

USAID/SRI LANKA

*RESULTS REVIEW AND
RESOURCES REQUEST*



COLOMBO - FEBRUARY 1996

**USAID/ SRI LANKA
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RESULTS REVIEW AND RESOURCES REQUEST

USAID SRI LANKA

THE DEVELOPMENT SETTING AND FACTORS AFFECTING PROGRAM PERFORMANCE

Sri Lanka has a population of 17.6 million persons, and is one of South Asia's oldest and most stable democracies. The country has made significant progress in evolving from a socialist centralized economy to a more open and free market society. It has relatively good human and natural resources with comparatively impressive social indicators and improving economic growth. This progress notwithstanding, poverty persists (per capita income is only \$652); there is a malnutrition problem; the island's environment is fragile; and the equitable distribution of the benefits of a growing market economy remains a concern.

Economic growth, which has averaged 5.4 percent a year since 1990, has been concentrated in urban areas, primarily in the industrial and service sectors. However, the growth has not been sufficiently broad-based to absorb under- and unemployed labor throughout the country. Unemployment is officially estimated at around 13 percent, but unofficially is believed to be closer to 35 percent if underemployment is taken into account. Agriculture, still the predominant employment sector, comprises only 20 percent of GDP. Income distribution patterns disfavor the poor, and much of the poverty is concentrated in the rural areas where about 80 percent of the population resides.

For 1995, a year in which war made economic management especially difficult, Sri Lanka recorded an impressive growth rate of more than 5 percent, sustaining its recent upward trend. Manufacturing has emerged as a lead sector in the recent years, contributing 33 percent to the overall growth in GNP. Exports recorded a significant increase of about 20 percent, principally due to an increase in manufactured goods, while imports recorded a modest increase of 7 percent. The Colombo stock market, which had been on a downward trend since the first quarter of 1994, remained depressed in 1995. The war, uneven economic policy implementation, increased foreign interest rates, and labor unrest were the principal factors contributing to the stock market slump. A recent drought is expected to adversely affect agricultural productivity, and, therefore, food supplies. It will also reduce the availability of hydroelectric power, putting additional demands on already overextended traditional power generation facilities, and potentially impacting on productivity. The Government of Sri Lanka is expecting frequent blackouts beginning in early 1996.

In the Northern and Eastern Provinces, where the war is concentrated, the level of economic activity is extremely low. Years of civil war continue to place a strain on Government of Sri Lanka resources and threaten overall economic and political stability.

Economic assistance to Sri Lanka supports U.S. interests by promoting an open and free market economy, preservation of natural resources, and democratic governance.

OVERALL PROGRESS

Overall progress toward USAID Sri Lanka's strategic objectives has been good. It is expected that this progress will continue. As stated in the Country Program Strategy FY 1996 - FY 2000, Sri Lanka is a responsible and accountable development partner. The chances of development sustainability within the next decade are high if the 13 year ethnic war is resolved and economic liberalization continues. The GSL's policies and overall directions are generally consistent with those encouraged by the U.S. The GSL is committed to improving the lives of its citizens, and has undertaken many economic and social reforms, and institutional restructuring. Sri Lanka has made remarkable development progress. However, this record of progress is relatively short-lived. Without significant additional advancement in economic growth and the strengthening of existing democratic institutions, Sri Lanka will not be able to bring more of its people into the economic mainstream and sustain the gains achieved to date.

The resumption and escalation of the ongoing civil war following a three month cease fire (January - April 1995) has provided imposing obstacles to sustainable development. The escalation of the war has had a significant negative impact on the economy worsening the fiscal deficit and dampening current investor confidence.

Nevertheless, Sri Lanka has demonstrated the capability of achieving Newly Industrialized Country (NIC) status -- but, not in the short-term. The main constraints to equitable, sustainable development remain:

- Ongoing ethnic war in the Northern and Eastern Provinces;
- Persistent poverty, including high levels of childhood malnutrition;
- Fragile economic growth that is insufficiently broad-based, and slow implementation of structural change;
- Inadequate economic infrastructure;
- Insecure land tenure and environmental degradation; and
- Weak democratic institutions.

PROGRESS TOWARD STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE ONE: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Most Sri Lankans have limited economic opportunities. Average income is about \$54 a month, and un/underemployment is a major development concern. The best means for increasing employment and income opportunities for poor people is through an expanding private sector. USAID assistance is addressing the major constraints to entry and opportunity in the private sector including:

1) inconsistent and poorly implemented government policies and regulations; 2) insufficiently developed financial market regulations; 3) inadequate economic infrastructure; 4) limited access to new markets and technologies; 5) government interference in the agriculture sector; and 6) a shortage of adequately trained private sector managers. USAID is helping to strengthen both the rural and urban economies through small and microenterprise development, financial market development, economic liberalization, privatization, new technology and skills transfer, market expansion, strengthened formal market institutions and mechanisms, and free-market agricultural reforms.

Summary of Performance Data

Strategic Objective One: Increased Private Sector Employment and Income
1. Total employment in targeted enterprises increased by 6,867 jobs in 1995 (did not meet the target of 8,150).
2. Employment by companies raising new capital on the Stock Exchange increased by 4,703 jobs in 1995 (did not meet the target of 8,000 jobs)
3. Prevalence of stunting and wasting among pre-school children declined by .4% in 1995. (exceeded the target of .2%)

Intermediate Results under Strategic Objective One
<p>1. Increased Private Sector Participation in the Economy</p> <p>1. Value of targeted government assets transferred to private control increased by \$209 million in 1995. (exceeded target of \$109 million)</p> <p>2. Value of private sector investment in economic infrastructure did not increase in 1995. (did not meet the target of \$50 million)</p> <p>3. Cumulative investments in Board of Investment (BOI) approved projects was \$1.36 billion by 1995. (exceeded the target of \$880 million)</p> <p>4. Private sector share of targeted staple food trade was 38 percent in 1995. (exceeded the target of 36 percent)</p>
<p>2. Adoption of Improved Technologies</p> <p>1. Total value of investments in new technologies in targeted enterprises increased by \$20.2 million in 1995. (exceeded the target of \$4.8 million)</p> <p>2. Value of exports by targeted enterprises was \$46 million in 1995. (exceeded the target of \$14 million)</p> <p>3. Value of domestic sales by targeted enterprises was \$130.1 million in 1995. (exceeded the target of \$37.8 million)</p>
<p>3. More accessible and efficient financial markets</p> <p>1. Number of below median income households receiving housing loans increased by 11,960 households in 1995. (exceeded target of 7,000)</p> <p>2. Number of shareholders of publicly traded equity increased by 32,500 in 1995. (met the target)</p> <p>3. Value of capital raised through private equity and debt issues increased by \$62 million in 1995. (did not meet the target of \$180 million)</p> <p>4. Value of loans to targeted micro and small enterprises including small farmers increased by \$7.8 million in 1995. (exceeded the target of \$1.95 million)</p>
<p>4. Improved food security</p> <p>1. Per capita caloric food availability increased to 2,400 calories per day in 1995. (exceeded the target of 2,369 calories per day)</p> <p>2. Percent of women with iron deficiencies was 45% in 1995. (met the target)</p>

Progress in 1995

Overall progress under S.O. One, Increased Private Sector Employment and Income, has been outstanding. Employment creation under all but one of the USAID-funded activities exceeded their targets demonstrating the effectiveness of activities such as those under the Technology Innovation for the Private Sector (TIPS) and the Agriculture Enterprises (AgEnt) projects. In 1995, total jobs created in targeted enterprises under all USAID activities was 6,867; domestic sales totalled \$130 million and the value of exports was \$46 million. USAID will continue these pivotal activities under the Sustainable Economic Growth Program (SEGP), now scheduled for approval in FY 1996. USAID will also help create more jobs for the unemployed and under-employed through support for micro-financing institutions, scheduled to begin in fiscal year 1996, also under SEGP.

Despite the political events in 1995, exporters prospered. Consequently, sales and employment ballooned. Among the companies that benefited are the clients of USAID's TIPS project which exceeded all investment, sales and employment targets. TIPS helps small and medium size manufacturers acquire needed technology and tap new markets. In 1995, TIPS clients invested more

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than \$13 million in new technology. Such technology investments helped boost quality, increased productivity and sales, and thereby expanded employment. Domestic sales among TIPS' clients soared 300 percent to \$104 million, with exports increasing 150 percent to \$33.1 million. As a result of this dramatic growth, TIPS' clients have increased employment by 2,444 new jobs. To date, TIPS has completed \$6 million in matching technology grants, and provided business assistance to approximately 400 Sri Lankan private firms. Total employment generated as a result of TIPS assistance to date is almost 7,000 full time positions.

SUCCESS STORY

TOYS HELP MANY SRI LANKANS

Priyanthi is nineteen years old and helps support her entire family on a monthly salary of \$68 (much above the average of \$54). She joined a manufacturing company as an unskilled worker and was quickly recognized for her skill and hard work. She was promoted to production supervisor. Because of her increased income, her younger brother and sister are able to attend school.

Priyanthi works for Golden Palm (GP), one of ten medium-scale toy exporting companies in Sri Lanka. Toys made in Sri Lanka are popular in Europe and the United States. This is in part due to assistance from USAID's Technology Initiative for the Private Sector (TIPS) Project. TIPS has sent representatives from Golden Palm, and four other toy companies, to international toy shows in New York, assisted with development of marketing brochures, and has brought toy designers to Sri Lanka to help companies compete in the international marketplace. The results are impressive. Golden Palm's sales increased by 75% in 1995, and their workforce increased from 40 to 250, most of whom are previously unemployed women like Priyanthi.

In part, TIPS is successful because the participating companies contribute 50% of the assistance cost. This ensures that the company is fully committed and has a long range plan. For toy makers in Sri Lanka, and their employees like Priyanthi, it's been a great year!

USAID also assisted small agro-enterprises through the on-going AgEnt activity. This activity has been an important means for expanding access to new technologies and markets, and for helping more people to participate in the economy by expanding employment. AgEnt has provided technical assistance, training and other support for agro-enterprises. The results have been good. AgEnt helped to create 1,733 jobs in 1995 bringing total jobs created to 2,483 since 1993. The value of investments in new technologies by AgEnt clients has totalled \$6.8 million to date, \$5.3 million of which was from 1995 alone. The value of domestic sales by AgEnt clients was \$15.9 million in 1995, far exceeding the target of \$3 million. This expansion by small, agro-enterprises will mean more and better jobs for low income people, primarily those living in rural areas.

The Mahaweli Enterprise Development (MED) Project has continued to support small and micro-enterprises through local business centers which provide marketing and financial advice. To date, about 3,000 micro and small-scale enterprises have been assisted. MED also has helped link small and medium-scale businesses with small contract outgrowers providing jobs and incomes for the rural poor. MED helped generate about 1,500 jobs in 1995 and over 11,600 jobs since the

project's inception in 1989. The jobs created in 1995 through MED were lower than targeted, partly due to seasonal fluctuations among outgrower activities. MED has been extended by one year, and it is expected that the targets established for 1996 will be fully met. As a real measure of success, the GSL has decided to use the MED business center model in other parts of the country to create employment. They are self-financing the establishment of five new business centers in the Southern Province. This is an unmistakable sign of sustainability.

In 1995, 4,703 jobs were created by companies raising equity on the Colombo Stock Exchange. Significantly fewer companies, as compared to 1994, raised equity capital in 1995 as a result of slack demand due to market uncertainty. For the year, aggregate turnover on the Colombo Stock Exchange fell by two-thirds to less than \$225 million. The volume of new issues fell from \$182.2 million in 1994 to \$62.2 million in 1995. Although this did slow the pace of new job creation, progress on this performance indicator was made. To date, the total number of jobs created, in part due to USAID assistance to Sri Lanka's capital market, is nearly 29,000.

In addition to the projects which target employment creation, USAID's Low Income Shelter Program helps provide better housing for some of Sri Lanka's poorest families. Since its inception, the program has helped more than 62,000 families build or improve their homes -- well in excess of the targeted 52,000 families. In 1995 alone, nearly 12,000 loans were made to urban and rural households, one quarter of which were female headed. So that poor families will have access to housing loans in the future, USAID is working to encourage legal, regulatory, and financial policy changes in 1996 which will assure the sustainability of a private sector-led housing finance market long after the program has ended.

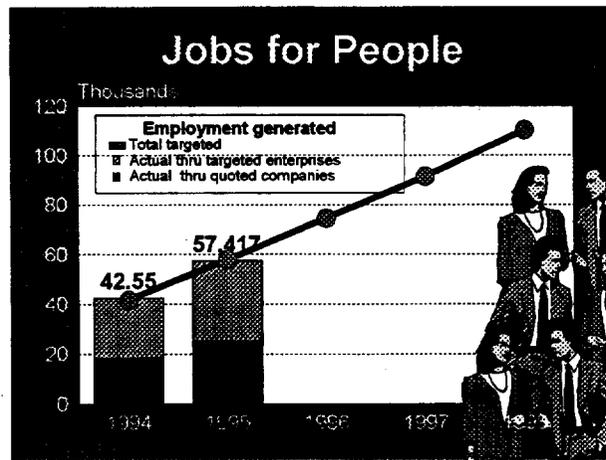
Through the Private Sector Policy Support activity, USAID has encouraged government policies which promote foreign direct investment. An indicator of USAID's success in this area is cumulative investment in Board of Investment (BOI) approved projects. The BOI is the GSL unit established under the Ministry of Finance to promote foreign investment in Sri Lanka. It has the authority to offer incentives and concessions to attract investors. The estimated cumulative investment in BOI approved projects was \$1.36 billion as of the end of 1995, \$435 million of which was approved in 1995. Given the political events of the year, and the current economic uncertainty, this level of investment is considered extremely healthy.

Under the Promotion of Private Infrastructure (PPI) Project, USAID has provided expert technical assistance to the Secretariat for Infrastructure Development and Investment (SIDI). As a product of USAID's support and encouragement, SIDI now has been placed under the Board of Investment, and a well qualified general manager has been hired. USAID is pleased with the progress made by SIDI in attracting private interests to invest in infrastructure, a *sine qua non* for sustainable development in Sri Lanka. Although no Build Own Operate/Build Operate Transfer (BOO/BOT) projects reached financial closure in 1995, one agreement was signed with the private sector for a 51 MW power plant. This first BOO/BOT agreement has laid a foundation to bring it and other projects to contractual and financial closure early in 1996. USAID Sri Lanka expects to reach its target in 1996.

Expected Progress in 1997 - 1998

The combination of all S.O. One (Economic Growth) activities will result in more and better jobs for the people of Sri Lanka. Employment opportunities in targeted enterprises are expected to increase by an additional 22,350 jobs by 1998. Through the ongoing TIPS and AgEnt activities (i.e. under SEGP), USAID will continue to provide technical assistance and advice to medium, small, and micro-enterprises. USAID will also help to create employment opportunities through the Shared Control of Natural Resources (SCOR) activity and the new micro-enterprise initiative (MESA) which will begin in 1996 under SEGP.

The Mission anticipates that the value of loans to micro and small enterprises will increase in value from \$500,000 in 1995 to \$7.5 million in 1998 as a result of USAID loan guarantees and technical assistance to various lending institutions. It



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is these initiatives which will help provide more and better employment opportunities for the rural poor. The number of below median income households receiving housing loans to date is also expected to increase from 62,684 in 1995 to 69,000 by 1996.

The Mission's technical assistance to the Secretariat for Infrastructure Development and Investment (SIDI) is expected to result in \$300 million in private sector investments in infrastructure, greatly reducing the burden on the Government to provide urgently needed economic infrastructure (e.g. power generation). The introduction of new technologies in areas such as production, processing, marketing, and management technology to small and medium-scale targeted enterprises in the manufacturing and agricultural sectors is expected to increase from a cumulative total of \$30.6 million in 1995 to \$49.9 million by 1998. The ultimate impact of new technologies and increased sales will be better jobs for more poor, small scale farmers and workers in the informal sector. Through continued assistance to the Colombo Stock Exchange, the Mission will contribute toward increased investor confidence, and thereby increased employment by listed companies, with jobs expected to increase by 30,000 from a cumulative total of 28,703 in 1995 to 58,703 in 1998.

The Mission will also continue its support for iron fortification of wheat to contribute toward a reduction in the incidence of women with iron deficiencies. This, together with an increase in per capita caloric food availability, will help reduce the prevalence of stunting and wasting among pre-school children, which USAID expects will decrease from 31 percent of children in 1995 to 27 percent of children in 1998. These health targets provide indicators of overall equitable economic growth, i.e. more and better jobs for poor people.

SEGP: The Sustainable Economic Growth Program (SEGP) is the programmatic framework for nearly all of USAID Sri Lanka's S.O. One activities. SEGP will integrate and consolidate the existing private sector and agribusiness projects and introduce new activities in three components: (1) technology and business assistance (current TIPS and PPD), (2) agribusiness and microenterprise development (current AgEnt and a new Microenterprise Support Activity - MESA), and (3) economic reform, a new Policy Reform Support Activity. SEGP will thus concentrate scarce economic growth resources in a single high-priority strategic objective, and will enable USAID and the GSL to be more responsive to customers and stakeholders by allowing shifts of resources from poor to stronger performing activities.

SEGP was designed with the intention of being USAID Sri Lanka's first bilateral S.O. Agreement; however, the design of SEGP was also sufficiently rigorous to meet traditional project design and approval requirements. Since then, there have been significant delays in processing a congressional notification for SEGP as an S.O., rather than as a traditional project. This has led the Mission to consider moving forward with SEGP as a program which would still incorporate continuing activities such as TIPS and AgEnt. The Mission's strong preference is to obligate SEGP via an S.O. Agreement, rather than a Project Agreement, because of the inherent strengths of this new system in focussing resources on achieving results. In order to do so, we would need assurances from USAID Washington that a S.O. congressional notification could be submitted to allow obligation this fiscal year.

STRATEGIC OBJECTIVE TWO: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

Agriculture and tourism depend on the country's natural resource base and play an important role in providing employment. However, Sri Lanka is depleting its natural resources at an accelerated pace. This affects agriculture and tourism, as well as other aspects of sustainable economic growth. The population density of the island is one of the highest in the world. It is therefore imperative that its natural resources be wisely managed to ensure that the gains from economic growth are not undermined by declining environmental quality or resource degradation. USAID's planned environmental interventions, through the Natural Resources and Environmental Policy (NAREP) Program, center on policy changes, institutional strengthening, and increased citizen participation in environmental management, combined with well-focused field demonstrations. The program addresses

policy reform and institutional strengthening in the areas of natural resource management, biodiversity conservation and sustainable use, and urban and industrial environmental management. USAID is also helping to raise awareness of environmental issues at the local level while promoting community-based management of natural resources (e.g. irrigation water). The success of participatory, community-based resource management in Sri Lanka could well provide a useful model for other countries.

Summary of Performance Data

Strategic Objective Two: Improved Environmental Practices to Support Sustainable Development
<p>1. Number of people benefitted by adoption of environmentally sound practices increased by 88,480 people in 1995. (exceeded the target of 15,000)</p>
<p>2. The number of targeted hectares of land with conservation practices increased by 10,817 hectares in 1995. (exceeded the target of 3,507 hectares)</p>
<p>3. Percentage of industries implementing pollution prevention/control measures was 41.3 percent in 1995. (exceeded the target of 15 %)</p>
<p>4. The percentage of targeted municipal solid waste disposed through environmentally sound systems was zero in 1995. (did not meet the target of 20%)</p>

Intermediate Results under S.O. Two
<p>1. Improved environmental institutions, policies, and plans</p> <p>1. 31% of the National Environmental Action Plan had been implemented by the end of 1995. (met the target of 30%)</p>
<p>2. Increased local management and shared control of natural resources</p> <p>1. Number of households with secure land tenure/natural resources rights increased by 51,000 households in 1995. (met the target)</p> <p>2. Number of user groups with joint responsibility for management of natural resources was 570 in 1995. (exceeded the target of 308 groups)</p>
<p>3. Increased investment in environmentally sound technologies</p> <p>1. Value of loans under the Pollution Control and Abatement Fund increased by \$1 million in 1995. (no target for 1995; new indicator)</p> <p>2. Value of U.S. environmental pollution goods and services purchased from U.S. sources. (No target for 1995; new indicator)</p>

Progress in 1995

USAID Sri Lanka's environmental activities produced very positive results in 1995. Importantly, implementation of the revised, comprehensive National Environmental Action Plan continued, advancing the priorities set for GSL environmental investments over the next five years. The NEAP provides a thorough and well-conceived analysis of the environmental constraints affecting the country's growth, necessary policy and institutional reforms, and recommended investments to establish environmentally sound practices. USAID also assisted the GSL in continuing to strengthen the institutions responsible for pressing forward with environmental policies, regulations, practices, and awareness.

