen democratic processes that enhance opportunities for ordinary citizens to address fundamental social, economic and political development needs.	More responsive local government 1. % of people satisfied with performance of local government 2. Citizens/NGOs engaged in development planning with local officials 3. Increased financial revenue of local government A more effective NGO movement 1. More accountable, democratic, and broadbased NGOs 2. # of targeted public policy decisions influenced by NGOs 3. Decrease in unemployment rates, especially for women and youth 4. Reduced # of persons in displacement camps Modernized legal systems with greater respect for human rights 1. Increased % of citizens aware of legal rights & means for legal redress 2. Decrease in backlog of cases in Appellate Courts 3. Increase in access of disadvantaged groups to formal and informal legal systems A more professional media 1. Decrease in censorship, including self–censorship of media 2. Increased public confidence in relevance/reliability of media reporting	–Baseline and follow–up surveys –NGO and local government reports –Government Reports –Field evaluation and review of NGO reports –Desk study of NGO, government, and media reports –Government reports and Central Bank Statistical Report –Government and NGO reports –Citizen and follow–up surveys –Court records –Mediation board and NGO records –State Department reports, interviews with journalists –Baseline and follow–up surveys	GSL supportive of local government – Civil society groups are or have the will to become accountable, democratic, and broadbased participants in development activities – Progress in resolving conflict in North and East – Continued independence of courts – Political environment conducive to media communicating without censorship
SUMMARY OUTPUTS			
Local Government: 1. Better trained local government officials 2. Productive working relationships between local governments, citizens' groups and local NGOs 3. Innovative local government development initiatives that have been worked out with citizens' groups 4. Improved links between national and local governments Participatory Development: 1. Creation of new or strengthened participatory development groups 2. Economic opportunities for disadvantaged groups, especially groups in the North and East 3. More productive working relationships between NGOs & government 4. Professional NGOs which serve as umbrellas or resource centers to other NGOs Modernized Legal Systems: 1. Trained judges and lawyers via continuing legal education programs 2. Modernized systems for monitoring and managing case adjudication 3. Increased # of mediation boards throughout the country, serving more 4. Raised public awareness of human rights 5. Legal aid services to targeted groups Professional Media: 1. Strengthened media associations 2. Better trained journalists 3. Establishment of university degree programs in media that include development issues in the curriculum 4. Establishment of press ombudsman and journalism awards 5. Increased access to media by groups working in project–related activities	Local government: 1. # of local government officials trained and the impact of training 2. Programs devised with demonstrated input from citizens, especially women, poor and youth 3. # of projects supported, designed, implemented and evaluated by local government and citizens 4. # of meetings between national gov't and local gov't officials Participatory Development 1. % of strengthened NGOs using participatory approaches to development and operating according to professional standards 2a. # of new employment opportunities, especially for women, youth, & citizens in the North and East 2b. # of displaced persons resettled 3. Increase in # of organizations utilizing umbrella groups' services Modernized Legal Systems: 1. # of lawyers & judges trained & the impact of training on performance 2. # of courts automated and automation systems in use 3. Increase in # of cases heard and % resolved by mediation boards 4. % of surveyed citizens knowledgeable of their legal rights 5. # of youth, rural and urban poor, and citizens of the North and East utilizing legal aid services Professional Media: 1. Increase in support services offered by media associations 2. # of journalists and editors who complete training 3. Increase in # of courses offered through university degree program 4a. Ombudsman reports published regularly in mass media 4b. # of submissions for journalism awards 5. Media programs developed by NGOs printed or aired in the media	–Training and post–training tracking records –Local government, NGO reports –Site visits, local government and NGO reports – Selected interviews with national and local government officials, national & local government records –Project monitoring and evaluation reports –Project Monitoring and Evaluation Reports – Government and NGO reports – NGO records –Training and post–training tracking – Site visits and NGO reports –Mediation Board records –Baseline and follow–up survey –NGO records, selected interviews of legal aid recipients –NGO reports, selected interviews with media personnel – Training and post–training tracking – University records and curriculum descriptions – Project monitoring and evaluation reports – Ombudsman reports – NGO reports, Project Monitoring and Evaluation reports	– Local government officials receptive to training – Local government officials receptive to broad–based – National government receiptive to local government input – NGOs value institutional strengthening for sustainability. – Continued economic growth – Progress in resolving conflict in North and East – Civil society groups working together to address issues – Lawyers and judges receptive to training – Court officials willing to use automation systems – Support for mediation boards by GSL and by lawyers – Respect in Sri Lanka for legal rights – Targeted groups willing to solve problems through legal means – Media associations able to be non–partisan advocates of media interests – Journalists and editors receptive to training – Continued support by University for Journalism program – Print and broadcast media receptive to programs developed by NGOs
SUMMARY INPUTS:	LOP FUNDING (USAID –– US $)		
Technical assistance Training Commodities Logistical Support Audit/Evaluation Total	9,393,000 2,897,000 2,648,000 680,000 382,000 16,000,000	– OYB levels – Title III levels – NGO contributions	– Project funding levels are achieved

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CITIZENS' PARTICIPATION

LOCAL GOVERNMENT/ DECENTRALIZATION		PARTICIPATORY DEVELOPMENT GROUPS		MODERNIZED LEGAL SYSTEMS		PROFESSIONAL MEDIA	
What?	How?	What?	How?	What?	How?	What?	How?
Support projects implemented jointly by NGOs and local government	Joint NGO/local govt project fund for activities implemented by local govt and NGOs	Enable displaced persons to participate in economic, social and political matters	Program for north and east for resettlement, income generation, and link with local govt services	Modernize and increase efficiency of the legal system	Computerize appellate courts, increase number & efficiency of mediation boards, train judges and lawyers	Strengthen and professionalize media associations	Assistance to media groups for more effective representation
Train local govt officials to address development issues, and to raise funds from central govt and other sources	Training and technical assistance	Develop umbrella organizations to create horizontal linkages and represent interests of development groups	Financial and technical assistance to strengthen umbrella organizations	Provide legal aid to disadvantaged groups (women displaced persons & poor people) and increase awareness of legal rights	Through legal aid clinics and lawyers associations, and community legal awareness programs	Train journalists in writing skills and other aspects of journalism	Arrange training programs locally and overseas
Establish links between local govt officials, NGOs and donors	Through seminars involving all three agencies	Strengthen new & existing citizen groups providing catalytic support to the disadvantaged	Through lead NGOs working with displaced persons, women, children, poor etc.	Develop & imple -ment curriculum on human rights at educational institutions	Through support to university groups	University degree programs in journalism	Develop and establish journalism programs at all universities
Enhance capabili-ties in local govt bodies to represent citizen groups interests with other govt agencies	Training and technical assistance	Open channels of communications with govt officials	Train staff in advocacy and writing skills & hold regular meetings with govt	Support new & existing citizen groups protecting constitutional rights	Financial/ technical assistance to track abuses & adjudication	Establish press ombudsman and annual review culminating in award	Through the media associations
						Quality media coverage of other program areas covered by project	Liaise with other implementing organizations

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5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable to the eligibility of countries to receive the following categories of assistance: (A) both Development Assistance and Economic Support Funds; (B) Development Assistance funds only; or (C) Economic Support Funds only.

A. COUNTRY ELIGIBILITY CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUND ASSISTANCE

1. Narcotics Certification

(FAA Sec. 490): (This provision applies to assistance provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance relating to international narcotics control, disaster and refugee relief assistance, narcotics related assistance, or the provision of food (including the monetization of food) or medicine, and the provision of non-agricultural commodities under P.L. 480. This provision also does not apply to assistance for child survival and AIDS programs which can, under section 542 of the FY 1993 Appropriations Act, be made available notwithstanding any provision of law that restricts assistance to foreign countries.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government):

(1) has the President in the April 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 calendar days, of a resolution disapproving such a certification), that (a) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals and objectives established by the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or that (b) the vital national interests of the United States require the provision of such assistance?

Not applicable.

(2) with regard to a major illicit drug producing or drug-transit country for which the President has <u>not</u> certified on April 1, has the President determined and certified to Congress on any other date (with enactment by Congress of a resolution approving such certification) that the vital national interests of the United States require the provision of assistance, and has also certified that (a) the country has undergone a fundamental change in government, or (b) there has been a fundamental change in the conditions that were the reason why the President had not made a "fully cooperating" certification.

Not applicable

Not applicable.

2. **Indebtedness to U.S. citizens** (FAA Sec. 620(c): If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where: (a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity?

No.

3. **Seizure of U.S. Property** (FAA Sec. 620(e)(1)): If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities

No.

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beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

4. **Communist countries** (FAA Secs. 620(a), 620(f), 620D; FY 1993 Appropriations Act Secs. 512, 543): Is recipient country a Communist country? If so, has the President: (a) determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism, or (b) removed a country from applicable restrictions on assistance to communist countries upon a determination and report to Congress that such action is important to the national interest of the United States? Will assistance be provided either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, Iran or Syria? Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet-controlled government of Afghanistan? **No.**

5. **Mob Action** (FAA Sec. 620(j)): Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? **No.**

6. **OPIC Investment Guaranty** (FAA Sec. 620(l)): Has the country failed to enter into an investment guaranty agreement with OPIC? **No.**

7. **Seizure of U.S. Fishing Vessels** (FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5): (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? **No.**
(b) If so, has any deduction required by the Fishermen's Protective Act been made? **Not applicable.**

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8. **Loan Default** (FAA Sec. 620(q); FY 1993 Appropriations Act Sec. 518 (Brooke Amendment)): (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1990 Appropriations Act appropriates funds?	**No.** **No.**
9. **Military Equipment** (FAA Sec 620(s)): If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)	**Not applicable.**
10. **Diplomatic Relations with U.S.** (FAA Sec. 620(t)): Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?	**No.** **Not applicable.**
11. **U.N. Obligations** (FAA Sec. 620(u)): What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.)	**Sri Lanka is current on regular UN budget assessments.**
12. **International Terrorism**	

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a. **Sanctuary and support** (FY 1993 Appropriations Act Sec. 554; FAA Sec. 620A): Has the country been determined by the President to: (a) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism, unless the President has waived this restriction on grounds of national security or for humanitarian reasons? **No.** **No.**

b. **Airport Security** (ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? **No.**

13. **Countries that Export Lethal Military Equipment** (FY 1994 Appropriations Act Sec. 573). Is assistance being made available to a government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act? **No.**

14. **Discrimination** (FAA Sec. 666(b)): Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? **No.**

14. **Nuclear Technology** (FAA Secs. 669, 670): Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any **No.** **No.** **No.**

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material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.)

15. **Algiers Meeting** (ISDCA of 1981, Sec. 720): Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.)

Sri Lanka was not represented at the meeting and has subsequently entered a written reservation.

16. **Military Coup** (FY 1993 Appropriations Act Sec. 513): Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance?

No.

Not applicable.

17. **Refugee Cooperation** (FY 1993 Appropriations Act Sec. 538): Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin?

Yes.

18. **Exploitation of Children** (FAA Sec. 116(b)): Does the recipient government fail to take appropriate and adequate measures, within its means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services?

No.

19. **Parking Fines** (FY 1994 Appropriations Act Sec. 574): Has the overall assistance allocation of funds for a country taken into account the requirements of this section to reduce assistance by 110 percent of the amount of unpaid parking fines owed to the District of Columbia as of September 30, 1993?

Yes.

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B. COUNTRY ELIGIBILITY CRITERIA APPLICABLE ONLY TO DEVELOPMENT ASSISTANCE ("DA")

1. **Human Rights Violations** (FAA Sec. 116): Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

Human rights concerns have been noted, but have not reached the level where FAA Section 116 restrictions are triggered.

Not applicable.

2. **Abortions** (FY 1993 Appropriations Act Sec. 534): Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No.

C. COUNTRY ELIGIBILITY CRITERIA APPLICABLE ONLY TO ECONOMIC SUPPORT FUNDS ("ESF")

Human Rights Violations (FAA Sec. 502B): Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

Not applicable.

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determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

C. COUNTRY ELIGIBILITY CRITERIA APPLICABLE ONLY TO ECONOMIC SUPPORT FUNDS ("ESF")

Human Rights Violations (FAA Sec. 502B): Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

5C(2) - ASSISTANCE CHECKLIST

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. **Host Country Development Efforts** (FAA Sec. 601(a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations;

Project activities will, through participatory development groups, encourage development and use of cooperatives, credit unions, and savings and loan associations. Through support to entrepreneurial activities, project will foster private initiative and competition. Project support to improve democracy in Sri Lanka will increase level of confidence in investors which will increase the flow of international trade.

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(d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.	Through training activities free labor unions will be strengthened
2. **U.S. Private Trade and Investment** (FAA Sec. 601(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	See 1 above
3. **Congressional Notification**	
a. **General requirement** (FY 1994 Appropriations Act Sec. 515; FAA Sec. 634A): If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the Appropriations Act notification requirement has been waived because of substantial risk to human health or welfare)?	Congressional Notification was sent to Washington on April 26 1994 and is expected to expire without objection on May 10, 199
b. **Special notification requirement** (FY 1994 Appropriations Act Sec. 520): Are all activities proposed for obligation subject to prior congressional notification?	No
c. **Notice of account transfer** (FY 1994 Appropriations Act Sec. 509): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?	Not applicable
c. **Cash transfers and nonproject sector assistance** (FY 1994 Appropriations Act Sec. 537(b)(3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice	

included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted? — Not applicable

4. **Engineering and Financial Plans** (FAA Sec. 611(a)): Prior to an obligation in excess of $500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? — Yes

5. **Legislative Action** (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of $500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? — Not applicable

6. **Water Resources** (FAA Sec. 611(b)): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) — Not applicable

7. **Cash Transfer/Nonproject Sector Assistance Requirements** (FY 1994 Appropriations Act Sec. 537). If assistance is in the form of a cash transfer or nonproject sector assistance:

a. **Separate account:** Are all such cash payments to be maintained by the country in a separate account and not commingled with any other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)? — Not applicable

b. **Local currencies:** If assistance is furnished to a foreign government under arrangements which result

in the generation of local currencies:

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account? Not applicable

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government? Not applicable

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes? Not applicable

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government? Not applicable

8. **Capital Assistance** (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? Not applicable

9. **Multiple Country Objectives** (FAA Sec. 601(a)): Information and conclusions

on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.	Project activities will, through participatory development groups, encourage development and use of cooperatives, credit unions, and savings and loan associations. Through support to entrepreneurial activities project will foster private initiative and competition. Project support to improve democracy in Sri Lanka will increase level of confidence in investors which will increase the flow of international trade.
10. **U.S. Private Trade** (FAA Sec. 601(b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	Same as 9 above
11. **Local Currencies**	
a. **Recipient Contributions** (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.	Out of the total project cost of U.S.$16 m, US$ 8m will be host country contribution from Title III funds and US$ 1m from the participating NGOs.
b. **U.S.-Owned Currency** (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?	No
12. **Trade Restrictions**	
a. **Surplus Commodities** (FY 1994 Appropriations Act Sec. 513(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?	Not applicable
b. **Textiles (Lautenberg**	

Amendment) (FY 1994 Appropriations Act Sec. 513(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? — No

13. **Tropical Forests** (FY 1991 Appropriations Act Sec. 533(c)(3)(as referenced in section 532(d) of the FY 1993 Appropriations Act): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas? — No

14. **PVO Assistance**

a. **Auditing and registration** (FY 1994 Appropriations Act Sec. 568): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? — Yes

Prior to providing project assistance all PVOs will be registered with AID/W

b. **Funding sources** (FY 1994 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? — Yes

When a cooperative agreement is made with a U.S. PVO this requirement will be applied.

15. **Project Agreement Documentation** (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

This will be done when the project agreement is signed.

16. **Metric System** (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

Yes

Yes

Yes

17. **Abortions** (FAA Sec. 104(f); FY 1994 Appropriations Act, Title II, under heading "Population, DA," and Sec. 518):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No

b. Are any of the funds to be used to pay for the performance of

involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No

d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? (As a legal matter, DA only.) Yes

e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? (As a legal matter, DA only.) No

f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization? No

18. **Cooperatives** (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life? Yes

19. **U.S.-Owned Foreign Currencies**

a. **Use of currencies** (FAA Secs. 612(b), 636(h); FY 1994 Appropriations Act

Secs. 503, 505): Are steps being taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.	Yes. equivalent of US$8 M will be provided through BC owned local currency generated through PL 480 funds.
b. **Release of currencies** (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?	No
20. **Procurement**	
a. **Small business** (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?	Furnishing of commodities and services will be openly competed.
b. **U.S. procurement** (FAA Sec. 604(a): Will all procurement be from the U.S., the recipient country, or developing countries except as otherwise determined in accordance with the criteria of this section?	Handbook 13 rules for procurement will be applied.
c. **Marine insurance** (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?	Yes
d. **Non-U.S. agricultural procurement** (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)	Not applicable
e. **Construction or engineering services** (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a	

competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) — No

f. **Cargo preference shipping** (FAA Sec. 603)): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? — No

g. **Technical assistance** (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? — Yes

No

h. **U.S. air carriers** (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? — Yes

i. **Consulting services** (FY 1994 Appropriations Act Sec. 567): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? — Yes

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j. **Metric conversion** (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Yes

Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Yes

Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? Yes

k. **Competitive Selection Procedures** (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes

l. **Chemical Weapons** (FY 1994 Appropriations Act Sec. 569): Will the assistance be used to finance the procurement of chemicals that may be used for chemical weapons production? No

21. **Construction**

a. **Capital project** (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A

b. **Construction contract** (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A

c. **Large projects, Congressional approval** (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress? N/A

22. **U.S. Audit Rights** (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

23. **Communist Assistance** (FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? N/A

24. **Narcotics**

a. **Cash reimbursements** (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes

b. **Assistance to narcotics traffickers** (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? Yes

25. **Expropriation and Land Reform** (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized

property, except to compensate foreign nationals in accordance with a land reform program certified by the President?	N/A
26. **Police and Prisons** (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?	Yes
27. **CIA Activities** (FAA Sec. 662): Will assistance preclude use of financing for CIA activities?	Yes
28. **Motor Vehicles** (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained?	Yes
29. **Export of Nuclear Resources** (FY 1994 Appropriations Act Sec. 506): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology?	Yes
30. **Publicity or Propaganda** (FY 1994 Appropriations Act Sec. 557): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress?	No
31. **Marine Insurance** (FY 1994 Appropriations Act Sec. 531): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate?	Yes
32. **Exchange for Prohibited Act** (FY 1994 Appropriations Act Sec. 533): Will any assistance be provided to any foreign	

government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? No

33. **Commitment of Funds** (FAA Sec. 635(h)): Does a contract or agreement entail a commitment for the expenditure of funds during a period in excess of 5 years from the date of the contract or agreement? No

34. **Impact on U.S. Jobs** (FY 1994 Appropriations Act, Sec. 547):

a. Will any financial incentive be provided to a business located in the U.S. for the purpose of inducing that business to relocate outside the U.S. in a manner that would likely reduce the number of U.S. employees of that business? No

b. Will assistance be provided for the purpose of establishing or developing an export processing zone or designated area in which the country's tax, tariff, labor, environment, and safety laws do not apply? If so, has the President determined and certified that such assistance is not likely to cause a loss of jobs within the U.S.? No

c. Will assistance be provided for a project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, or will assistance be for the informal sector, micro or small-scale enterprise, or smallholder agriculture? No

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. **Agricultural Exports (Bumpers Amendment)** (FY 1994 Appropriations Act

Sec. 513(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?	No
2. **Tied Aid Credits** (FY 1994 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits?	Not applicable
3. **Appropriate Technology** (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?	Yes
4. **Indigenous Needs and Resources** (FAA Sec. 281(b)): Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.	The project will assist in strengthening and developing the capability of Sri Lankan local government, NGOs, judiciary, lawyers, and media. Emphasis is placed on providing technical assistance, training and financial assistance to these groups.
5. **Economic Development** (FAA Sec. 101(a)): Does the activity give reasonable promise of contributing to the development of economic resources, or to	

the increase of productive capacities and self-sustaining economic growth?	Yes
6. **Special Development Emphases** (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.	Project focus is on increasing citizen participation, specially the disadvantaged groups such as displaced persons, women, handicapped people and people living below the poverty line, in development. Project will specifically aim at strengthening democratic institutions such as private voluntary organizations, business associations and local government bodies.
7. **Recipient Country Contribution** (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?	Yes
8. **Benefit to Poor Majority** (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?	Yes
9. **Contract Awards** (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?	Yes

10. **Disadvantaged Enterprises** (FY 1994 Appropriations Act Sec. 558): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

Project will work with mostly Sri Lankan NGOs. However, at least 50% of project beneficiaries will be women.

11. **Biological Diversity** (FAA Sec. 119(g): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

Not applicable

12. **Tropical Forests** (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act):

a. **A.I.D. Regulation 16:** Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

Yes

b. **Conservation:** Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives

Not applicable

to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

c. **Forest degradation:** Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment

No

indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?	(1) No (2) No (3) No (4) No (5) No (6) No
d. **Sustainable forestry:** If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?	Not applicable
e. **Environmental impact statements:** Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment?	Yes

13. **Energy** (FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act): If assistance relates to energy, will such assistance focus on: (a) end-use energy

efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases?

Not applicable

14. **Debt-for-Nature Exchange** (FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management.

Not applicable

15. **Deobligation/Reobligation** (FY 1994 Appropriations Act Sec. 510): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

Not applicable

16. **Loans**

a. **Repayment capacity** (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

The project is fully financed from grant funds

b. **Long-range plans** (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

c. **Interest rate** (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at

least 3 percent per annum thereafter?

d. **Exports to United States** (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

17. **Development Objectives** (FAA Secs. 102(a), 111, 113, 281(a)): Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

(1) The main objective of the project is to involve the poor and disadvantaged in all aspects of development

(2) Democratic pricate and local government institutions will be directly assisted through technical assistance and training.

(3) Self-help efforts will be supported

(4) Women will be especially targetted in all programs.

(5) As far as possible, experiences will be shared with other countries in the region.

18. **Agriculture, Rural Development and Nutrition,** and **Agricultural Research** (FAA Secs. 103 and 103A):

a. **Rural poor and small farmers:** If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research,

Assistance will be given indirectly to rural poor and small farmers to increase income by providing training and technical assistance.

has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

b. **Nutrition:** Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.

Not applicable

c. **Food security:** Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

These activities will be positively affected by activities aimed at achieving sustainability of local government and non-government organizations

19. **Population and Health** (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

If population and health activities are supported through local government bodies and PVOs especially in Eastern Sri Lanka.

20. **Education and Human Resources Development** (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource

development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

No activities for non-formal education will be undertaken. However, training will be provided on constitutional and legal rights of citizens. Local NGOs will be strengthened to be effective participants in development.

21. **Energy, Private Voluntary Organizations, and Selected Development Activities** (FAA Sec. 106): If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

Project will support collection and analysis of data relating to human rights and adjudication of cases.

No assistance will be made available for energy.

b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

Technical assistance will be provided through U.S. and Sri Lanka private and voluntary organizations.

c. research into, and evaluation of, economic development processes and techniques;

Only to a limited extent

d. reconstruction after natural or manmade disaster and programs of disaster preparedness;

Programs in Eastern Sri Lanka where government is trying to introduce democratic systems after nearly a decade of violence.

e. for special development problems, and to enable proper utilization

When selecting projects for funding, activities supported under the previous PVO projects will receive special consideration.

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of infrastructure and related projects funded with earlier U.S. assistance;

f. for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

These will be specially targetted.

22. **Capital Projects** (Jobs Through Export Act of 1992, Secs. 303 and 306(d)): If assistance is being provided for a capital project, is the project developmentally sound and will the project measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level?

N/A

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

N/A

1. **Economic and Political Stability** (FAA Sec. 531(a)): Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

2. **Military Purposes** (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes?

3. **Commodity Grants/Separate Accounts** (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? (For FY 1994, this provision is superseded by the separate account requirements of FY 1994 Appropriations Act Sec. 537(a), see Sec. 537(a)(5).)

4. **Generation and Use of Local Currencies** (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so,

will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? (For FY 1994, this provision is superseded by the separate account requirements of FY 1994 Appropriations Act Sec. 537(a), see Sec. 537(a)(5).)

5. **Capital Projects** (Jobs Through Exports Act of 1992, Sec. 306, FY 1993 Appropriations Act, Sec. 595): If assistance is being provided for a capital project, will the project be developmentally-sound and sustainable, i.e., one that is (a) environmentally sustainable, (b) within the financial capacity of the government or recipient to maintain from its own resources, and (c) responsive to a significant development priority initiated by the country to which assistance is being provided. (Please note the definition of "capital project" contained in section 595 of the FY 1993 Appropriations Act. Note, as well, that although a comparable provision does not appear in the FY 94 Appropriations Act, the FY 93 provision applies to, among other things, 2-year ESF funds which could be obligated in FY 94.)

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நிதி அமைச்சு
DEPARTMENT OF EXTERNAL RESOURCES
Ministry of Finance

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ANNEX D

Mr David A Cohen
Director
U S A I D Office
356, Galle Road
Colombo 3

OFFICIAL FILE COPY

Dear Mr Cohen,

USAID - CITIZEN PARTICIPATION PROJECT

We refer to our discussions with Her Excellency, the Ambassador and Mr R Paskaralingam, Secretary, Ministry of Finance, on 28th March 1994, at the signing of the USAID Amendments.

We have gone through the Project Proposal and find it very interesting. We feel that the Project is an important need at this juncture; it helps us to correct ourselves and to win donor confidence.

Accordingly, the Government approves the project concept and would seek your assistance for this project as early as possible. It is presumed that you will consult the ERD and relevant Sri Lankan authorities, more closely when the final Project document is prepared.

Thank you,

Yours sincerely,

S L Seneviratne
Director General

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ANNEX E.1. TECHNICAL ANALYSIS

1. DEMOCRACY IN SRI LANKA - THE PROJECT ENVIRONMENT

Throughout Sri Lanka's documented history spanning over 2,000 years, there is mention of democratic institutions. Although 400 years of western rule by the Portuguese, the Dutch and the English changed much in the Sri Lankan way of life, there is evidence that village organizations continued, fostering effective citizens' participation at the grassroots level.

In 1931, Sri Lanka became one of the first countries in the world to gain universal suffrage. In 1948, Sri Lanka gained independence from the British in a remarkably smooth transition of power. Sri Lanka inherited from the colonial powers, principally the Dutch and the British, many of the institutions of modern democracy including an independent judiciary, a legislative system based on the Westminster model, and active civil society institutions. Since independence, these institutions have been changed and challenged, but despite crises, "Sri Lanka shares with India the distinction, among the post-colonial states of South Asia, of sustaining a democratic political system throughout the four decades and more of independence."[1]

Today, Sri Lanka aims to become a newly-industrialized country (NIC) early in the 21st century. A gradual process of economic liberalization that began with the change of government and constitution in 1977 has been accelerated in the last few years, aided by financial support for stabilization and restructuring from the International Monetary Fund and the World Bank, as well as about $800 million annually from bilateral donors. AID's share of this assistance has averaged about $65 million per year in the 1990's. An overview of the Sri Lankan economy predicted a bright future for two reasons: "First, the political situation is improving reducing its drag on growth and risk of investing in Sri Lanka; second, the right economic policies are now being implemented and are already producing a robust output response".[2]

However, the economic restructuring has been unable to address the economic needs of the total population, leaving over 30% living below the poverty line. The inability to serve the needs of the economically disadvantaged and the alienation of minorities have severely challenged Sri Lanka's democratic institutions, leading to a struggle for separation in the north that is still continuing and east of Sri Lanka and an insurrection in the South in the late 1980s that was forcibly repressed.

Some of the reasons for the insurrection in the South have begun to be addressed by the government. The government appointed a Youth Commission to investigate the causes for the unrest and have since then implemented an aggressive development program in the South. A new Free Trade Zone has been

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[1] K.M. de Silva, Problems of Governance (Colombo: ICES, 1993), p. 399.

[2] Sri Lanka Economic Overview: Crosby Research

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opened in Koggala and the Galle Port is due to be expanded. The government is also attempting to introduce democracy to the North and East in order to bring about a peaceful solution to the separatist war. To this end, in 1987 the government introduced a provincial council system leading to devolution of power. The successful local elections recently carried out in the East are indicative of the move towards effective implementation of democratic devolution of power in the conflict areas. As the devolution system is still comparatively new, opportunities exist for improvement. The main constraints to devolution are lack of resources, lack of staff training, and ineffective representation by ordinary citizens at higher levels of government.

To reach those who have been overlooked by economic re-structuring, the Government has introduced an ambitious poverty alleviation program through the Janasaviya Trust Fund. However, the Government has accepted that it cannot access everyone and have welcomed the participation of Non-Government Organizations (NGOs) in their efforts to assist disadvantaged persons. NGOs themselves need assistance for institutional strengthening, for establishment communication channels with each other and other agencies, and for program implementation in order to become more effective partners in development.

Sri Lanka's legal institutions and processes face several challenges. As a response to the conflict in the North and East, the government has introduced several regulations under as Emergency Laws. Many people are unaware of the wide fundamental rights available to citizens under the constitution of Sri Lanka. There is a serious backlog of cases pending judgment at the courts. Prohibitive legal costs restrict the ability of disadvantaged citizens to gain redress from the court system.

In the media there have been several positive developments in the media in the past decade, for example six TV channels, four radio stations, and many periodical publications have been introduced. On the negative side, however, the quality and the independence of the print media has deteriorated, particularly over the last 20 years. This is partly due to policy decisions such as the nationalization of the Lake House Publishing Group in 1970 and the ban on independent coverage of local news. Emergency regulations have constrained the ability of media to cover domestic issues. Fear of reprisals, low self-image, low pay, and lack of training are some other problems faced by the media.

The GSL is poised to address problems such as these as it works to achieve NIC status. Prime Minister Ranil Wickremasinghe, in his October 14, 1993 speech before the Overseas Development Council, clearly identified the links between free markets, democracy, and development explaining that the

> "freedom of the people and democratic institutions are corollaries of a free market economy. They all have to go together in a symbiotic relationship....If the people are given a choice between a free society with 5% growth and a "slave" society with 10 per cent growth, I am sure they will choose the former... the Sri Lankan experience has validated this. After all, economic advancement is for the people. How can they enjoy better material life without freedoms? The greatest virtue of a policy of moving towards a comprehensive market economy is the fact that it is also a

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In the same speech the Honorable Prime Minister challenged countries like the United States to help the old democracies even as they strive to help the new democracies:

> "The widespread movement of countries to market-friendly reforms and democratic institutions must be actively supported by the leading economies and international financial institutions promoting global trade and investment and orderly economic relationships. They must support democracy, good governance, and human rights. We must create a healthier world political and economic environment that would provide a stable foundation for the 21st century....The open competitive societies need to be assiduously supported by the international community and the political leadership... I hope that strengthening "old" democracies would be an integral part of the implementation of this policy."

USAID seeks to meet this challenge through the CIPART project. The CIPART project aims to build effective citizens' participation in development by strengthening democratic processes within local government, civil society, rule of law, and the media in Sri Lanka.

2. TECHNICAL FEASIBILITY OF THE CURRENT PROJECT

2.1. Linkages between development and democracy

The CIPART project rests on the premise that the issues of democracy and development are inextricably linked and that they can be mutually reinforcing. This technical analysis begins with a delineation of these linkages.

How does democracy reinforce the sustainability of socioeconomic development? Conventional wisdom long has argued that democracy depends on first achieving strong economic development. The collapse of communism in the Soviet Union and Eastern Europe provides compelling evidence that even if the reverse may not be true, development efforts that include stimulation of democracy actually improve the prospects for sustainable economic growth, because it ensures the broadest possible participation by empowered people. Democratic political processes - even in their early stages - tend to encourage and help ensure the broadest possible participation by people who are willing and able to define their own destinies, and to empower themselves as individuals.

To go beyond modernization and develop self-sustaining political, social, and economic institutions requires active participation from and with an increasingly empowered, innovative and knowledgeable population. Such a human resource base depends on, among other things, expanding citizens' access to information and exchange of ideas, research, and other development experience. Today's information and communication research technologies - on which so many other aspects of economic and social development depend - demand a work force that is free to seek and create knowledge in all economic, scientific, and social areas.

Development invariably creates new capabilities, both in individuals and

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organizations. Democratic political processes influence government institutions in ways that help ensure more timely and effective government responses to the expressed needs of the people. This interaction, in turn, establishes and strengthens the legitimacy of the government and its political leaders in the eyes of the people. Perhaps the most vital element is the emergence of citizens' groups - pluralistic institutions outside the established government that can work with the government to respond to the people's desires for change.

Some of the Western notions and institutions that characterize democratic development may be inappropriate for certain developing societies. Nevertheless, there are more fundamental democratic practices that are well suited to giving people opportunities to define and control their own destinies. For example, what may matter more to ordinary citizens throughout a developing society than the formal democratic institutions and practices, such as legislatures and elections that set national policies, is the extent to which these ordinary citizens can affect or control the allocation and use of those development resources on which their incomes and overall well being depend.

Within the CIPART project context, development is defined as a process that enables people to take control of their lives and improve conditions and prospects for themselves and their families. It is a process that seeks maximization of the potential in citizens' organizations and NGOs to engage in policy analysis, policy advocacy, and policy dialogue with government. It is also about interest group mobilization and maximizing the potential of people to control their own destinies as they learn more about their rights and responsibilities. CIPART recognizes that development implies commitment to change and empowerment, including the risks of occasional failure along the way. Thus, in the CIPART context, democracy is considered operational to the extent that citizens are able at all levels to influence or participate in those government policy, program, and resource allocation decisions that most affect them.

2.2. Project Concept

Sri Lanka possesses a viable democratic institutions as well as a tradition of concern for social equity and quality of life. Recently, the country has improved its economic policy framework which has resulted in enhanced economic growth and structural adjustment. As a result, Sri Lanka is well-positioned to achieve its goal of becoming a NIC early in the 21st century.

However, recent stresses on the country have limited the opportunities of some groups within the populace to participate fully in the development processes that determine their current and future well-being. These stresses include a continuing and costly civil conflict; the suspension of many normal constitutional rights and freedoms in response to that conflict; and growing disaffection among many young people because of inadequate economic opportunities. Such alienation further increases the hazards of political instability and turmoil, which in turn act as brakes on the investment that is a prerequisite to sustainable development.

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The CIPART project, through its mix of advocacy, institutional development, and program support, offers, in effect, a self-contained model of how a democratically-driven development process becomes self-sustainable. The CIPART approach directly encourages citizens' participation in policy dialogue with government at all levels. Working with lead NGOs, the project will create and strengthen new capacities in citizens' organizations and other NGOs to actively contribute to and influence government policy. Moreover, as this dialogue process may also improve government institutions, CIPART will assist the GSL at local levels through training programs and technical assistance. The development policies and programs that result from this democratic dialogue process will create a favorable environment for economic and social democracy.

The key to CIPART's success will be maintaining an effective balance in its support for developing policy dialogue capacity in NGOs and citizens' organizations, support for institutional strengthening by improving management, financial, and staffing sustainability, and, finally, support for NGO core programs and other development efforts.

2.3. Technical Feasibility of Proposed Activities

The program components of the CIPART project have been selected to directly respond to the constraints identified in Section 1 of this paper. These also correspond to the cluster of democracy programs recommended in an evaluation of the Asia Democracy Program carried out in 1992. These areas are Local Government, Participatory Development, Modernized Legal Systems, and Professional Media.

The program components are also in line with the democracy program options stated in the preliminary draft of USAID/W's Democracy Implementation Guidelines issued in January 1994. The program components coincide with the following options: Rule of Law (judicial infrastructure, training of judges, training of lawyers, alternative dispute resolution and citizens' awareness of legal rights); Good governance (promotion of decentralization efforts, technical assistance on decentralization plans, training local leaders in management and outreach techniques and developing local government capabilities); Civil society organizations especially human rights monitoring groups, progressional associations and local NGOs engaging in political activities and women's organizations (support organizational development, training in management and technical issues, develop and promote cross-border and cross-sectoral networking); and Independent media.

The remainder of this section will analyze each components' relationship to the project objectives, describe structures or institutions relevant to the component, delineate the constraints that need to be addressed in each component, and evaluate the proposed CIPART interventions in each component.

2.3.1. LOCAL GOVERNMENT

Relationship to Project Objectives

By their very nature, national governments are remote from most

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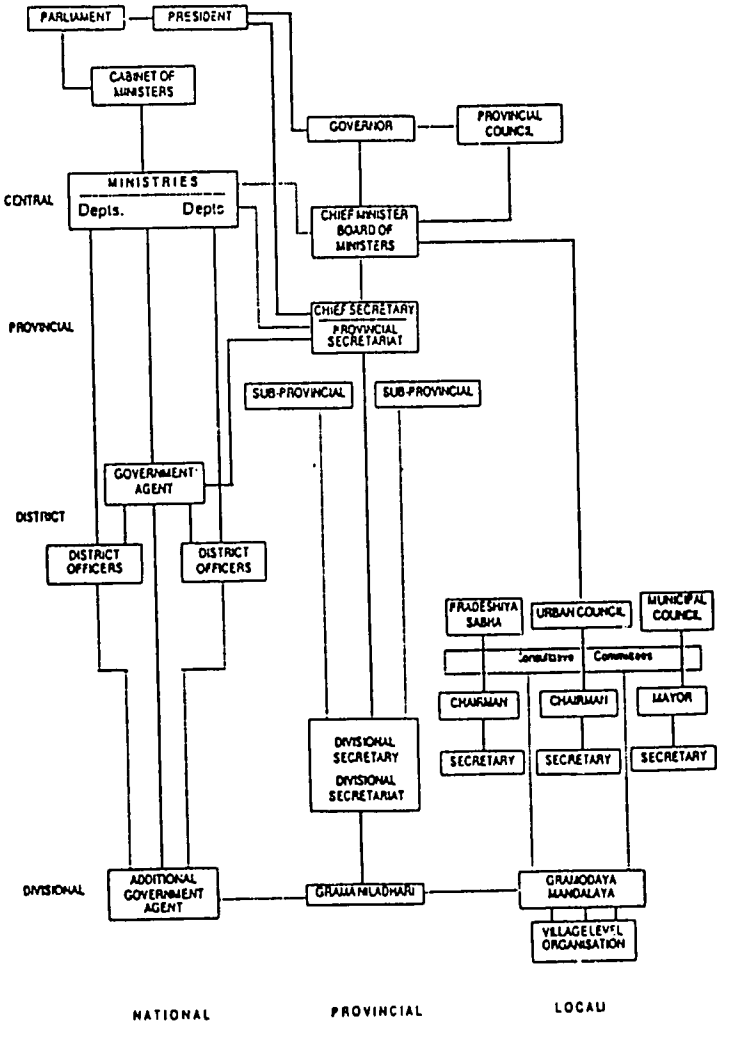
constituents. Direct democracy is more feasible at local and regional levels, where citizens have better access to government officials. Local and regional democratic initiatives encourage active citizens' participation in government. In addition, by pushing decision-making to the lowest appropriate level, regional diversity, which is crucial to Sri Lanka today, can flourish. Local decision-making empowers ordinary people, often too far removed to participate in development planning at the national level, to make effective contributions to national development. For these reasons, local and regional government institutions will receive USAID support.

Structure of the Sri Lankan Government Administration

Under the present constitution of Sri Lanka, the structure of government administration is as follows:[3]

STRUCTURE OF GOVERNMENT ADMINISTRATION



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3 Asoka Gunawardena, Provincial Councils: Structures and Organizations, (Sri Lanka, Center for Regional Development Studies, 1991), p. 32.

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The CIPART project aims to target for funding the local government body that has the most interaction with local citizens. Although the Gramodaya Mandalayas and Community Development Centers function below the Pradeshiya Sabha and Councils, these are neither precisely structured nor functioning in all areas, leaving the Pradeshiya Sabha, urban councils and municipal councils as the most appropriate unit for counterpart activities under CIPART.

The Pradeshiya Sabha Act No.15 of 1987 explains that through local government bodies, the Sri Lanka government hopes to "provide greater opportunities for the people to participate effectively in the decision making process relating to administrative and development activities at the local level."

Section 3 of the same act, and Section 4 of the Municipality and Urban Council Ordinance, further states that Pradeshiya Sabhas and Councils will be

> "....be charged with the regulation, control and administration of all matters relating to public health, public utilities and public thoroughfares and generally with the protection and promotion of the comfort, convenience and welfare of the people and all amenities".

Despite such a wide mandate, Pradeshiya Sabha and Councils are lean organizations. Their political direction is provided by councilors lead by a chairman. The councilors and the chairman are elected by popular vote for a term of four years. Executive management is provided by a Secretary and a small support staff. The secretary and his staff are government servants. The Secretary to the Pradeshiya Sabha functions additionally as the Divisional Secretary with the Provincial Council and as the Additional Government Agent, so is a key liaison figure in local government.[4]

Pradeshiya Sabhas are directly accountable to the people of their locality whom they have to encounter every four years at election time. At provincial level they are responsible to the provincial council minister, and at national level to parliament through the auditor general who will annually audit the Pradeshiya Sabha and Councils. Interestingly, any loss incurred by the Sabha will be charged to the person responsible for the decision which lead to the loss.

Pradeshiya Sabhas provide for local level planning for infrastructure and services including roads, public buildings, garbage disposal, water supply, street lights, cemeteries, parks, sports facilities, public libraries, nurseries, village level organizations (gramodaya mandalayas), general administration and collection of revenue.

The Urban Programming Unit (UBU) of the Ministry of Home Affairs and Provincial Councils (MHAPC) held a donor orientation workshop on March 17, 1994. At the meeting, Mr Austin Fernando, Secretary, stated that the focus of the ministry was on devolution, decentralization, privatization and NGO participation. The Secretary emphasized that the time has now arrived for a "marriage between Pradeshiya Sabha (and Councils), non-governmental organizations and donors". CIPART will support this partnership by funding projects designed and implemented jointly by NGOs and local government bodies.

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[4] Ibid, p. 18.

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Constraints

The specific problems facing the Pradeshiya Sabha and Municipal and Urban Councils are the following:[5]

- Not enough revenue to provide services and amenities
- Various agencies carry out development projects in local authority areas without local authority involvement
- Maintenance of such projects become a liability to local authorities
- Local authorities lack adequate capacity to present project proposals
- Donors/investors undervalue the potential of local governments due to inadequate interface and interaction

Analysis of Proposed CIPART Interventions

USAID recognizes that most of the problems mentioned above stem from the fact that the Pradeshiya Sabhas are still young organizations. As such priority under CIPART will be given to upgrading the skills of members and officials of some of these organizations, selected with the assistance of the UPU based upon past performance, responsiveness and professionalism.

Currently, the World Bank is funding a US$ 13 million project of the UPU to upgrade the Sabhas throughout the country. So far, training in community development has been provided to elected members of the Sabhas, government and semi-government officers, Sabha officers and NGOs. Training has focused on co-ordination, resource-sharing, co-operation and participation.

CIPART will provide additional training and technical assistance in order to enhance the ability of Sabha members and officials to:

- address local development and democracy issues
- represent citizens' groups with other government agencies
- establish a dialogue with government officials, NGOs and donors, especially for identifying sources of funding and linking local government development programs other resources.
- and support projects implemented jointly by NGOs and local government as project counterparts.

At the end of the project, Pradeshiya Sabha and Urban and Municipal Council members would have productive working relationships with citizens' groups and NGOs, with other local governments, and with national government. They will have increased capacity to raise funds, implement development programs in local areas together with NGOs, and sustain the activities that have been initiated under CIPART.

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[5] Mr. A.L. Amarasinghe, Discussion, March 17, 1994.

2.3.2 Participatory Development

Relationship to Project Objectives

A dynamic network of civic groups, labor organizations, business and professional organizations, and other non-governmental advocacy groups can perform a number of significant functions including informing their members on relevant topics, articulating members' views to the press and government, stimulating civic participation, increasing citizens' efficacy and effectiveness, and enhancing commitment to democratic processes. Such groups reinforce democracy because they often operate as miniature democracies. They give members opportunities to vote, run for office, and reach decisions by informed debate and voting.