While USAID has been a leader among the international donors in promoting and facilitating environmental policy changes in Sri Lanka, the Mission's most successful environmental activities

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perhaps have been at the community level. USAID commenced activities at ten field sites to demonstrate the efficacy of community participation in natural resource management. These

SUCCESS STORY

ENVIRONMENTALLY SMART FARMING

Better Income for Women Farmers

Mrs. Bandaramenike, a mother of four children, lives in a mud house in rural Huruluweva. She is one example of the many women homesteaders who are changing their farming practices to improve the environment, and their incomes. Instead of using costly and toxic chemical pesticides and herbicides, they are adopting environmentally friendly agricultural techniques, such as mulching and fertilizing with organic matter. Planned gardening has provided food and timber from trees that also protect the fertility of the soil around them. As a result, incomes have increased. Mrs. Bandaramenike used to rely on odd jobs paying only \$1.50 per day. Now her income is nearly \$3.00 per day, and she expects it to increase to \$5.00 per day within two years. Her income now is above the average monthly wage in Sri Lanka.

Activities in Huruluweva, a rural area in north central Sri Lanka, have been successful because the farmers, mostly women, decided to make some changes. Their land had been degraded by tobacco farming and unplanned cultivation. Through the USAID-sponsored Shared Control of Natural Resources (SCOR) Project, women in the area have begun using environmentally friendly agricultural practices. Since 1993, USAID, through SCOR, has helped establish 150 farmer organizations to provide assistance on such farming approaches. It's a small investment with a large payoff. With an input of just \$200, SCOR can pass on information to thousands of farmers which makes a real difference in people's incomes and lives.

Empowering women and protecting the environment are two of USAID Sri Lanka's goals. USAID is proud to have been part of a very large and important change.

communities are now farming with organic fertilizer, allocating scarce water resources among farmers, starting income generating activities to replace environmentally detrimental practices such as coral mining, and adopting methods to deal with sensitive human/animal conflict issues to reach the best solutions for people, wildlife, and the environment. These activities are a good demonstration of how the Mission is integrating its environment objective with its economic growth and participatory democracy objectives. In addition, the number of households with secure land tenure/natural resources rights increased by 51,000 households in 1995, giving people user rights to the land which they presently occupy and farm.

In 1995, over 88,000 people benefitted through increased incomes and reduced health hazards as a result of environmentally sound practices being adopted. The number of targeted hectares of land with conservation practices increased by nearly 10,000 hectares. These improved conservation practices included watershed management, selective use of buffer zone and protected area resources, and conservation of coastal resources. These improved practices were primarily in poor, rural areas of the country where increases in income are significant in terms of lifestyle improvements.

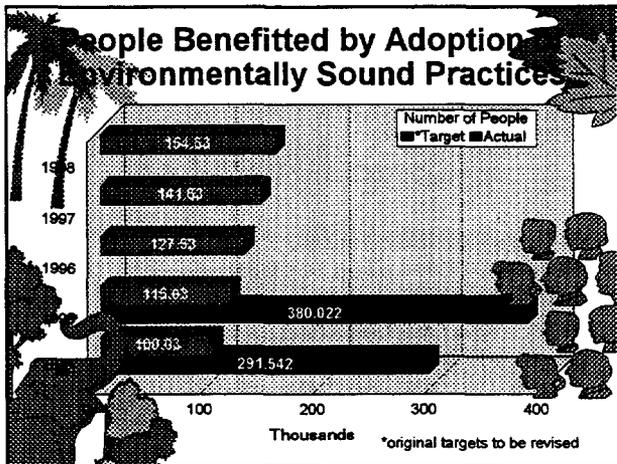
The percentage of targeted industries implementing pollution prevention/control measures was 41.3 percent, far exceeding USAID's target of 15 percent. These industries are among those with the worst polluting records in Sri Lanka. The types of pollution prevention/control measures which were adopted include environmental audits and waste minimization. The GSL also encouraged NGOs to participate

in pollution compliance monitoring. As a result of increased awareness and improved monitoring, nearly 10,000 people have benefitted from increased environmental services such as solid waste disposal and improved water supply.

USAID supported the introduction of the extended cost benefit concept to the national planning process as a planning and policy development tool. Masters Degree programs in four environmental disciplines were established in four Sri Lankan universities, the first such programs in Asia. USAID assisted the Government of Sri Lanka in improving Environmental Pollution Licensing (EPL) and Environmental Impact Assessment (EIA) Schemes. The EPL will help reduce industrial pollution through regulations and fines, combined with incentives for reducing pollution through waste minimization and water treatment. EIAs will ensure that all major development activities take adequate safeguards against environmental degradation.

The U.S.-Asia Environmental Partnership Program (US-AEP) is also helping to improve the quality of people's lives. With US-AEP support, USAID is helping to increase the investment in environmentally sound technology in Sri Lanka. This is a direct link with the Mission's economic growth strategic objective whereby US-AEP technical representatives work with the TIPS project to provide environmental technology grants to small and medium sized businesses. USAID also provided technical assistance to the National Development Bank (NDB) in setting up management systems for the new, German-funded Pollution Control and Abatement Fund. This fund provides grants for consultancy services and loans for capital requirements to either modify or install pollution abatement equipment. USAID also assisted in training the staff of NDB and other participatory credit institutions in assessing proposals received from industries. US-AEP technical representatives encourage investors to utilize the new fund, particularly for waste minimization technology. In 1996, the value of loans through this fund for environmental technology, some of which will be U.S. technology, is expected to be \$1 million.

With USAID's support, Sri Lanka successfully completed a comprehensive coastal zone management plan which, when implemented, will protect the coast's rich natural bio-resources. As tourism drives continued development along the coastal areas, and as industrial development increases, it will be vitally important to support environmental policies which stem the current trend of environmental degradation. If the depletion of natural resources across the country continues unabated, the 70,000 jobs which rely on the tourism industry will be in jeopardy.



Expected Progress in 1997 - 1998

During 1996 the Mission will amend its SO 2 (Environment Strategic Objective) Program, NAREP, to extend and refocus selected activities in order to maximize achievement of performance targets through FY 2000. The extended NAREP program will consist of two principal activities: (1) Policy Support and Institutional Strengthening; and, (2) Field Demonstrations.

The policy/institutional activity will support efforts at the central government level to apply environmental economics and other environmental planning tools in the development and evaluation of national development projects. This activity will also assist the line agencies which are responsible for

efforts carried out under the field demonstrations activity. Limited additional support will be provided to improve the quality and technical base of the four universities which have instituted environmental masters degree programs.

The field demonstration activity will comprise the bulk of the extended NAREP Program. This activity will demonstrate the efficacy of community participation in natural resources management; demonstrate practical approaches to development of community/private/public sector partnerships for resource management and project implementation; and promote economically sound environmental activities for sustainable use of natural resources. In addition to increasing incomes, these field activities contribute directly to an abatement of global warming practices through a reduction in slash and burn agriculture. The replanting of teak and other indigenous trees on farmers' plots, and the adoption of water conservation techniques, will increase yields while reducing water runoff.

Technical assistance provided primarily by USAID, but also by other donors, to the Ministry of Environment will result in 60 percent implementation of the National Environmental Action Plan (NEAP). Continued university-based programs, technical training, and hands-on resource management experience will result in improved GSL management and coordination of environmental activities and issues, and more effective enforcement of environmental laws and regulations. Technical assistance and training through community-based demonstrations of conservation practices will result in 48,251 hectares of improved water management, reforestation, and soil management by 1998. The number of people benefitting from improved conservation practices will increase to approximately 420,000 by 1998. This result will benefit the country for many generations, resulting in more efficient land and water use, and increased land tenure/natural resources rights.

USAID has provided technical assistance to prepare the country's biodiversity strategy. The national Biodiversity Action Plan (BAP), based on the strategy, will be completed by 1998. USAID is also helping the GSL solicit donor support for implementation of the BAP. Development of the BAP will result in better coordination and efficient management of biodiversity funds and manpower resources leading to increased conservation of Sri Lanka's rich bio-resources. The Coastal Zone Management Plan will be also be fully implemented by 1998. Activities under these plans will help ensure that the country's rich bio-resources are preserved, and more environmentally friendly employment opportunities are generated.

The Pollution Control and Abatement Fund is now operational. It is expected that the high and medium polluting industries will continue to use this facility, and the value of loans under the Fund will be \$2 million by 1997. USAID expects that 60 percent of high polluting industries will implement pollution prevention/control measures by 1998. It is also expected that by 1998, 50 percent of solid waste from three targeted municipalities will be disposed through environmentally friendly systems. The value of U.S. environmental protection goods and services purchased for Sri Lanka through US-AEP will be \$225,000 in 1996. The market for environmental goods and services, including those from the U.S., will expand to meet industry demand in light of enhanced enforcement and compliance with environmental standards and laws.

STRATEGIC OBJECTIVE THREE: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Ordinary citizens have limited opportunities to participate in decision making which affects their political, social, and economic well-being. This results in people feeling powerless, thus reducing incentives to resolve problems on their own and to invest, in a broad sense, in their economic improvement. USAID's Democracy Program encourages and empowers these ordinary citizens to identify their issues, solve their own problems, manage their resources, and build their own futures. In this context, USAID is working with local and intermediary organizations such as local government, citizen's groups and NGOs, the media, and the judiciary to help people address their problems and be a part of the solutions.

Summary of Performance Data:

Intermediate Results under S.O. Three
1. Increased effectiveness of local institutions
1. 96 community groups strengthened in 1995. (Did not meet the target of 102 groups)
2. Increased effectiveness of dispute resolution systems
1. Number of backlog cases in courts of appeal decreased by 2,660 in 1995. (exceeded target of 1,000)
2. Number of people using mediation boards was 203,988 in 1995. (exceeded target of 200,000 people)
3. Percent of mediation board cases resolved in 1995 was 56. (did not meet the target of 60 percent resolution rate)

SUCCESS STORY

MEDIATION BOARDS SPEED ACCESS TO JUSTICE

Siripala had been left alone for several years to care for his mother after his elder brother and sister left their rural homestead in the North-Western Province of Sri Lanka. After his mother died, Siripala continued cultivating rice on his family's property. However, his brother and sister returned to claim most of the property. A bitter dispute resulted. Siripala and his family were unable to resolve their differences, yet they were reluctant to take their case to a formal court.

Through the skillful intervention of community-based Mediation Board members, a reasonable solution to the dispute was reached and the family was brought back together. The resolution enabled Siripala to continue his productive work on the paddy field.

Whether it's a case involving a family dispute, or a community-wide disagreement, mediation boards are proving to be a practical, low-cost solution to the slow and expensive formal court system. USAID, through The Asia Foundation, has played an important role in strengthening Mediation Boards. Siripala proved that justice is accessible and affordable even to the very poor.

Progress in 1995

USAID has made considerable progress on increasing people's access to justice under its Citizens Participation (CIPART) Program. Baseline surveys to assess people's awareness, and use of, the media and judiciary have been completed and will help USAID further define its assistance and set performance benchmarks for measuring achievement.

Contributing activities toward increased effectiveness of dispute resolution systems have commenced, and a sub-grant to the Court of Appeals of Sri Lanka is working with formal and informal dispute resolution mechanisms. This includes automation of the court administration system to efficiently monitor and analyze bottlenecks and delays in the court system. The backlog of cases in Court of Appeals declined from 14,000 in 1994 to 11,340 cases in 1995. This greatly exceeds the target of cleared backlog cases, providing many Sri Lankans with better access to justice.

USAID support for training of the community-based mediation boards has had a large impact. The mediation boards have played a significant role in informally settling minor disputes among generally less affluent Sri Lankans. Public confidence has been won, and the credibility and success of the mediation boards to date is evidenced by the continuing increase in the number of people using them. In 1995 the number of people using the boards increased from 184,000 to 203,988 which is in excess of the targeted figure. The mediation boards

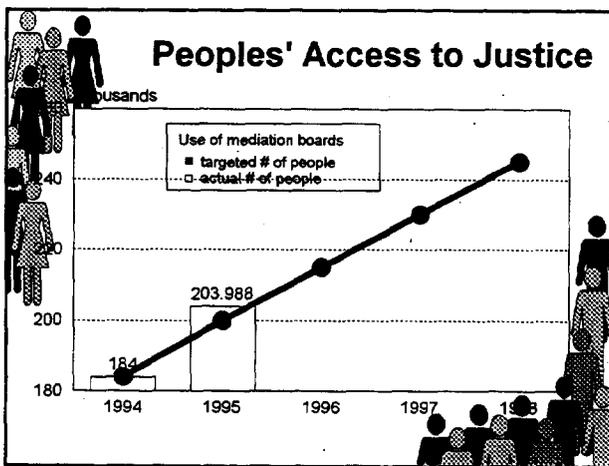
resolved 56 percent of the cases they received, slightly short of the 60 percent target.

Assistance to improve protection and promotion of citizen's rights is being provided by the Sarvodaya Legal Services Movement, an indigenous NGO which runs district level legal aid clinics for the public, mostly low income people, and conducts legal awareness programs for local government officials. The grant also supports a human rights awareness program for school children, teachers and local government officials, focusing on women's and children's rights. The program has the capacity to attract as many as 1000 children in a single one day exhibition. A grant made to the Lawyers for Human Rights & Development is helping to expand the awareness of fundamental rights. Legal aid and advice to victims of human rights violations are being provided with specific emphasis on disadvantaged groups.

In support of fostering a more responsive and responsible media, USAID funds the practical training and technical skills components of the University of Colombo Journalism Program to encourage more professional journalism. A primary objective of CIPART is to provide citizens with better information to encourage more and higher quality participation.

Ninety-six community groups have been strengthened during 1995, providing citizens with greater opportunities to participate in decisions which affect their lives. Contributing activities included assistance in strengthening farmer groups and helping settler families to obtain maximum benefits from land and water resources available to them by taking action on their own and interacting with local government representatives to resolve problems. Each group consists of about 250 members. In addition, these groups have now become commercially oriented, multipurpose organizations, assisting their members to improve their incomes. Community groups were also strengthened, increasing participatory management and accountability, and enhancing communication with local government.

Progress on the achievement of objectives related to strengthening citizen participation at the local level has been limited due to an unanticipated delay in the startup of the related CIPART component. Over six months of negotiations with a potential grantee were recently ended, necessitating a re-bid for this key assistance element. Nonetheless, progress in this general area has been made. The GSL has made local level empowerment and decentralization of authority a major political priority -- in part as an element of a strategy to end the 13-year ethnic conflict. Interim pilot CIPART activities to strengthen local government interaction with citizen-based organizations will be undertaken. Indeed, such a model already is in operation in five communities being assisted under the USAID NAREP environment program.



Expected Progress in 1997 - 1998

By 1998, CIPART will work with 18 local government institutions, especially the "pradeshiya sabhas" or village level elected councils, by assisting them to assess local needs and set development priorities, and to respond to citizen interests. Technical assistance and training to local government will help them become more democratic, accountable, transparent and accessible institutions. Training will also include gender sensitization to increase understanding of the issues which affect women. An increase in expenditures by local government units is expected, indicating increased devolution of fiscal authority and more equitable distribution of power. USAID will also target 5 local NGOs to assist in promoting, protecting

and refining participatory democracy, and to educate citizens regarding their rights and responsibilities. Local government officials will work with community-based organizations and community groups to encourage more responsive government activities and address issues such as land and water use, other resource management concerns, and the provision of infrastructure.

USAID, through CIPART, will expose senior journalists and editors to international practices; upgrade university journalism programs by funding a faculty position and/or production of local language classroom texts and curriculum reform; and develop a public polling capacity in the media. The ability to investigate and analyze events and problems which are critical to both quality and quantity of information to which citizens have access, will increase professional coverage of development issues and will foster a more responsive and responsible media. This will lead to a more and better informed populace able to articulate concerns about local issues. At least four media units will adopt greater accuracy in reporting through multi-sourcing by FY 1998.

Increased effectiveness of dispute resolution systems and better access to justice will be facilitated by creating a more efficient court administration system. The number of backlog cases in the Court of Appeals is expected to decrease from 11,340 in FY 1995 to 8,000 by FY 1998. Low cost measures for settling grievances will relieve some of the usual burdens on the regular court system. It is expected that in 1998, 245,000 people will benefit from a strengthened mediation board system. Increased professionalism of mediation boards will improve the case resolution rate from 56 percent in FY 1995 to 63 percent by FY 1998. All these systems will increase the awareness of legal rights and result in an increase in the number of people with access to legal services and information.

SPECIAL OBJECTIVE ONE: HUMANITARIAN ASSISTANCE TO THE NORTHERN AND EASTERN PROVINCES HUMANITARIAN CRISIS

Intermediate Results under Special Objective One: Humanitarian Assistance Provided
<ol style="list-style-type: none"> 1. Number of amputees with limbs fitted will increase by 2,000 in 1996 (targets not set for 1995; new indicator) 2. Number of children provided with medical care increased by 76,350 in 1995. (targets not set for 1995; new indicator)

The thirteen-year ethnic war in the Northern and Eastern Provinces has left many people homeless and unemployed. Approximately 57,000 individuals have been killed and thousands more injured. Many local and international NGOs have been active in providing limited humanitarian assistance to the civilians in the conflict areas. However, much remains to be done, and an end to the conflict does not appear imminent. Pending a peace accord, or other enabling agreements, USAID will provide grants to international PVOs and local NGOs to provide assistance to families in the conflict areas to help them return to normal, healthy lives with adequate food and incomes.

SUCCESS STORY

FIVE CHILDREN FIND A HOME

Yogeswary, an eighteen year old young woman, lives in the middle of the ethnic conflict in the Eastern Province of Sri Lanka with her four siblings, ranging in age from 11 to 15. Her father abandoned them when they were young. Their mother died in the war. Yogeswary was worried about how she and her younger brothers and sisters would survive.

Thanks to Terres Des Hommes, an international organization which helps children affected by the ethnic conflict in Sri Lanka, Yogeswary and her siblings were fed, clothed, and provided with medical care. They were also resettled into their home region, and Yogeswary obtained training and then a job as a

Progress in 1995

Over the past ten years, USAID has provided grants to PVOs and NGOs for humanitarian assistance. These grants have helped to improve the nutrition and income of families, and particularly women, through home garden projects; provided water and sanitary facilities including volunteer community leadership development; helped to establish income generating activities in domestic dairy and goat farming; provided vocational training; assisted with farm production to increase food availability for residents in the conflict areas; and finally, provided assistance to internally displaced families and children living in welfare centers outside the conflict

areas to improve their health, nutrition, and psychological development. To date, humanitarian assistance has benefitted 85,566 people affected by the ethnic conflict in the Northern and Eastern provinces. In addition, feeding and employment programs were implemented for urban slum dwellers, and rehabilitation activities for 3,084 mentally and 4,494 physically handicapped people were supported.

In 1995, USAID also provided humanitarian assistance to address problems caused by the civil conflict via two grants with international PVOs, the International Federation of the Red Cross (IFRC) and Terres Des Hommes. IFRC provided assistance to 48,000 displaced persons living in 220 camps. This assistance included mobile health units in the non-conflict areas. Terres Des Homes provided assistance to 1,350 displaced children. In 1996, USAID will support the production of artificial limbs for approximately 2,000 civilian war victims, and continue its support to the internally displaced.

Expected Progress in 1997 - 1998

USAID expects that through its support to individuals affected by the civil conflict, approximately 59,000 people will be provided with on-going and necessary health care, food and shelter. USAID also expects to assist 130,000 children living in displaced persons camps with medical care in FY 1997 and FY 1998. In addition, about 4,500 amputees will be fitted with limbs in FY 1997 and 1998. USAID will also work closely with international organizations, local NGOs and the Government of Sri Lanka to find a more feasible long-term alternative to people living in internally displaced persons camps.

SPECIAL OBJECTIVE TWO: HIV/AIDS PREVENTION

Intermediate Results under Special Objective Two: HIV/AIDS Prevention
1. Number of people benefited from increased awareness about the risks of HIV/AIDS will increase by 205,000.

While Sri Lanka is categorized as a low prevalence country, an increasing threat of HIV/AIDS is apparent. Sri Lanka is one of the few remaining Asian countries which does not have a full scale AIDS epidemic. However, Tamil Nadu, the region of Southern India closest to Sri Lanka, remains on the front lines of the AIDS epidemic in India. Many migrant workers from Tamil Nadu, a high risk population, often travel to Sri Lanka. Sex tourism is also a major problem in Sri Lanka, and a contributor to HIV/AIDS in Sri Lanka. Approximately forty NGOs are involved in HIV/AIDS work implementing general education and awareness activities. However, coordination between the NGOs and the GSL has been insufficient. In 1997, USAID will continue to support policy advocacy, capacity building and public education by NGOs. USAID will also support, through Global Bureau field support funding, the AIDS prevention work of the Alliance Lanka, a sister organization of the International HIV/AIDS Alliance.

Progress in 1995

To date, 665,000 people have been educated regarding the risks of HIV/AIDS and drug abuse through seminars, workshops, training, information, education, and communication materials. Six counseling centers, managed by a local PVO, have been established in the Central and North Central Provinces, and sixty volunteers have been trained as counsellors. Vocational training and rehabilitation have been provided to male-child prostitutes in a major tourist resort area.

Expected Progress in 1997 - 1998

USAID will continue to provide support to NGOs involved in the prevention of HIV/AIDS. In 1997 and 1998, it is expected that USAID will reach approximately 60,000 people through support for continued education of vulnerable groups and community awareness programs on the facts about HIV/AIDS.

SUCCESS STORY

A SECOND CHANCE FOR NOEL

Noel, a boy of 15, was abandoned by his father at age eleven. He now lives with his handicapped brother and his mother who is often forced to beg for money to feed her children. Noel was introduced to prostitution at knifepoint in a beach area known for sex tourism.

Through his headmaster at school, Noel learned about activities at the Don Bosco Technical Center (DBTC), an organization involved in the fight against childhood prostitution. DBTC helps about 500 boys like Noel every year. After attending counseling and group therapy sessions for sexually-abused children and learning about the dangers of HIV/AIDS, the boys join two year vocational training programs. The new skills offer an alternative to prostitution. In Noel's case, he was able to obtain a position as a carpentry supervisor in a reputable firm. With his first paycheck, he bought a bicycle for commuting to work. His income will not only help support himself, but also his mother and brother.

DBTC's work with boy prostitutes, and against the spread of HIV/AIDS, was made possible with support from USAID. A grant for \$50,000 helped 2,600 boys who might otherwise be involved in the more negative aspects of the tourist trade - commercial sex and drug trafficking. In this, USAID has provided a second chance to many young Sri Lankan boys.

STATUS OF THE MANAGEMENT CONTRACT

USAID Sri Lanka developed its five-year Strategic Plan in early 1995. It was approved by USAID Washington during the Strategy Review in March 1995. Since then, the Mission has not changed its strategic directions or objectives, and expects that this strategy will be in place for five years with possible modifications due to funding limitations. (See Annex A: Strategic Objective Tree) During the development of Results Frameworks for each strategic objective, the Mission further refined its indicators and has set new targets for some of its performance indicators. This was in part due to the unexpected level of success in some areas. The attached Table 1: Performance Monitoring Plan, includes all revisions to indicators and targets. These minor changes are also outlined below:

Changes to Strategic Objectives and Intermediate Results

Strategic Objective 1

Definition Changes:

- ▶ "Change in BOI investments" - changed from investments approved to actual investments made.

Revised Targets:

- ▶ "Changes in total employment in targeted enterprises" - targets revised to reflect changes in programming resources. A study on a standardized system of measurement of employment is planned for the 2nd quarter of FY96; this may result in further revisions.
- ▶ "Value of Exports by targeted enterprises" - targets will be revised by June 1996; actual exports far exceed the targets for 1995.
- ▶ "Value of domestic sales by targeted enterprises" - targets will be revised by June 1996; actual

domestic sales far exceed the targets for 1995.

- ▶ "Number of below median income households receiving housing loans" - revised due to completion of HG-004 (\$15 million) by FY 97.
- ▶ "Loans to micro & small enterprises" - targets revised to reflect changes in programming resources.

Strategic Objective 2

Definition Changes:

- ▶ "Expanded hectares with agricultural conservation practices" now revised to "Expanded hectares with conservation practices".
- ▶ A new result has been added to reflect the impact of activities to support investments in environmentally sound technologies. Two indicators will measure progress: "Value of loans under Pollution Control Abatement Fund" and "Value of U.S. environmental protection goods and services purchased from U.S. sources".

Revised Targets:

- "Expanded hectares with conservation practices" - Targets have been revised to include land covered under coastal resource management, community based management and other agricultural practices.
- ▶ "Number of households with secure land tenure / natural resource rights" - Targets have been revised to include households with natural resource rights under coastal resource management and community based management.
- ▶ "Number of user groups with joint responsibility for managing natural resources" - targets revised to reflect changes in programming resources.
- ▶ "Value of loans under Pollution Control Abatement Fund" - New indicator and annual targets established for 1996 - 2000.
- ▶ "Value of U.S. environmental protection goods and services purchased from U.S. sources" - New indicator and annual targets established for 1996 - 2000.

Strategic Objective 3

Definition Changes:

- ▶ Results of the Legal and Information awareness and customer needs surveyS may lead to a change in the indicator on "Percentage of people with access to legal service and information". (survey results are expected by March 1996)
- "Percentage of Mediation board cases resolved", indicator will be revised by June 1996.

Revised Targets:

- ▶ "Strengthened NGOs and LG institutions" - targets revised to reflect changes in programming resources.
- ▶ "Community groups strengthened" - targets revised to reflect changes in programming resources.
- ▶ "Backlog cases in courts of appeal" - actual performance exceeded target for 1995. Targets revised.
- ▶ "Percentage of mediation board cases resolved" - targets revised.

Special Objective 1

New Indicators and Targets:

- "Number of amputees with limbs fitted" and "Number of children provided with medical care and nutritional education" - annual targets established.

Special Objective 2

New Indicator and Targets:

- ▶ "Number of citizens with increased awareness about the risks of HIV/AIDS" - annual targets established.

Note: Due to the lack of availability of gender disaggregated data, the Mission is actively working with contractors to develop systems to better reflect gender progress to date and to track quantitative data as required by our performance monitoring plan.

Re-engineering

USAID Sri Lanka is well advanced in re-engineering. Strategic Objective Teams are functioning well and providing the framework for implementation. While the operational use of S.O. teams was initiated formally during a Mission-wide retreat in October 1995, in fact, many of the procedures and certainly the principles behind this core feature of re-engineering had already been embodied in this Mission's operating systems well before then.

Since the formal establishment of teams in October, each S.O. team has worked on developing its Team Charter, a Customer Service Plan, and a Results Framework based on the approved Strategic Framework. As S.O. teams developed their charters, it became clear that there are similar issues of accountability that touch all three teams. In order to address these concerns consistently across teams, a new Mission Order on delegations of authority is being written, with input from virtual team members resident at RSM/EA-Bangkok, to further the process of S.O. team empowerment and to clarify Team Charter mandates and specificity. Customer Service Plans draw on the basis of customer feedback and contacts that have long been a feature of this program. The Results Framework for each S.O. forms the basis of the reporting in this R4 submission.

Integral to this Mission's process of managing for results, are quarterly S.O. reviews with our Government of Sri Lanka partners, plus continuing in-house quarterly reviews similar to the former Project Implementation Review (PIR) system which we have modified to be based on S.O.s and results.

In this context, the Sustainable Economic Growth Program (SEGP) is the last remaining piece in the re-engineering of the Mission's portfolio. The economic growth strategic objective without SEGP is inconsistent with the efficacy and model of a team approach. The Mission expects that SEGP will be approved in 1996.

REG 216 Issues and Schedule

The Mission has no outstanding Reg. 216 issues. Below are the activities in the coming year that will require Reg. 216 review:

1. Mission needs ANE approval of categorical exclusion for Natural Resources and Environment Policy (NAREP) project extension and modification (by June 1996); and
2. Mission needs ANE concurrence in IEE for pesticide use under the Agro-Enterprises (AgEnt) project (by June 1996).

RESOURCE REQUIREMENTS

Sustainable Development: Tables 2 and 3 detail program budget scenarios for 1997 and 1998. These scenarios assume a constant FY 1996 level of \$14.128 million of development assistance, a control number provided to the Mission by the ANE Bureau for this R4 Report. It also assumes \$20 million of PL-480 Title III funds for 1996. The totals include estimated Global field support funding for Sri

Lanka. It does not include funding from Displaced Children and Orphans Fund (DCOF) and War Victims Fund (WVF), both of which are used to fund Special Objective 1: Humanitarian Assistance to the Northern and Eastern Provinces of Sri Lanka. It also does not include funding from US-AEP with which USAID Sri Lanka has an on-going partnership. US-AEP resources are listed below the table for each year, as instructed by Washington.

Scenario 1:

FY 1996 - \$14.128 million 75% of the 1996 CP
FY 1997 - \$15.098 million 1997 OMB Request Level
FY 1998 - \$13.588 million 90% of the 1997 OMB Request Level

At these DA levels, the Mission would be able to commence new, planned activities under SEGP and the NAREP extension, and continue its other ongoing activities. For the three fiscal years, this scenario includes a total of \$28.2 million for economic growth, \$10.2 for environment, \$3.5 million for democracy, and \$900,000 in support of the Mission's HIV/AIDS prevention program. At these levels, the Mission would be able to achieve its planned results under its three strategic objectives and two special objectives, as outlined above in each S.O. section.

The Mission would commence a Microenterprise Support Activity (MESA) under SEGP in FY 1996 to increase employment and improve incomes for the poor. This activity would help strengthen institutions to provide financial services to microenterprises. During 1996 - 1998, 22,350 jobs would be generated, including 4,200 jobs through the microenterprise activity. Support to institutions through the microenterprise activity would help them attract and provide capital for the poor. For targeted enterprises, investments in new technologies through technical assistance and training would be \$19.3 million and would help increase productivity and sales, which would be about \$140.8 million for the period. These funding levels would also permit the Mission to start a planned Policy Reform Activity under SEGP in 1996 which is both important and timely due to the termination of other policy related activities, and to support an increasingly effective policy dialogue which will be adversely effected by the termination of the PL-48- Title III Program. Also in FY 1996, through CIPART, the Mission would start its assistance to local governments and community groups to increase participatory development under its democracy initiative.

In FY 1997, the Mission would begin its planned Management Skills Development activity under SEGP which will train private sector managers and technicians in new technologies and ultimately open up more opportunities for Sri Lankans to enter the workforce. Also, in FY 1997 under S.O.2, the Mission would update its environmental program, NAREP, to support environmental policy implementation and to carry out effective community-based activities in local resource management. In order to sustain the gains achieved to date under economic growth, further attention to management of Sri Lanka's rich natural resources must be made.

FY 1998 funding levels, together with previous years' funds, would allow the Mission to start a Farmer Organization Activity under SEGP in FY 1998. This activity would help twenty farmers' groups bring their members into the economic mainstream, providing more jobs and better incomes for poor, rural farmers. The Farmer Organization Activity is also expected to have an impact on integrated pest management, agri-business policy, and research and analysis related to land tenure.

At these levels of funding, the Mission could ensure a high return to its investments and would be able to make a sustainable difference in the lives of the Sri Lankan people. The contribution USAID can make is significant and far greater than its actual funding levels. USAID's leadership role acknowledged by the GSL and donors provides significant leveraging capability of multilateral and bilateral resources.

This scenario provides only twelve months of forward funding, approaching the minimum required to meet contractual responsibilities and enable adequate planning for activity implementation. Given the delays in receiving funds, this will require tight cash management and will result in reduced flexibility.

If FY 1996 funding is less than \$14.128, the results discussed above could be substantially reduced over time.

Scenario 2:

FY 1996 - \$14.128 million 75% of the 1996 CP Level
FY 1997 - \$12.078 million 80% of the 1997 OMB Request Level
FY 1998 - \$10.569 million 70% of the 1997 OMB Request Level

Under scenario two for the three fiscal years, the Mission would invest \$22.740 million in economic growth, \$10.235 million in environment, \$3.2 million in democracy, and \$600,000 in support of the Mission's HIV/AIDS prevention program. At these DA levels the Mission would be unable to begin some of the planned, new activities.

At this level, the Mission would not proceed with the planned Farmer Organization and Management Skills Development activities, both within SEGP. Under the Farmer Organization Activity, 10,000 members would not receive assistance to develop income generating activities, improve crop production, adopt integrated pest management techniques, and obtain secure land tenure. This activity cancellation results in the loss of 1,000 direct jobs and many more indirect jobs for the rural poor. Through the cancellation of the Management Skills Activity, the Mission also would lose the opportunity to help more people improve their skills and enter the private sector, impacting on new job creation and income enhancement. The Mission had expected to help produce 100 business management graduates each year, resulting in increased incomes for workers and increased competitiveness for enterprises.

The planned Microenterprise Support Activity under SEGP would have to be postponed until FY 1998, resulting in the loss of \$32.5 million in domestic sales for targeted enterprises, \$6.5 million in loans to microenterprises, and 4,000 direct jobs for the poor during this period. This would potentially impact on 20,000 poor people. It would result in a harmful discontinuity with current Mission microenterprise endeavors.

Reduction in funding to the planned Policy Reform Support activity by about \$900,000 will affect the Mission's ability to leverage policy and provide the analytical base for the policy reform agenda which is currently supported through the PL-480 Title III Program. Lack of policy reform will affect agriculture food pricing, trade and investment, and privatization, all critical areas for the USAID and GSL economic growth strategy.

At these levels, the Mission plans no changes to its environment initiative and would commence the extension to NAREP in FY 1997. Results outlined in this R4 would be achieved. Under the democracy S.O., funding levels decline resulting in a reduction of the number of community groups strengthened which would impact on the Mission's empowerment and participatory objectives.

Also, the HIV/AIDS prevention activity would have to be terminated in 1998 and would result in 35,000 people not receiving information about the risks of HIV/AIDS, a definite setback for a country as small as Sri Lanka.

The overall pipeline level for this scenario is low at eleven months. The mortgage under both scenarios at the end of FY 1998, reduces to a level between \$13 and \$14 million. This mortgage will increase once the Mission has approved new and follow-on activities under S.O.3, the democracy objective.

Threshold Level

At a level below \$10 million for any fiscal year, the Mission approaches the level under which the strategic framework would need to be restructured. Any reduction to this level would force the elimination of S.O.2, and, thereby, forego the Mission's ability to support critical environmental policy direction, and implement effective community-based activities in natural resource management. The results, as outlined in the results section of this R4, have been impressive in this area, but there is

much more to do. As more people and communities adopt environmentally sound practices in farming, tourism, and agriculture, jobs and incomes will increase, and the environment will benefit as well. The demonstration sites completed to date under NAREP are not enough. Moreover, in order for the gains achieved under economic growth to be sustainable, more environmentally sound practices will need to be adopted by a greater portion of industry and the population.

If the Mission drops S.O.2 from its portfolio, then a new World Bank initiative, which was designed around the Mission's present and intended areas of intervention, will have significant gaps. If the Mission terminates its environment activities after just five years, much of the impact that could be anticipated from a longer term activity will be lost. As stated by the Agency, Sri Lanka is a key biodiversity country. It is important to assist Sri Lanka to maintain the integrity of its fragile biodiversity ecosystem, including the Sinharaja Forest Bio-Diversity Reserve which is perceived to be of global importance. If S.O.2 is dropped from the Mission's portfolio, not only will the Mission's support to the environmental policy area be lost, but one of the Agency's three key environmental programs in Asia, will be lost. For a small level of funding, USAID can leverage a large amount of other donor resources. This has been done very successfully in the past, and it should be done in the future.

Global Field Support: The Mission request includes the following Global field support:

IMPACT: The Mission requests \$200,000 in FY 1996, and \$100,000 in each FY 1997 and FY 1998. These funds provide important technical assistance to the GSL for designing and implementing nutritional surveys, and retargeting of poverty alleviation programs. This is central for the Mission in achieving and monitoring the decline in the prevalence of stunting and wasting among pre-school children, an S.O. 1 performance indicator. (These funds would be obligated by the G Bureau.)

OMNI: The Mission requests \$40,000 in FY 1996 to support the GSL's wheat fortification process. This has a direct impact on the Mission's ability to achieve it's S.O. 1 target: decrease in the percentage of women with iron deficiencies. (These funds are obligated by the G Bureau.)

HIV/AIDS: Funding for prevention of AIDS has been supported through Global Bureau field support to Alliance Lanka via the International Alliance. The Mission believes this is a good and productive relationship and considers it vital to the accomplishment of its Special Objective Two: HIV/AIDS Prevention. In FY 1995, Alliance Lanka received \$275,000 which is helping them to support important AIDS prevention work throughout the country. The request for FYs 1996, 1997, and 1998 is \$300,000 per year. (These funds are obligated by the G Bureau.)

Other: In FY 1995, the Mission received \$300,000 from the Displaced Children and Orphans Fund (DCOF), \$100,000 from the War Victims Fund (WVF), and \$700,000 from the PRIME fund of the Microenterprise Innovation Project, all of which are administered by the Global Bureau. The first two funds support the Mission's Special Objective One: Humanitarian Assistance to the North and East. The PRIME funds support the Mission's new microenterprise initiative, under the economic growth strategic objective. The Mission will request further funding from each of these Global Bureau funds over FY 1997 - FY 1998.

US-AEP: The Mission expects to continue its good partnership with US-AEP in fiscal years 1996 - 1998. The request level for US-AEP support is \$250,000 per year. These funds support two US-AEP technical representatives in Sri Lanka, as well as matching environmental technology grants to small and medium enterprises. These technologies help enterprises become more competitive by cutting costs through waste minimization and pollution control.

PL-480 Title III: Sri Lanka is an excellent candidate for PL-480 Title III funds to improve food security and increase agricultural productivity. The Mission signed a \$118 million FY 94 -FY 96 Agreement with the GSL in February 1994. In 1994, \$25 million was obligated. To date, no further PL-480 Title III resources have been allocated for Sri Lanka. The country is chronically food deficit and must rely on imports for approximately 35 percent of supplies, a severe impact on the country's

foreign exchange and budgetary resources. Sri Lanka does not produce wheat and has to import its entire requirements amounting to approximately 800,000 MT a year. Further, the country is not self-sufficient in rice production, and, on average, imports about 200,000 MT annually. Childhood malnutrition remains a serious concern, - close to one in five newborn infants has a low birth weight, reflecting poor maternal nutrition. A current drought in key rice growing regions of the country will result in decreased agricultural production, and will exacerbate this already difficult food security problem, as will the sharply growing numbers of war-related internally displaced persons. For these reasons, USAID requests \$20 million in PL-480 Title III funds to supply needed food to people, improve the malnutrition problem, and to regain ground on a heretofore successful agricultural and food security policy reform agenda which was tied to PL-480 Title III resources.

Other Funding (Loan Guarantees)

Micro and Small Enterprise Development (MSED) Project: In 1995, the Mission started a new term lending and microenterprise loan guarantee facility in collaboration with the G Bureau's Micro and Small Enterprise Development (MSED) Project. The MSED loan portfolio guarantee (LPG) promotes small and microenterprise activities under S.O. 1: Increased Private Sector Employment and Incomes. Three million dollars was planned and obligated in FY 1995. This facility will be used to (1) extend existing guarantee facilities which were due to expire; and (2) provide guarantee of local debenture issue for term lending facility. Leveraging is expected to bring the total value of the new facility to \$12 million for new loans. Microenterprise lending will utilize between 30 to 40 percent of this facility. The balance will be used to support small and medium enterprise term debt.

Since the inception of the Loan Portfolio Guarantee facility in FY 1990, MSED guarantees have leveraged around \$13.5 million in loans to about 2,000 medium and small enterprises. If future loan guarantee facilities become available, the Mission could utilize an additional \$2 million per year over FY 1996-FY 1997.

Housing Guarantee Program: Under the RHUDO-supported Housing Guarantee Program, USAID Sri Lanka is implementing two programs, one supporting low income shelter (HG-004) and the other, environmental infrastructure (HG-006). The HG-004 program was authorized at \$25 million and will be fully disbursed in FY 1997. The Mission will seek no further funding for HG-004. Given the success of this program in providing loans to more than 62,000 low income families, and in developing the foundation for a sustainable mortgage finance market in Sri Lanka, after FY 1997 HG resources will be dedicated to the HG-006 program. The HG-006 program is implemented through Sri Lanka's Urban Development Authority. It seeks to promote private sector participation in the construction of environmental infrastructure, such as solid waste management and waste water treatment.

Program Management Requirements: Operating Expenses and Staffing

The operating expense request is \$2.256 million for FY 1996. This level will allow implementation of the Mission's strategic objectives as stated above, albeit in a much leaner fashion. This represents a 10.5 percent reduction from the FY 1995 operating expense level. USAID Sri Lanka receives no ESF funds; therefore, trust fund agreements to meet operating expenses are not available.