Structure of Sri Lankan Participatory Development Groups

There are over 50,000 citizens' groups in Sri Lanka today. These range from the traditional "death donation societies" of approximately 10-20 members, to large organizations with island-wide outreach like Sarvodaya. While some groups deal with specific issues such as population, AIDS, handicapped people and anti-narcotics, others deal with issues on a more general scale including women's issues, environmental issues, and integrated rural development issues.

Many of these organizations, especially in the last decade have matured from purely welfare organizations to more development-oriented agencies. Donor support, in considerable quantities, has also helped some groups graduate into strong, accountable and professional organizations.

In Sri Lanka, development groups can gain legality in three separate ways. By registration under the Companies Act, registration under the Societies Ordinance or by incorporation by Act of Parliament. The recently introduced regulations on non-governmental organizations contain another new method of registration with the Director of Social Services.

Business organizations, labor organizations, micro-enterprise organizations, and farmers' organizations are important players in civil society. They represent the organized interests of entrepreneurs, business owners, farmers, and labor whose input is critical to maintaining a stable democratic and pluralistic society. Groups such as these deserve support, technical assistance and training because of their significant contribution to promoting pluralism and at the same time promoting economic democracy. Previous USAID support to chambers and business associations under the Policy Support Unit (PSU) component of the Private Sector Policy Support Project was able to successfully achieve its goal of mobilizing the chamber and business association movement. With the PSU playing a coordinating and facilitative role from 1989-93, the chamber movement in Sri Lanka progressed from a fractious, divisive group of social clubs to a more professional, motivated group of private sector representative organizations. At the end of the PSU project, the capacity of the CBAs to conduct policy research,

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analysis and dialogue on issues of concern to the Sri Lankan private sector and provide member services had been significantly strengthened.

Constraints

Lack of leadership opportunities

Although many groups have programs to benefit disadvantaged groups such as youth, women, rural people and the poor, they rarely give decision-making or leadership positions to members of these groups. For example, the local thrift bank system, supported under the PVO Co-Financing II Project, has over 50% women members, but less that 2% at district management level.
In order to contribute effectively to democracy and development in Sri Lanka, civil society groups need to become broad-based and participatory.

Displaced people

Separatist violence in Sri Lanka has now created a new disadvantaged group - displaced people. Although the GSL and NGOs are active in improving their living conditions, most displaced people live in refugee camps with little or no hope of returning soon to their home villages or even of finding reasonable alternative locations for resettlement and building of new lives. Every aspect of their lives has been torn apart to one degree or another. Opportunities for displaced people to voice their interests and priorities and to take control of their own social and economic destinies need to be created.

Lack of "horizontal" linkages

There are few groups with civic orientations that transcend the specific interests of their constituents in Sri Lanka. Voluntary organizations with a civic orientations are important, especially if they promote "horizontal linkages" between groups that are divided along region, class, ethnicity, language or religion.

Need for umbrella organizations

There is a growing awareness among Sri Lankan civic society groups that there is a need for cooperation and collaboration with one another in order to shed mutual fears, suspicions, and narrow parochialism, as well as to reduce duplication of efforts.[6] Crucial to the development of these linkages between organizations is networking skills training and the support to umbrella organizations.

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[6] Vijitha Fernando and J. Henry de Mel, Non-Governmental Organizations in Sri Lanka-- An Introduction (PACT, May 1991), p 14.

Need for administrative strengthening

There are many groups being formed at the grassroots level who need institutional strengthening and program support in order to become sustainable. Efforts need to be made to improve financial management systems of organizations in order to improve transparency. NGO personnel need training in fundraising methods. One major problem faced by organizations is lack of English knowledge which acts as a handicap for reaching donors to apply for financial support.

Tension between government and citizens' groups

Recently legislation introduced under Emergency Regulations concerning NGOs has been the subject of much debate. These rules require annual audits, filing of financial documentation with the Director of Social Services, and disclosure of all activities, the breach of which is punishable by a fine or imprisonment. The regulations are now under review by Government for introduction through normal legislative procedure. The recently concluded NGO Commission that recommended these requirements brought to light many problems in the government-NGO relationship. There is a need for more dialogue between the two groups so that they can work together for their common goal - the development of the country and its people.

Analysis of Proposed CIPART Interventions

To address the first problem of lack of leadership opportunities, CIPART will strengthen NGOs through leadership training for members. NGOs that promote the economic and social well-being of CIPART's target groups-- youth, women, and citizens of the North and East-- will be programmatically supported. CIPART will train NGO staff in participatory approaches to development, so that they may better identify and address issues of its members, and provide skills training so that they may better represent their constituents with government and other agencies. In some instances training will be conducted by groups outside the country, for example participatory development groups in the U.S. and in the South Asian region may be called upon to conduct workshops or exchanges. Civil society groups in Sri Lanka could benefit from skills workshops and exchanges with participatory development groups in the US, such as the Highlander Center in Tennessee, and with groups from other countries in the region. Exposure to these groups, in addition to training Sri Lankan groups in valuable skills such as participatory research, group formation, and fundraising, can also contribute to the building of an international network of participatory development groups.

CIPART will provide support to displaced people from several different but reinforcing directions. In the economic sphere support will be given for participatory economic empowerment activities. Local NGOs will be strengthened or new citizens' groups formed to represent the needs of their constituents to local governments. In the social sphere support will be given for skills training and resettlement efforts, possibly even in their home villages. In the legal sphere,

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support for public litigation as necessary, for example, to secure or protect their rights to participate in elections even while displaced from their home villages. Civic education concerning the range of fundamental rights will be an important component of project assistance. As far as possible, the links between local government and representative citizens' groups will form a network that can be built upon even in the conflict areas to provide basic amenities such as health and education to displaced and resettled people.

CIPART will encourage horizontal linkages by supporting programs that actively work to transcend barriers of region, class, ethnicity, language and religion. Support will be given to umbrella groups, especially CBAs, micro-enterprise groups, farmers groups, and labor groups, in order to foster strong linkages between civil society organizations.

Finally, to improve the climate of distrust between government and NGOs, CIPART will encourage communication between the two parties. NGO staff will be trained in advocacy and writing skills to better present their cases to government. They will also be encouraged to hold regular meetings with relevant government officials. The involvement of local government agencies as counterparts in development projects will also help achieve this objective. The CIPART project advisory committee itself, comprised of members of government officials and NGOs will be an additional avenue of communication between the groups.

The CIPART project aims to improve the financial and managerial accountability of the organizations it works with where necessary. Training and technical assistance given under the CIPART project will help civic groups to become successful advocates of the interests of their constituents, to have the ability to raise funds from independent sources, and to devise programs that are targeted, participatory, result-oriented and effective. CIPART will also encourage the development of a NGO code of ethics. In addition to helping to make civic organizations more sustainable and democratic, these efforts will also contribute to the reduction of tension between government and NGOs.

2.3.3. Modernized Legal Systems

Relationship to Project Objectives

A democratic society requires a legal framework that guarantees respect for the rights of the citizenry and ensures a degree of regularity in public and private affairs. The judicial system of a modern society can protect internationally recognized individual and group rights. The outlook for development is brighter when legal systems are functioning well because of increased level of confidence among investors, local and foreign. Where impartial judicial protection is extended to all people in the society, investors are secure that their businesses will be protected by a neutral and fair legal system. In such a climate, trade, investments and commerce will increase to form a steady financial base conducive to development.

A.I.D.'s Democracy Program Strategy for Asia explains that "the judicial systems in many South Asian countries require additional training for judges, and

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enhanced judicial capacity to obtain information about the cases before them and the applicable law. Often there is an equal need for better trained and informed lawyers representing the larger community. Access to legal procedures on the part of the poor needs to be strengthened in many countries. There are also increasing requirement for knowledge concerning human rights conditions and law, both within the judicial system and within the larger community of practicing lawyers." This statement holds true for Sri Lanka.

Structure of the Sri Lankan Judiciary

The current judicial system in Sri Lanka was established by the Dutch and further refined by the British in the 1800s and early 1900s. Legal education is provided by the University of Sri Lanka where one can obtain a university degree in law and at the Sri Lanka Law College for admission to the Bar as an Attorney-at-law. Although there have been improvements made in the legal field, much of the systems remain as they were 200 years ago. The court system is structured as follows:

Magistrate Courts (criminal cases)	District Courts (civil cases)	Labor Tribunals (labor disputes)

High Courts -Appeals from Magistrate Courts

Courts of Appeal -Appeals from High Courts and District Courts

Supreme Court -Appeals from Courts of Appeal

Constraints

The following is a delineation of constraints to the rule of law in Sri Lanka, the resolution of which will help Sri Lanka achieve international standards of judicial performance and accelerate development.

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Backlog of cases

There is a reported backlog of over 18,000 cases in the appellate courts, with approximately 6,000 new cases introduced each year. Most of these cases deal with land-related issues. Some of these are disputes over arable land, the non-resolution of which impedes agricultural development. In addition, inefficiently maintained court records make it nearly impossible to track the status of all cases before the court. Efforts need to be undertaken to establish priorities for eliminating the backlog by either dismissing cases or referring them to mediation boards.

Need for strengthened Mediation Boards

To ease the pressure on the court system, the government has established 211 mediation boards throughout the country, one for every Divisional Secretariat (excluding the north and east). The boards utilize trained volunteers to resolve conflicts that might otherwise require court attention. However, only 50% of the cases brought before the boards are successfully resolved as against the average of 90% resolution of cases in other countries. Another problem is that no mediation boards have been set up in the North and East of Sri Lanka. Also, mediation boards need administrative support as all those who work on mediation boards do so voluntarily and often do not have the means to support the administrative costs of the boards.

Difficulties in accessing legal system

Sometimes, the expenses of litigation make it difficult for disadvantaged groups including the economically disadvantaged, women, handicapped people and displaced persons to access the legal system. Only persons tried on criminal charges in the High Courts and the Court of Appeal are provided an attorney at government expense if necessary. In addition to lawyers' fees, considerable stamp duties are levied at the time of filing a plaint. Some groups are not aware of their legal rights and avenues of redress available to them. Access to legal system must be made possible for these groups.

Fundamental rights

Sri Lanka's constitution guarantees a wide range of fundamental rights, comparable to those guaranteed in many western countries. There has been some erosion of fundamental rights due to the war in the North and East, and the imposition of emergency regulations. However, there has been much improvement in recent times, as developments regarding emergency legislation reveal. A law introduced under emergency regulation no.55 in 1988 to dispose of bodies by police without post-mortem or inquest on the direction of the Inspector General of Police, was repealed in 1990. In 1989, the government temporarily lifted the state

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of emergency to release 1,519 persons who had been detained without charge under the emergency regulations. In 1992, a Presidential Commission of Inquiry was established to enquire into the involuntary removal of persons or disappearances between January 1991 and January 1992. A Human Rights Task Force was established in July 1991 to monitor fundamental rights and maintain a central register of those held under the Prevention of Terrorism Act and the Emergency Regulations. In 1992, the government took steps to implement some of Amnesty International's recommendations and invited Amnesty International for a follow-up visit to Sri Lanka. According to U.S. State Department figures disappearances have come down drastically as follows; 1989-3,000, 1990-1,050, 1991-900, and 1992-200. Political and extra-judicial killings have decreased as follows; 1989-8,500, 1990-2,600, 1991-710, and 1992-650. In 1993, 14 emergency regulations were relaxed.

Analysis of proposed CIPART interventions

To address the problem of court delays CIPART will provide the following specific interventions:

- Human resource development through continuing legal education programs for lawyers and judges, so that cases can be more swiftly and accurately decided.
- Computerization of court records systems for easy tracking.
- Support for establishing new mediation boards in the east and training for mediation board officials, so that litigation now pending at district courts can be diverted into mediation boards; Specific training should include commercial mediation.

Regarding the problem of groups of citizens being unable to access the system due to economic reasons, CIPART will:

- Support legal aid clinics established by citizens' groups.
- Assist lawyers associations providing free legal counsel.
- Provide information to disadvantaged groups on various types of legal recourse available to them
- Support legal internships

To assist the government of Sri Lanka to further improve its record on protecting constitutional rights CIPART will:

- Develop and implement curriculum on fundamental rights at educational institutions.
- Support new and existing groups protecting fundamental rights.

In Sri Lanka, under the PVO Co-Financing II Project, USAID has assisted The

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Asia Foundation in their legal activities and established The Center for the Study of Human Rights at the University of Colombo. The Asia Foundation has successfully worked with The Judiciary, The Bar Association of Sri Lanka and The University of Colombo to train judges, lawyers and law students. The Center for the Study of Human Rights has successfully collaborated with government to have defunct emergency regulations rescinded. CIPART interventions will build upon from the successes of these activities under the PVO Co-financing II project.

CIPART efforts under this component may result in a more efficient and expedited case adjudication and tracking, increased public confidence in the administration of justice through the formal court system and mediation boards, revisions in Emergency Regulations, fewer laws promulgated under the emergency regulations rather than through the Parliament, and far fewer arbitrary detentions along with more reliable accounting and protection for those who may be detained under the emergency regulations.

2.3.4. Professional Media

Relationship to Project Objectives

A basic aspect of modern governments is that people are able to develop and express politically relevant opinion and knowledge, and organize to consider and promote ideas or interests individually or collectively. This "voice" aspect is referred to as the "free flow of information", an expression that highlights the fact that people in a free society must have access to the facts before they can make reasonable and effective judgments on their collective future. The main freedom included in this area is freedom of the news media, including print, radio and television. In a modern society, an independent print and broadcast media offer a wide variety of opinion and information, and represent many different perspectives.

Media development is often critical for growth as modern societies require freedom of access to information. A developing society cannot function successfully if information about the workings of government, and basic data on the economy and society, are withheld from the public, either openly or covertly. Investigative reporting is a cornerstone of effective modern government. Help might be made available for both private and government-owned media, as long as the goal of increasing the availability of unbiased information is foremost.

Structure of Media in Sri Lanka

In Sri Lanka, newspapers enjoy the highest popularity in media. As 88% of the population is literate, people read newspapers even in the remotest areas. Sri Lanka's average of newspapers per 1000 people is 142, second in the region only to Malaysia (173) and far above the average of other countries such as Thailand (52), India (20), or the Philippines (37).[7] Where rural people are too poor to buy a

[7] Figures from Sri Lanka Socio-Economic Data 1993 (Colombo: Central Bank Statistics Department, 1993).

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newspaper, it is common practice to read it at the village "tea shop." In towns too, newspapers are shared among groups. Therefore, newspapers are critical in keeping citizens at the grassroots level informed. There are 8 daily newspapers published in Sinhala, Tamil and English. In addition, there are tabloids published by various interest groups, some having more credibility than others.

The radio is also a popular medium of communication. 1993 saw a rapid growth in the number of radio stations in English from two to five. These, however, are mostly entertainment-oriented though the government owned stations sponsor news bulletins in Sinhala, Tamil and English and the independent stations air international news programs.

The number of television stations has grown from two to six channels; programs are in Sinhala, Tamil and English. The state owned television station transmits to all parts of the island. The other six private channels are also widely received. Television has become so popular that in areas where there is no electricity people often use sets powered by batteries. The state-owned Rupavahini, and the semi-independent ITN channel air state-sponsored news programs. The private channels air BBC and CNN news programs, but sections on Sri Lanka are censored.

Constraints

Unfortunately, there has been a decline in media standards and freedom, particularly over the past 20 years. The reasons for this decline are discussed below.

Censorship restrictions

The government owns the largest publishing company and the major radio and television stations in Sri Lanka. It censors news reports in all three media. Although the past year has seen the rapid introduction of private and international channels in Sri Lanka, now totalling six TV channels, the ETV (BBC) staff censor any reports on Sri Lanka to comply with the terms of its broadcast license which stipulates that the station will not carry any non-official stories on national or local news.

Policy decisions

The quality of journalism has suffered, due in part to policy decisions to nationalize the Lake House group. Alleged steering of advertising revenue away from independent papers, and writing broadcast licenses to forbid independent coverage of local news has weakened the private media. Government decisions to control the press through emergency regulations and parliamentary privileges also have led to intimidation and politicization of the media.

Low morale of media personnel

Financial deficiencies such as low pay for the press and inadequate staff,

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lack of training opportunities, lack of adequate equipment, the relatively low image of the profession, and self-censorship brought on by tighter government control and fear of reprisals have contributed to the low morale of journalists.

Analysis of Proposed CIPART Interventions

To address these issues, CIPART will provide the following interventions:

- Institutional support to strengthen and professionalize media associations so that they can effectively represent the interests of their members with government and other agencies.
- Research will be conducted on the emergency regulations which have affected actual and self-imposed censorship, and discuss these findings with recommendations that will be presented to the Ministry of Information.
- Workshops and study tours will be provided to senior journalists and editors in Sri Lanka and in the region to expose them to international standards and management techniques. Word processors and training in the use of them and in computerized type setting to major newspapers will be provided. The training will also cover quality media coverage of other programs funded under the project.
- The journalists program at the university will be supported through an activity such as funding a faculty position and/or production of Sinhala and Tamil language classroom texts. The introduction of journalism programs at other universities will also be supported.
- A press ombudsman will be established through media organizations who will conduct an annual review of news presentations culminating in a prestigious award.

These efforts to strengthen the media will help promote citizens' participation by ensuring the free flow of information on public issues and encouraging open debate on alternative ways to resolve them. NGOs will also have increased capacity to provide information and policy papers to both the print and the electronic media concerning their development priorities and the suggested policy or program changes they expect from their policy dialogue with government. Stronger media associations, with enhanced capabilities for policy dialogue with government will be able to better articulate and protect their members' professional interests.

2.4 Technical Feasibility of the Proposed Delivery System

Implementing Organizations

The project components will be administered by two implementing organizations. These organizations will have the following functions:

1) Serve as intermediary grantors of funds and as implementation monitors and

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managers for those grants in both administrative/financial and substantive/programmatic areas;

2) Provide technical assistance and training to smaller NGOs;
3) Carry out research and analysis concerning issues of particular importance to NGOs in the appropriate categories, including issues of public policy;
4) Promote networking, information-sharing and cooperation among NGOs in the appropriate categories/fields;
5) Disseminate information of interest to affiliated NGOs and the general public on relevant topics, including lessons learned in carrying out grant-funded development and/or advocacy programs; and
6) Serve as advocates for the interests of NGOs and their clienteles and/or causes in the appropriate categories.

Working with implementing organizations to coordinate smaller grants can be useful in addressing several of the issues involved in working with NGOs. Debilitating competition between groups, insincerity of purpose of some organizations, an urban bias, and an often highly stratified leadership with few avenues for membership input are all features of NGO life in Sri Lanka. Implementing organizations are equipped to identify and deal with such problems because they can often be more in tune with what is going on with individual NGOs than USAID/Sri Lanka can hope to be. They can set criteria and are in a position to critically evaluate projects. They can serve as role models, resource centers, and can encourage cooperation and collaboration among the groups they work with. Administering the project through implementing organizations relieves USAID of much of the management burden of the project, while at the same time enhancing the viability of the project.

The NGO Mechanism

USAID/Sri Lanka will support the development and implementation of programs that will directly address the constraints in each of CIPART's four components. The basic vehicle for these activities are NGOs for they have an established reputation of working at the grass-roots level. Because of the nature of their work, NGOs can have the capacity to identify the needs of citizens; provide assistance to address those needs; and share experiences, knowledge, results and lessons learned among themselves and the goverment to enhance their community development activities and to influence public policies and programs. Also, through NGOs citizens can mobilize resources, catalyze change, implement self-help development activities, participate more in the democratic processes and assume a greater measure of control over their own destinies. This project proposes to use NGOs to increase the participation of citizens in development and democratic processes.

Sri Lanka has at least 2,000 registered non-governmental organizations (NGOs), and many thousands more if one counts informal groups of 10 or fewer people pooling resources and energies for a common purpose. These organizations are most often formed to provide welfare services, but many are increasingly involved in promoting community development and economic activities to benefit

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their members or beneficiary communities. NGOs themselves have, in many cases, begun to utilize participatory development approaches.

Administratively, NGOs have proven to be especially suited to democracy programming. As they are not burdened with heavy bureaucratic structures, NGOS can be more flexible, accessible and responsive to the people than either donor or state agencies can be. Experience demonstrates that recognized groups *within* the society should initiate efforts in sensitive areas such as human rights where direct involvement by external governments can be perceived as inappropriate. NGOs have proved the ideal entities to be the initiators of such work.

In addition, as citizens' groups, NGOs can work against class, ethnic, and gender barriers to encourage active participation by ordinary people. Within the organization itself the members can work across differences in ethnicity, religion, gender, etc. in ways that can serve as models for society as a whole. The strengthening of NGOs in a country is directly strengthening the type of citizens' organizations on which democracy depends.

Finally, USAID Sri Lanka has a wealth of experience gained from working with NGOs over the past decade under the PVO Co-Financing I and II projects. This has placed USAID in an advantageous position of having first hand knowledge of the strengths and weaknesses of these counterpart organizations so that interventions can be accurately targeted.

NGOs AND GSL

CIPART is a two-way street. Directly linked to establishing this policy-dialogue capacity in organizations and groups in the non-governmental sector, parallel efforts will be made to help strengthen the capacities of government officials and their institutions to respond to the people's expressed development needs and goals. This response capacity will rest on close, creative cooperation between government entities and the NGOs or other citizens' organizations.

This effort rests on the assumption that both NGOs and government are willing to become partners in development in Sri Lanka. Though there have been many examples of cooperation between both national and local government and NGOs, relations between the two have sometimes been strained. CIPART takes on face value official statements that the government has made indicating its support for NGOs. For example, the UNP Manifesto of 1988 states that "the present government gives a major role to NGOs in development... we will strengthen their role in the future, through mobilizing themes intermediaries of support, especially in local development."[8] Official support has translated into action in some instances, for example a few IRDPs (Integrated Rural Development Projects) have invited NGOs to participate in its projects, but mechanisms and practices need to be institutionalized to promote government-NGO collaboration. Recently, the Secretary to the Ministry of Home Affairs and Provincial Councils issued an open invitation for NGOs and donors to work with local bodies.