The Mission has reduced its staffing levels over time from 19 USDH and 99 FSNs in 1991 to the current level of 12 USDH and 91 FSNs. This staffing level is the absolute minimum to manage our programs while adhering to AID's core values of customer service, teamwork, and managing for results as well as Agency accountability requirements. The impact on the overall program of operating with less staff would be severe, resulting in less coordination with our development partners and fewer programmatic results.

In order to prepare for declining OE levels, the Mission took several cost cutting measures during FY 1995. The loss of one USDH position in 1995 resulted in significant cost savings in several OE line items. The FSN DH and PSC staff received no salary increases during FY 1995, which also resulted in

large cost savings. In addition, technical training to upgrade staff has been curtailed significantly to save scarce OE monies. USAID offices and staff will continue to look for cost-saving methods for our operations in FY 1996, such as continuing to shift OE funded FSN PSC project managers to project funded positions. To save on high-cost residential electricity expenditures, gas dryers and water heaters were installed in most residences. Insect screens are also being installed in some homes to cut high electricity costs associated with air conditioners.

The Government of Sri Lanka has recently announced a 10 percent increase in the cost of electricity. The Mission also anticipates that the wage survey this year could result in a salary increase for the FSN staff. The Mission anticipates that the recommended salary increase could be about 10%, although this figure could vary depending on such things as currency devaluations. Maintenance of competitive FSN salary levels is essential to being able to retain a well-qualified, increasingly empowered staff. The cost saving methods introduced last year, and continuing this fiscal year, will help the Mission in meeting these increases. USAID offices and staff will continue to investigate other cost-saving methods for Mission operations in FY 1996.

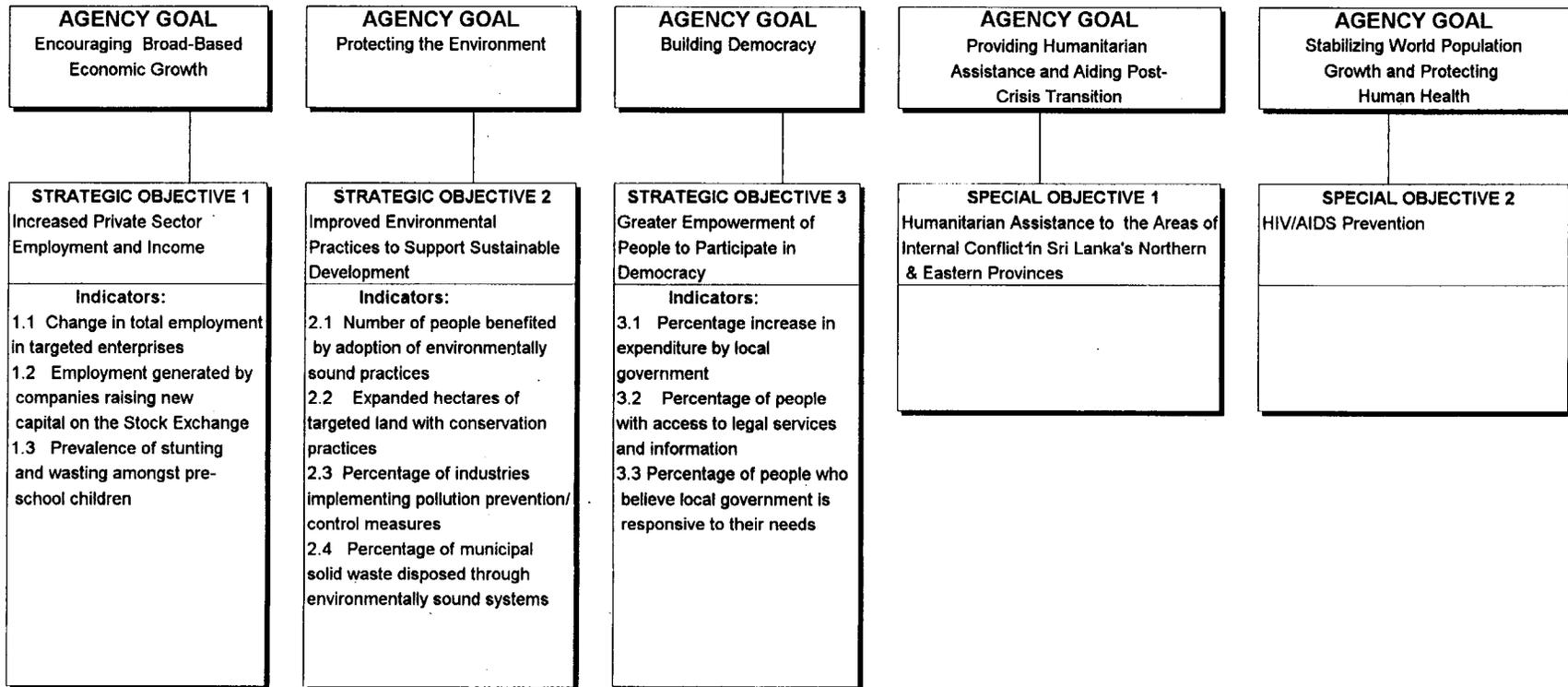
To save on non-expendable property purchases, no new vehicles will be purchased this fiscal year, and none were purchased last fiscal year. Vehicle maintenance costs are increasing due to some vehicles being used beyond the 100,000 mile mark. The Mission is spending more on maintenance contracts in order to extend the useful life of equipment, especially air conditioners, both at the office and in residences. The Mission recognizes that there are trade-offs to the short term savings and deferrals of purchases.

In FY 1995, USAID purchased Pentium PCs for approximately 55 percent of Mission computer users. Earlier this fiscal year, the IBM RS 6000 was installed here. In order to effectively operate all existing applications and the NMS, it appears that it may be necessary to upgrade the three primary LAN servers. In FY 1996, depending on funding availability, the Mission also anticipates upgrading the remaining users to Pentium PCs to take full advantage of the NMS software which will be installed later this fiscal year. OE funds will be used to send key staff to NMS training. Computer Center staff will also be sent for further training in order to obtain the maximum benefits from the new hardware and software.

To meet the office rental payment and accommodate increasing costs for electricity, and perhaps, FSN salaries, the Mission's OE budget will need to increase to \$2.403 million in 1997. (It is important to note that USAID Sri Lanka's eighteen-month office rental payment creates an uneven OE expenditure flow from one fiscal year to the next. It will be critical that the Mission's OE level for FY 1997 be sufficient to pay the usual expenses as well as the office rental cost of \$365,000 due in May 1997.) Only if the Mission's Program Budget falls below \$10 million, and S.O. 2 is eliminated, could the Mission operate with a reduced OE level.

In summary, an operating expense level of \$2.256 million for FY 1996 is minimally adequate to manage our program resources responsibly. In order to ensure proper accountability and still achieve meaningful results, this OE level cannot decline further.

USAID/Sri Lanka Strategic Objective Tree



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STRATEGIC OBJECTIVE 1

Increased Private Sector Employment and Income

Indicators:

- 1.1 Change in total employment in targeted enterprises
- 1.2 Employment generated by companies raising new capital on the Stock Exchange
- 1.3 Prevalence of stunting and wasting amongst pre-school children

INTERMEDIATE RESULT 1.1

Increased private sector participation in the economy

Indicators:

- 1.1.1 Value of targeted government assets transferred to long-term private control
- 1.1.2 Value of private sector investment in economic infrastructure
- 1.1.3 Change in BOI investment
- 1.1.4 Percentage share of staple food trade by the private sector

INTERMEDIATE RESULT 1.2

Adoption of improved technologies

Indicators:

- 1.2.1 Value of investments in new technologies
- 1.2.2 Value of exports by targeted enterprises
- 1.2.3 Value of domestic sales by targeted enterprises

INTERMEDIATE RESULT 1.3

More accessible and effective financial markets

Indicators:

- 1.3.1 Number of below median income households receiving housing loans.
- 1.3.2 Number of shareholders of publicly traded equity
- 1.3.3 Value of capital raised through private equity and debt issues
- 1.3.4 Value of loans to micro and small enterprises including small farmers.

INTERMEDIATE RESULT 1.4

Improved food security

Indicators:

- 1.4.1 Per capita caloric food availability
- 1.4.2 Percentage of women with iron deficiency

STRATEGIC OBJECTIVE 2

Improved Environmental Practices to Support Sustainable Development

Indicators:

- 2.1 Number of people benefiting from adoption of environmentally sound practices
- 2.2 Number of targeted hectares of land with conservation practices
- 2.3 Percentage of high polluting industries implementing pollution prevention/control measures
- 2.4 Percentage of targeted municipal solid waste disposed through environmentally sound systems

INTERMEDIATE RESULT 2.1

Improved environmental institutions policies, and plans

Indicators:

- 2.1.1 Percentage implementation of the National Environmental Action Plan (NEAP)

INTERMEDIATE RESULT 2.2

Increase local management and shared control of natural resources

Indicators:

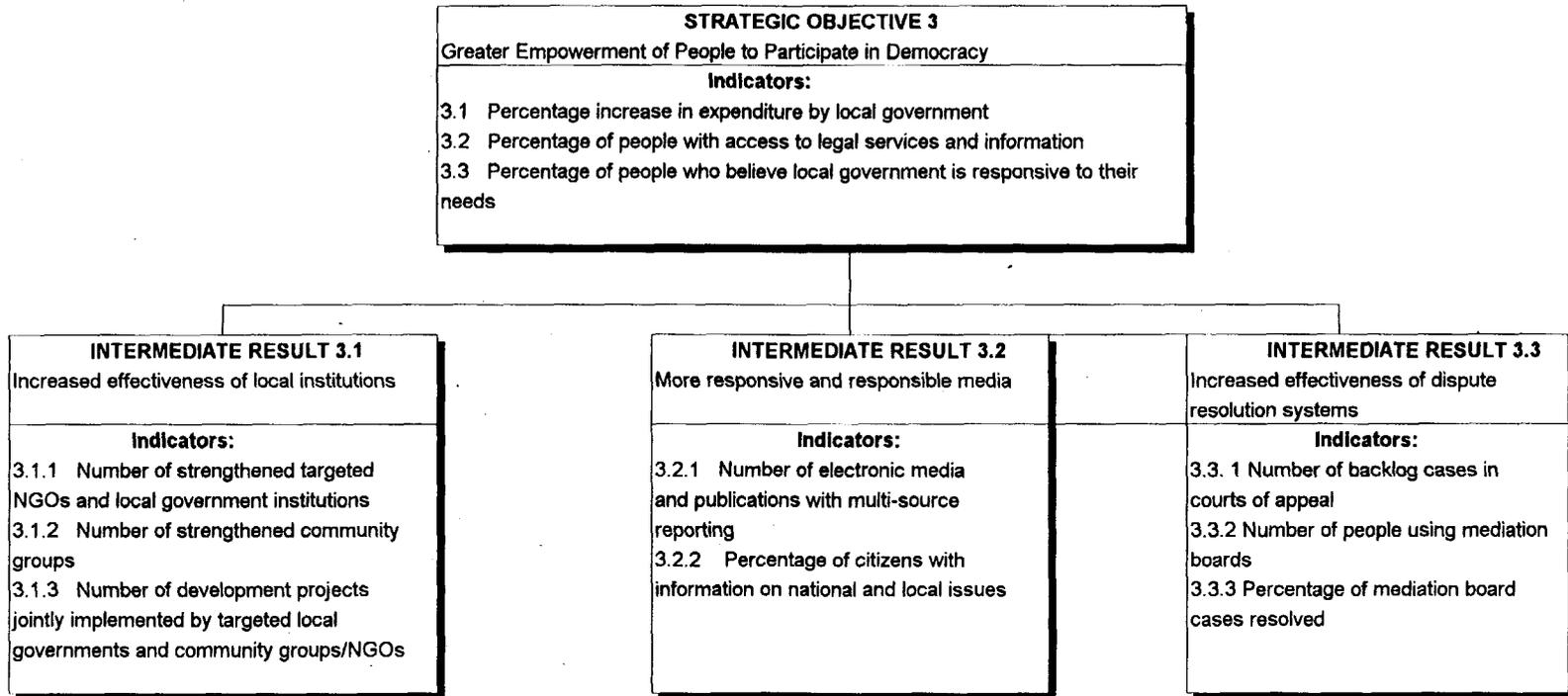
- 2.2.1 Number of households with secure land tenure/natural resource rights
- 2.2.2 Number of user-groups with joint responsibility for management of natural resources

INTERMEDIATE RESULT 2.3

Increased investment in environmentally sound technologies

Indicators:

- 2.3.1. Value of loans under the Pollution control and Abatement Fund
- 2.3.2. Value of U.S. environmental pollution goods and services purchased from U.S. sources.



SPECIAL OBJECTIVE 1
Humanitarian Assistance to the
Areas of Internal Conflict in Sri Lanka's
Northern and Eastern Provinces

INTERMEDIATE RESULT
Indicators
1. Number of amputees with limbs fitted
2. Number of children provided with
medical care

SPECIAL OBJECTIVE 2
HIV/AIDS Prevention

INTERMEDIATE RESULT
Indicators
1. Number of people benefitted from
increased awareness about risks of
HIV/AIDS

USAID / SRI LANKA
POLICY REFORM AGENDA

ANNEX B

MISSION GOAL	A.I.D. POLICY AREAS & MISSION STRATEGIC OBJECTIVES	PROGRAM OUTCOMES & POLICY REFORMS	ACTIVITIES
	<p align="center">ECONOMIC GROWTH</p> <p>1. Increased private sector employment and income</p>	<p>1. Increased private sector participation in the economy</p> <p>1. Implement privatization program through PERC 2. Expand role of private sector plantation management 3. Restructure Mahaweli Authority organizations and programs/privatize commercial functions 4. Assist Private Enterprise in Seed Production and Marketing 5. Divest Public Sector Fertilizer Companies 6. Expand private sector participation in infrastructure</p> <p>2. Adoption of new technologies</p> <p>1. Liberalize access to markets and technology 2. Improve accounting standards 3. Liberalize agricultural import policy 4. Reduce maximum corporate tax rate/introduce VAT 5. Implement viable micro-enterprise finance system</p> <p>3. More accessible and effective financial markets</p> <p>1. Reform financial sector intermediation 2. Implement viable bond market 3. Initiate market oriented housing finance 4. Improve financing for the small farms sector 5. Implement viable micro-enterprise finance system 6. Rationalize foreign investment regulatory framework</p> <p>4. Improved food security</p> <p>1. Reform Poor Relief Food Stamp and other poverty alleviation programs 2. Implement semi-annual nutrition monitoring surveys 3. Implement National Fortification of Wheat Flour</p>	<p>PSPS PL480 PL 480 PL480, AGENT PL480 PPI TIPS, AGENT, MED PSPS PL480 PSPS PPI PSPS PSPS HIG,DS&T AGENT, PVO CO-FI MED, AGENT PSPS,DS&T PL480, IMPACT PL480, IMPACT PL480, OMNI</p>
<p>A "Green" Democratic Sri Lanka with broad-based sustainable development</p>	<p align="center">ENVIRONMENT</p> <p>2. Improved environmental practices to support sustainable development</p>	<p>1. Improved environmental institutions, policies and plans</p> <p>1. Implement the National Environment Action Plan (NEAP) 2. Implement biodiversity action plan 3. Reinforce Environmental Impact Assessment process 4. Improve environmental mediation 5. Introduce waste minimization as an industrial pollution control measures 6. Implement Coastal 2000 policy proposals</p> <p>2. Increased local management and shared control of natural resources</p> <p>1. Improve land policy and tenure status in Mahaweli 2. Reform agencies and programs under the Ministry of Forestry, Irrigation and Mahaweli development 3. Turnover Distributory Canals to DCFOs in Mahaweli 4. Institute improved irrigation management</p>	<p>NAREP, SCOR PL480, NAREP NAREP CIPART, SCOR NAREP NAREP PL480, SCOR, MED MARD, MED PL480 PL480, MED, MARD SCOR, PL480</p>
	<p align="center">DEMOCRACY</p> <p>3. Greater empowerment of people to participate in democracy</p>	<p>1. Increased effectiveness of local institutions</p> <p>1. Establish guidelines for NGOs role in development 2. Introduce participatory policies within local government</p> <p>2. More responsive and responsible media</p> <p>1. Reform state ownership and control of media 2. Upgrade and expand University journalism education 3. Expand role of professionalized journalism</p> <p>3. Increased effectiveness of dispute resolution systems</p> <p>1. Reform procedures of court administration system 2. Improve effectiveness of Mediations Boards program 3. Improve and implement protection of citizens' rights</p>	<p>CIPART CIPART CIPART CIPART CIPART CIPART CIPART CIPART CIPART CO-FI, CIPART</p>

**Table 2
ALL RESOURCES TABLE
USAID/SRI LANKA
(\$000)**

Funding Category	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base - 10%	Base -30%
Sustainable Development					
Economic Growth	8 433	10 158	7 538	9 588	7 269
Of which: Field Support ***	240	100	100	100	0
Child Survival/Disease					
Of which: HIV/AIDS Field Support ***	300	300	300	300	
Environment	4 095	3 540	3 440	2 600	2 500
Democracy	1 300	1 100	800	1 100	800
PL480:					
Title III	20 000	20 000	20 000	20 000	20 000
Other MSED	2 000	2 000	2 000		
GRAND TOTAL	36 128	37 098	34 078	33 588	30 569

USAEP

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* The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP level.

** Base is defined as operating bureau allocations from the FY 1997 OMB request level.

*** Refers to Field Support -- Global-funded

**Table 3
Funding Scenarios by Objective
(\$000)**

OBJECTIVE	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base -10%	Base - 30%
Strategic Objective 1: Increased private sector employment and income					
Discretionary Funds	8 193	10 058	7 438	9 488	7 269
Global Field Support	240	100	100	100	
PL 480 Title III	20 000	20 000	20 000	20 000	20 000
Total SO 1:	28 433	30 158	27 538	29 588	27 269
Strategic Objective 2: Improved environmental practices to support sustainable development					
Environment	4 095	3 540	3 440	2 600	2 500
Total SO 2:	4 095	3 540	3 440	2 600	2 500
Strategic Objective 3: Greater empowerment of people to participate in Democracy					
Discretionary Funds	1 300	1 100	800	1 100	800
Total SO 3:	1 300	1 100	800	1 100	800
Special Objective 1: Humanitarian Assistance to the Areas of Internal Conflict in Sri Lanka's Northern and Eastern Provinces ***					
Total SPO 1:					
Special Objective 2: HIV/AIDS Prevention					
Global Field Support	300	300	300	300	
Total SPO 2:	300	300	300	300	0
GRAND TOTAL	34 128	35 098	32 078	33 588	30 569

* The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP level.

** Base is defined as operating bureau allocations from the FY 1997 OMB request level.

*** Funded by Displaced Children & Orphans Fund (DCOF) and War Victims Fund (WVF)

Table 5
Staff Requirements (FY 1996)

Staff	SO 1: Increased private sector employment & income	SO 2: Improved environmental practices to support sustainable development	SO 3: Greater empowerment of people to participate in democracy	SPO 1: Humanitarian Assistance to the areas of internal conflict in Sri Lanka's Northern & Eastern Provinces	SPO 2: HIV/AIDS prevention	Other	Total Staff by Class
USDH	4	2	1,5	0,5	0	4	12
FSN (OE)*	12	6,5	4,5	1	0	66	90
FSN (TF)							0
FSN (Prog.)		1,0					1
PSC (OE)							0
PSC (TF)							0
PSC (Program)							0
TCN (OE)							0
TCN (TF)							0
TCN (Program)							0
Total Staff by Objective	16	9,5	6	1,5	0	70	103

Note: * consists of 6 DHs and 84 PSCs.