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[8] Vijita Fernando and J. Henry de Mel, NGOs in Sri Lanka: An Introduction (Colombo: NGO Water Supply & Sanitation Decade Service, 1991), p. 31.

NGOs, for their part, also have had reservations about working with government. Years of civil upheaval and a consequent erosion of fundamental rights have made citizens' groups wary of government intervention. Efforts by the GSL to register and monitor NGOs and the recent NGO Commission report, for example, have been looked upon with suspicion by NGOs. Institutionalized mechanisms in which Government can demonstrate that they are truly interested in citizen and NGO input into development planning can be instrumental in restoring trust and confidence in government. On a positive note, there are examples of NGOs and provincial governments cooperating effectively under the PVO Co-Financing II Project.

An Advisory Committee set up under the auspices of USAID with participation from implementing organizations and other NGOs supported under the project and as well as representatives from the government of Sri Lanka, will meet every six months to discuss items of mutual interest and to clarify policy issues. This Committee may help to foster communication between governmental and non-governmental groups.

Relationship with other programs, donors

As the CIPART project gets underway, a special review of other USAID-supported projects such as SCOR, MARD, and NAREP will identify their democracy-related elements with a view to discerning possible reinforcing linkages with future CIPART interventions. Several of these projects have already initiated empowerment processes among farmers groups. There are lessons that future CIPART-supported NGOs will find useful. Moreover, perhaps even these previous efforts can now benefit from new CIPART interventions.

Finally, USAID will bring other donors together for a briefing on the CIPART project's objectives and modus operandi, as well as to review any similar democracy-related efforts they may have. Wherever possible, CIPART should endeavor to find ways to ensure that such efforts complement each other. It may also be desirable to explore possibilities for all donors to agree on professional standards as a basis for funding NGOs.

Sustainability

A development program is sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after financial, managerial and technical assistance from an external donor is terminated. To achieve this objective, all projects under CIPART will focus on four areas; advocacy building, institutional strengthening, financial viability and program capability.

In addition, the project activities also must take into consideration the following factors of sustainability:

- The programs must be compatible with Host Government Policies for development.
- Capacity for management, organization and local participation should be clearly articulated confirming ownership by GSL, NGOs and the citizens.

- Program initiatives must develop and strengthen leadership and management skills that will foster transparency, accountability, and professionalism and are sensitive to class, caste, gender and age issues.
- Plans for leveraging non-U.S. government funds, including cost recovery mechanisms, in order to continue programs after CIPART.
- NGOs must continue to be committed to working at the grassroots level and to effectively represent their needs in public policy formulation.
- Technology needs to be examined, tested, and adapted to ensure its suitability for each project. Capacity for maintenance of equipment when the project has ended is also a key issue.
- Socio-cultural Factors must be taken into account and the interests and inclusion of women must be clearly addressed. Focus must also be on increasing economic levels for the rural and urban disadvantaged.
- Programs must be environmentally and ecologically sound and must have an environmental impact assessment.
- External political and economic circumstances must be addressed as far as possible, as development programs operate within the context of existing political, economic, and cultural circumstances that are beyond their control and influence.

Finally, monitoring and evaluation, when integrated with practical management information systems, are essential to ensuring that the various factors affecting sustainability are identified and addressed by program managers. Since development projects are dynamic, issues of sustainability require attention throughout the life of the project, and requires close collaboration of GSL, USAID and NGO counterparts not only in design and implementation, but also in monitoring and evaluation of activities.

3. ISSUES FOR FURTHER CONSIDERATION

There are issues external to USAID assistance program which will indirectly affect prospects for CIPART's success. Perhaps the most important issue pertains to Government policies that affect Sri Lanka's ability to move toward NIC status. These include the need for a private sector-fueled growth strategy and the link between the environment and sustainable development. USAID's broad development strategy for the country will continue to support policies conducive to private sector growth and protection of the environment. CIPART will contribute to these policies, for example, through its support to chambers of commerce and business organizations (CBAs) as they continue to strengthen their capacities for policy dialogue with the government at the national level. In addition, CIPART will promote stronger efforts to link national level CBAs with CBAs at province level and below.

Another issue will be the progress made towards resolution of the conflict in the North and East. With the successful local elections in the eastern province and Vavuniya in the northern province, the government has already made progress in introducing democratic institutions in the conflict areas. However, more needs to

be done to successfully resolve this conflict and introduce democratically elected local government bodies in the North. The Emergency Regulations, which have been introduced mainly to deal with the north and east conflict have adversely affected Sri Lanka's democratic political process. Although it would be presumptuous to say that the CIPART project will directly contribute to introducing democracy in the North, the democratic processes that are strengthened and the feeling of empowerment that is awakened by CIPART may contribute to changes in attitudes and practices that are prerequisites for conflict resolution on a national scale.

Continuing commitment by government to devolve power to lower levels of government is an important issue. Local government partners must have adequate resources at hand to address their needs. Although the project may be able to deal with some resource deficiencies such as training needs, it may sometimes only identify other deficiencies, such as staffing and budgetary requirements, which will require adequate government counterpart contributions. Even these deficiencies, however, could become an asset. As these deficiencies are recognized as obstacles to the development process, it may be possible for NGOs and other citizens' organizations to cooperate with local government from the village level to provincial councils in bringing these deficiencies to the attention of national government institutions and to seek greater devolution of power over resource allocations at lower levels, closer to the people.

In Sri Lanka's case, as noted above, statements by political leaders and even the findings in official government commissions, such as the Youth Commission Report, that have highlighted many of the problems confronting democratic development support the relevance of the CIPART project's purpose: to support strengthening democratic processes that enable the people and the government to address fundamental social, economic, and political development needs. The Sri Lankan government and its political leadership appear committed to the continued developrnent of democratic processes.

4. Conclusion

Sri Lanka falls within A.I.D.'s category of <u>sustainable development countries</u> as described in the Agency's Democracy Implementation Guidelines. CIPART fully meets the A.I.D. criteria that every program should:

* expand the participation and empowerment of the general population, with particular attention to women and children;
* improve the conditions of access to and information about policy and regulatory decisions;
* enhance the reliability and responsiveness of governance institutions; and,
* help open policy dialogues.

Government at all levels, NGOs, and other citizens' organizations will play key roles in the CIPART process. Working with these three entities at different levels in the current Sri Lankan democratic context involves several interlinked and

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complicated issues: (1) the linkages between democracy and development and their applicability within the Sri Lankan context; (2) the feasibility of working through selected international and national implementing organizations to assist other more narrowly focused clusters of NGOs receiving sub-grants and who will also be working with government agencies at different levels; and, (3) the feasibility of strengthening selected Sri Lankan NGOs' capacities to become more effective participants in policy dialogue with government institutions on social, economic, and political development issues.

Within the CIPART project context, development is defined as a process that enables people to take control of their lives and improve conditions and prospects for themselves and their families. It is a process that seeks maximization of the potential in citizens' organizations and NGOs to engage in policy analysis, policy advocacy, and policy dialogue with government. CIPART considers democracy operational to the extent that citizens are able at all levels to influence or participate in those government policy, program, and resource allocation decisions that most affect them. It is precisely because government and the people through their organizations share leadership and ownership in the CIPART democratic dialogue process, that this process and the policies/programs it creates will become sustainable.

It is possible that on occasion the policies and programs developed through the CIPART democratic dialogue process may not have the expected social, economic, or political benefits. Experience may reveal that the policies were incorrect or inadequate because of data and planning shortcomings, or needed to be changed because of changes in other economic, social, environmental, or political factors. Nevertheless, the democratic policy dialogue process utilized within CIPART itself can be shown to have worked in terms of creating shared ownership of these policies or projects. In this case, the legitimacy of the democratic process remains intact while the people, their organizations, and the government may need to strengthen the bases for their policies and program recommendations in order to get them right "the second time around". To do this they can return to their democratic policy dialogue process to refine or develop new policies and programs. The entire process remains democratic in content and shared success -- and this, in turn, strengthens the legitimacy of the government and the political system in the eyes of the people.

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ANNEX E.2. SOCIAL SOUNDNESS ANALYSIS

The Citizens' Participation (CIPART) project purpose is to "strengthen the democratic processes that enhance opportunities for ordinary citizens to address fundamental social, economic, and political needs." The project aims to support citizens' participation in Sri Lanka by strengthening the ability of their organizations to identify and represent their own issues; by enhancing the capacity of government institutions to respond and act on these issues (on the individual level through the legal system as well as on the policy-making level); and by building and strengthening avenues of public dialogue in the media. This analysis will examine the factors that indicate that promoting citizens' participation in development is socially feasible, describe social factors which demonstrate a need for the CIPART project, and identify issues that need to be taken into consideration in design and implementation of the project in the social background and in each of CIPART's four components.

1. Social Feasibility

The feasibility of the CIPART project depends on the ability, interest, and commitment of the Sri Lankan population to participate in democratic processes; the existence of democratic institutions with popular support; and the willingness of people and groups in different sectors to form partnerships with each other to address and solve problems.

The Sri Lankan population is distinguished by high literacy rates, high voter participation rates and a long history of citizens' participation in civic affairs. One factor generally regarded as a foundation for a strong democracy in a country is the level of literacy and education of the population. In this regard Sri Lanka, whose population has benefitted from free education policies for decades, has one of the highest literacy rates (88%) and highest school enrollment rates (combined primary and secondary school enrollment 88%) of the developing world.[9]

A vital indicator of people's interest in political affairs and process is voter participation levels. Again Sri Lanka scores very high. Sri Lanka was one of the first countries in all of Asia and Africa to obtain universal adult franchise, granted by the Donoughmore Commission in 1931. Since then, voter participation in general elections have been consistently high. For example, an analyses of recent voting records revealed participation of 77.6% in March 1960, 82.1% in 1965, 84.9% in 1970, and 87% in 1977"[10]

Furthermore, citizens' participation is not a new concept for Sri Lanka. Citizens have participated on the village level in informal and formal structures to meet their needs since Sri Lanka's earliest civilizations. For example, Vijita

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[9] UNDP, Development Cooperation Report 1991: Sri Lanka, 3/1993.

[10] Kumari Jayawardena and Swarna Jayaweera, A Profile on Sri Lanka (Colombo: Women's Education and Research Center, 1986), p. 81.

Fernando and J. Henry de Mel, in their description of the history of the voluntary sector in Sri Lanka, note that "people's participation was the essence" of citizens' groups that were involved in the maintenance of the temple and other aspects of religious life (Dayak Sabha), in the administration and upkeep of irrigation systems (Vel Sabha), and in the affairs of local village administration (Gam Sabha).[11] These groups were an integral part of the thriving social, economic, and political life of these ancient agrarian-based communities.

Especially relevant to CIPART was the institution of the Gamsabhava, or Village Council. Sri Lankan scholar Neelan Tiruchelvam notes that "the Gamsabhava in medieval Sinhalese society was the effective expression of village government, managing and coordinating every facet of village life." By the time of the Kandyan Kingdom, Tiruchelvam explains, "the Gamsabhava had evolved into a legal institution geared to the management of conflict and to the maintenance of rural order." Tiruchelvam notes that "the Gamsabhava proceedings were characterized by conciliation and compromise."[12]

Institutions such as the Gamsabhava were rendered obsolete by four centuries of colonial rule and by post-independence administrative centralization policies. Anthropologist Gananath Obeysekera notes, however, that though many of these institutions may have died, "their spirit has not."[13] This spirit of self-help (shramadama) and participation can be seen in the modern day burgeoning of NGOs.

NGOs emerged in the late 1800's, for the most part as charitable organizations. In recent years NGOs have increasingly begun to emphasize development (as opposed to welfare) and to give particular stress to efforts to enhance the skills and employment prospects of youth and the poor. Some NGOs are utilizing innovative participatory approaches in their programs.

Another indicator of CIPART's feasibility is Sri Lanka's commitment to its long-standing democratic institutions. At independence Sri Lanka inherited an operating parliamentary, representative democracy that incorporated within it many elements of British constitutional, liberal democracy. Though democratic processes have met with severe challenges over recent decades, instead of weakening people's faith in democratic process these challenges have reaffirmed the necessity of strengthening these processes. G.L. Pieris, ex-Vice-Chancellor of the University of Colombo notes that, in contrast to other South and Southeast Asian countries who are making the transition from authoritarian to democratic rule, in Sri Lanka"the challenge is to discover ways and means by which democracy can be preserved and fostered, revived and resuscitated, given greater strength and vitality, despite the challenges that the democratic system faces in this part of the

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[11] Vijita Fernando and J. Henry de Mel, Non-Governmental Organizations (NGOs) in Sri Lanka: An Introduction. (Colombo: NGO Water Supply and Sanitation Decade Service, 1991), p. 1.

[12] Neelan Tiruchelvam, The Ideology of Popular Justice in Sri Lanka (New Delhi: Vikas Publishing House, 1984), p. 63.

[13] Discussion, Gananath Obeysekera, 3/10/94.

world."[14]

A crucial element of strong democratic processes is the existence of effective partnerships; partnerships between citizens themselves as they form NGOs or citizens' groups, partnerships between NGOs, partnerships between NGOs and local government officials, and partnerships between local government and national government. Much of CIPART's activities have to do with building these partnerships. The recent burgeoning of the NGO movement in Sri Lanka as well as the development of umbrella groups are indicators that this is feasible. The GSL's recent (1987) establishment of the Provincial Councils, the first real devolution of power to the periphery in Sri Lanka's post-independence history, demonstrates its willingness to form partnerships at the local level. Asoka Gunawardena, in a publication written for the Center for Regional Development Studies writes that "at the political level understanding and consciousness matching devolved power is called for, and at the administrative level capacity and capability commensurate with devolved powers is necessary" in order to forge effective partnerships between local and national government officials.[15] In addition, In An Introduction to NGOs, Vijita Fernando and J. Henry de Mel explain that the "government has increasingly come to consider NGOs as partners in development... with this should come a more effective institutional mechanism that will further promote government-NGO collaboration or partnership." The alarm that the GSL's NGO Commission Report caused in the NGO community, however, reveals that there is much work to be done in order to build trust between NGOs and the GSL.

2. Social Need

Despite Sri Lankan democracy's many assets, various historical, social, and economic factors have weakened democratic processes in Sri Lanka. Over a decade of civil strife, deep cleavages between social groups, and persistent poverty and high levels of unemployment all demonstrate the need for institution-building programs, programs that target disadvantaged groups, and strengthened avenues of citizen input to economic policy formulation.

For more than a decade civil strife has severely strained Sri Lankan society. The violent uprisings in the North and East and in the South have demonstrated the critical importance of finding creative participatory solutions to national problems before they reach crisis proportions. This requires a government that is responsive to citizens' concerns and strong civic-minded citizens' groups that can responsibly and peacefully voice those concerns. This analysis will briefly describe the two conflicts.

Fundamental differences over the country's national identity have led to conflict between the Sri Lankan Tamil and the Sinhala communities which are

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[14] Dr. G.L. Peiris, Speech given at the Asia Foundation, 03/02/92.

[15] Asoka S. Gunawardena, Provincial Councils: Structures and Organization (Sri Lanka: CRDS, October 1991), p. 28.

distinguished along linguistic, religious, and regional lines. Since 1983 the Sri Lankan Tamils have been fighting for a separate state in the North and the East.

While this crisis stems mainly from Sri Lanka's ethnic composition, both colonial and post-colonial government policies exacerbated tensions between ethnic groups. Britain's education and staffing policies, for example, over-represented certain ethnic minorities in top government, business, professional, and academic positions. After independence in 1948, the search for identity and the competition for power among ethnic groups led the majority Sinhala community to attempt to redress these inequities through language, education, and employment policies which were designed to enhance the standing of the Sinhala community. The goal of the Sinhala leadership was neither assimilation nor segregation but rather to secure recognition of the Sinhala people as the dominant community in Sri Lanka. Although some of the smaller ethnic communities accepted these practices, the Sri Lankan Tamils did not. The Sri Lankan Tamil leadership became increasingly radicalized, eventually demanding a separate state and resorting to violence.

The continuing and costly civil conflict in the North and East has led to the suspension of many normal constitutional rights and freedoms, the diversion of resources away from economic development programs to finance the war, the disruption of almost every aspect of normal life in the North and East, and the displacement of approximately 600,000 people.

The JVP uprising in the late 1980s was led by rural youth, mainly from the Southern parts of Sri Lanka. The Commission on Youth, formed by the Government of Sri Lanka to investigate the causes of the unrest, found that high unemployment, persistent poverty, and perceived discrimination by government officials and state institutions were among the main causes of discontent among the youth. Youth testified that the extreme polarization of village life along political lines led them to believe that they had no possibility of redress for their grievances. Community leaders were viewed as too weak to convincingly speak for youth. The uprising was put down firmly and violently by the government. Sri Lankan historian K.M. de Silva explains that the tragedy of the JVP uprising "has created its own consciousness and opportunities. There is a realization that out of this tragedy would come a new social contract rooted in an acceptance of the sanctity and autonomy of important government and non-government institutions. The experiences of the past few decades have only reemphasized the need for the protection of institutions and this new consciousness comes out of a lived experience and not as a theoretical imposition from the West. There is a growing acceptance among a wide circle that without institution building, neither pluralism nor democracy will thrive and grow."[16] CIPART strengthens institutions in four of the areas most crucial to democracy: local government, participatory development, modernized legal systems, and professional media.

In addition to underscoring the need for the strengthening of citizens' groups and government institutions, these crises demonstrate that in designing and successfully implementing a project such as CIPART it is necessary to look for

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[16] K.M. de Silva, Problems of Governance (Colombo: ICES, 1993) p. 399.

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opportunities for civic education in order to contribute to a strong, pluralistic democracy in Sri Lanka. Sri Lankan society is divided along ethnic, gender[17], geographic, class, caste, and age lines. This is important for CIPART to take into consideration because, as is seen in both the north and northeast, inter-group tensions can escalate and undermine democracy. A stable democracy requires a population that is prepared to respect the rights of others to hold and express their opinions and to live peacefully with people of different cultures and values. In order to promote inter-group harmony in Sri Lanka, CIPART should incorporate into all of its programs a civic education component, one that fosters the development of non-violent, non- partisan approaches to problem-solving.

It is also important to take social cleavages into consideration, because economic and social constraints can leave groups out of the mainstream of development. Groups that are especially vulnerable are youth, women, and citizens in the North and the East. Unemployment rates, for example, are highest among the young in Sri Lanka, and women are more than twice as likely to be unemployed as men. Also social factors such as wealth, gender, age, ethnicity, and family also play a large role in determining a person's ability to participate in civic affairs and one's influence in a group, a village, or in Sri Lankan national life. Efforts should be made under the CIPART project to mobilize groups that face such barriers in order to ensure inclusion of and attention to these groups in local as well as national policy-making dialogues.[18]

The Democratic Pluralism Initiative Assessment of Options argues that the most serious macroeconomic threat to democracy in Sri Lanka is unemployment, which hovers close to 20% countrywide and is much higher in some regions of the country, especially among women and youth. Related to unemployment, is the persistence of poverty in Sri Lanka. Though the restructuring of the economy has helped to spur growth in the country during the past decade, recent estimates done for the World Bank suggest that from 1978 to 1987 all-island poverty rose. The highest concentration of the poor is in the rural sector, estimated at about 32.4% of the rural population, or about 5.9 million people in absolute terms. Factors such as physical environment, the type of farming system, the terms and conditions of tenancy, and the lack of security to land titles all help to cause or to exacerbate poverty for farmers. About 12.3% of the urban population live in poverty. Although less in numbers, the percentage that are "ultra-poor" is greater in urban areas. This group is primarily engaged in casual labor, lives in congested surroundings, and has little or no access to any productive assets. There is an urgent need for programs that open up opportunities for employment and income-generation in Sri Lanka. Vital to these programs is participation: the rural and urban poor and unemployed themselves must be engaged in devising innovative solutions to the problem of poverty and unemployment in order for programs to be sustainable.

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[17] See Annex 6, Gender Analysis for a further discussion of gender issues in CIPART.

[18] See the Project Paper for a description of the CIPART projects' target groups.

3. CIPART's Focus Areas

As a result of extensive research (see Democratic Pluralism Initiative in Sri Lanka: An Independent Assessment final report), ongoing consultation with both government and NGO representatives (see section IV for a further discussion of beneficiary participation), and close examination of lessons learned over the course of 14 years of working with Sri Lankan PVOs through the PVO Co-financing project, USAID has identified four areas, that are concordant with USAID/W's democracy guidelines, where there is the most urgent need for assistance and where USAID assistance would be most appropriate. These areas are local government, participatory development, modernized legal systems, and professional media. The following section will address issues of citizens' participation in each of these focus areas.

2.1. Local Government

"One of the primary reasons for youth alienation at the village level," wrote the Youth Commission was the "lack of effective village level institutions."[19] The Commission testified to the need for "democratic structures at the local level to ensure a cohesive sense of village community, with the emphasis on collective decision-making and the emergence of a new and youthful leadership committed to democratic values."[20]

Currently, the GSL has devolved various powers to eight provincial councils and over 200 "divisional secretaries," which serve communities not larger than with populations not larger than 50,000 and sometimes as few as 5,000. This process of devolution and decentralization is bringing government closer to the people, laying the groundwork for a more interactive relationship between citizens and their government. CIPART will support this relationship through it efforts to help build a more capable and responsive local government.

CIPART will focus its activities on the Pradeshiya Sabhas and Urban Councils. This is appropriate from a social soundness perspective because the Pradeshiya Sabhas and the Urban Councils comprise the first level with a structure through which citizens can participate in development decision-making processes that affect their lives.

CIPART proposes several activities to enhance the responsiveness of local government. The project aims, for example, to establish of a joint NGO/Local Government project fund supporting activities jointly implemented by NGOs and local government. Monitoring efforts should ensure that these activities involve and benefit a broad-based population, as often "services available from the state are enjoyed more by the village elite and middle class groups who form

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[19] Report of the Presidential Commission on Youth, March 1990, p. 18.

[20] Ibid, p. 18.

relationships with the middle-level bureaucracy".[21] The emphasis of these activities should be as much on the process of building strong, participatory relationships between NGOs and local government as it is on the benefits to be achieved from the activities.