Table 6
Operating Expense Requirements
(\$000)

OE/Trust Funded Levels by Major Function Code	FY 1996
U100 USDH	223,0
U200 FN Direct Hire	99,0
U300 Contract Personnel	804,3
U400 Housing	393,6
U500 Office Operations (excluding FAAS)	568,1
U600 NXP	168,2
Total Mission-Funded OE	2 256,2
.....Of which Trust Funded	N/A

PERFORMANCE MONITORING PLAN FOR SO 1

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>1) CHANGE IN TOTAL EMPLOYMENT IN TARGETED ENTERPRISES*</p> <p>2) EMPLOYMENT GENERATED BY COMPANIES RAISING NEW CAPITAL ON THE STOCK EXCHANGE*</p> <p>3) PREVALENCE OF STUNTING AND WASTING AMONGST PRE-SCHOOL CHILDREN</p>	<p><u>Change in total employment</u>: change in jobs created <u>Targeted enterprises</u>: client firms of USAID projects UNIT: # and % change</p> <p><u>Employment generated</u>: direct new jobs created <u>new capital</u>: from new capital raised thru initial public offerings, subsequent offerings, and rights issues UNIT: # of jobs</p> <p><u>Prevalence of stunting and wasting</u>: Percentage of population that is affected by a failure to grow adequately in height and weight, in relation to age <u>Among pre-school children</u>: children aged 3-60 months Unit: percentage</p>	<p>1. Project contractor/grantee M&E Systems and quarterly reports</p> <p>2. Mission funded M&E effort to collect and analyze data</p> <p>Colombo Stock Exchange and companies</p> <p>Min. of Finance, Planning, Ethnic Affairs & National Integration</p>	<p>Review of contractor/grantee reports. Genderwise data disaggregation</p> <p>Survey of companies. Genderwise data disaggregation</p> <p>Sample survey</p>	<p>Annually</p> <p>Annually</p> <p>Bi-Annual</p>	<p>1. Built into project level M&E systems</p> <p>2. PD&S or project funded contract with local firm to collect and analyze data \$10,000 - 20,000 per year</p> <p>N/A</p>	<p>USAID PSD/H, ANR</p> <p>USAID PSD/H FMP Officer</p> <p>USAID/ANR</p>
<p>Comments/Notes: *Data should be Gender disaggregated</p>						

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PERFORMANCE MONITORING PLAN FOR IR1.1

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Results 1.1: INCREASED PRIVATE SECTOR PARTICIPATION IN THE ECONOMY

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>1) VALUE OF TARGETED GOVERNMENT ASSETS TRANSFERRED TO LONG-TERM PRIVATE CONTROL</p>	<p>A. STATE-OWNED ENTERPRISES <u>Value:</u> Market value at time of sale, converted to dollars at time of sale. <u>Targeted government assets (types):</u> 62 small & medium-SOEs slated for privatization by GSL. Any sales exceeding the 62 will still be counted. <u>Transferred to long term private control:</u> Private ownership exceeds 50%.</p> <p>B. GOVERNMENT LAND <u>Value:</u> Standard value per acre in dollars, converted from rupees at current exchange rate. <u>Targeted government assets (types):</u> GSL land listed in PL-480 agreements, MED Commercialization Program, SCOR natural resources rights <u>Transferred to long term private control:</u> Private control exceeds 15 yrs.</p> <p>C. OTHER GOVERNMENT ASSETS <u>Value:</u> Standard value per sq.ft (for bldgs), per linear unit (for irrigation canals). <u>Targeted government assets (types):</u> Mahawell bldgs, irrigation canals, PL480 <u>Transferred to long term private control:</u> Private ownership exceeds 50% and/or private control exceeds 15 years.</p>	<p>A. STATE-OWNED ENTERPRISES: Commercialization Of Private Enterprise Division (COPEd) Ministry of Finance</p> <p>B. GOVERNMENT LAND: PL-480 Title III documentation MED quarterly reports SCOR quarterly reports</p> <p>C. OTHER GOVERNMENT ASSETS: PL-480 Title III documentation MARD Quarterly Reports SCOR Quarterly Reports MED Quarterly Reports</p>	<p>A. STATE-OWNED ENTERPRISES: Periodic meetings with COPEd director</p> <p>B. GOVERNMENT LAND: Land Registry records and USAID project contractor reports</p> <p>C. OTHER GOVERNMENT ASSETS: USAID Contractor monitoring of asset transfer</p>	<p>A. STATE-OWNED ENTERPRISE S: Available at any time; collect as needed.</p> <p>B. GOVT. LAND: Quarterly for MED, SCOR and PL-480 Title III</p> <p>C. OTHER GOVT. ASSETS: Quarterly</p>	<p>A. STATE-OWNED ENTERPRISES: Cost: No additional cost</p> <p>B. GOVERNMENT LAND: Cost: No additional cost</p> <p>C. OTHER GOVERNMENT ASSETS: Cost: Built into contractor reporting</p>	<p>A. STATE-OWNED ENTERPRISES: USAID PSD/H</p> <p>B. GOVERNMENT LAND: USAID Project Officers of PL-480 Title III MED SCOR</p> <p>C. OTHER GOVERNMENT ASSETS: USAID/ANR: Project Officers of MED MARD</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR IR1.1

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.1: INCREASED PRIVATE SECTOR PARTICIPATION IN THE ECONOMY

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>2) VALUE OF PRIVATE SECTOR INVESTMENT IN ECONOMIC INFRASTRUCTURE</p>	<p><u>Value:</u> Estimated project cost at the time of signing the implementation agreement in Mn. U.S.\$</p> <p><u>Private sector investment:</u> Both local and foreign private sector investment</p> <p><u>Economic Infrastructure:</u> Power, roads and transportation, telecommunications, waste water treatment and solid waste disposal</p> <p>UNIT: U.S.\$Mn</p>	<p>SIDI and respective line agencies</p>	<p>SIDI Project files</p>	<p>Annually</p>	<p>Not significant</p>	<p>PSD/H PPI Project Manager</p>
<p>3) CHANGE IN BOI INVESTMENT</p>	<p><u>BOI Investment:</u> Actual private direct investment in Board of Investment (BOI) approved enterprises.</p> <p>UNIT: Rupees converted to current Dollars</p>	<p>BOI Investment News Digest</p>	<p>Review of BOI data</p>	<p>12/31 Annually</p>	<p>Nil</p>	<p>USAID PSD/H</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR IR1.1

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.1: INCREASED PRIVATE SECTOR PARTICIPATION IN THE ECONOMY

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>4) PERCENTAGE SHARE OF STAPLE FOOD TRADE BY THE PRIVATE SECTOR</p>	<p><u>Percentage share</u>: percent share of the private sector in local distribution and import of rice and wheat</p> <p><u>of staple food trade</u>: marketable surplus of rice (50% of paddy production) + rice and wheat imports</p> <p><u>by the private sector</u>: this is determined by reducing the quantum of trade by the Food dept. C.W.E. and P.M.B. from total trade</p> <p>UNIT: percentage</p>	<p>Paddy rice production statistics from Dept. of Agriculture; Wheat & rice imports from C.W.E. C.W.E. Annual Report PMB Annual Report Food Dept. Annual Report Census & Statistics</p>	<p>Through relevant statistical offices</p>	<p>Annually</p>	<p>N/A</p>	<p>USAID/ANR Development Officer</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR IR 1.2

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.2: ADOPTION OF IMPROVED TECHNOLOGIES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>1) VALUE OF INVESTMENTS IN NEW TECHNOLOGIES</p>	<p><u>Value:</u> Cost incurred, in dollars, at the exchange rate prevailing at the time the investment is made.</p> <p><u>Investments:</u> Company expenditure on fixed and working capital.</p> <p><u>New Technologies:</u> Any initiative by a firm that represents to that firm use of new technical or managerial knowledge, skills, equipment or processes used to develop, produce and/or market goods or services.</p> <p><u>Targeted Groups:</u> Client companies of TIPS, AGENT, MED, MARD and SCOR</p> <p>UNIT: Dollars</p>	<p>USAID Project contractor or grantee quarterly reports</p>	<p>Review of project quarterly reports of TIPS AGENT MED MARD SCOR</p>	<p>Annually</p>	<p>Cost: Built into project-level M&E systems of USAID projects.</p> <p>Source: TIPS, AGENT, MED, SCOR, MARD</p>	<p>USAID Project Officers of TIPS AGENT SCOR MED MARD</p>
<p>2) VALUE OF EXPORTS BY TARGETED ENTERPRISES</p>	<p><u>Value of Exports:</u> Current Dollar value reported by companies at the time the goods and services are sold out of the country.</p> <p><u>Targeted Enterprises:</u> client companies of TIPS, AGENT</p>	<p>USAID Project contractor or grantee quarterly reports</p>	<p>Review of project quarterly reports of TIPS AGENT</p>	<p>Annually</p>	<p>Cost: Built into project-level M&E systems of USAID projects.</p> <p>Source: TIPS, AGENT,</p>	<p>USAID Project Officers of TIPS AGENT</p>
<p>Comments/Notes:</p>						

PERFORMANCE MONITORING PLAN FOR IR 1.2

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.2: ADOPTION OF IMPROVED TECHNOLOGIES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>3) VALUE OF DOMESTIC SALES BY TARGETED ENTERPRISES</p>	<p><u>Value:</u> Dollar value at the exchange rate prevailing for the year.</p> <p><u>Domestic Sales:</u> Client companies' reported or estimated value of all sales and services less export sales.</p> <p><u>Targeted Enterprises:</u> client companies of TIPS, AGENT, MED, MARD, SCOR, FOA</p>	<p>USAID Project contractor or grantee quarterly reports</p>	<p>Review of project quarterly reports of TIPS AGENT MED MARD SCOR</p>	<p>Annually</p>	<p>Cost: Built into project-level M&E systems of USAID projects.</p> <p>Source: TIPS, AGENT, MED, SCOR, MARD</p>	<p>USAID Project Officers of TIPS AGENT SCOR MED MARD</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR IR1.3

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.3: MORE ACCESSIBLE AND EFFECTIVE FINANCIAL MARKETS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
1) NUMBER OF BELOW MEDIAN INCOME HOUSEHOLDS RECEIVING HOUSING LOANS*	<p><u>Below median income:</u> Households whose income falls below the 50th percentile of household income as defined by the Central Bank</p> <p><u>Housing Loans:</u> # of home improvement loans and shelter related activities such as infrastructure and land</p> <p>UNIT: # of Households</p>	Apex lender - Central Bank (Institution which provides refinancing facility to other financial institutions)	Monthly progress reports of Apex lender. Data will be Gender disaggregated	Annually	No additional Cost	USAID HIG 4 Project Officer
2) NUMBER OF SHAREHOLDERS OF PUBLICLY TRADED EQUITY*	<p><u>Shareholders:</u> Number of client accounts with the Colombo Stock Exchange (CSE) Central Depository System (CDS)</p> <p><u>Publicly traded equity:</u> Equity shares in companies listed on the CSE</p> <p>UNIT: # of shareholders</p>	CSE	Data from CDS. Genderwise data disaggregation	Annually	No additional cost	USAID PSD/H PSPS (FMP) Project Officer
3) VALUE OF CAPITAL RAISED THROUGH PRIVATE EQUITY AND DEBT ISSUES	<p><u>Value:</u> Current Dollar value at time of initial issue</p> <p><u>Private Equity:</u> New listings on Colombo Stock Exchange plus rights,</p> <p><u>Private Debt:</u> Corporate bonds, debentures, secondary market mortgages, etc.</p> <p>UNIT: Value of Equity in current dollars Value of Debt in current dollars</p>	CSE and CDS Quarterly Reports and PSPS Project Quarterly Reports	Review of PSPS Project Quarterly Reports	Annually	No additional Cost	USAID PSD/H PSPS (FMP) Project Officer
<p>Comments/Notes: *Data should be Gender Dissaggregated</p>						

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PERFORMANCE MONITORING PLAN FOR IR 1.3

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.3: MORE ACCESSIBLE AND EFFECTIVE FINANCIAL MARKETS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>4) VALUE OF LOANS TO MICRO AND SMALL ENTERPRISES INCLUDING SMALL FARMERS*</p>	<p><u>Value:</u> Rupee value converted to Dollars at current rates</p> <p><u>Micro Enterprise loans:</u> loans of < \$5000 and micro-enterprises which have the capability of moving towards becoming a small enterprise</p> <p><u>Small Enterprise loans:</u> loans of < \$25,000</p> <p>(Lending: at market rates in the form of loans, formal leases, overdrafts, commercial letters of credit and lines of credit to targeted private financial institutions)</p> <p>UNIT: Dollars # of Loans</p>	<p>Reports from participating Financial Institutions</p>	<p>Quarterly Reports of participating Financial Institutions. Genderwise data disaggregation</p>	<p>Annually</p>	<p>No additional cost</p>	<p>USAID PSD/H, ANR Project Officers of MED AGENT and USAID/W MSED Program</p>
<p>Comments/Notes: *Data should be Gender dissaggregated</p>						

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PERFORMANCE MONITORING PLAN FOR IR1.4

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.4: IMPROVED FOOD SECURITY

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
1) PER CAPITA CALORIC FOOD AVAILABILITY	<p><u>Caloric food availability:</u> Food production + Imports - Exports divided by total population</p> <p>UNIT: Calories per day</p>	Annual Food Balance Sheet from GSL Census & Statistics Department - Ministry of Finance, Policy, Ethnic Affairs and National Integration	Food production and Trade Statistics results in Food Balance Sheet	Annually	No additional cost	USAID ANR: PL 480 Title III Program Officer
2) PERCENTAGE OF WOMEN WITH IRON DEFICIENCY	<p><u>Percentage of women:</u> % of women with Anemia</p> <p><u>Iron deficiency:</u> Iron is one of the three important micro nutrients necessary for overall health and high productivity. Deficiency of iron causes Anemia. Measured by haemoglobin level in blood.</p> <p>UNIT: % of women</p>	Report, "Nutrition and Health Status of Children", a Semi Annual Nutrition and Health Survey. Ministry of Finance, Policy, Ethnic Affairs and National Integration	Review Report	Semi-annually	USAID pays under PL480 Policy Reform. GSL will fund it thereafter	USAID ANR: PL 480 Title III Program Officer
Comments/Notes:						

PERFORMANCE MONITORING PLAN FOR SO 2

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>1) NUMBER OF PEOPLE BENEFITTED BY ADOPTION OF ENVIRONMENTALLY SOUND PRACTICES</p>	<p><u>People benefitted by adoption:</u> individuals whose livelihood or health is protected due to implementation of a new or improved practice by individuals, families, communities and organizations in areas targeted by USAID projects or programs</p> <p><u>of environmentally sound practices:</u> any environmental practice in agricultural production, industry, or resource conservation that is promoted by USAID funded projects or programs</p> <p>UNIT: # of people</p>	<p>NAREP, SCOR, TIPS, MARD and Agent Project Reports</p>	<p>USAID Project Reports</p>	<p>Quarterly</p>	<p>No additional costs</p>	<p>USAID ANR/ENV Office</p>
<p>2) EXPANDED HECTARES OF TARGETED LAND WITH AGRICULTURAL CONSERVATION PRACTICES</p>	<p>Targeted Land: land on which project assisted (AGENT, SCOR and MARD) agricultural activities are undertaken for production purposes</p> <p><u>Agricultural Conservation Practices:</u> any new conservation or environmentally sound practice, including use of integrated pest management, contour planting, permanent cropping, alley cropping, mulching etc.</p> <p>Unit: # of hectares</p>	<p>USAID Contractor quarterly project reports.</p> <p>SCOR/International Irrigation Management Institute MARD/Development Alternatives Inc. AgENT/Oregon State University</p>	<p>Data will be collected as part of project level M&E systems of AGENT, SCOR & MARD. Contractors will provide results in their quarterly reports.</p>	<p>Annually</p>	<p>Cost: Built into project level M&E systems.</p>	<p>USAID ANR Project Officers AGENT, SCOR/MARD</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR SO 2

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>3) PERCENTAGE OF INDUSTRIES IMPLEMENTING POLLUTION PREVENTION/CONTROL MEASURES</p>	<p><u>Industries:</u> High and medium polluting industries as established by the GSL's Central Environment Authorities' (CEA) Industrial classification</p> <p><u>Pollution Prevention/Control Measures -</u> Issuance and renewal of Environmental Protection Licenses (EPL) Indicates implementation of control measures</p> <p>UNIT: % of Industries</p>	<p>GSL Central Environmental Authority's (CEA) Records; Environmental Protection License Database.</p>	<p>Monthly collection of data by CEA; USAID will examine annually for reporting purposes.</p>	<p>Annually</p>	<p>No additional Cost</p>	<p>USAID/ANR/ENV Office</p>
<p>4) PERCENTAGE OF MUNICIPAL SOLID WASTE DISPOSED THROUGH ENVIRONMENTALLY SOUND SYSTEMS</p>	<p>Percentage of municipal solid waste: % of total amount of refuse delivered to the municipal disposal sites of Colombo, Kandy, and Galle</p> <p><u>Disposed through:</u> Final disposition of collected solid waste</p> <p><u>Environmentally sound systems:</u> Safe and hygienic disposal technique which minimize adverse environmental impact to the area surrounding the disposal site, including the air, land and surface water resources</p> <p>UNIT: % of disposed solid waste (tonnage)</p>	<p>Chief Engineer's Annual Report to Municipal Councils; Municipal Records of Colombo, Kandy and Galle municipalities</p>	<p>Review Annual Chief Engineers' Report from Municipal councils</p>	<p>Annually</p>	<p>No additional cost</p>	<p>USAID/ANR /ENV Office</p>
<p>Comments/Notes:</p>						

PERFORMANCE MONITORING PLAN FOR SO 2

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

Intermediate Result 2.1: IMPROVED ENVIRONMENTAL INSTITUTIONS, POLICIES AND PLANS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION.	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>1) PERCENTAGE IMPLEMENTATION OF THE NATIONAL ENVIRONMENTAL ACTION PLAN (NEAP)</p>	<p><u>Implementation:</u> % of NEAP recommendations implemented</p> <p><u>National Environment Action Plan:</u> A comprehensive statement of the country's priorities for environmental policies and programs covering the period 1995-1998. Consists of recommendations for 6 program areas (1. land and water 2. urban industrial pollution 3. institutional, legal and policy 4. bio diversity 5. minerals and energy 6. coastal resources)</p> <p>UNIT: % of Implementation</p>	<p>NEAP Secretariat NEAP Update Report</p>	<p>Review of NEAP Update Report</p>	<p>Annually</p>	<p>Initially built into NAREP and later funded by GSL</p>	<p>USAID NAREP Project Officer</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR IR 2.2

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

Intermediate Result 2.2: INCREASED LOCAL MANAGEMENT AND SHARED CONTROL OF NATURAL RESOURCES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>1) NUMBER OF HOUSEHOLDS WITH SECURE LAND TENURE/NATURAL RESOURCES RIGHTS</p>	<p><u>Households:</u> Individuals assumed to be heads of households and in cases defined or data collected by hectares, we will assume one household per hectare. Targeted households under the following projects: PL 480, MED, SCOR, MARD <u>with secure land tenure/natural resource rights:</u> Swama-boomi grants, land grants, freehold titles, long term lease (> 5 years) and usufruct rights for land, water or forest area coming under projects</p> <p>UNIT: # of Households</p>	<p>Project M&E Systems of MED, PL 480 and SCOR and MARD</p>	<p>Review quarterly reports by USAID Project Managers for MED, MARD and SCOR. Title III Project Officers will submit data for Title III Program</p>	<p>Quarterly</p>	<p>Built into contracts/grants</p>	<p>USAID ANR: MED, Title III, SCOR, MARD</p>
<p>2) NUMBER OF USER-GROUPS WITH JOINT RESPONSIBILITY FOR MANAGEMENT OF NATURAL RESOURCES</p>	<p><u>User-groups with joint responsibility for management of natural resources:</u> authority or responsibility by any local or community organization recognized by the government for coordinated use or preservation of land, water, coastal, forest or wildlife resources</p> <p>UNIT: # of user groups</p>	<p>Project M&E system for MARD, NAREP, SCOR and AGENT</p>	<p>Review quarterly reports by USAID Project Managers for MARD and SCOR. Title III Project Officers will submit data for Title III Program, NAREP</p>	<p>Quarterly</p>	<p>Built into contracts/grants</p>	<p>USAID ANR: Title III, SCOR, MARD, NAREP & AgENT</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR IR 2.3

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

Intermediate Result 2.3: INCREASED INVESTMENTS IN ENVIRONMENTALLY SOUND TECHNOLOGIES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
1) VALUE OF LOANS UNDER THE POLLUTION CONTROL AND ABATEMENT FUND	<p>Value of Loans: The total value of loans disbursed by the NDB during the period of review.</p> <p>The Pollution Control & Abatement Fund: The fund established by the GOSL with donor assistance at the NDB to assist industries establish/in operation prior to January 1994 to adopt pollution abatement measures.</p>	National Development Bank	Through progress reports published by National Development Bank	Quarterly	Nil	USAID - Environmental portfolio USAEP Coordinator
2) VALUE OF U.S. ENVIRONMENTAL POLLUTION GOODS AND SERVICES PURCHASED FROM U.S. SOURCES	The value of US environmental pollution equipment and services procured under the USAEP collaboration.	USAEP - Technical Representative's records.	Through trade leads and reports maintained by the Technical Representative USAEP	Biannually	US\$3000 per year	USAEP Coordinator

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PERFORMANCE MONITORING PLAN FOR SO 3

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>1) PERCENTAGE INCREASE IN EXPENDITURE BY LOCAL GOVERNMENTS</p>	<p><u>Increase in expenditure:</u> Increase in disbursements to support development activities within the mandate of local government.</p> <p><u>by Local Government:</u> Primarily Pradeshiya sabhas, possibly Divisional Secretaries, Municipal and Urban Councils</p> <p>UNIT: \$Mn</p>	<p>Targeted Local Government accounting records</p>	<p>to be determined under co-operative agreement with lead U.S. PVO in FY95</p>	<p>Annually</p>	<p>Built into CIPART PROJECT</p>	<p>USAID/PRJ/DHVI CIPART Project Manager</p>
<p>2) PERCENTAGE OF PEOPLE WITH ACCESS TO LEGAL SERVICES AND INFORMATION</p>	<p><u>Percentage of people:</u> percentage of total population of Sri Lanka aged 18 and over</p> <p><u>Access to legal services:</u> People whose pending case has been heard within the court system/mediation board</p> <p><u>Access to information:</u> People who are satisfied with the print/electronic media as a primary source of information relevant to their needs</p>	<p>Court records, Min. of Justice records, interviews</p>	<p>National Sample Surveys</p>	<p>Every 2 years</p>	<p>Built into CIPART PROJECT</p>	<p>USAID/PRJ/DHVI CIPART Project Manager</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR SO 3

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
<p>3) PERCENTAGE OF PEOPLE WHO BELIEVE LOCAL GOVERNMENT IS RESPONSIVE TO THEIR NEEDS</p>	<p><u>Percentage of people:</u> percentage of total population of Sri Lanka aged 18 and over</p> <p><u>who believe Local Government is responsive to their needs:</u> people whose problems have successfully been presented at a local level and are satisfied with the way in which these have been resolved</p>	<p>Contractors progress reports</p>	<p>Contractors progress reports and Sample Surveys</p>	<p>Annually</p>	<p>Built into CIPART PROJECT</p>	<p>USAID/PRJ/DHVI CIPART Project Manager</p>
<p>Comments/Notes:</p>						

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PERFORMANCE MONITORING PLAN FOR IR 3.1

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.1: INCREASED EFFECTIVENESS OF LOCAL INSTITUTIONS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
1) NUMBER OF STRENGTHENED NGOS AND LOCAL GOVERNMENTS	<p><u>Strengthened:</u> Achieving a defined rating: Meeting minimum criteria for: Democratic structure (NGO) Diversity and # of membership (NGO) Level of budgetary resources (NGO & LG) Types of "umbrella activities" (NGO) Accountability & transparency requirements (NGO & LG) Staffing and qualifications of staff (LG) Types of development activities (LG) Sustainability (NGOs & LG)</p> <p><u>Targeted NGOs:</u> One or two CIPART assisted local NGOs specializing in such sectors as micro-enterprise development for women or youth, relief and rehabilitation and fundamental rights, with a stated mandate to strengthen member NGOs.</p> <p><u>Targeted Local Governments (LG):</u> Pradeshiya sabhas or other local government entities selected to be partner organizations under CIPART UNIT: # of NGOs, # of LG bodies</p>	Project Reports Project Evaluations, Urban Programme Unit Reports of the (LG) Min. of Home Affairs, Provincial Councils & Cooperatives	To be developed by lead implementing organization during FY95	Annual	Built into CIPART Project Costs	USAID PRJ/DHVI CIPART Project Manager
Comments/Notes:						

PERFORMANCE MONITORING PLAN FOR IR 3.1

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.1: INCREASED EFFECTIVENESS OF LOCAL INSTITUTIONS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
2) NUMBER OF STRENGTHENED COMMUNITY GROUPS	<p><u>Strengthened:</u> Achieving a defined rating: Meeting minimum criteria for: Democratic structure of organization Level of funding Sustainability Accountability Transparency</p> <p><u>Community Groups:</u> Project assisted groups organized at the community level to accomplish a common goal. UNIT: # of community groups</p>	Baseline citizen's survey results, Project Reports, Project Evaluations, Local government Reports	Quarterly reports submitted by lead U.S. implementing P.V.O. under CIPART and SCOR and AGENT contractors	Annually	Built into CIPART, SCOR and AGENT Project Costs	USAID ANR/ MARD, AgENT, SCOR Project Manager USAID PRJ/DHVI CIPART Project Manager (CARE)
3) NUMBER OF DEVELOPMENT PROJECTS JOINTLY IMPLEMENTED BY LOCAL GOVERNMENT AND COMMUNITY GROUPS/NGOS	<p><u>Development Projects:</u> Projects resulting from the establishment of a jointly administered development fund which will meet basic criteria concerning people's participation development priorities, environmental considerations and sustainability.</p> <p>UNIT: # of development projects</p>	LG records and NGO records Project Data Base	Project Evaluations and Quarterly reports submitted by lead U.S. implementing P.V.O. under CIPART contractors	Annually	Built into CIPART project costs	USAID/PRJ/DHVI CIPART Project Manager:
Comments/Notes:						

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PERFORMANCE MONITORING PLAN FOR IR 3.2

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.2: MORE RESPONSIVE AND RESPONSIBLE MEDIA

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
1) NUMBER OF ELECTRONIC MEDIA AND PUBLICATIONS WITH MULTI-SOURCE REPORTING	<p><u>Electronic media:</u> Two Television Stations: SLRC - Rupavahini and ETV - 1 One Radio Station: SLBC</p> <p><u>Publications:</u> Two English language newspapers: The Daily News and The Sunday Times Two Sinhala language newspapers: Lanka Deepa and Divaina 1 Tamil language newspaper: Virakesari</p> <p><u>Multi-source reporting:</u> Greater accuracy in reporting facts, figures and events with multiple sources for news stories</p> <p>UNIT: # of publications</p>	newspapers and television/ radio stations in English, Sinhala and Tamil	To be developed by U.S. PVO under cooperative agreement in FY 95	Semi-annual review of one month duration	Built into CIPART's monitoring and evaluation budget	USAID/PRJ/DHVI CIPART Project Manager
2) PERCENTAGE OF CITIZENS WITH INFORMATION ON NATIONAL AND LOCAL ISSUES	<p><u>Percentage of citizens:</u> percentage of total population of Sri Lanka aged 18 & over</p> <p><u>with information:</u> knowledge received thru print and electric media</p> <p><u>on national issues:</u> economic (business environment, inflation, taxes & employment)</p> <p><u>local issues:</u> economic (jobs, business opportunities), social (schooling of children, health), political (local elections)</p> <p>UNIT: % of people</p>	interviews	sample surveys under U.S. PVO cooperative agreement in FY 95	Annually	Built into CIPART cooperative agreement budget	USAID/PRJ/DHVI CIPART Project Manager
Comments/Notes:						

PERFORMANCE MONITORING PLAN FOR IR 3.3

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE O PARTICIPATE IN DEMOCRACY

Intermediate Result 3.3: INCREASED EFFECTIVENESS OF DISPUTE RESOLUTION SYSTEMS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	SPECIFIC SOURCE OF DATA	DETAILS OF DATA COLLECTION METHODS AND APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/OFFICE AND SUPPORTING ACTIVITIES
1) NUMBER OF BACKLOG CASES IN COURTS OF APPEAL	<p><u>Backlog</u> = Pending cases with no resolution</p> <p><u>Case</u> = A case resolved by the Court of Appeals for decision</p> <p>UNIT: # of cases</p>	Court of Appeals Case Records	Quarterly Reports submitted by TAF	Semi-annually	Built into CIPART's monitoring and evaluation budget	USAID/PRJ/DHVI CIPART Project Manager
2) NUMBER OF PEOPLE USING MEDIATION BOARDS	<p><u>People using</u>: A complaint brought to the mediation board according to standard procedures</p> <p><u>Mediation boards</u>: Current National Mediation Boards within the Ministry of Justice, including future mediation boards to be established in the East and North.</p> <p>UNIT: # of people</p>	Ministry of Justice, National Mediation Board records	Quarterly Reports submitted by TAF	Annually	Built into CIPART's monitoring and evaluation budget.	USAID/PRJ/DHVI CIPART Project Manager
3) PERCENTAGE OF MEDIATION BOARD CASES RESOLVED	<p><u>Percentage of mediation board cases resolved</u>: the number of cases resolved as a percentage of the number of cases brought to mediation boards</p> <p>UNIT: % of resolved cases</p>	Ministry of Justice, National Mediation Board records	Quarterly Reports submitted by TAF	Annually	Built into CIPART's monitoring and evaluation budget.	USAID/PRJ/DHVI CIPART Project Manager
Comments/Notes:						

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DATA FOR SO1 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1995		1996		1997		1998		1999		2000	
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1) CHANGE IN TOTAL EMPLOYMENT IN TARGETED ENTERPRISES*	<u>Change in total employment:</u> change in jobs created														
	<u>targeted enterprises:</u> client firms of USAID projects														
	UNIT: change in jobs created														
	TIPS	1994	4496	1700	2,444	1700		1700		1800		1500		1300	
	SCOR	1994	0	300	0	400		500		500		300		-	
	MARD	1994	2320	650	1,213	800		-		-		-		-	
	MED	1994	10076	4000	1477	2000		-		-		-		-	
	MESA	1994	0	0	0	200		2000		2000		2000		2000	
AGENT	1994	750	1500	1,733	2500		2750		2500		2250		1750		
FOA	1994	-	-	-	-				1000		2000		2500		
TOTAL		17642	8150	6,867	7600		6950		7800		8050		7550		
2) EMPLOYMENT GENERATED BY COMPANIES RAISING NEW CAPITAL ON THE STOCK EXCHANGE*	<u>Employment generated by companies:</u> direct new jobs created	1990	572												
	<u>New capital:</u> from new capital raised through initial public offerings, subsequent offerings, and rights issues	1991	1026												
	UNIT: # of jobs created	1992	4029												
		1993	8392												
		1994	10000	8000	4,703	9000		10000		11000		13000		17000	
Comments/Notes: * Data will be Gender Dissaggregated															

DATA FOR SO1 - BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
3) PREVALENCE OF STUNTING AND WASTING AMONGST PRE-SCHOOL CHILDREN	<p><u>Prevalence of stunting and wasting:</u> Percentage of population that is affected by a failure to grow adequately in height and weight, in relation to age</p> <p><u>Among pre-school children:</u> children aged 3-60 months</p> <p>Unit: percentage</p>	1994	31.4	31.2	31	30		29		27		26		25	
Comments/Notes:															

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DATA FOR IR1.1 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Results 1.1: INCREASED PRIVATE SECTOR PARTICIPATION IN THE ECONOMY

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS												
		YEAR	VALUE	1995		1996		1997		1998		1999		2000		
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	
1) VALUE OF TARGETED GOVERNMENT ASSETS TRANSFERRED TO PRIVATE CONTROL	A. STATE-OWNED ENTERPRISES	Thru														
	Value: Market value at time of sale, converted to dollars at time of sale.	1992	158													
		1993	115													
	Targeted Government Assets (Types): 62 small & medium SOEs slated for privatization by GSL. Any sales exceeding the 62 will still be counted.	1994	21	30	70	25			20		20			20		
	B. GOVERNMENT LAND															
	Value: Std. value per acre in \$, converted from Rs. at current exchange rate.															
	Targeted government assets (types):															
	Title III (land)	1994	2.0	3.0	29.5	4.5			4.5		4.5			4.5		
	Title III (plantations)	1994	-	20.0	78.0	20.0			20.0		20.0			20.0		
	MARD	1994	0.3	0.2	2.1	0.4			-		-			-		
Title III/MED	1994	0.1	0.1	1.3	0.5			0.5		0.5			-			
SCOR	1994	-	2.0		2.5			3.8		4.2			-			
TOTAL VALUE OF LAND		2.4	25.3	110.9	27.9			28.8		29.2			24.5			

2) VALUE OF PRIVATE SECTOR INVESTMENT IN ECONOMIC INFRASTRUCTURE	C. OTHER GOVERNMENT ASSETS														
	<u>Value:</u> Standard value per sq.ft (for bldgs), per linear unit (for irrigation canals).														
	<u>Targeted Government Assets (Types):</u>														
	Title III/Irrigation dev.	1994		50	25	50		50		50		50			
	Title III/MASL FO	1994		2	2.5	2		2		2		2			
	Title III/plantations	1994	1.1	2	1.4	2		-		-		-			
	TOTAL OTHER ASSETS		1.1	54	28.9	54		52		52		52			
	TOTAL ASSETS \$Million		297.5	109.3	209.8	106.9		100.8		101.2		96.5			
	<u>Value:</u> Estimated project cost at the time of signing the implementation agreement in million U.S.\$														
	<u>Private sector investment:</u> Both local and foreign private sector investment	1994	0	50	0	100		300		300		350			
<u>Economic Infrastructure:</u> Power, roads and transportation, telecommunications, water and waste treatment and solid waste disposal															
<u>UNIT:</u> \$Mn.															
Comments/Notes:															

DATA FOR IR1.1 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.1: INCREASED PRIVATE SECTOR PARTICIPATION IN THE ECONOMY

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
3) CHANGE IN BOI INVESTMENT	<p><u>BOI investment</u>; Actual private investment in Board of Investment (BOI) approved enterprises</p> <p>UNIT: \$ (Rs converted to \$) value of investments</p>	1993	\$725M												
		1994	\$800M	880	1360	1410		1550		1700		1875		2050	
4) PERCENTAGE SHARE OF STAPLE FOOD TRADE BY THE PRIVATE SECTOR	<p>Percentage share: percent share of the private sector in local distribution and import of rice and wheat</p> <p><u>of staple food trade</u>: marketable surplus of rice (50% of paddy production) + rice and wheat imports</p> <p><u>by the private sector</u>: this is determined by reducing the quantum of trade by the Food Dept. C.W.E. and P.M.B. from total trade</p> <p>UNIT: percentage</p>	1990	38%	38%	38%	45%		55%		60%		65%		70%	
Comments/Notes:															

DATA FOR IR1.2 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.2: ADOPTION OF IMPROVED TECHNOLOGIES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS												
		YEAR	VALUE	1995		1996		1997		1998		1999		2000		
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	
1) VALUE OF INVESTMENTS IN NEW TECHNOLOGIES	Value: Cost incurred, in dollars, at the exchange rate prevailing at the time the investment is made.															
	Investments: Company expenditure on fixed capital.															
	New Technologies: Any initiative by a firm that represents to that firm use of new technical or managerial knowledge, skills, equipment or processes used to develop, produce and/or market goods or services.															
	Targeted Groups: Client companies of: UNIT: \$Mn.															
	TIPS	1994	2.1	1.5	13.2	1.6		1.8		2.0		2.2		2.4		
	AGENT	1994	1.5	2.0	5.3	2.5		3.0		3.0		3.0		3.0		
	FOA	1994	-	-	-	-		-		2.0		3.5		4.0		
	SCOR	1994	-	0.4	0.8	0.4		0.4		0.9		-		-		
	MESA	1994	-	-	-	-		0.6		0.8		1.0		2.0		
	MED	1994	2.5	0.5	0.5	-		-		-		-		-		
MARD	1994	4.3	0.4	0.4	0.3		-		-		-		-			
Value of Investments in \$ Million	1994	10.4	4.8	20.2	4.8		5.8		8.7		9.7		11.4			
Comments/Notes:																

DATA FOR IR1.2 -- BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.2: ADOPTION OF IMPROVED TECHNOLOGIES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1995		1996		1997		1998		1999		2000	
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
2) VALUE OF EXPORTS BY TARGETED ENTERPRISES	<u>Value:</u> Current Dollar value reported by companies at the time the goods and services are sold out of the country														
	<u>Targeted Enterprises:</u> Client companies of:														
	TIPS	1994	13.1	10.0	33.1	10.0		10.0		10.0		10.0		5.0	
	AGENT	1994	6.8	4.0	12.9	5.0		6.0		7.0		6.0		5.0	
	TOTAL \$Mn.		19.9	14.0	46.0	15.0		16.0		17.0		16.0		10.0	
3) VALUE OF DOMESTIC SALES BY TARGETED ENTERPRISES	<u>Value:</u> Dollar value at the exchange rate prevailing for the year.														
	<u>Domestic Sales:</u> Client companies' reported or estimated value of all sales and services.														
	<u>Targeted Enterprises:</u> client companies of :														
	TIPS	1994	24.7	20.0	104.1	25.0		25.0		25.0		25.0		25.0	
	SCOR	1994	0.0	0.3	0.2	0.8		1.3		1.8		2.8		3.8	
	MARD	1994	0.0	0.5	0.6										
	MED	1994	10.0	14.0	9.4	11.4									
	MESA	1994	0.0	0.0	0.0	0.2		10.0		22.5		40.0		62.5	
	AGENT	1994	6.1	3.0	15.9	4.0		5.0		5.0		4.0		3.0	
	FOA	1994	0.0	0.0	0.0	0.0		0.0		2.0		10.0		14.8	
	TOTAL \$Mn.		40.8	37.8	130.2	43.2		41.3		56.3		61.8		109.1	
Comments/Notes:															

DATA FOR IR1.3 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.3: MORE ACCESSIBLE AND EFFECTIVE FINANCIAL MARKETS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1995		1996		1997		1998		1999		2000	
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1) NUMBER OF BELOW MEDIAN INCOME HOUSEHOLDS RECEIVING HOUSING LOANS*	<u>Below median income households:</u> Households whose income is or falls below the 50th percentile of household income as defined by the Central Bank <u>Housing Loans:</u> # of home improvement loan and shelter related activities such as infrastructure and land UNIT: # of Households	1991	10000												
		1992	15000												
		1993	22000												
		1994	45000	52000	62684	69684									
2) NUMBER OF SHAREHOLDER-S OF PUBLICLY TRADED EQUITY*	<u>Shareholders:</u> # of client accounts in Colombo Stock Exchange, Central Depository System <u>Publicly traded Equity:</u> Shares in companies listed on the Colombo Stock Exchange UNIT: # of shareholders	1991	14400												
		1992	58800												
		1993	101100												
		1994	127500	160000	160000	175000		200000		225000		235000		250000	
Comments/Notes: *Numbers are Cumulative. Actual data will be Gender Disaggregated															

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DATA FOR IR1.3 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.3: MORE ACCESSIBLE AND EFFECTIVE FINANCIAL MARKETS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
4) VALUE OF LOANS TO TARGETED MICRO AND SMALL ENTERPRISES INCLUDING SMALL FARMERS*	<p><u>Value:</u> Rupee value converted to dollars at current rates</p> <p><u>targeted micro enterprise loans:</u> loans of < \$5,000 and micro-enterprises which have the capability of becoming a small enterprise</p> <p><u>targeted small enterprise loans:</u> loans of < \$25,000</p> <p>(Lending: at market rates in the form of loans, formal leases, overdrafts, commercial letters of credit and lines of credit through targeted private commercial banks) UNIT: Dollars</p>														
	MSED	1994	6.1	1.4	7.3	3.75		4.7		4.75		4.75		2.7	
	MED	1994	1.0	0.3	0.5	0.5		-		-		-		-	
	MESA	-	-	-	-	0.5		2.0		4.5		8.0		12.5	
	AGENT	1994	-	0.25	-	0.5		0.75		0.5		0.5		0.5	
	FOA	-	-	-	-	0.0		0.0		0.5		1.5		2.7	
	Total Value of lending \$		7.1	1.95	7.8	5.25		7.45		10.25		14.75		18.4	
Comments/Notes: *Actual data will be Gender Disaggregated															

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DATA FOR IR1.4 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME

Intermediate Result 1.4: IMPROVED FOOD SECURITY

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1995		1996		1997		1998		1999		2000	
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1) PER CAPITA CALORIC FOOD AVAILABILITY	<p><u>Caloric food availability:</u> Food production + Imports - Exports divided by Total Population</p> <p>UNIT: Calories per day</p>	1994		2346	2400	2389		2393		2417		2431		2455	
2) PERCENTAGE OF WOMEN WITH IRON DEFICIENCIES	<p><u>Percentage of women:</u> % of women with Anemia</p> <p><u>Iron deficiency:</u> Iron is one of the important micro nutrients necessary for overall health and high productivity. Deficiency of Iron causes Anemia. Measured by haemoglobin level in blood.</p> <p>UNIT: % of women</p>	1994		45%	45%	44%		41%		39%		37%		35%	
Comments/Notes:															