CIPART also plans to provide training and technical assistance for citizens and officials for addressing development concerns and improving the representation of citizens' groups with other government agencies. This analysis recommends that training for local government officials be on-site and action-oriented, as studies have "increasingly emphasized the high wash-out effect of institutional training programs when compared with on-the-job training."[22] Training should have, as integral components, programs in consensus-building and gender sensitization.

In addition to strengthening the links between national and local government, CIPART should also work to build links between local governments through support of an association of local government officials. Links are especially necessary between the newly established structures in the East and the rest of the country; perhaps CIPART can help foster these links through two-way study tours and exchanges.

Beneficiaries of local government institution-building programs may include the following: government officials who are able to be more responsive to citizens' concerns because of training; citizens, especially women, minorities, youth and economically disadvantaged people, who are able to participate more effectively in dialogue with local government and who benefit form local development initiatives; and national government officials who are better informed of the needs and issues of the citizenry and can plan accordingly.

2.2. Participatory Development

NGOs, citizens' groups, and professional associations are increasingly being recognized as highly effective proponents of economic, political and social development in society. A recent UNP manifesto (1988) affirmed that "whether big or small, we consider NGOs to be committed to development on the side of needy communities." Jehan Perera, a member of Sarvodaya-- one of the oldest NGOs in Sri Lanka-- writes that "NGOs are a source of new ideas for tackling problems... their flexibility and small size make it easier for them to look at problems as opportunities and to design creative solutions."[23] The Democratic

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[21] Kamala Peiris, "People's Participation'" paper presented at the Fourth National Women's Studies Convention (CENWOR, 3/94), p.9. See also the Youth Commission Report, p. 16-20.

[22] Neil Fernando, Training for Decentralized Administration: Issues and Prospects (Sri Lanka: Center for Regional Development Studies, May 1992), p. 14.

[23] Jehan Perera, "We did it all ourselves": The Role of NGOs in a Democracy" in (Dana, Vo. XVI, Nos. 1 & 2, 1991), p.27.

Pluralism Initiative in Sri Lanka: An Independent Assessment of Program Options notes also that NGOs "provide horizontal bonds which cross-cut ethnic and other interest groups" and asserts that "strengthening NGOs... can clearly improve the prospects of democracy in Sri Lanka."[24]

A recent survey by the Sri Lankan Ministry of Policy Planning and Implementation has estimated that there are over 2,000 NGOs in Sri Lanka and thousands more if local-level societies are calculated into that figure. Given CIPART's limited funds, the project will focus its activities on NGOs that work to economically empower disadvantaged groups that for economic, social, or political reasons have been left out of the mainstream of development and on umbrella groups, especially those that can serve as agents of economic empowerment and advocacy. Support to these groups is vital in order to encourage citizens' participation and to forge the public-private partnerships necessary for balanced and sustainable development.

Addressing the needs of the citizens of the North and East requires a comprehensive support program. In many instances, all semblance of "normal life" for people living in the North and East has ceased--families have been broken apart, regular employment is impossible, houses have been damaged or destroyed, and basic needs are hard to meet. At least 600,000 families have been displaced as a result of the conflict. With food rations and basic health services, the Government and NGOs are providing for the immediate needs of people in the camps. However, the next steps in restoring a sense of dignity and control over their lives is the creation of jobs, the resettlement of people in their homes, and the rebuilding of avenues of national political participation. USAID will support, through the CIPART project, a program for assistance in the North and East which will be directed at economic rehabilitation, the creation of local goverment institutions, and assistance to vulnerable groups. The project should prioritize the funding of projects which link organizations in the North and East to organizations in other parts of the country that engage in similar activities in order to lessen the isolation of these areas from the rest of the country.

The CIPART project will also provide assistance to umbrella organizations aimed at creating opportunities for greater cooperation between different sections of Sri Lankan society, as well as coordinating the numerous NGOs. In "An Introduction to NGOs" Vijita Fernando and J.Henry de Mel write that "in the Sri Lankan development context, consortia have a meaningful role... they can act as dynamic agents in reducing the isolation that numerous NGOs in the country experience, they can act as facilitator in transferring or providing resources, expertise, and experience to the NGO community, and they have a vital role to play in information dissemination, materials development and production, and in providing and coordinating training programs."[25] CIPART is especially interested in umbrella groups that are poised to be effective agents of economic advocacy

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[24] Ernst and Young, The Democratic Pluralism Initiative in Sri Lanka: An Independent Assessment of Program Options Final Report, April 1990, p. 15.

[25] Fernando and de Mel, p. 63.

such as Chambers of Commerce and Business Associations (CBAs), micro-enterprise groups, farmers' groups, and labor groups, and that can coordinate activities that increase the role of businesspeople, small-scale entrepreneurs, workers, and farmers and thus ensure that economic decision-making better serves society's interests.

The groups that CIPART will work with are groups that either are or are willing to become broadbased, professional, and accountable organizations. CIPART will provide technical assistance and training for NGOs in order for the organization to meet these standards, standards that in large part determine the sustainability of local organizations. The following is a list of criteria, both to look for and to aim for in an organization.

It is important that the organization's internal makeup reflect basic equity criteria that cross cut ethnic, gender, class and age. This analysis suggests that USAID/SL utilize the following checklist recommended by the Democratic Pluralism Initiative in Sri Lanka: An Independent Assessment of Program Options in order to ensure representation of different groups:

1) Does the groups have leadership drawn from different ethnic, religious, or linguistic groups? (1-3 points)

2) Does the group have its membership drawn from different ethnic, religious, or linguistic groups? (1-3 points)

3) Does the group have youth (under 30) in leadership roles? (1 point) women? (1 point) poor? (1 point) rural (1 point)

4) Does the project provide training for youth? (one point) women? (1 point) poor? (1 point) rural? (1 point)

5) Does the project provide benefits for youth (1 point) women? (1 point) poor? (1 point) rural? (1 point)

6) Does the project promote general civic goals? (1 point)

7) Does the project promote communication and cooperation between different ethnic, religious, and linguistic groups? (1 point)

Transparency is also important for NGOs. Management and operational procedures should include:

... disclosing financial assistance from USAID, the amount received, purpose of funds, and utilization of the funds;

... advertising through media staff positions based on established job description, and selection based on established rating scale, performance indicators, and monitoring and evaluation criteria for staff performance and clear termination procedures that is applicable to all staff position;

... clear rules and regulations that deal with conflicts of interest at leadership, management, financial and administrative areas levels;

... organizational staffing structure:

a. that has staff positions that are based on long term funding and not ad-hoc donor funded activities

b. that has staff development plans that involve staff input in establishing their own performance targets, evaluation criteria, identifying and resolving staff related issues

c. that has management procedures that establishes operational procedures that will allow staff to build team work and to share work responsibilities on temporary basis

d. that has measures procedures that encourages leadership and management to work out their differences and conflicts in a productive manner

... clear systems and procedures that safeguard open and transparent decision making at all levels including Board of Directors;

Another concern is that NGOs themselves utilize democratic practices in their groups. Among the indicators that organizations solicit the participation of citizens in its structure are:

... organizational mission statements and objectives that reflect citizens' interests;

... strategic plans that incorporate citizens' views and participation in the development of the organization, development programs, and achievement of its objectives and mission;

... clear indicators that the organization in its decision making process will incorporate non-partisan citizen input;

... evidence team work among its staff at policy, management and administrative levels;

... clear performance indicators that the organization will work collaboratively with other independent institutions and cooperatively with the GSL to address local issues;

... clear performance indicators that the organization will take on a leading role in working with staff of other NGOs and appropriate GSL agencies in building democratic principles at the local, provincial and national level;

... training at local, provincial and national will have clear indicators for trainees for monitoring and evaluating their performance that will result in the democratic process taking place and conflict resolution methods are being implemented;

... methodology for on-going tracking of citizens' issues and continuous process

within their organization that permits citizens' participation in their decision making and program areas.

At present, USAID provides funding directly to fifty NGOs. The distribution of USAID funds through a limited number of NGOs should be done in as transparent a manner as possible because the decrease in USAID NGO beneficiaries potentially may cause conflict among the NGO community. There is also the potential that the GSL will view NGOs as competitors for shrinking foreign assistance funds. To promote transparency and minimize alienation of groups USAID/Sri Lanka should install clear methods that can be viewed by those that do not receive direct grants as fair competition by:

... including clear criteria for selection of cooperative assistance grantees and their programs, and rating scales for evaluating grantee capability and program area in the project proposal solicitation process;

... establishing clear rules for submission, review and selection process by providing: time frames, project proposal guidelines for programs and budgets, USAID monitoring and evaluation requirements and negotiation procedures;

Beneficiaries of participatory development activities may include the following: NGOs that are able to be more accountable, professional and democratic; disadvantaged groups including women, youth, rural and urban poor, and displaced persons who will benefit from NGO initiatives and who are better able to participate in NGO decision-making; and business-people, small scale entrepreneurs, low-wage industrial workers, and farmers who will have an increased role in policy-making through strengthened umbrella groups.

4.3. Modernized Legal Systems

The Youth Commission asserted that "the way to alleviate tensions which threaten to tear asunder our society lies in strengthening non-partisan institutions which command the confidence of all sections of the community... the judiciary and the legal process remain the only forum for non-violent dispute settlement. To strengthen the process and make it more effective represents one of the more important means of fostering the non-violent resolution of conflicts."

In an analysis of the fundamental rights cases that came before the Supreme Court before 1983, Radhika Coomeraswamy notes that only one case with regard to ethnic rights and only a very few cases from rural areas were brought before the court. She writes that "given the fact that Sri Lanka was to face a youthful ethnic rebellion from the north and a southern insurgency in the rural areas of the south, it is remarkable that no important cases in either of these areas reached the courts. It accentuates the point that the legal process was far removed from the reality of the land and had not become a forum for the non-violent settlement of important issues which were politically explosive but linked to the fundamental values of the

constitution."[26] Civil uprisings, notes K.M de Silva both in the Northeast and in the South of Sri Lanka, have underlined the need to "strengthen democratic institutions, and to make these the natural fora where disputes are articulated and settled." [27]

There are several social issues relevant to modernizing legal systems in Sri Lanka. These are (1) the need to raise level of public awareness of the law and the means for legal redress of grievances, (2) the need for strengthened avenues for citizen input into legal reform, (3) the need for timely and efficient redress of grievances, (4) the need to increase the accessibility of courts to people without resources who want to use them, and (5) the need to make effective mediation alternatives available to people who want to pursue non-adversarial methods of dispute resolution.[28]

CIPART's planned program outputs to modernize the court system, train judges and lawyers, provide legal aid to disadvantaged groups, and increase the numbers and efficiency of mediation boards will address all of these issues. Legal aid programs should target youth, women, urban and rural poor, and citizens of the North and East. Civic education concerns should be a component of training for judges and lawyers.

In addition to training, mediation board members also need administrative assistance. Most mediation board members are volunteers who receive a small stipend for expenses. The "Strategic Assessment of Legal Development in Sri Lanka" notes that though these members seem committed to keeping board membership a voluntary service, "there is one thing about which mediation chairpersons were almost unanimous in agreement: the need for a clerk... and for office and storage space."[29] In order to ensure the sustainability of mediation boards, CIPART should support efforts to institute a clerkship for mediation boards.

A component of legal aid provision to disadvantaged groups could be the establishment of legal internship opportunities in areas that CIPART is working in. For example, the Asian-American Free Labor Institute explained that "a legal internship component, in cooperation with the nation's law schools, would a) assist the workers whose union leadership may not have the time or resources at present to adequately represent them in legal fora; b) improve the knowledge and training of young lawyers by giving them practical experience with a labor perspective; and c) serve the trade unions by freeing up their limited resources to deal with other matters." [30] Similarly, internships could be set up for other umbrella groups, for example, CIPART could support a legal internship dealing with

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[26] Radhika Coomeraswamy, Problems of Governance, p. 154.

[27] K.M. de Silva, Sri Lanka: Problems of Governance, p. 412.

[28] For a thorough discussion legal issues in Sri Lanka, please see Gary Hansen et. al., "A Strategic Assessment of Legal Systems Development in Sri Lanka" (USAID, February, 1994).

[29] Hansen, et. al., p. 24.

[30] Timothy Ryan, Correspondence, March 1994.

business law and commercial mediation in the CBAs and an internship dealing with land law in farmers' organizations.

Beneficiaries of CIPART's program activities will include: lawyers and judges who are better trained and who have easier access to information; citizens, especially women, youth, rural and urban poor and citizens of the North and East, who are more aware of their legal rights and the means for legal redress of grievances, who can be better assured of resolution of legal issues in a reasonable amount of time, and who have the option of utilizing non-adversarial methods of dispute resolution; economically disadvantaged people who have increased access to the legal system; young graduates of law schools who have opportunities to get practical experience in different fields; and groups who benefit from the expertise and energy that these graduates bring to their groups.

4.4 Professional Media

A basic aspect of modern democracy is the ability of people to develop and express politically relevant opinion and knowledge. Sometimes this "voice" aspect of democracy is referred to as "the free flow of information," an expression that highlights the fact that people in a democracy must have access to the facts before they can make reasonable and effective judgements on their future. The media plays a vital role as both a place where these views can be expressed and as a source of information. The Youth Commission notes that "while exploring the reasons for the alienation of youth from the mainstream, the Commission was convinced that no democratic polity can flourish without a free and independent press." [31]

CIPART will support this through its programs to strengthen media associations, to train journalists and editors, to establish university degree programs in journalism that include development issues, and to encourage more professional media coverage of local government, participatory development, modernized legal systems, professional media, and other development and democracy issues.

Additional social issues relating to citizens' participation and the media in Sri Lanka include the need to develop the ability of media to assess public opinion; the need to ensure the relevance of media coverage to a variety of audiences; and the need for media to play a positive role in the promotion of democratic values such as tolerance.

This analysis recommends that CIPART assist in the development of a capacity in organizations to conduct public opinion surveys, which the country presently lacks. Such a capacity should ideally be developed in a way that allows representative national samples to be taken regularly on topics of interest. It should also use focus groups and in-depth surveys with much smaller samples to help in the development of general surveys. Such a capacity would increase the "voice" of the general population in government decisions, a role that polling has increasingly come to play in developed democracies. In doing so it would improve contact between people and their leaders and make less likely the accumulation of

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[31] Report of the Presidential Commission on Youth, p. 22.

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unaddressed resentments.

Regi Siriwardena, former editor and media analyst, writes that "the most fundamental ethical principle of media communication should be that of being open and responsive to the whole range and diversity of needs, interests, and opinions within civil society. And especially, of those groups who are disadvantaged and whose voice is less often heard-- the poor, linguistic, religious or cultural minorities, and women.[32] CIPART should support media efforts, such as press releases or video-making, of the disadvantaged groups that it has targeted in order to ensure that their voices get "heard."

Attention must be also paid to the fact that, as Regi Siriwardena explains, media personnel "hold an immense power in their hands. It is a power that can be disintegrating and catastrophic in its consequences in our societies, divided as they are on religious, linguistic, and cultural fault-lines, unless it is used with a wisdom and foresight that is conscious of the plural character of these societies and of the perils of fragmentation."[33] Civic education, including a sensitization to gender and minority issues, should be a component of CIPART's training of working journalists and editors. Also, the curriculum of the University of Colombo's journalism degree should have offerings in media ethics and the role of media in multi-ethnic societies. The university degree programs should be offered in Sinhala, Tamil, and English medium, as should all training courses. Various people involved in journalism have stressed that even short-term training should be certificate-granting and that local and regional training is the most effective means of training.

Beneficiaries of media strengthening activities will include: media personnel who have a strengthened support network; Sinhala, Tamil, and English journalists who have increased opportunities for training in quality undergraduate, graduate, and in-service journalism programs; citizens who benefit from accurate, professional coverage of issues and events; disadvantaged groups who have increased access to avenues of public communication; and national government policy planners who have better access to public opinion.

5.0 Ensuring social soundness: Beneficiary participation in CIPART plan, design, and implementation

Beneficiary participation in the CIPART design process has been very important to building a socially-sound project. The CIPART design team met with representatives of the GSL, and members of NGOs that USAID had been working with under the PVO Co-Financing II project in order to plan its program areas of activity. The team distributed to NGO leaders a questionnaire requesting recommendations for policy, program, and institutional activities that would promote citizens' participation in Sri Lanka. This analysis strongly recommends that

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[32] Regi Siriwardena, "Communication Ethics: An Overview", In Lanka Guardian, December 1, 1993, p. 17.

[33] Regi Siriwardena, "Media and Conflict: A South Asian Perspective," (Lanka Guardian, January 1, 1994, Vol. 17, No.1), p.13.

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CIPART project implementors continue this dialogue through the establishment of a CIPART project advisory committee. This advisory committee would bring together representatives from government, NGOs and citizens' groups. In addition to providing a forum where representatives from different sectors meet and discuss new opportunities for the strengthening of citizens' participation in Sri Lanka, it can also ensure CIPART's continued social soundness.

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Attachment 1: Chambers and Business Associations

Over the past four years and with support from USAID, the chambers and business associations (CBAs) in Sri Lanka have come a long way in representing private sector interests with national policy and decision makers. This has been accomplished through a combination of institutional strengthening of CBAs, the establishment of fora that include senior representatives from the public and private sectors, and the development of policy papers that help define the agenda of these fora. The USAID-funded Private Sector Policy Support Project provided assistance to 23 chambers and business associations, several of which were newly established in the provinces. These CBAs have begun to provide more services to their members and to establish additional regional organizations to work on the local level. As representative organizations, the regional CBAs help their members articulate business issues and set up links with local government to address and resolve these issues. On the national level, CBAs can work to improve the networking among themselves and become less narrow in their vision. The new vision of CBAs is to work closely with NGOs in channeling technical services and market-oriented information to grass-roots producers, particularly rural women entrepreneurs who have traditionally been left out of the CBA network. They also anticipate to link with NGOs in providing training programs for entrepreneurs and producers at the community level.

Chambers and Business Associations have been cited as important link organizations between private enterprise and government. Traditionally, very little has been written about CBAs as points of intervention in private sector development let alone in the development process. In fact, there appears to have been a presumption that CBAs are narrowly concerned with their own self interest and do not require donor support. The experience of the USAID's three-year Private Sector Policy Support Project has clearly been that CBAs provide the much-needed institutional infrastructure for private enterprise development. CBAs affect the operating environment for business by imposing internal discipline and by producing, processing and obtaining timely commercial information for businesses and other economic agents, thus, reducing the transactions and information costs of economic decisions made by firms. An effective CBA movement can create opportunities for collective action and economic advocacy in the way in which they interact in the policy arena with governments and sub-national policy making bodies, and in the market with consumers and member firms.

Despite decades of state domination and restrictions, the private sector in Sri Lanka has continued to develop within the confines of the area permitted to it, although, until very recently it had remained content to let the Government take the lead on economic policy matters. During the past five years, private sector leaders have gradually been drawn into the mainstream of national activities. They have been appointed to important Presidential Commissions to reform systems of taxation, tariffs, finance and banking. Members of the private sector have also been appointed to important public sector agencies (the Monetary Board of the Central Bank), boards of public sector banks, the Export Development Board and the Industrial Development Board. However, these appointments have been based

on the individual achievements and knowledge of the persons concerned, rather than on the basis of their role as representatives of broad private sector interests. This has been primarily due to the shortage of competent, experienced persons with managerial and entrepreneurial skills within the public sector. Despite the excellent calibre of private sector leadership in this country, policy makers in the public sector have thus far been very reluctant to draw on private sector views in formulating policies. They have a strong perception that the private sector is not able to develop common positions on economic policies because of the multiplicity of their interests.

Consultative mechanisms enabling private sector business views to access the macro policy making arena have been rare, because business groups are often perceived to represent a small minority of economic interests. The public sector has thus assumed the mediating role for the public and the consumer. While public sector perceptions must not be overlooked, it is clear that the private sector is increasingly becoming an important actor in the economy, expanding export markets, drawing foreign investment and generating growth in income and employment. Although, policy makers do not have to entertain the narrow interest of business when formulating macroeconomic policies, a well informed and articulate private sector will clearly be able to contribute to sound policy making. CBAs must develop their research and advocacy capabilities to enable them to be an important part of a "feed-back" system for policy making. They must examine and review policies that affect business and convey the needs and views of business to the government and policy makers. Although the CBAs have made considerable progress in this regard during the past three years, they remain ill-informed about the theoretical basis for many issues relating to economic liberalization (e.g. dumping, fair trade practices, customs policy, taxation for example). Further technical assistance is required to enhance the capability of those national-level chambers that have the most potential for advocacy and substantive dialogue with the public sector. Ideally, CBAs should be in a position to analyze the Government's policies and their implications before taking a stand on an issue or have the capacity to take on a pro-active stance in advocating their own policies. Private sector views must be well researched (ie, set in the appropriate macro-economic context), aggressively supported and presented in the appropriate fora for discussion. In the absence of this capacity among CBAs, representations to government become personalized and private sector development skewed in favor of a chosen few.

The existing system of organizations servicing the private sector in Sri Lanka is relatively fragmented and dispersed. However, an established structure with federations at the apex, chambers as their members and associations affiliated to these chambers does exist. The Ceylon Chamber of Commerce (CCC) (established in 1839) is the oldest and best organized of these and performs many of the functions of any apex institution. Most product and sector-specific trade associations are affiliated to it, thus it represents the bulk of the business sector. The Federation of Chambers of Commerce and Industry (FCCISL), formed in 1970, is steadily working towards creating a niche for itself as the primary apex body, although it's position is weakened by the fact that the Ceylon Chamber is not associated with it. Nevertheless, the FCCISL appears to forging many more close

links with the growing regional business community than the CCC. The functional base of CBAs thus consists of those associations and organizations which belong to the Federation of Chambers of Commerce and Industry, the Ceylon Chamber of Commerce, the National Chamber of Commerce, the Federation of Exporters and the National Exporters Association. Aside from these linked organizations, there remains a large number of local level volunteer business organizations which are not members of chambers and operate independently providing strong mutual assistance or self-help type functions to its members firms.

Chambers and associations located in Colombo tend, for the most part, to service the large scale national level businesses and some medium scale enterprises in the provinces. The Ceylon Chamber of Commerce, for example, represents almost 500 such business entities. This network of Colombo-based CBAs is relatively sophisticated and its primary weakness is perhaps the current absence of a single apex body to represent them. The existing provincial business associations and nascent provincial chambers[34], however, are not closely linked to this national network as yet. At present, the needs of the growing private sector in the provinces for business and commercial information are not fulfilled. Strengthening the system of CBAs in the provinces is an important component of any program to improve policy dialogue and representation of the private sector. An initiative to develop institutional capacity for the provincial private sector must first enhance the performance of these institutions. To enter into informed discussion and dialogue with the provincial administration, these institutions must have the capacity to perform services for their members. At present, information about government regulations and incentives, trade opportunities and market information is not systematically available to many small and medium businesses in the provinces. These services have to be developed through organizations that have the capacity to provide such services. The nascent provincial chambers have a unique opportunity to start their activities with very strong support and links with the public sector, and, given the high degree of national concern regarding the success of the provincial system of administration, they clearly will get national support. Thus, regional chambers must not only set up links with local governments but interact closely with the Colombo-based national CBA network to articulate grass roots concerns.

An active policy dialogue process is a direct consequence of a strong member service base. Fruitful policy dialogue is more likely when chambers and business associations are well organized and professionally managed and able to provide a range of useful business services to its membership. By servicing members, these CBAs acquire a good understanding of the economic issues facing specific sectors or groups of businesses. They can therefore represent the interests of parts of the business community to government, whether it be the needs of rural women entrepreneurs or large Colombo-based exporters. An

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[34] Three new chambers of commerce have been established in the provincial areas. They ar the Chamber of Commerce and Industry of the Central Province (Kandy), the Wayamba (North Central Province) Chamber of Commerce (Kurunegala), and the Hambantota District Chamber of Commerce (Hambantota).

improved system of proficient CBAs can play an important role in improving the performance of the entire private sector and encouraging some degree of consensus in economic policy.

CIPART can provide support to CBAs that will enable them to continue to expand their advocacy/networking capacities for policy dialogue that can affect the decisions made by the government as well as encourage CBAs to be the catalysts in establishing fora where the government can consult the private sector on issues of national interest and common goals. Activities in this area will include the following:

1. enhancing the institutional capacity of national level CBAs to sustain permanent research units that can undertake the type and variety of economic policy studies necessary to sustain an active policy dialogue with the government on macroeconomic issues of concern to their membership.

2. developing the network of national level CBAs to include representation of regional private sector membership organizations, particularly encouraging representation of rural and urban women entrepreneurs.

3. developing the secretariats of nascent provincial business organizations and provide technical assistance to develop information systems which link them up with national organizations and thereby strengthen their member service capability.

4. promoting the diversification of the role of chambers and business associations to encourage links between CBAs and NGOs, as well as CBAs and consumer groups.

Annex E. 4

Annex E.4.

INITIAL ENVIRONMENTAL EXAMINATION

Country	:	Democratic Socialist Republic of Sri Lanka
Activity	:	Citizen Participation in Democracy and Development (CIPART/PVO Co-Financing III)
Funding	:	$15.0 million
Life of Project	:	FY 1994 - FY 99
Statement prepared by	:	Tupoutua T. Lindborg

Environmental Actions Recommended:

(1) Categorical Exclusion AID Regulation 16, Sections 216.2 (c) (1) (i), (iii) and (xiv) (Technical Assistance, Policy Studies, Public Awareness and Training), and

(2) Initial Environmental Examination (IEES) will be completed on all PVO/NGO subprojects to determine whether an Environmental Assessment is needed prior to the Mission's final approval of them for funding under the project. If any subprojects warrant extensive analysis, the assessment will be completed prior to their implementation. Once IEEs are identified and completed they will be forwarded to the Bureau Environmental Coordinator for approval.

Environmental Officer Clearance: .....
Avanthi Jayatilake

Decision of Director, USAID/Sri Lanka

Approved : .....

Disapproved : .....

Date : .....9/7/93.....

Decision of Asia Bureau Environmental Coordinator

Approved : .....M. Rex, ASIA/DR

Disapproved : .....

Date : .....8-20-93.....

BEST AVAILABLE DOCUMENT

ANNEX E.3. GENDER ANALYSIS

The CIPART program can contribute significantly to the empowerment of women in Sri Lanka. In fact, achieving CIPART's project purpose of strengthening of democratic processes that enhance opportunities for ordinary citizens' to address fundamental social, economic and political development needs" in part depends on its ability to address gender issues. David Hirschmann in his study "Democracy and Gender: A Practical Guide to U.S.A.I.D. Programs" writes that participation by women and attention to women's issues is critical to any democratic initiative because "women make up half the population...policies and regulations often affect them differently from men; they often have divergent interests and priorities, and consequently different perspectives from men."[35] In Sri Lanka, despite high education and literacy rates, women face significant legal, political, social, and economic obstacles to becoming full participants in civic life. This analysis focuses on the gender issues that need to be addressed within each of CIPART's focus areas if CIPART's end of project status (EOPS) indicators are to be realized for women as well as for men in Sri Lanka.

1. Local Government

Women need to both be involved in local government planning and be a focus of this planning in order to achieve the CIPART goal of "a more responsive local government". An appropriate unit to work with in terms of local government and women is the Pradeshiya Sabhas because this is the unit of local government that has the potential to have the most interface with women. The Secretary is a key person in these bodies, as he or she plays the liaison role between different local government authorities; he or she not only is the Secretary to the Pradeshiya but also holds a substantive position in the Provincial Council as a Divisional Secretary, and is the Additional Government Agent for the Government. One leading government official explained that these "Secretaries can function as messengers who popularize the cause of women's development in the rural base." [36] Work needs to be done so that the Secretaries perceive of themselves as two-way messengers, also bringing rural women's issues to the attention of national policy makers. Towards this end, CIPART can encourage that women are mobilized in local government development initiatives and on Pradeshiya Sabha citizen advisory groups. Training in leadership skills such as public speaking would foster women's participation in local government initiatives.

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[35] David Hirschmann, "Democracy and Gender: A Practical Guide to U.S.A.I.D. Programs," (for the Office of Women in Development, February 1993), p. 7.

[36] Lalitha Dissanayake, "Policy Issues and the Women's Charter" in The Role of the Divisional Secretariat on Women and Children, CENWOR, September 1993.

Training of local government officials should require gender sensitization training as a component in order to increase their understanding of the issues which affect women. For example, in a workshop on the role of the Divisional Secretariat on women and children, Bradman Weerakoon said that when he was a Government Agent in the Ampara District he noticed that often women's "economic role is not understood and public servants direct their attention only to men farmers and forget to consider the role of women."[37] The Director of the Center for Research on Women (CENWOR), Swarna Jayaweera, relates an example of this: "The Home Development Centers of the Mahaweli Project were started to make the Mahaweli women better wives inside the homes. They were not thinking of them as producers. We were critical of this concept. We said what they lacked were skills as economic producers to increase household income. Syllabuses needed to include not only topics such as nutrition, but also entrepreneurship, legal literacy, and the total pattern of a woman's life. The Mahaweli people in charge took it all down, but I have still to see them implement it."[38]

Recommendations:
* Recruitment of women for Pradeshiya Sabha advisory groups
* Training in leadership skills
* Gender sensitization as a component for training of local government officials

2. Participatory Development

2.1 Strengthening NGOs

CIPART proposes to achieve its purpose of "strengthening democratic processes that enable the people and the government to address fundamental social, economic, and political development needs" by working primarily with NGOs and citizens' groups. This is a viable strategy in terms of women for several reasons. First, women themselves are participating in NGOs and citizens' groups. A recent study of women in politics commissioned by the State Ministry for Women's Affairs noted two contrasting trends in women's participation; on the one hand there is "a very low and decreasing female participation in established structures and processes of politics", while on the other hand there is an "increased visibility of women in events and activities outside the mainstream of politics, in fields such as the public services, the armed forces, and the voluntary sector." [39] In addition, women are assuming leadership roles in NGOs. For example, over half of the NGOs that USAID supported through the PVO Co-

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[37] Bradman Weerakoon, "Opening Remarks" in The Role of the Divisional Secretariat on Women and Children, CENWOR, March 1993.

[38] Swarna Jayaweera, "Aptitudes should come first, not gender" in Dhana (Colombo: Sarvodaya, 1994), p. 15.

[39] Vijita Fernando, "Widows in Politics"

financing project had women as directors. Finally there are many NGOs that are dealing with a wide variety of gender issues. Some, such as the Center for Women's Research have gender issues as their central focus and others such as the International Center for Ethnic Studies work on gender issues as part of their larger program.

Though there is much activity in the NGO sector, Swarna Jayaweera notes that "there is still no evidence of the emergence of a strong lobby of women on national policies or on issues pertaining to women."[40] She writes that "women's groups have not been able to transcend class and other socio-economic, socio-cultural, and political divisions in macro society and the value systems and entrenched interests of these groups, in order to support overriding national concerns and issues."[41] Other factors that she understands as limiting the impact of women's organizations is a "dispersal of activities and diffusion of efforts"[42] and a "lack of skill in optimizing resources and coordinating efforts" militate against the achievement of a momentum that has a national impact."[43] Finally she warns that "excessive dependence of NGOs on foreign aid in view of their own resource constraints could engender over-dependence or vulnerability to external pressures, hamper self-reliant growth, distort development goals. and erode the process of endogenous conceptualization."[44]

Dr. Jayaweera's analysis calls for a democratization of the structure of women's groups, the development of a strong, active network of women's organizations, the professionalization of these groups, and a move towards self-sustainability of these groups. CIPART should support such efforts, and ensure that women's groups are among the NGOs that receive institutional support. Strengthening these groups as institutions better equipped to identify, represent, and deal with gender issues will be strengthening women's voice in the policy process.

Recommendations:

* Institutional support to women's groups for policy research, networking, media releases
* Criteria for both women's and other NGOs is that they show evidence of democratic management practices

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[40] Swarna Jayaweera, "Women's Groups and National Policies in Sri Lanka," in V. Kanesalingam, ed. Women in Development in South Asia (India: Macmillan Press, 1989), p. 149.

[41] Ibid., p 149.

[42] Ibid, p.149.

[43] Ibid, p. 153.

[44] Ibid., p.152.

2.2 Disadvantaged Groups/Displaced Persons

The CIPART project will target disadvantaged groups. In Sri Lanka, women themselves form a disadvantaged group as well as constituting a large percentage of other disadvantaged groups CIPART hopes to support. There are economic, legal, and social issues to be addressed.

Economically, under CIPART, support should be given to participatory economic programs that target women. An example of this is SIYATH's work with women coir workers of the south which resulted in both economic and political empowerment. Swarna Jayaweera explains how "the collective bargaining power of rural women who are economic producers helped them to by-pass the local middlemen, to cope with the rural power structure, to increase profit and savings, to reduce rural indebtedness and to develop self-confidence and independence. The participatory group-learning and problem-solving process develops initiative and confidence to challenge patriarchal and class structures that inhibit progress."[45] Another example of this is Agromart, which had much success under the PVO Co-financing project. CIPART should continue to support efforts such as these.

Legally, support should be given to efforts to introduce public interest litigation in Sri Lanka. Public interest litigation can be a powerful tool for disadvantaged groups such as women because it both enables them to litigate as a group and enables groups, such as NGOs, to litigate on their behalf. Socially, in order to increase participation of women in society, training in leadership skills, such as public speaking etc., is necessary.

Special attention must be paid to women who are displaced as a result of the war. Women, many of whom have lost their husbands and are now the sole supporters of their families, are a high percentage of those in resettlement camps. Psychological counseling needs to be sensitive to the fact that, in addition to dealing with other war and displacement trauma, women may also be dealing with social stigmas attached to widowhood and rape, often the results of war. Monitoring efforts must be made to ensure that resettlement schemes do not reflect gender bias and that skills training is not based on gender stereotypes.

Recommendations:

* Support to grassroots participatory economic programs
* Support for research into public litigation and it potential benefits for women
* Leadership training
* Monitoring of displaced persons' programs to ensure gender equity and sensitivity

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[45] Swarna Jayaweera, "Women's Groups and National Policies in Sri Lanka" in Women in Development in South Asia, ed V. Kanesalingam, India: Macmillan Press, 1989.

2.3 Umbrella Groups

In order to address economic policy issues that affect women, support should be given to grassroots groups, labor groups and Chambers and Business Associations as umbrella groups. Enhancing the capability of these groups to identify and represent women's issues is critical because policy decisions in all three areas have a large impact on women's lives. This analysis will briefly look at each area in terms of women.

Two-thirds of the rural female labor force are engaged in agriculture.[46] Increasing advocacy capability of grassroots organizations can help them identify and represent needs of this population. Providing institutional support to grassroots offices of larger NGOs can also encourage participation of members. Also, skills training in such areas as public speaking, literacy, and participatory research, is necessary to help enable women to articulate their own needs.

Another segment of the population that needs support for increased advocacy capability is women working in industry (the most women being concentrated in textiles, garments, plantations, tourism, and service industries). Prominent researchers Kumari Jayawardena and Swarna Jayaweera explain that "a massive infrastructure in the organized employment sector has been established... these developments have met the need for individual and national income while reinforcing the most exploitative features of the utilization of female labor. In the Free Trade Zone, 78.9% of the employees are women, chiefly young women between 18 and 25 years employed in de-personalizing labor, an input of cheap 'docile' labor.[47] If modernization activities such as the expansion of industries are to benefit women and others, in other words if Sri Lanka is going to be industrially developed, instead of simply modernized, women must have a voice in these structures. Efforts can be made under CIPART to empower unions to identify and address such issues as unfair practices, gender stratification of work force, and equal pay for equal work and to empower women as leaders within these unions. Many observers see the women workers of the garment factories as the hope for a revitalized labor movement as well as for a strong women's movement.

The Chambers and Business Associations, need to address issues of participation. In the past the Chambers have not been receptive to women's membership, for example the Women's Chamber was formed in reaction to perceived discrimination in membership practices.[48] Recently, a USAID staff member attended the Hambantota Chamber general meeting and was the only woman there. This is in spite of the fact that Hambantota has some of the most active women's business organizations in the island (eg Agromart, Janashakti women's credit union). At the organizational level of the chambers several

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[46] Kumari Jayawardena and Swarna Jayaweera, The Integration of Women in Development Planning: A Profile on Sri Lanka (Colombo: Women's Research and Education Centre, 1986), p.69.

[47] Ibid., 71.

[48] Interview, Beulah Moonesinghe, February 28, 1994.

strategies can be recommended to address this problem. One, is in the criteria, to require chambers to have clear requirements for membership, such as a nominal fee that is not prohibitive. Secondly, an indicator under strengthened CBA should be, as a result of a membership drive, an increase in the number of women as members and on decision-making boards. Finally, the Chambers could sponsor training courses on economic literacy for women, perhaps in conjunction with Agromart, as an element of "improved business service to members."

Also, on the national and local levels, CIPART can encourage Chambers to do research into women's participation and employment issues and have women on the decision-making boards.

Recommendations:

* Institutional support to umbrella groups to include funds earmarked for skills training for women and for policy study/analysis of gender issues

3. Modernized Legal Systems

CIPART hopes to promote "strengthened rule of law and respect for human rights" in Sri Lanka. Sri Lanka is committed to women's rights on paper-- equality is guaranteed to women as a fundamental right in Sri Lanka's Constitution (1978), Sri Lanka has signed the Convention on the Elimination of All Forms of Discrimination Against Women (1981), and most recently a Women's Charter was signed by the cabinet (March, 1993). However, Sri Lankan lawyer Manouri Muttetuwegama notes that "the law in practice in our country is both obsolete and deficient in respect of women."[49] In order for this project purpose to be realized for women, action must be taken: public awareness of women's legal rights must be raised, laws need to be discussed and amended if they are found to be discriminatory to women, and legal systems, both formal and informal, have to be made more accessible to women.

Since gender equality is a fundamental right, citizens can legally challenge proposed legislation perceived as discriminatory on the basis that it violates women's human rights. It is also possible to challenge discriminatory administrative and executive action as fundamental rights violations. In practice, however, there has not been one case filed as of 1991. One thing that is lacking is an effective mechanism for evaluating legislation for potential discriminatory effects of women. This weakness calls for a monitoring body that can review new (because legislation can only be overturned in regards to fundamental rights violations before they are on the statute books) legislation that could discriminate against women. The National Committee on Women, the body created to monitor implementation of the Women's Charter, has been charged with this function but needs support to develop its institutional capabilities.

Also, there is a lack of awareness among the Sri Lankan population, including public leaders and managers of development activities, of women's right

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[49] Manouri Muttetuwegama, "Presentation of Issues" in Creating Legal Awareness Among Women, CENWOR, 1988.

to equality as a fundamental right, guaranteed under the Constitution and affirmed by the Women's Charter. Resolution of this problem requires the integration of women's rights concerns, including women's right to equal treatment under the law, equal employment opportunities, etc. in a legal rights awareness-raising campaign.

Regarding existing laws, women's groups have identified three main areas for legislative reform: family law, criminal law, and labor law. In family law, of special concern are those laws based on different cultural traditions (called "Personal" laws in Sri Lanka) that discriminate against women. In Sri Lanka, people of all communities are governed by common law except where their own personal laws (Kandyan Law for the hill country Sinhalese, Thesawalamai for the Tamils living in the North and East and Muslim Law for the Muslim community) govern them. In some instances of family law especially, these personal laws contradict the non-discriminatory clause in the Constitution. For example, under the General Law, intestate succession does not distinguish between males and females, but under Muslim law women of the family inherit only half of what the men inherit. Other family laws which need to be reviewed are immigration laws in which citizenship in granted to a foreign woman married to a Sri Lankan man, but not to a foreign man married to a Sri Lankan woman. Also, often child custody trials have endorsed the preferential rights of the father, sometimes even over the "best interest of the child."[50]

Among the criminal law issues that need to be publicly evaluated are rape laws which inhibit prosecution, domestic violence laws that make it difficult to get protection from the offender under the law, restrictive laws on abortion, and prostitution laws that prosecute on charges on vagrancy. Employment and labor law reform that encourages equal pay for equal work has recently been legislated for tea plantation workers under the Wage Ordinance, but there are many other trades that need to adopt this legislation. Under CIPART, support can be given to encourage open dialogue about these and other issues, dialogue that could lead to legislative change.

Finally, work is required to make legal structures more accessible to women, and to make the court more sensitive to women. Several programs are underway. Under the PVO Co-financing project, for example, USAID supported Women in Need's Legal Aid Clinic in which law students provide free legal assistance and this has been successful in increasing women's ability to go through the legal system.[51] In "A Strategic Assessment of Legal Systems Development in Sri Lanka", the researchers note that "in Sri Lanka, the need for legal aid is high, particularly for women. The costs of such aid to the provider is low, but the transaction and opportunity costs for clients are high for those outside of Colombo,

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[50] Savitri Goonesekere, "The Impact of the UN Decade for Women on the Legal Status of Sri Lankan Women," in UN Decade for Women: Progress and Achievements of Women in Sri Lanka (Colombo: CENWOR, 1985), p. 24-25.

[51] See Marga Institute's review of PVO Co-financing project.

who must travel to the city to access legal aid services."[52] It is this analysis's recommendation that these legal aid programs continue to be supported and that they be extended to rural areas.

Mediation boards have the potential to be effective avenues of problem-solving for women because bringing issues to the boards is less costly and less adversarial than bringing them to the courts. Up to date, 21.9% of all complaints heard by mediation boards have been brought by women and "the types of cases brought by women were the same as those brought by men." [53] Hansen, et. al.'s analysis of mediation boards revealed that they were almost all staffed by men. Women should be mobilized to serve as mediators, both to increase women's participation in community affairs and to assist women "who are frequently in desperate need of legal help because of domestic violence and abandonment" and who might be more likely to take such issues to mediation boards if there were women mediators on staff.[54]

Finally, gender sensitization[55] as a component of training for the police force, lawyers and judges, particularly in regards to rape and domestic violence cases, can be helpful in ensuring that laws that are on the books get implemented and also can potentially increase women's willingness to take such sensitive cases to the legal system.

Recommendations:

* Support for National Committee on Women to monitor legislation
* Integration of women's rights concerns into human rights awareness campaign
* Support to women's groups for public fora and research into avenues of legal reform
* Support to Legal Aid programs
* Recruitment of women on mediation boards
* Gender sensitization as component of training for police, lawyers, and judges

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[52] Gary Hansen, et al. "A Strategic Assessment of Legal Systems Development in Sri Lanka," February, 1994.

[53] Ibid, p.21.

[54] Ibid.

[55] Gender sensitization programs have been carried out by NGOs such as CENWOR (Centre for Research on Women) and the Social Scientists's Association and have proven to be successful in initiating organizational dialogue about gender issues.

4. Women and Media

Media can be a powerful tool of inclusion or of exclusion. Hema Goonatileka, in an informative article on women in the media in Sri Lanka[56], writes that "the mass media at a national level reflect the distribution of power and control in a society. Women's access to power and control being minimal, their participation and portrayal in the media partly reflect this." This section will look at how CIPART can contribute to the empowerment of women in the media.

Goonatilake writes that "there is no open discrimination against women in recruitment practices, in any of the media in Sri Lanka... however, there is strong under-representation of women at the decision-making and technical levels."[57] Under CIPART recruitment and monitoring efforts should be made to ensure that women are actively included in all of CIPART's training programs and that the content of these training courses include issues of interest to women in the country. In addition, gender sensitization should be a component of all training.

In regards to the portrayal of women by the media, the naming of the years from 1975-1985 as the International Decade for Women led to a highlighting of women's issues in the media. Women's issues have received increasingly steady coverage since then (interestingly more in the Sinhala and the Tamil newspapers and radio and television programming then in the English), but there is more work to be done. The enhancement of women's groups' ability to prepare media releases should contribute to an adequate coverage of women's issues in the media. CIPART can also continue to support women's media efforts such as video production. Under the PVO Co-financing project, for example, The Asia Foundation funded the production of videos that illustrated the impact of dowry and domestic violence on society. Finally, one of the factors the ombudsman should take into serious consideration in his or her evaluation of the press is the extent to which it provides equitable and non-derogatory coverage to women's issues.