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DATA FOR SO2 - BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1) NUMBER OF PEOPLE BENEFITTED BY ADOPTION OF ENVIRONMENTALLY SOUND PRACTICES	<p><u>People benefitted:</u> Individuals whose livelihood or health is protected due to own adoption of technology or adoption of technology in the immediate area of residence</p> <p><u>of environmentally sound practices:</u> any environmental practice in agricultural production, industry, or resource conservation that is promoted by USAID funded projects or programs</p> <p>UNIT: # of people</p>														
	SCOR	1994	28830	5000	13495	5000		5000		5000					
	MARD	1994	8500	4000	3285	-		-		-					
	TIPS	1994	2700	3000	3850	4500		5000		5000		5000		5000	
	AGENT	1994	-	1000	1000	1000		1000		1000		1000		1000	
	Title III (DWLC)	1994	-	-	-	-		1000		1000		1000		1000	
	CRMP	1994	10000	1000	5500	1000		1000		1000		1000		1000	
	CBRM	1994	50000	1000	61350	1000		1000		1000		1000		1000	
	TOTAL		100030	15000	88480	12500		14000		13000		8000		6000	
Comments/Notes:															

DATA FOR SO2 - BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
2) EXPANDED HECTARES OF TARGETED LAND WITH CONSERVATION PRACTICES	<u>Targeted Land:</u> land on which project assisted activities are undertaken for production purpose														
	<u>Conservation Practices:</u> any new conservation or environmentally sound practice including use of integrated pest management, contour planning, permanent cropping, alley cropping, mulching etc.														
	MARD	1994	3360	1600	2281	-	-	-	-	-	-	-	-	-	-
	SCOR	1994	-	3000	7577	10000	10000	7000	-	-	-	-	-	-	-
	FOA	1994	-	-	-	-	-	500	750	-	-	-	-	-	750
	CBRM	1994	1319	2510	779	3725	-	-	-	-	-	-	-	-	-
	AGENT	1994	-	-	50	-	-	-	-	-	-	-	-	-	-
	CRMP	1994	1300	200	130	230	-	-	-	-	-	-	-	-	-
TOTAL Hectares		5979	7310	10817	13955	10000	7500	750	750			750			
Comments/Notes:															

DATA FOR IR2.2 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1995		1996		1997		1998		1999		2000	
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
3) PERCENTAGE OF INDUSTRIES IMPLEMENTING POLLUTION PREVENTION/CONTROL MEASURES	<p><u>Percentage of Industries:</u> High and medium polluting industries (present # 1600) as established by the GSL Central Environmental Authority's industrial classification</p> <p><u>Pollution Prevention/Control Measures:</u> Issuance and renewal of Environmental Protection License (EPL) indicates implementation of control measures</p> <p>UNIT: % of total Industries</p>	1994	10	15	41.3	47		53		60		65		70	
Comments/Notes:															

DATA FOR SO2 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1995		1996		1997		1998		1999		2000	
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
4) PERCENTAGE OF MUNICIPAL SOLID WASTE DISPOSED THROUGH ENVIRONMENT ALLY SOUND SYSTEMS	<p><u>Percentage of Municipal Solid Waste:</u> % of total amount of refuse delivered to the municipal disposal sites of Colombo, Kandy and Galle</p> <p><u>Disposed through:</u> Final disposition of collected solid waste</p> <p><u>Environmentally sound systems:</u> Safe and hygienic disposal techniques which minimize adverse environmental impact to the area surrounding the disposal site, including the air, land and surface water resources</p> <p>UNIT: % of solid waste tonnage</p>	1994	0	20	0	30		40		50		60		70	
Comments/Notes:															

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DATA FOR IR2.1 –BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

Intermediate Result 2.1: IMPROVED ENVIRONMENTAL INSTITUTIONS, POLICIES AND PLANS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1995		1996		1997		1998		1999		2000	
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1) PERCENTAGE IMPLEMENTATION OF THE NATIONAL ENVIRONMENTAL ACTION PLAN	<p>Implementation: % of NEAP recommendations implemented</p> <p>National Environment Action Plan: A comprehensive statement of the country's priorities for environmental policies and programs covering the period 1995-1998. Consists of recommendations for 6 program areas</p> <p>UNIT: %</p>	1994	10	30	31.3	40		50		60		70		80	
Comments/Notes:															

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DATA FOR IR2.2 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

Intermediate Result 2.2: INCREASED LOCAL MANAGEMENT AND SHARED CONTROL OF NATURAL RESOURCES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS														
		YEAR	VALUE	1995		1996		1997		1998		1999		2000				
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L			
1) NUMBER OF HOUSEHOLDS WITH SECURE LAND TENURE/ NATURAL RESOURCES RIGHTS	<u>Households:</u> Individuals assumed to be heads of households and in cases defined or data collected by hectares, we will assume one household per hectare																	
	<u>With secure land tenure/ national resource rights:</u> swarna boomi grants, land grants, freehold titles, long term leases (> 5 yrs) & usufruct rights for land, water or forest area coming under projects																	
	MARD	1994	-	500	5400	400	-	-	-	-	-	-	-	-	-	-	-	-
	SCOR	1994	-	4000	1575	5000	7500	8500	-	-	-	-	-	-	-	-	-	-
	Title III (land titling)	1994	2500	6000	28500	9000	9000	9000	9000	9000	9000	9000	9000	-	-	-	-	-
	Title III/MED	1994	161	300	44	439	-	-	-	-	-	-	-	-	-	-	-	-
	Title III (plantations)	1994	-	25000	15000	25000	25000	25000	25000	25000	25000	25000	25000	-	-	-	-	-
	Title III/MASL	1994	2500	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	-	-	-	-
	Title III ID	1994	-	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	-	-	-
	COASTAL	1994	350	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
URBAN	1994	5000	1826	500	4033	51500	52500	19000	5000	5000	5000	5000	5000	5000	5000	5000	5000	
TOTAL		10511	47651	51019	53887	51500	52500	19000	5000	5000	5000	5000	5000	5000	5000	5000	5000	

Comments/Notes: Based on continued receipt of PL480 funds

DATA FOR IR2.2 -- BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

Intermediate Result 2.2: INCREASED LOCAL MANAGEMENT AND SHARED CONTROL OF NATURAL RESOURCES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
2) NUMBER OF USER GROUPS WITH JOINT RESPONSIBILITY FOR MANAGEMENT OF NATURAL RESOURCES	<u>User groups with joint responsibility for management of natural resources:</u> authority or responsibility by any local or community organization recognized by the government for coordinated use or preservation of land, water, coastal, forest or wild life resources														
	UNIT: # of user groups														
	SCOR	1994	165	150	(60)	150			200		150		135		-
	FOA	1994	-	-							10		10		10
	MARD	1994	36	48	38	-			-		-		-		-
	Title III (MASL)	1994	-	-					150		150		150		87
	Title III (ID)	1994	194	50		100			100		150		150		150
	CRMP	1994	15	-	(1)	1			-		-		-		-
CBRM	1994	100	60	593	60			60		60		60		-	
TOTAL		510	308	570	411			510		520		505		227	
Comments/Notes:															

DATA FOR IR2.3 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT

Intermediate Result 2.3: INVESTMENT IN ENVIRONMENTALLY SOUND TECHNOLOGIES

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1) VALUE OF LOANS UNDER POLLUTION CONTROL ABATEMENT FUND	<p><u>Value of Loans:</u> The total value of loans disbursed by the NDB during the period of review.</p> <p><u>The Pollution Control & Abatement Fund:</u> The fund established by the GOSL with donor assistance at the NDB to assist industries establish/in operation prior to January 1994 to adopt pollution abatement measures. UNIT: \$Mn.</p>	1995	0	0		1		1		1		1		1	
2) VALUE OF U.S. ENVIRONMENTAL POLLUTION GOODS AND SERVICES PURCHASED FROM U.S. SOURCES	The value of US environmental pollution equipment and services procured under the USAEP collaboration.	1995	0	0		225000		400000							
Comments/Notes:															

DATA FOR SO3 - BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1) INCREASED EXPENDITURE BY LOCAL GOVERNMENTS	<p><u>Increased expenditure:</u> Increase in disbursements to support development activities within the mandate of LG.</p> <p><u>by LG:</u> Primarily Pradeshiya sabhas, possibly Divisional Secretaries, Municipal and Urban Councils</p> <p>UNIT: \$Mn</p>	TBD													
2) PERCENTAGE OF PEOPLE WITH ACCESS TO LEGAL SERVICES AND INFORMATION	<p><u>Percentage of people:</u> percentage of total population of Sri Lanka aged 18 and over</p> <p><u>Access to legal services:</u> People whose pending case has been heard within the court system/mediation board</p> <p><u>Access to information:</u> People who are satisfied with the print/electronic media as a primary source of information relevant to their needs</p> <p>UNIT: percentage</p>	TBD													
<p>Comments/Notes: TBD = To be determined by June 95. Once the cooperative agreement is established, targets can be set.</p>															

DATA FOR SO3 - BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
3) PERCENTAGE OF PEOPLE WHO BELIEVE LOCAL GOVERNMENT IS RESPONSIVE TO THEIR NEEDS	<p><u>Percentage of people:</u> percentage of total population of Sri Lanka aged 18 and over</p> <p><u>Who believe Local Government:</u> People</p> <p><u>is responsive to their needs:</u> People who are satisfied</p> <p>UNIT: percentage</p>	TBD													
Comments/Notes: TBD = To be determined by June 95. Once the cooperative agreement is established, targets can be set.															

DATA FOR IR3.1 -- BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.1: INCREASED EFFECTIVENESS OF LOCAL INSTITUTIONS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS												
		YEAR	VALUE	1995		1996		1997		1998		1999		2000		
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	
1) NUMBER OF STRENGTHENED TARGETED NGOS & LOCAL GOVERNMENTS INSTITUTIONS	<u>Strengthened:</u> Achieving a defined rating by meeting minimum criteria for: Democratic structures (NGO) Diversity and # of membership (NGO) Level of budgetary resources (NGO & LG) Types of "umbrella activities" (LG) Transparency requirements (NGO & LG)															
	<u>Targeted NGOs:</u> one or two CIPART assisted NGOs specializing in such sectors as micro-enterprise development for women or youth, relief and rehabilitation and fundamental rights, with a stated mandate to strengthen member NGOs.															
	UNIT: # of NGOs & LG															
	NGO	0	0	0	1		2		2		2		1			
LG	0	0	0	0		5		13		13		14				
TOTAL	0	0	0	1		7		15		15		15				
Comments/Notes:																

DATA FOR IR3.1 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.1: INCREASED EFFECTIVENESS OF LOCAL INSTITUTIONS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
2) NUMBER OF STRENGTHENED COMMUNITY GROUPS	<p>Strengthened: Achieving a defined rating by meeting minimum criteria for: democratic structure of organization; Level of funding Sustainability Transparency</p> <p>Community Groups: project assisted groups organized at the community level to accomplish a common goal. UNIT: number of groups</p>														
	MARD	1994	0	50	74										
	SCOR	1994	0	50	20	100		100		150					
	FOA	1994	0	0	0	0		0		20		30		30	
	CARE	1994	0	2	2	2		3		4		4			
	CIPART	1995	0	0	0	0		55		85		100		100	
TOTAL		0	102	96	102		158		259		134		130		
<p>Comments/Notes: TITLE III impacts on farmer organizations cannot be easily tracked.</p>															

DATA FOR IR3.1 - BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.1: INCREASED EFFECTIVENESS OF LOCAL INSTITUTIONS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
3) NUMBER OF DEVELOPMENT PROJECTS JOINTLY IMPLEMENTED BY LOCAL GOVERNMENT AND NGOS	<p><u>Development Projects:</u> Projects resulting from the establishment of a jointly administered development fund which will meet basic criteria concerning people's participation development priorities, environmental considerations and sustainability</p> <p>UNIT: number of projects</p>	1994	0	0		0		5		16		22		30	
Comments/Notes:															

DATA FOR IR3.2 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE IN DEMOCRACY

Intermediate Result 3.2: MORE RESPONSIVE AND RESPONSIBLE MEDIA

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1995		1996		1997		1998		1999		2000	
				EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1) NUMBER OF ELECTRONIC MEDIA AND PUBLICATIONS WITH MULTI-SOURCE REPORTING	<p><u>Electronic media:</u> Two Television Stations: SLRC - Rupavahini and ETV - 1 One Radio Station: SLBC</p> <p><u>Publications:</u> Two English language newspapers: The Daily News and The Sunday Times Two Sinhala language newspapers: Lanka Deepa and Divaina 1 Tamil language newspaper: Virakesari</p> <p><u>multi-source reporting:</u> Greater accuracy in reporting facts, figures and events with multiple sources for news stories</p> <p>UNIT: Number of publications</p>	1994	0	0		1		1		2		2		2	
Comments/Notes:															

DATA FOR IR3.2: BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.2: MORE RESPONSIVE AND RESPONSIBLE MEDIA

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
2) PERCENTAGE OF CITIZENS WITH INFORMATION ON NATIONAL AND LOCAL ISSUES	<p><u>Percentage of citizens:</u> percentage of total population of Sri Lanka aged 18 & over</p> <p><u>with information:</u> knowledge received through print and electronic media</p> <p><u>on national issues:</u> economic (business environment, inflation, taxes & employment)</p> <p><u>local issues:</u> economic (jobs, business opportunities), social (schooling of children, health), political (local elections)</p> <p>UNIT: % of people</p>	TBD													
<p>Comments/Notes: TBD = To be determined by The Asia Foundation (TAF) by 9/30/95. Once the agreement with the Asia Foundation is established, targets can be set.</p>															

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DATA FOR IR3.3 -- BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.3: INCREASED EFFECTIVENESS OF DISPUTE RESOLUTION SYSTEMS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
1. NUMBER OF BACKLOG CASES IN COURTS OF APPEAL	<p><u>Backlog</u>: Pending cases with no resolution</p> <p><u>Case</u>: A case resolved by the Court of Appeals for decision</p> <p>UNIT: # of cases</p>	1993	18,000												
		1994	14,000	13000	11340	10000		9000		8000		7000		6000	
2. NUMBER OF PEOPLE USING MEDIATION BOARDS	<p><u>Mediation boards</u>: Current National Mediation Boards within the Ministry of Justice, including future mediation boards to be established in the North and East.</p> <p>UNIT: # of people</p>	1994	184000	200000	203988	215000		230000		245000		260000		275000	
Comments/Notes:															

DATA FOR IR3.3 – BASELINE, EXPECTED RESULTS, AND ACTUAL RESULTS

Strategic Objective 3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY

Intermediate Result 3.3: INCREASED EFFECTIVENESS OF DISPUTE RESOLUTION SYSTEMS

INTERMEDIATE RESULT INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
				1995		1996		1997		1998		1999		2000	
		YEAR	VALUE	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L	EXP'D	ACT'L
3) PERCENTAGE OF MEDIATION BOARD CASES RESOLVED	<p><u>Percentage of mediation board cases resolved</u>; the number of cases resolved as a percentage of the number of cases brought to mediation boards</p> <p>UNIT: % of resolved cases</p>	1994	59%	60%	56%	61%		62%		63%		64%		65%	
Comments/Notes:															

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February 12, 1996

MEMORANDUM

TO : See Distribution
FROM : ANE/SA: James VanDenBos
SUBJECT: Agency Review of the Sri Lanka R4.

Attached is the Sri Lanka Results Review and Resource Request (R4). Please review and provide issues by E-Mail to Donald Soules in ANE/SEA by **COB Wednesday, February 21**. It is critical for us to receive your issues by the due date so that we can elicit Mission feedback prior to the issues meeting.

The Review Schedule is as follows:

	<u>Date</u>	<u>Place</u>	<u>Time</u>
R4 Issues Meeting	Feb. 27	Room 3524 NS	9:00-11:00 am
R4 Senior Level Review	Feb. 29	Room 3524 NS	2:00- 4:00 pm

The focus of R4 reviews is on the Mission's progress toward achieving strategic objectives and associated budget implications. In general, the standard R4 review is not a forum to reopen larger strategic decisions which were made during previous Agency wide strategy reviews. The attached reporting cable (STATE 141358) records the agreements resulting from last year's strategy review.

We request that each office submit an issues paper which collectively represents the office's issues and concerns. Issues should be presented clearly and succinctly in one, (maximum two) sentences. A brief discussion may follow the issue, if necessary, and should not exceed a brief paragraph (or approximately 4 sentences). This should be followed by a recommendation or options; again, no recommendation or option should be longer than a sentence. Long technical descriptions in the issues paper are discouraged.

In addition, we are requesting that the representative for each office be prepared and empowered to discuss and resolve these issues during the course of the meetings. At the conclusion of

the DAA-chaired R4 Review Meeting (February 29), the country development officer (desk officer) will summarize the decisions made at the meeting and agreement will be asked of the office representatives present.

A reporting cable will be prepared and sent to the Mission within two weeks of the final meeting. Both internal ANE offices and central Bureaus (M, PPC, G, BHR) will be given five days to clear, in writing, the reporting cable to allow the Bureau to respond to the field in a timely manner. A more detailed memo regarding ANE's R4 Submission and Review Procedures can be obtained from ANE/SEA upon request.

Attachment: R4 Document.
Strategy Review Cable dated June 10, 1995

Sri Lanka R4 Distribution List

<u>Office</u>	<u>Name</u>	<u>No. of Copies</u>	<u>Room</u>	<u>Phone</u>
<u>New State</u>				
AA/ANE	Margaret Carpenter	1	6212	647-8298
DAA/ANE	Fritz Weden	1	6212	647-8584
DAA/ANE	Terrence Brown	1	6212	647-8584
POL/AA	Colin Bradford	1	3892	647-8592
POL/DAA	Christianson-Wagner	1	3892	736-4860
AA/G	Sally Shelton	1	4942	647-1847
DAA/G	Anne VanDusen	1	4942	647-4322
ANE/ORA	Frank Young	5	3313A	647-5624
ANE/SA	S. Chernenkoff	5	3318	647-9608
ANE/CLS	Linda Leduc	1	3313	647-9064
ANE/EMS	Roberta Gray	1	3208	647-7302
ANE/EMS	Sharon Nichols	1	3208	647-7474
ANE/EA	Judy Gilmore(cc)	1	3310A	647-9608
ANE/ME	Phil Gary (cc)	1	3214	647-2727
ANE/ENA	Frank Miller(cc)	1	3210A	736-7458
PPC/PAR	Mike Rugh	2	3942	647-8768
PPC/SP	Michael Crosswell	1	3889	647-7073
PPC/SP	Larry A. Garber	1	3889	647-7071
PPC/SP	Glenn T. Prickett	1	3673	647-8244
PPC/PAR	Rose Marie Depp	1	3947	647-8558
PPC/PC	Vince Cusumano	1	3673	736-4863
PPC/ECON	Don Sillers	1	3957	647-8679
PPC/SP	Diane LeVoy	1	3889	647-7057
PPC/SP	Hiram Larew	1	3889	647-7065
PPC/IDP	Paula Bagasao	1	3881	647-7042
PPC/IDP	Alan VanEgmond	1	3637	647-0600
PPC/DEM	Jim Vermillion	1	3889	647-7109
G/DG	Roberto Figueredo	1	5258	736-7891
G/DG	Patrick Fn'Piere	1	5258	736-7887
LPA	Carol Kiranbay	2	2895	647-4632
M/MPI/MIC	Larry Laird	1	3310	647-9189
M/B	Richard Nygard	1	3938	647-8738
M/B	Jim Painter	1	3938	647-5813
M/B	Steve Ryner	1	3841	736-4297
M/B	Larry Dominessy	1	3841	647-6619
GC/ANE	Natalie Freeman	1	3328	647-9249
BHR/OFDA	Raymond Dionne	1	1262A	647-7335
USAEP	Lew Reade(cc)	2	3208	647-5861
STATE/INS	Dan Lawton	2	5251	647-2351
<u>SA-2</u>				
ANE/SEA	Dirk Dijkerman	2	103	663-2613
ANE/SEA/RPM	Donald Soules	10	103	663-2621
ANE/SEA/SPA	Carol Becker	10	103	663-2615
ANE/SEA/EA	Gregg Baker	3	103	663-2637
G/EG/EIR	Rebecca Maestri	3	500	663-2342

SA-14

PPC/HRDM	Lucy Sotar	1	132	875-1596
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SA-18

G/PDSP	Tim Mahoney	2	309	875-4216
G/PDSP	Lynn Shanklin	10	309	875-4660
G/ENV	George Taylor	5	509D	875-4630
PPC/CDIE	Maury Brown	1	209F	875-4849
PPC/CDIE	Graham Kerr	2	306	875-4116
PPC/CDIE	Harriett Destler	1	306	875-5810
PPC/CDIE	Suszette Rosier	1	311	875-4817
PPC/CDIE	Margaret Pope	1	209	875-4996

SA-38

G/WID	Rebecca Jennings	1	900	816-0238
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SA-8

BHR/PPE	Jim Dempsey	1	357	351-0102
BHR/FFP/DP	James Lehman	1	315	351-0168
BHR/PVC	Bob Kramer	1	725	351-0222
BHR/FFP/ER	David Hagen	1	343	351-0166

ANSA: /tel2/.95/06/10/00076m
ANSA AAG AANE ANCL ANEP ANMS BHR DUTY FFP FVPP GAFS GC GCAN LBEG LENV
MB OPA OPCC OPE OPOD OPPI OPTR POP PPDC PPOD PPSP SEC STAG STN

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INFO LOG-00 AGRE-00 TEDE-00 NEA-01 SA-01 /002R

DRAFTED BY: AID/ANE/SA:JVANDENBOS:LAT
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E.O. 12356: N/A

TAGS:
SUBJECT: SRI LANKA COUNTRY PROGRAM STRATEGY DOCUMENT

CONCLUSIONS OF SRI LANKA PROGRAM WEEK MEETINGS, MARCH 20-23, 1995, CHAIRED BY LINDA MORSE, DAA/ANE.