Recommendations:

* Support to women's media efforts in all the different mediums
* A criteria in ombudsman's evaluation of media is equitable, non-derogatory coverage of women's issues
* Gender sensitization a component of training for journalists

5. Criteria

In order to ensure that women benefit from CIPART, close attention must be paid to the selection of grantees and projects. Potential grantees must be scrutinized

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[56] Hema Goonatilake, "Women and the Media" in UN Decade for Women: Progress and Achievements in Sri Lanka (Colombo: CENWOR, 1985), p. 181.

[57] Ibid, p. 207.

on the institution, program, and project level to ensure they include women as participants, as decision-makers, and as beneficiaries. Proposals should provide, when appropriate, gender disaggregated data. Also, the gender analysis recommends that several proposals on the sub-grant level take women as a focus group.

6. Monitoring/Evaluation

Wherever possible, grantees should be asked to provide a brief assessment of the status of women in the project areas in which they will work at the beginning of the project and to provide qualitative and quantitative indicators of potential improvement. This "baseline" will help in later evaluation of the impact of the project on women. Monitoring should be an on-going process by both U.S.A.I.D. and the lead organizations, as many of this analysis' recommendations have to do with evaluating processes and participation as well as with evaluating results.

E.5 Administrative Analysis

The implementation and monitoring requirements of CIPART will be handled by several organizations and/or committee structures. This analysis discusses these organizations and structures and their administrative characteristics that will affect CIPART.

Project Advisory Committee: The proposed Project Advisory Committee members are listed in Section 4.1. They represent the governmental, non-governmental, and donor interests of the project. Based on the long standing and excellent working relationship between ERD and USAID, as well as ERD's coordinating role on behalf of the Government agencies working with donors, this committee will be co-chaired by ERD and USAID. The committee will convene annually for a one or two-day session to review progress and issues and proposed work plans for the coming year. The committee will be advisory and provide the overall guidance necessary to ensure consistency with the Government's and USAID's development objectives. It will take decisions informally and by consensus. It will also use the contacts and experience of its constituent members to help resolve implementation issues that need such intervention.

National-Level Government Agencies: ERD is USAID's principal counterpart in designing and implementing its development assistance program in Sri Lanka. ERD plays an essential role in coordinating the input of all relevant Government agencies, in representing their interests in the negotiation of project agreements, and in ensuring that project activities reflect the priorities and policies of the Government. ERD is thoroughly familiar with USAID procedures and is most competent in resolving programmatic issues on behalf of the Government. For this reason, ERD is a logical choice to co-chair of the Project Advisory Committee. In addition, ERD has many years' experience with USAID and other donors and will help ensure the smooth implementation of the project.

Various line agencies, such as the Ministries of Justice, Reconstruction, Rehabilitation and Social Welfare, Information, and Provincial Councils and Home Affairs, and the courts have programmatic and technical experience and interests in CIPART. Accordingly, they will be represented on the Project Advisory Committee. CIPART is consistent with their various mandates, and their existing administrative structures are capable of absorbing CIPART's activities. USAID has past experience working with the Ministries of Justice and M/RRSW. These agencies have demonstrated their ability to work with donors and USAID procedures. Although USAID has had little contact with the Ministries of Information and M/PCHA, and with the Court of Appeals, these are sophisticated agencies that have considerable donor experience, and their administrative capabilities are sound.

USAID has also had a close working relationship with the M/PPI, which is the Government's central, policy-setting and coordinating agency. M/PPI is familiar

with USAID procedures, and it will serve an important project advisory role. It is not anticipated that CIPART will impose any administrative burden on M/PPI.

Local-level Government Agencies: An important CIPART component are the activities with local government agencies, especially the Pradeshiya Sabhas. Although USAID has no experience working with Pradeshiya Sabhas, many of them have become quite effective in public administration. Their administrative capabilities will not only be considered as part of the selection criteria for individual activities with local government, but they will also be strengthened as a result of project assistance.

USAID: The project will be monitored within USAID's Office of Projects, by the DHVI Division. Project monitoring will be the primary responsibility of the FSN project manager and assistant project manager, with guidance from the DHVI chief. Administrative services will be provided by one administrative assistant and a full-time secretary. Some of the technical support services for the different project components will be provided by other USAID staff, for example in the Office of Private Sector Development for the activities with CBAs. Other services, mostly of an advisory nature for training, commodity, and audits requirements, will be provided by USAID staff in various divisions specializing in those requirements.

The demands of working in four distinct project component areas, managed by two principle implementing organizations in cooperation with subgrants with several other organizations, will challenge the managerial and technical skills of USAID's staff. It is anticipated that USAID staff development will be an important aspect of project administration, particularly in the areas of using NGOs to achieve sustainable development objectives, the role of local government in responding to citizens' initiatives, and use of community-based citizens' groups to engage in constructive dialogue in an increasing range of development issues. USAID's existing managerial and technical capabilities should be supplemented by a combination of short and long-term training opportunities, both in and outside of Sri Lanka. Much of the programming responsibilities and some of the routine administrative responsibilities will also be assigned to the two principal implementing organizations and a project management and support contractor.

Implementing Organizations: Project implementation will be the primary responsibility of the two cooperative agreement recipients, anticipated to be TAF for two project components and to be competitively-selected for the other two project components. These two cooperative agreement recipients will be selected based on a set of criteria that will include their administrative/managerial capabilities to implement the project. TAF, with its longstanding relationship with USAID and familiarity with USAID project administration requirements, is anticipated to be able to meet project administrative requirements. However, the capabilities of both recipients will be confirmed by USAID's Office of the Controller before a cooperative agreement is executed.

Many of the CIPART activities will be implemented through subgrants to Sri Lankan

NGOs. In selecting their subgrantees, the cooperative agreement recipients will be expected to apply selection criteria that include a demonstrated institutional capacity to absorb, expend, and account for USAID project funds. Many of the likely subgrantees have worked with USAID/SL under past projects. Insofar as they require some institutional support (hiring and training of key staff, establishment of organizational procedures and guidelines, etc.) to become competent implementing organizations, the required institutional support will be accessible and budgeted within the program descriptions of the cooperative agreements.

The cooperative agreement recipients may also choose to set up their own project advisory committees, specifically focused on the activities of the two components they are implementing. These committees could also provide guidance on a range of topics.

Because USAID's staff does not have adequate administrative capacity to respond to all the needs of the project, a project management and support contract will be negotiated with a local contractor to provide additional administrative support. This will include financial and accounting assistance to subgrant recipients, the setting up of local training programs, workshops, and seminars, and possible other inputs such as the processing documentation for training participants. These administrative inputs will be coordinated with the program descriptions and administrative requirements of the cooperative agreement recipients. The administrative capabilities of the contractor will be confirmed by USAID's Office of the Controller before a contract is signed.

E.6. Economic Analysis

An economic analysis of the overall project is not possible since CIPART comprises different components with a mix of activities, of which some will have quantifiable benefits and others will not. Furthermore, specific development activities will only be identified after implementing arrangements have been negotiated with the cooperative agreement recipients. However, insofar as those activities are intended to produce economic returns, the implementing organizations will be expected to monitor and report on achievement of those economic objectives.

In particular, many of the activities under the Participatory Development component and some of the activities under the Local Government are expected to yield positive economic returns to disadvantaged groups and other project beneficiaries. It is expected that the umbrella and other NGOs, citizens' groups, and local government organizations that plan and implement these activities will include economic criteria such as employment and income generation in their activity selection criteria.

There are some economic characteristics of CIPART which should be mentioned. Many project activities will be directed at some of the 40 percent of Sri Lankans who exist below the poverty line (defined by the Government as households with a monthly income of Rs. 750 [$15] per month or less). In some cases, the project will mobilize underutilized community funds and/or other resources. The project will involve low capital costs per activity. The project will support a diverse range of economic activity, from assistance to CBAs and their members to upliftment of displaced persons in the North and East, to generation of income for rural women and urban slum dwellers.

Other activities of CIPART will focus on strengthening citizens' groups, NGOs, and local government organizations. Although these activities will not have quantifiable benefits, they will indirectly benefit the development activities which those groups and organizations sponsor, by increasing their effectiveness as development and advocacy organizations.

ANNEX E.7.

FINANCIAL ANALYSIS

INTRODUCTION

The purpose of this analysis is to demonstrate that the projected expenses of CIPART are reasonable and that sufficient resources exist to cover these costs. As a "human infrastructure" project, the worth of the project cannot be measured by revenue streams, but rather by the intangible benefits it creates for Sri Lankan society as a whole.

The program areas of the project will be financed as envisioned in Table 2 found on page 23 of the project paper. Table 1 provides the Cash Flow Analysis over the life of the project. The project will operate from 1994 - 2000 with a life of project funding of US $7 million from Development Assistance (DA) funds, US $8 million from the PL 480 Title III set aside for NGO activities and US $1 million contribution from NGOs.

The cost elements are:

1) Technical Assistance
2) Training
3) Commodities
4) Logistical Support
5) Audit and Evaluation

These elements are distributed between the five program areas of:

1) Local Government
2) Participatory Development Groups
3) Modernized Legal Systems
4) Professional Media
5) Project Support

Funds for AID's contribution to CIPART will be obligated to the project over four years. These funds will be supplemented by allocations from the Title III local currency generations as shown below in Table 1.

TABLE 1

(US DOLLAR 'OOO)

USAID/SRI LANKA CIPART PROJECT CASH FLOW ANALYSIS							
	1994	1995	1996	1997	1998	1999	2000
BALANCE	**0**	**3,010**	**3,610**	**5,292**	**4,700**	**2,200**	**700**
OBLIGATION	810	1,100	2,682	2,408	0	0	0
LOCAL CURRENCY ALLOCATION	3,000	3,000	2,000	0	0	0	0
DISBURSEMENTS	800	3,500	3,000	3,000	2,500	1,500	700

It is anticipated that the last year of funding from USAID's Title III program will be FY 96. The above obligation schedule is based on recent USAID projections of the minimum Title III levels for Sri Lanka to implement the policy changes negotiated in the recent Title III agreement. The above analysis has not taken into account the other PVO's Technical Assistance Contribution of US $1 million.

METHODS OF IMPLEMENTATION AND FINANCING

A review of alternative methods of implementation and financing from the standpoint of funds accountability and project needs has been conducted during the course of project design. The preferred methods are summarized in the following table 2.

TABLE 2

PROJECT REQUIREMENTS	METHOD OF IMPLEMENTATION	METHOD OF FINANCING	APPROX. AMOUNT ($'000)
COMPONENT 1 - 2 - LOCAL GOVERNMENT/PARTICIPATORY DEVELOPMENT			
Technical Assistance	AID Direct Contract Cooperative Agreement	Direct Payment LOC	1,004 309
Training	PIO/P's Cooperative Agreement	Direct Payment LOC	222 649
Commodities	Cooperative Agreement	Reimbursement	275
COMPONENT 3 - 4 - RULE OF LAW/MEDIA			
Technical Assistance	AID Direct Contract Cooperative Agreement	Direct Payment LOC	283 1,324
Training	PIO/P's Cooperative Agreement	Direct Payment LOC	105 970
Commodities	Cooperative Agreement	Reimbursement	984
COMPONENT 5 - PROJECT MANAGEMENT AND SUPPORT			
Technical Assistance	AID Direct Contract	Direct Payment	328
Training	PIO/P's	Direct Payment	55
Logistical Support	AID Direct Contract	Direct Payment	100
Commodities	AID Direct Contract	Direct Payment	10
Audit and Evaluation	Buy-in to centrally funded project or local IQC	Direct Payment	382

The preferred method of financing for a Cooperative Agreement signed with a US PVO, would be the Letter of Credit (LOC). However, if a Cooperative Agreement is signed with a local PVO, the advance method of payment will be used.

COST ANALYSIS

The demand for the proposed services was established based upon previous USAID experience, specially under the PVO Co-Financing I and II projects, a number of meetings and conferences with NGOs and GSL counterparts, and research by three U.S. Personal Service Contractors and project staff. These are more fully described in the Technical and Social Analyses to the project.

The following general assumptions have been used in costing inputs under each program area.

TABLE 3

Assumption	Value
Co-operative agreement overhead rate	25%
Inflation US dollar costs	3% per year
Inflation local currency costs	10% per year
Total cost of expatriate short term TA - AID Direct	US $15,000 per person month
Total cost of expatriate short term TA - co-operative agreement	US $10,000 per person month
Local short term TA - AID Direct and co-operative agreement	US $2,500 per person month
US short term training	US $10,000 per person month
Third country short term training	US $5,000 per person month
Local training	US $800 per person month

Program Area 1 - Local Government

The total project cost of this program area is US $2,580,000. As most of the costs are local costs, US $1,960,000 will be funded through PL480 Title III local currency and US $620,000 from DA funds. The DA funding will support short term technical assistance and US and third country training.

The TA component includes US $244,000 of DA funds and US $1,266,000 of PL480 Title III local currency costs. The AID direct TA includes 5 person months for foreign consultants and 2 person months for local consultants. Local consultants are budgeted under AID direct costs only for the first year, as they can be funded through the co-operative agreements in the following years. AID direct consultants are budgeted for in the following years to allow buy-in to USAID programs for consultancy services. Under the co-operative government component, foreign TA of 10 person months and local TA of 11 months are provided as ample local government expertise is available locally. There will be one community grant to support selected local governments of US $1,232,000 and is budgeted under Host Country Technical Assistance.

Training component of US $376,000 in DA funds and US $254,000 in PL480 Title III local currency is divided between US/third country training and local training. Under AID direct training 5 person months of training in the US and 10 person months in third countries are provided for. US and third country training under the co-operative agreement includes 8 person months of US training and 24 person months of third country training. Local training component provides for 220 person months of local training over the life of project.

Commodities totalling US $440,000 in PL480 title III local currency covers any office or other equipment that may be purchased under the community grants.

Program Area 2 - Participatory Development Groups

The total project cost of this area is US $1,839,000 in DA funding, US $3,751,000 in PL480 title III local currency and US $1,000,000 to be contributed by other PVO's.

Under technical assistance a project manager and a trainer will be employed for a total of 56 person months each at a cost of US $5,000 per month. AID direct short term consultancies include 10 US person months. Under co-operative agreements, 8 local consultant person months and 11 US consultant months are included. 8 community sub-grants to NGOs will cost US $2,513,000, which is included in Host Country Technical Assistance.

15 person months of AID direct training will be provided with 7 in the US and 8 in third countries. 58 person months of US and third country training will be carried out under the Cooperative Agreement. Local training would include 225 person months under the Cooperative Agreement.

Commodities of US $275,000 in DA funding and US $939,000 in title III funds include office equipment and vehicles. The high cost of commodities is also due to the fact that assistance to the north and east is included under this program area.

Program Area 3 - Modernized Legal Systems

The program area costs US $2,911,000 in DA funds and US $909,000 in PL480 title III local currency.

Technical assistance includes the cost of the project manager attached to The Asia Foundation at a starting cost of US $10,000 per month with a total of 58 person months. AID direct short term consultants covers the cost of 10 person months. Under the co-operative agreements there will be a total of 28 person months of foreign consultants. There will be three sub-grants totalling US $660,000.

5 person months of US training and 8 person months of third country training will be provided under the AID direct line item. Under co-operative agreements, 21 person months of US training and 33 person months of third country training will be provided. In addition, 250 person months of local training will be provided under the Cooperative Agreement.

Commodities for upgrading courts will include computers and other office equipment totalling US $984,000 in DA funds.

Program Area 4 - Professional Media

The total cost of this program is US $755,000 of DA funds and US $800,000 in PL 480 title III funds. The cost is lower than the other components mainly because no commodities will be purchased for the media.

6 person months of AID direct TA will be provided by US consultants. Under the co-operative agreements, 24 person months of local and foreign consultants will be provided of which 12 would be foreign and the other 12 local consultants. The community sub-grants component includes two grants totalling US $622,000 in local currency.

20 person months of training in US and 30 person months of training in third countries will be provided. 100 person months of local training also will be provided.

Program Area 5 - Project Support

Total cost of project support is US $875,000 in DA funding and US $580,000 in PL 480 title III funds.

The TA component will support 40 person months of a US personal services contractor commencing at US $48,000 per year and 60 person months of a local project manager starting at US $17,000 per year. In addition, 3 person months of a US short term consultant will be provided.

Training component includes US $31,000 for US and Third Country Training and US $24,000 for local Training, to be programmed according to availability of courses. Both these amounts totalling US $55,000 are budgeted to be funded out of DA funds.

A small provision of US $10,000 is made for commodities. Logistical support of US $100,000 in DA funding and US $580,000 in PL480 title III funds will mainly support a financial and administrative contractor who will oversee the project. US $129,000 has been provided in the budget for pre-award surveys and audits. US $253,000 is budgeted for 3 evaluations over the life of the project.

Audit Requirements

Increased financial accountability requirements by the U.S. Office of Management and Budget, the Congress, and discussions with USAID's Inspector General have influenced USAID's audit process. As a result of internal USAID reviews and the Inspector General Act Amendments of 1988, USAID is required to take a more active role in maintaining effective audit management and resolution programs.

CIPART's need for audit coverage is based upon an assessment by USAID's Office of the Controller of the methods of implementation and financing discussed in this project paper. Each method of implementation and financing has been evaluated for audit need, taking into consideration the following:

- The degree of vulnerability and/or overall accountability associated with a particular method of financing or implementation;
- The likelihood of audit coverage by the Inspector General or another cognizant federal agency;
- The likelihood and adequacy of audit coverage by the GSL, USAID contracted audits, and the voucher examinations carried out by USAID/SL;
- The use of independent accountants by various recipient organizations under the Recipient Contracted Audit Program to issue certified financial statements which take into account the usage of USAID funds; and
- The desired scope, frequency and timing of audits.

Table 4 given below summarizes the appropriate types and estimated cost of audits to meet USAID audit requirements for the methods of financing and implementation under CIPART.

TABLE 4

ANALYSIS OF AUDIT REQUIREMENTS

Component	Amt at risk $'000	Method of Implementation	Resp. Host Country Agency	Vulnerability Assessment	Recommended Audit Coverage	Proposed Date	Cost of Audit Coverage US$
Component	**1 & 2**	**Local Government/Part Dev. Groups**					
Technical Assistance	1,004	AID Direct Contract	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing/ Annually	13,000.00
	309	Cooperative Agreement	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing/ Annually	13,000.00
Training	222	PIO/P's	None	Good	Voucher reviews	Ongoing	0.00
	649	Cooperative Agreement	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing/ Annually	13,000.00
Commodities	275	Cooperative Agreement	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing/ Annually	13,000.00

ANALYSIS OF AUDIT REQUIREMENTS

Component	Amt at risk $'000	Method of Implementation	Resp. Host Country Agency	Vulnerability Assessment	Recommended Audit Coverage	Proposed Date	Cost of Audit Coverage US$
Component	**3 & 4**	**Modernized Legal Systems/ Professional Media**					
Technical Assistance	283	AID Direct Contract	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing/ Annually	13,000.00
	1,324	Cooperative Agreement	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing/ Annually	13,000.00
Training	105	PIO/P's	None	Good	Voucher reviews	Ongoing	0.00
	970	Cooperative Agreement	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing/ Annually	13,000.00
Commodities	984	Cooperative Agreement	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing/ Annually	13,000.00
Component	**5**	**Project Management and Support**					
Technical Assistance	328	AID Direct Contract	None	To be assessed	Voucher reviews, RIG/A/S, Cognizant audit agency	Ongoing	12,500.00
Logistical Support	100	AID Direct Contract	None	To be assessed	Voucher reviews, Annual Audits	On going Annually	12,500.00
Training	55	PIO/P's	None	Good	Voucher reviews	Ongoing	0.00
Commodities	10	AID Direct Contract	None	Good	Voucher reviews	Ongoing	0.00
Evaluation	253	Buy-in to centrally funded IQC or PSC	None	N/A	Cognizant Audit Agency	Annually	0.00

Recurrent Costs

New recurrent costs have been minimized to the extent possible by using existing government, established NGO and citizens' group resources. The lack of construction activities and nature of planned commodity procurement means there will not be large recurrent costs. Recurrent costs arising out of the activities of the implementing organizations will be reviewed within the context of their strategies to achieve greater institutional and programmatic sustainability. The Mission would further monitor the recurrent costs of the partner organizations during the life of project and ensure financial sustainability through concentrated institutional building activities.

ANNEX F: Detailed Evaluation Plan

1. Introduction

Determining the success of CIPART and the policies and the programs developed through it will involve measuring two different streams of project benefits. The first will measure the strengthening of democratic processes and evidence that this strengthening led to greater citizen participation in policy dialogue and decision-making. The second will measure the impact of the on-the-ground programs and activities that result from this greater participation.

The strengthening of democratic processes involves the building of partnerships; partnerships between citizens themselves in NGOs, between NGOs through umbrella groups, between local government and NGOs, and between local government and national government. Built into this evaluation plan is the recognition that the formation of effective partnerships takes time and that results can not always be quantifiable. In addition to measuring quantitative results, CIPART evaluation and monitoring reports will also contain qualitative information, describing, for example, the process of group formation, local NGOs and citizens' group interaction, or policy dialogue processes.

The primary purposes of the Monitoring and Evaluation plan are to verify the CIPART approach, to provide adequate data to facilitate the ongoing cooperative relationships between USAID and its implementing organizations, and to show whether adequate progress is being made towards achieving sub-project objectives (especially output and purpose-level indicators). This monitoring and evaluation plan is meant to be a learning tool, a basis on which decisions on changing course or reallocating resources can be made.

This Monitoring and Evaluation Plan is presented as an interim plan until the implementing organizations are in a position to provide details on their programs. Some of the terms will be further clarified in another iteration of the plan based on results of the baseline survey and on the cooperative agreements.

2. A.I.D. Democracy Evaluation Guidelines

This evaluation plan for CIPART is based on practices and caveats for (a) monitoring and evaluation and (b) selecting indicators that are outlined in the Draft A.I.D. Democracy Implementation Guidelines of January 1994. These are reiterated below.

Monitoring and evaluation plans for democracy programs require:

- establishing and tracking a hierarchy of results, combining indicators that measure short-term outputs with those that measure impact, i.e., make

explicit the hypothetical cause-effect relationship between particular interventions and the expected results;

- regular data on progress toward results and objectives that are achievable within five to seven years and are in the "manageable interest" or capability of USAID/Sri Lanka, including short-term measures as well;

- identifying mechanisms whereby progress toward a given objective can realistically be attributed to the USAID intervention.

Selecting indicators requires:

- achieving a balance between what can be measured and what needs to be measured;

- ensuring that indicators are rooted in accepted practice and in the chosen strategy for democratic development;

- balancing indicators that are sensitive enough to measure meaningful local change with those that transcend the national context and may be compared across countries;

- selecting indicators that are specific and sensitive enough to reveal changes that can be attributed to USAID intervention;

- utilizing verifiable measurement accuracy, reliability, and thoroughness such that the measures can be repeated, and in principle, corroborated by others;

- choosing measures that are cost effective;

- relying upon information that can be available on a timely basis so that the evaluation can affect management's decision-making schedule; and,

- identifying indicators that are useful for a number of different audiences, including local managers and external evaluators, and amenable to Agency-wide reporting.

3. The Democratization Process

3.1. Mission Goal/Project Goal: To provide the stable democratic environment essential to achieving Sri Lanka's objective of becoming a democratic NIC by the first part of the next century.

In evaluating this project goal, which is an integral part of the mission goal, USAID/Sri Lanka will rely upon USAID's agency-wide mechanism that is being developed for evaluating democracy and human rights performance in a country. This mechanism will draw on written reports prepared by the State Department, on NGO reports such as the Freedom House Index. USAID/SL will also draw on information collected in citizens' surveys and on a review of available documentation. Indicators will include:

- Reduction in Human Rights violations
- Increased % of surveyed citizens personally active in promoting development and democracy, and/or attributing value/effectiveness to citizen participation

Assumptions

Important assumptions for the success of the program on the purpose level include the following:

- GSL has a continued will to improve human rights records
- GSL policies continue to encourage private sector growth

The continuing validity of each goal level assumption will be addressed based upon review processes and selected interviews with government and NGO/CO leaders.

3.2. Project Purpose: To strengthen democratic processes that enhance opportunities for ordinary citizens to address fundamental social, economic, and political development needs.

In evaluating the project purpose, USAID/Sri Lanka will rely upon information generated from periodic meetings of the CIPART Advisory Committee, on implementing organizations' Monitoring and Evaluation Reports, and on the baseline and follow-up surveys. The End of Project Status (EOPS) indicators are:

- A more responsive local government
  - Increased public confidence in local government
  - Citizens and their representatives engaged in development planning with local officials

- A better informed and more participatory civil society
  - A viable, professional and effective NGO movement
  - Established avenues of communication between NGOs and GSL
  - Number of targeted public policy decisions influenced by organized citizen input

- Strengthened rule of law, including greater respect for fundamental rights
  - Increased % of people aware of legal rights and means for legal redress

- Increased access of disadvantaged groups to courts and mediation boards
- Decrease in backlog of cases in the Appellate Court

- A more objective and independent media
  - Decrease in censorship, including self-censorship in media
  - Competitive atmosphere for quality reporting
  - Increase in number of Sinhala, Tamil, and English journalists with educational qualifications in journalism

Assumptions

Important assumptions for the success of the program on the purpose level include the following:

- GSL is supportive of local government;
- Civil society groups are or have the will to become accountable, democratic, and broad-based organizations;
- The continued independence of the courts; and
- The political environment is conducive to media operating without censorship.

The continuing validity of each purpose level assumption will be addressed based upon review processes and selected interviews with government and NGO/CO leaders.

3.3. Outputs

3.3.1. **LOCAL GOVERNMENT**: CIPART efforts to help create a more capable and responsive local government will result in the following outputs:

- Better trained government officials;
- Productive working relationships between local governments, citizens' groups, and local NGOs;
- Innovative local government initiatives that have been worked out with citizens' groups
- Improved links between local and national governments;

In order to evaluate the success of these outputs, CIPART will rely upon reports from the implementing organization. Among the sources of information for these reports will be: citizens' surveys, NGO reports, training registration and follow-up reports, site visits, and gazette notices. Data will be stratified by age, gender, region, and income level. Illustrative indicators include:

- Number of government officials trained
- Impact of training on performance

- Programs or policies devised with demonstrated citizen (especially women, youth, poor) input
- Number of joint projects and number of beneficiaries
- Evaluation of process of project development by citizens' groups, local government officials, and villagers
- Policies and programs developed through demonstrated local/national government dialogue and planning cooperation
- Increased confidence of national government in local government

Assumptions

Important assumptions for the success of this project component at the output level include the following:

- Local government officials receptive to training;
- Local government officials receptive to broad-based citizen input; and
- National government receptive to local government input

The continuing validity of the above assumptions will be reviewed based on data gathered through the surveys and NGO and government records.

3.3.2 **PARTICIPATORY DEVELOPMENT**: CIPART efforts to help foster a better informed and more participatory civil society will result in the following outputs:

- Strengthened citizens' groups around specific development issues;
- Economic Opportunities for disadvantaged groups, with a special emphasis on groups located in the North and the East;
- More productive working relationships between NGOS and government organizations
- Professional NGOs which serve as umbrellas and/or resource center to other citizens' groups

In order to evaluate the achievement of these outputs, USAID will rely upon reports from the primary implementing organization. Among the sources of verification are site, including camp, visits, NGO records, camp records, government reports, and selected interviews. Data will be stratified by age, gender, region, and income-level. Illustrative indicators include:

- Number of groups strengthened
- Evidence of increased professionalism of groups
- Number of new employment opportunities for women, for youth, and for displaced people
- Number of resettled people
- Number of policies developed with demonstrated input from NGOs
- Increased group membership in umbrella NGOs

BEST AVAILABLE DOCUMENT

- Demonstrated examples of NGO networking for projects, policy position papers, conferences, etc.

Assumptions:

Important assumptions for the success of this project component on the output level include the following:

- NGOs value institutional strengthening for sustainability
- Continued economic growth
- Progress in resolving conflict in North and East
- NGOs willing to work together to address issues

The continuing validity of the above assumptions will be addressed through interviews with staff from all participating NGOs/COs and selected government officials.

3.3.3. **MODERNIZED LEGAL SYSTEMS:** CIPART's efforts to broaden access to and make more efficient the resolution of disputes through courts and mediation boards will result in the following outputs:

- Modernization of selected courts;
- Better trained judges and lawyers;
- More effective and efficiency of mediation boards;
- A raised public awareness of legal rights and of means for redress of grievances;
- Legal aid services to disadvantaged groups.

In order to evaluate the success of these outputs, CIPART will rely upon reports from the Asia Foundation and the baseline and follow-up citizens' surveys. Information will be gathered from court records and selected interviews with court staff; training and personnel records and interviews; mediation records and selected interviews with mediators, initial baseline and follow-up surveys, Site visits, review of ombudsman reports, and from NGO reports. Where possible, all data should be stratified according to age, gender, region, and income. Illustrative indicators include:

- Number of courts automated
- Reduction in delays between time cases filed and their resolution
- Number of lawyers and judges trained
- Impact of training on performance
- Increased number of cases heard by mediation boards
- Increased % of cases resolved by mediation boards
- Increased % of surveyed citizens aware of legal rights and means to address grievances
- Increased number of people using legal aid services

Assumptions

Important assumptions for the success of this project component at the output level include the following:

- Lawyers and judges receptive to training
- Court officials willing to use automation systems
- Support for mediation boards by GSL and by legal profession
- Respect in Sri Lanka for legal rights
- Willingness of targeted groups to solve problems through legal system
- Laws are relevant to the issues faced by target groups

The continuing validity of assumptions will be based on information obtained from above reviews and reinforced with selected interviews of judges, lawyers, NGO staff, university personnel, and U.S.A.I.D. staff.

3.3.4 **PROFESSIONAL MEDIA:** CIPART's efforts to improve the quality, accuracy, and objectivity of media reporting and analysis will result in the following outputs:

- Strengthened media associations;
- Better trained journalists and editors
- University degrees in journalism with courses that cover democracy and development issues;
- More professional coverage of development issues in media;
- Established press ombudsman and journalism awards.

In order to evaluate the success of these outputs, CIPART will rely upon reports from The Asia Foundation and the baseline and follow-up citizens' surveys. Information will be gathered from the following sources: journalist association membership records; NGO and journalist association reports; training records and follow-up interviews; university records including enrollment figures and curriculum descriptions; ombudsman reports; interviews with journalists and other media personnel. Where possible data will be stratified by age, gender, region, and language. Illustrative indicators include the following:

- Increase in membership of media groups
- Number of journalists and editors who complete local and regional training courses (in Sinhala, in Tamil, in English)
- Impact of training on performance
- Number of University program graduates
- Number of media programs (reports, videos) developed by NGOs printed or aired
- Number of submissions for journalism awards
- Ombudsman reports published regularly in mass media

Assumptions

Important assumptions for the success of this project component at the output level include the following:

- Media associations able to be non-partisan advocates of media interests
- Journalists and editors are receptive to training
- Continued support to journalism programs by University
- Print and broadcast media receptive to programs developed by NGOs

The continuing validity of assumptions will be addressed through interviews of journalists, and other media experts including retired Sri Lankan journalists and USIS assessments.

4. Impact

An assessment of initial impact trends on the democratic process will be undertaken at the end of CIPART's fourth year. Basic data comparisons should draw on baseline survey to be carried out by the time CIPART begins implementation. Suggested types of impact will include but may not be limited to the following:

• Impact: Growth in citizens' organizations, in membership in each and % of active members. Reasons should be determined and comparisons drawn from baseline survey to be carried out by the time CIPART begins implementation.

- Means: Field survey and review of NGO quarterly reports carried out by the primary implementing organization with USAID cooperation in design and funding.

• Impact: Nature and results of policies and programs derived from the advocacy and policy dialogue efforts of NGOs and/or citizens' groups with selected government entities in different locations in Sri Lanka.

- Means: Desk studies of NGO and government reports, media reports, and relevant data from the proposed field survey.

• Impact: Extent of institutional growth in NGOs.

- Means: Desk study comparisons of latest NGO status based on original status report of existing staff and organizational capacities submitted at outset of CIPART.

• Impact: Extent of capacity growth in local government entities that have cooperated in CIPART.

- Means: Desk review on NGO/CO-Government cooperative efforts, including

problems encountered, staffing or budget weaknesses, solutions carried out, lessons learned, training programs, etc.

5. Economic and Social Policies, Programs, and Projects Resulting from democratic policy dialogue interaction between government and NGO/citizen interaction.

(Note: It is expected that subject policies and/or projects will fall under each of the CIPART project elements outlined in II.A, but these cannot be determined before concerned NGOs, citizens' organizations and government institutions are engaged as to the nature of the development issues they are addressing.)

6. Role of the Government of Sri Lanka, USAID, and the Primary Implementing Organizations in the Evaluation Process

6.1. Responsibilities

Implementing Organizations:

- Develop a baseline description of the initial status of cooperating sub-grantees (NGOs or COs) and any government institutions that may receive assistance during the course of the project;

- Maintain complete implementation records, including data used for preparation of quarterly reports but not included therein, particularly if such data/information can be useful baseline for later project evaluation at 2,4, and 6 year intervals;

- Assign one staff member to be responsible evaluation monitoring processes & data base;

- Participate in periodic evaluations led by Sri Lankan Government and USAID or carried out by external consultants.

Government of Sri Lanka:

- Designate a counterpart office responsible for evaluations and implementation monitoring and assign an evaluation liaison officer who will maintain regular contact with NGO and USAID evaluation officers;

- Assist in the design of evaluation plans, and scopes of work, and in their implementation;

- Provide support as necessary to field any impact evaluation survey teams; and,

- Make available government reports relevant to CIPART evaluation indicators such as, private investment statistics, election data, court case tracking data, and other government studies/documents relevant to development issues.

USAID:

- Assign an evaluation officer to maintain regular contact with NGO and GSL evaluation officers and to assist in developing evaluation plans and SOWs;

- Provide funding support for 2,4, and 6-year evaluations whether carried out directly by GSL/USAID or through an independent contractor/consultant.

2. Baseline Data gathering

USAID will carry out a survey designed to gather initial baseline data. This survey should be completed before actual implementation for CIPART begins. Primary implementing organizations will also be responsible for gathering baseline data on the institutional capacities of their sub-grantees and other citizens' organizations or organizations cooperating in CIPART.

3. External evaluation sources and timing

AID/CDIE, private contractors, or personal service contracts (PSCs) should be considered as primary sources for implementation of the 2,4, and 6-year evaluations, to be also carried out with GSL/USAID participation. Potential evaluators should have the following qualifications: familiarity with AID's Democracy Strategy, especially how projects are implemented and evaluated to achieve the Democracy Strategy's objectives; experience with AID Handbook 3 and with AID project and program evaluation including experience with the AID logical framework concept and how AID uses indicators to track progress in achieving program objectives; experience with NGOs implementing donor programs in democracy; and familiarity with the context of democracy in Sri Lanka. It is expected that evaluation teams will have at least three members; one expatriate team leader, one GSL official, and one USAID/Sri Lanka staff member. At least one of the members should be proficient in Sinhala and Tamil. The level of effort is estimated to be 6-8 weeks.

7. Evaluation Schedule

7.1. The First interim evaluation:

The first interim evaluation will take place 2 Years from the date of CIPART project signing and will focus on: the delivery and implementation of inputs; the experience and status of Implementing organization/NGO relationships; progress made toward outputs; the continued validity of assumptions at purpose and output

levels; problems encountered, resolved, and lessons learned; and recommended adjustments in outputs and target dates.

Mechanisms for this evaluation will include: desk reviews of NGO reports and related project implementation documents; short, targeted interviews of NGO, CO, and government personnel intended to confirm or further inform conclusions drawn from desk reviews; and as necessary and feasible 2-3 short field trips during which above interviews can be continued and perhaps supplemented with ad hoc discussions with other project beneficiaries.

The role of USAID and the Primary Implementing Organizations in this evaluation will be to establish the evaluators' scope of work with GSL and cooperate with external evaluators as necessary. For further requirements see "Responsibilities", C.1. above.

7.2. Second interim evaluation:

The second interim evaluation will take place 4 Years from the date of CIPART signing
and will focus on: the delivery and implementation of inputs; the experience and status of Implementing organization/NGO relationships; progress made toward outputs; the continued validity of assumptions at purpose and output levels; problems encountered, resolved, and lessons learned; and recommended adjustments in outputs and target dates. It will also include an initial impact assessment.

Mechanisms for this evaluation will include: desk reviews of NGO reports and related project implementation documents; short, targeted interviews of NGO, CO, and government personnel intended to confirm or further inform conclusions drawn from desk reviews; and as necessary and feasible 2-3 short field trips during which above interviews can be continued and perhaps supplemented with ad hoc discussions with other project beneficiaries. In this evaluation a limited field survey will be carried out to check for any initial impact measured against data gathered in original baseline survey. This survey will be helpful in making adjustments for the survey in the final evaluation.

The role of USAID and the Primary Implementing Organizations in this evaluation will be to establish the evaluators' scope of work with GSL and cooperate with external evaluators as necessary. For further requirements see "Responsibilities", C.1. above.

7.3. Final evaluation:

The final evaluation will take place 6 Years from the date of the CIPART project signing and will focus on: the delivery and implementation of inputs; the experience and status of Implementing organization/NGO relationships; the degree

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of attainment of planned outputs; the degree of attainment of project purpose; the continued validity of assumptions at purpose and output levels; problems encountered, resolved, and lessons learned during the project; and recommended adjustments for any follow-on projects. It will also include an impact assessment.

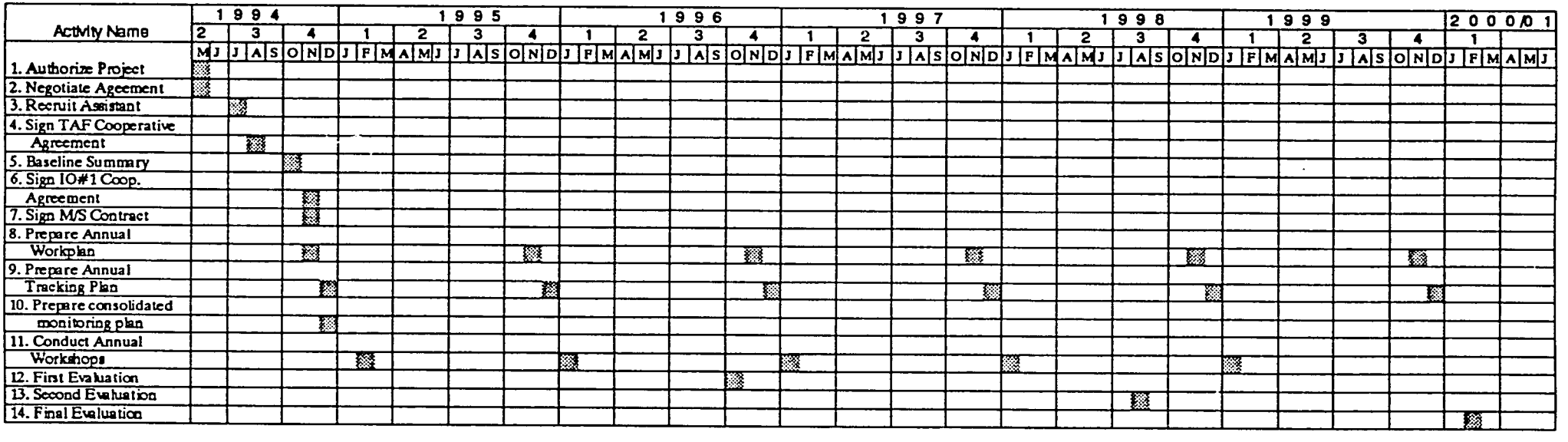
Mechanisms for this evaluation will include: desk reviews of NGO reports and related project implementation documents; short, targeted interviews of NGO, CO, and government personnel intended to confirm or further inform conclusions drawn from desk reviews; and as necessary and feasible 2-3 short field trips during which above interviews can be continued and perhaps supplemented with ad hoc discussions with other project beneficiaries. In this evaluation a field survey will be carried out based upon the original baseline survey.

The role of USAID and the Primary Implementing Organizations in this evaluation will be to establish the evaluators' scope of work with GSL and cooperate with external evaluators as necessary. For further requirements see "Responsibilities", C.1. above.

ANNEX G

CIPART LOP IMPLEMENTATION SUMMARY

(BY CALENDAR YEAR QUARTER)



CIPIMP:Wk3:rr April 28, 1994

DETAILED FIRST YEAR CIPART IMPLEMENTATION SUMMARY

Activity Name	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FEB 1995
1. Authorize Project	5								
2. Negotiate Project Agreement	9 –20								
3. Draft SOW for Assistant Project Manager	9–14								
4. Advertise for Asst. Project Manager	16–21								
5. Sign Project Agreement	27								
6. Draft PIO/T for TAF components	16–27								
7. Draft R/EI for IO#1 components	23	–3							
8. Draft PIO/T to conduct baseline survey		6–10							
9. Interview Asst. Project Manager candidates			11–15						
10. Receive proposal from TAF			15						
11. Review IO#1 expressions of Interest			18–22						
12. Draft PIO/T for Management/ Support Contractor			18–22						
13. Negotiate program description with TAF			18– – –	– –5					
14. Draft PIO/T for IO#1 components			25–	– –5					
15. Review Baseline Proposals				8–12					
16. Sign Cooperative Agreement TAF				19					
17. New Asst. Project Manager begins work				19					
18. Negotiate Baseline Purchase Order				22–26					
19. Review TAF First Annual Work Plan					19–23				
20.Review IO#1 proposals					26–30				
21. Review Contractor proposals						3–7			
22. Conduct Baseline Survey						3– –14			
23. Negotiate IO#1 Program Description						10– –21			
24. Negotiate Contract with Management Support Contractor						17–28			
25. Analyze Baseline Survey Results						17–28			
26. Sign Cooperative Agreement with IO#1						31			
27. Sign Managment Support Contract							7		
28. Share Baseline Survey Report with Implementing Organizations							18		
29. Review IO#1 first annual work plan							28– – –	–2	
30. Replace Consolidated Monitoring and Evaluation Plan								5–9	
31. Review 1995 Training Plan								12–16	
32. Conduct First Annual CIPART Workshop									10

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IO#1 PRE–IMPLEMENTATION SUMMARY

ACTIVITY NAME	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	FEB 1995
1. Draft R/EI for IO#1 components	23	---3							
2. USAID discuss pissible activities in East with NGOs currently working there		1-----	-----15						
3. USAID meets with Pradeshiya Saba Officials to identify priorities and potential activities		1-----	------	----31					
4. Receive Expressions of Interest from IO#1			18						
5. Review IO#1 Es/I			19–22						
6. Select IO#1 "Short list"			22						
7. Draft PIO/T for IO#1 components			25–	---5					
8. Review IOs#1 Proposals					26–30				
9. Select IO#1 candidate						4			
10.Negotiate IO#1 Program Description						10–21			
11.Sign Cooperative Agreement with IO#1						31			
12. Review IO#1 First Annual Work Plan							28	--2	
13. Review IO#1 1995 Training Plan								12–16	

LO#1IMP:Wk3:rs:April 28, 1994

TAF PRE–IMPLEMENTATION SUMMARY

Activity Name	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1. Draft PIO/T for TAF	1---31							
2. TAF holds preliminary discussion with Court of Appeals and M/Justice	16–27							
3. Court Appeals "modernization" Requirements studies and recommen–dations made	1---30							
4. Receive TAF Proposal			15					
5. Review TAF Proposal			18–20					
6. Negotiate Program Description with TAF			21	--5				
7. Sign Cooperative Agreement with TAF				19				
8. Review TAF First Annual Work Plan					19–23			
9. Review TAF 1995 Training Plan								12–16

TAFIMP:Wk3:rs:April 28, 1994