1. DURING PROGRAM WEEK, MARCH 20-23, 1995, THE AGENCY REACHED AGREEMENT ON A STRATEGY AND ACTION PLAN FOR SRI LANKA, SUBJECT TO THE FOLLOWING COMMENTS AND ACTIONS TO BE
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COMPLETED. THE MISSION HAS BEEN DELEGATED THE AUTHORITY TO PROCEED WITH NAD DEVELOPMENT AND IMPLEMENTATION.

2. THE MISSION WILL PROCEED WITH IMPLEMENTING THE STRATEGY AND REPORTING ON RESULTS. FORMAL DELEGATION OF AUTHORITIES TO MANAGE AND IMPLEMENT THE STRATEGY UNDER A RE-ENGINEERED AGENCY SYSTEM IS DEFERRED UNTIL THE AGENCY FINALIZES REMAINING OPERATIONAL CONSIDERATIONS (E.G., CONTENT AND DETAIL OF USAID/W-MISSION MANAGEMENT CONTRACT, EXTENT OF THE DELEGATIONS OF AUTHORITIES). AT THAT TIME, ANE WILL WORK WITH THE MISSION TO TRANSITION THE CURRENT STRATEGY AGREEMENT INTO A FORMAL MANAGEMENT CONTRACT, AS NECESSARY.

GENERAL

3. GRADUATION STRATEGY. THE CONCERN WAS RAISED AS TO WHETHER OR NOT THE AGENCY STRATEGY FOR SRI LANKA SHOULD BE ONE OF GRADUATION. THE AGREEMENT WAS THAT, AT PRESENT, IT IS PREMATURE TO ESTABLISH AN EXPLICIT GRADUATION STRATEGY. CENTRAL TO THIS IS THE UNDERSTANDING THAT ECONOMIC PROGRESS TO DATE REMAINS FRAGILE AND THAT THE RESOLUTION OF THE ETHNIC WAR (WHICH IS ABSORBING 4.5 PERCENT OF THE GDP) IS ESSENTIAL TO THE ESTABLISHMENT OF LONGER TERM ECONOMIC SUSTAINABILITY.

4. WHILE SRI LANKA CAN POINT TO CONSIDERABLE ACCOMPLISHMENTS IN TERMS OF LIFE EXPECTANCY (OVER 70), INFANT MORTALITY (17.6/1000), AND LITERACY (ALMOST 90 PERCENT), THE PER CAPITA INCOME REMAINS LOW (DOLS 588), UNEMPLOYMENT AND UNDEREMPLOYMENT REMAIN HIGH, AND PERHAPS
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MOST CRITICAL, MALNUTRITION IS VERY HIGH (SRI LANKA RANKS 92ND OUT OF 97 LDCOS). SRI LANKA HAS BEEN ABLE TO MAINTAIN SOME OF ITS SOCIAL SECTOR PROGRESS DUE TO THE DEVELOPMENT AND SUSTAINED IMPLEMENTATION OF A VERY EFFECTIVE SOCIAL SAFETY NET. AS A CONSEQUENCE, USAID HAS BEEN ABLE TO PHASE OUT OF THE HEALTH AND FAMILY PLANNING ACTIVITIES. IF SRI LANKA CAN ESTABLISH LONG TERM POLITICAL STABILITY AND MORE RAPID ECONOMIC GROWTH, IT MIGHT BE ABLE TO ACHIEVE SUSTAINABLE DEVELOPMENT BY THE END OF THE NEXT DECADE.

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STRATEGY

5. STRATEGIC FRAMEWORK. THE OVERALL STRATEGIC FRAMEWORK FOR SRI LANKA, WITH THREE STRATEGIC OBJECTIVES--ONE FOR ECONOMIC GROWTH, ONE FOR DEMOCRACY, AND ONE FOR ENVIRONMENT--IS APPROVED. THE STRATEGIC OBJECTIVES WILL REQUIRE MODIFICATIONS DESCRIBED BELOW. THE AGENCY STRATEGY IN SRI LANKA IS FOCUSED ON ECONOMIC GROWTH. USAID EFFORTS IN DEMOCRACY AND ENVIRONMENT ARE ALL KEYED TO INCREASING THE LIKELIHOOD THAT ECONOMIC GROWTH IN SRI LANKA BECOMES SUSTAINABLE IN THAT SRI LANKANS WILL BE ABLE TO FINANCE THE PUBLIC AND PRIVATE COSTS OF CONTINUED DEVELOPMENT THEMSELVES. THIS FOCUS ACKNOWLEDGES THE SIGNIFICANT ACHIEVEMENT MADE IN KEY SOCIAL INDICATORS AND THE NEED NOW TO MAKE THOSE ADVANCES SUSTAINABLE.

6. THE MISSION WILL SUBMIT A REVISED STRATEGIC OBJECTIVE TREE AND INDICATORS SO THAT THE CHANGES CAN BE REFLECTED IN THE FORTHCOMING BUREAU BUDGETING EXERCISE.

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(A) STRATEGIC OBJECTIVES.

7. SUSTAINABLE DEVELOPMENT AREA: ECONOMIC GROWTH.

STRATEGIC OBJECTIVE 1 IS MODIFIED TO READ QUOTE, INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME, UNQUOTE. MISSION WILL CONTINUE WITH ITS THREE-PRONG THRUST: POLICY REFORM, ENTERPRISE DEVELOPMENT AND TECHNOLOGY TRANSFER, AND FACILITATION OF PRIVATE SECTOR INVESTMENT. THIS THRUST BUILDS ON MISSION ACTIVITIES AND SUCCESSES TO DATE. FOR EXAMPLE, ONE MISSION PROJECT WHICH IMPROVES THE FUNCTIONING OF FINANCIAL MARKETS HAS ALREADY GENERATED OVER 50,000 NEW JOBS, IN ADDITION TO HAVING MOBILIZED THE NECESSARY CAPITAL TO CREATE THOSE JOBS HAVING ESTABLISHED NEW REGIONAL EXPORT MARKETS. THE MISSION HAS ALSO BEEN A LEADING ADVOCATE AND SUPPORTER OF NUMEROUS POLICY CHANGES IMPLEMENTED OVER THE PAST SEVERAL YEARS (SEE MISSION 'CPS AND RESULTS TO DATE PAPER). GIVEN USAID'S ACTIVITIES AND PERFORMANCE TO DATE AND SRI LANKA'S LONG-STANDING SENSITIVITY ON EQUITY AND DISTRIBUTION, A MAJORITY OF NEW JOBS AND INCOME INCREASES CAN REASONABLY BE EXPECTED TO BE OBTAINED BY LOWER INCOME SRI LANKANS.

LAUTENBERG/PD 20. THE REVIEW NOTED THAT MANY OF THE ACTIVITIES THAT THE MISSION IS PLANNING ARE IN THE ECONOMIC GROWTH AREA. AID/W ASSUMES THAT THE MISSION WILL CAREFULLY REVIEW THE IMPLICATIONS OF THE LAUTENBERG AND BUMPERS AMENDMENTS AND AGENCY POLICY DETERMINATION 20 IN DESIGNING AND IMPLEMENTING THESE ACTIVITIES.

8. CORRESPONDINGLY, INDICATORS MEASURING PROGRESS TOWARD
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THE ACHIEVEMENT OF THE S.O. WOULD, TO THE EXTENT PRACTICABLE, CHANGE TO MEASURING INCOME AND EMPLOYMENT INCREASES. IN IDENTIFYING THESE S.O. INDICATORS, THE MISSION WILL SPECIFY THE MAGNITUDE OF THE RESULTS PROJECTED BY THE END OF THE STRATEGY PERIOD. MEASUREMENT OF STUNTING AND WASTING MAY BE MAINTAINED AS IT OFFERS A PROXY MEASURE ON THE EXTENT TO WHICH THE NEW JOBS AND INCOME ARE RAISING THE LIVING STANDARDS OF THE POOR. MEASUREMENTS OF INVESTMENT, WHILE THEY REMAIN RELEVANT, ARE MORE INDIRECT AND WOULD MORE APPROPRIATELY BE USED AT THE PROGRAM OUTCOME LEVEL. SOME CHANGES FOR PROGRAM OUTCOMES AND INDICATORS WILL ALSO BE REQUIRED, MOST NOTABLY PROGRAM OUTCOME 1.2 WILL CHANGE TO QUOTE, ADOPTION OF IMPROVED TECHNOLOGIES, UNQUOTE.

9. PL 480 TITLE III. THE STRATEGY WAS PREPARED WITH THE EXPECTATION OF NO LONGER HAVING A TITLE III PROGRAM IN SRI LANKA. PROGRAM OUTCOME 1.4 (FOOD SECURITY) WILL REMAIN FOR THE TIME BEING UNTIL RESOURCES ALREADY OBLIGATED ARE DISBURSED. INDICATORS FOR THIS P.O. WILL BE LOWERED TO REFLECT WHAT CAN BE ACHIEVED WITH EXISTING RESOURCES.

THIS PROGRAM OUTCOME WILL BE REVIEWED IN FY 1996, AT WHICH TIME IT WILL BE KNOWN IF ADDITIONAL PL480 TITLE III RESOURCES CAN BE MADE AVAILABLE.

10. IN LIGHT OF THE RECENTLY PROPOSED ROLL-BACK OF THE PL480 TITLE III RESCISSION BY THE HOUSE APPROPRIATIONS

COMMITTEE, ANE WILL INQUIRE ABOUT THE AVAILABILITY OF THIS RESOURCE TO THE REGION AND HOW ANE COULD MAKE EFFECTIVE USE OF THIS RESOURCE (ANE/SEA ACTION). WITH THE
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MULTI-YEAR TITLE III AGREEMENT WITH THE GOVERNMENT OF SRI LANKA (GSL) IN PLACE, COUPLED WITH A POTENTIAL HUMANITARIAN NEEDS CRISIS IN THE NORTH-EAST CIVIL WAR ZONE, SRI LANKA REMAINS READY TO QUICKLY ABSORB AND EFFECTIVELY USE THIS RESOURCE. THE SRI LANKA TITLE III PROGRAM REMAINS WIDELY ACCEPTED AS ONE OF THE BEST EXAMPLES OF AN EFFECTIVE DEVELOPMENT-ORIENTED TITLE III PROGRAM (SEE MISSION RESULTS PAPER ON ACCOMPLISHMENTS TO DATE).

11. USAID/SRI LANKA HAS PROVIDED CORRECTED INFORMATION VIA CABLE TO ANE AND BHR REGARDING SRI LANKA'S FOOD SECURITY STATUS (COLOMBO 001971 OF 4/10/95). BHR AND PPC WILL REVIEW THE RANKING OF SRI LANKA IN LIGHT OF THIS UPDATED INFORMATION, AND RESPOND ACCORDINGLY.

12. TITLE I. GIVEN THE UNCERTAINTY OF TITLE III, THE AGENCY AND MISSION WILL CONTINUE TO LOOK FOR OTHER RESOURCES. ANE, PPC AND BHR WILL PURSUE WITH USDA THE POSSIBLE ENHANCED UTILIZATION OF PL480 TITLE I AS A RESOURCE FOR CONTINUED POLICY DIALOGUE WITH THE GSL. AGENCY FLEXIBILITY IN THIS AREA MAY BE RESTRICTED BY THE ONGOING AS WELL AS THE UPCOMING FARM BILLS, AND PAST AGREEMENTS BETWEEN USDA AND USAID. MISSION WILL CONTINUE TO PURSUE THE TITLE I RESOURCE WITH THE U.S. EMBASSY IN COLOMBO AS CIRCUMSTANCES MERIT. HOWEVER, BHR INDICATED THAT THE FUTURE OF TITLE I MAY BE EVEN LESS CERTAIN THAN THAT OF TITLE III.

SUSTAINABLE DEVELOPMENT AREA: ENVIRONMENT.
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13. FOR STRATEGIC OBJECTIVE 2, THE AGENCY AGREES WITH THE MISSION'S EMPHASIS ON POLICY AND ITS IMPLEMENTATION, AND THIS S.O. IS APPROVED WITHOUT NEED FOR MODIFICATION. THIS EMPHASIS REPRESENTS AN EVOLUTION OF USAID'S EARLIER EFFORTS TO SUCCESSFULLY DEVELOP A NATIONAL ENVIRONMENTAL STRATEGY AND ACTION PLAN WITH THE SRI LANKANS. TO DATE, THESE JOINT USAID-SRI LANKA EFFORTS HAVE HELPED LEAD TO TWO MAJOR COMPLEMENTARY INVESTMENTS BY THE WORLD BANK AND ASIAN DEVELOPMENT BANK.

SUSTAINABLE DEVELOPMENT AREA: DEMOCRACY.

14. STRATEGIC OBJECTIVE 3 IS MODIFIED TO READ QUOTE, GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY, UNQUOTE. THIS ADJUSTMENT ADDS CLARITY TO THIS S.O. BY PLACING THE EMPHASIS ON DEMOCRACY AND REMOVING ANY PERCEPTIONS OF DUPLICATION WITH S.O.L.

(B) TARGETS OF OPPORTUNITY.

15. USAID RESPONSE TO PEACE. U.S. GOVERNMENT POLICY IS TO PROMOTE PEACE, AND USAID'S DEVELOPMENT ROLE IS TO MAKE PEACE A SUSTAINABLE PROCESS. GIVEN THE SIGNIFICANCE THAT THE U.S. PLACES ON PEACE IN SRI LANKA, THE USG HAS ACKNOWLEDGED SUPPORT TO THIS PROCESS AT THE APRIL 1995 CONSULTATIVE GROUP MEETING.

16. HIV/AIDS. THE AGENCY WILL PROCEED WITH THIS TARGET OF OPPORTUNITY. WHILE SMALL AMOUNTS OF RESOURCES ARE INVOLVED, USAID IS ALREADY THE LEAD DONOR. USAID HAS
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TAKEN STEPS TO INCREASE THE ROLE AND RESPONSIBILITIES OF NGOs, INCLUDING AN INTERNATIONAL HIV/AIDS NGO, IN INCREASING HIV/AIDS AWARENESS AND PREVENTION IN SRI LANKA. THE APPROACH IS SENSITIVE TO MANAGEMENT IMPLICATIONS.

ACTION PLAN.

RESOURCE MIX.

17. OPERATING EXPENSE AND STAFF. GIVEN THE APPARENT LOSS

OF PL 480 TITLE III, THE DROP FROM 17 TO 12 USDH OVER THE LAST 36 MONTHS, AND MISSION'S REORGANIZATION EFFORTS, THE STAFF TO DEVELOPMENT RESOURCE MIX APPEARS TO BE IN BALANCE.

18. DEVELOPMENT ASSISTANCE. IN PREPARING THE STRATEGY AND BUDGET SCENARIOS, THE MISSION USED THE CONTROL NUMBERS PROVIDED TO THE MISSION BY THE ANE BUREAU FOR THE CPS/ACTION PLAN DRAFTING (I.E. ACTUAL DATA FOR FY 95 AND THE CP LEVEL FOR FY 96 USED FOR BOTH FY 96 AND FY 97). THE MISSION STATED THAT AT SUSTAINABLE DEVELOPMENT ASSISTANCE LEVELS BELOW \$13.0 MILLION (A 30 PERCENT DROP FROM THE \$18.8 MILLION CP LEVEL FOR FY 96), THE MISSION BEGINS TO FACE MORE SERIOUS CONSIDERATIONS BETWEEN CARRYING THE FULL CPS AGENDA OF S.O.'S AND P.O.'S, AND MAINTAINING RESPONSIBLE PIPELINE LEVELS.

GLOBAL BUREAU SUPPORT.

19. MISSION HAS SUBMITTED THREE REQUESTS FOR G BUREAU

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SUPPORT. THERE HAS BEEN SOME RESPONSE, BUT THE MISSION WILL CONTINUE TO MEET WITH GLOBAL BUREAU CENTERS TO CLARIFY NEEDS AND DETERMINE FEASIBLE FIELD SUPPORT LEVELS, ESPECIALLY IN FY 1995, BUT ALSO IN FY'S 1996 AND 1997. MISSION NEEDS ARE MORE THAN THE GLOBAL BUREAU IS PRESENTLY ABLE TO PROVIDE. AREAS WHERE THERE ARE SHORTFALLS INCLUDE: DEMOCRACY, NUTRITION, AIDS, AND ECONOMIC GROWTH. FOR FY 1996, THE MISSION SHOWS A SIZABLE INCREASE IN ITS REQUEST FOR GLOBAL BUREAU FIELD SUPPORT IN THE AREA OF ECONOMIC GROWTH. MISSION WAS CAUTIONED THAT THIS AREA HAS THE LEAST AMOUNT OF FUNDS OF ALL THE GLOBAL CENTERS.

20. GLOBAL BUREAU PROJECTS. THE FOLLOWING ARE GLOBAL BUREAU FIELD SUPPORT PROJECTS ACTIVE IN SRI LANKA. THE GLOBAL BUREAU CERTIFIES THIS LIST TO BE COMPLETE:

936-5122 OMNI, OPPORTUNITIES FOR MICRO-NUTRIENT MALNUTRITION
936-5110 IMPACT, FOOD STAMP/NUTRITION PROGRAM ASSESSMENT
936-5448 GEMINI, GROWTH AND EQUITY THROUGH MICRO-ENTERPRISE INVESTMENT AND INSTITUTIONS
940-0406 MIP/PRIME, PROGRAM FOR INNOVATION IN MICRO-ENTERPRISE
936-4201 APAP III, AGRICULTURAL POLICY ANALYSIS PROJECT
936-4214 RAP, REGIONAL AGRIBUSINESS PROJECT
940-0016 P&D, PRIVATIZATION AND DEVELOPMENT
298-0377 DEMOCRATIC INSTITUTIONS SUPPORT
398-0263 ASIA-AMERICAN FREE LABOR INSTITUTE
499-0002 ASIA DEMOCRACY PROGRAM
936-5555 EPAT, ENVIRONMENTAL AND NATURAL RESOURCES
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POLICY AND TRAINING
936-5559 EP3, ENVIRONMENTAL POLLUTION PREVENTION PROGRAM

21. CORE RESEARCH. LATER IN FY 1995, G WILL ASSEMBLE A LIST OF CORE RESEARCH ACTIVITIES BEING FUNDED IN SRI LANKA. THE MISSION AND ANE WILL REVIEW THIS LIST TO SEE IF GREATER USE CAN BE MADE WITHIN THE CURRENT STRATEGY.

22. PIPELINE.

THE MISSION PIPELINE IS AT ABOUT NINE MONTHS. ALTHOUGH LOW BY AGENCY STANDARDS, IT WAS AGREED THAT SRI LANKA'S FINANCIAL MANAGEMENT SYSTEM AND OBLIGATION/EXPENDITURE RECORD ALLOW THE BUREAU AND MISSION TO ACCEPT A NINE-MONTH PIPELINE.

NAD.

23. THE SEGP NAD IS APPROVED. MISSION WILL PROCEED WITH THE DESIGN AND OBLIGATE ONCE THE DESIGN IS COMPLETE. THE BUREAU COMPLIMENTED THE MISSION ON ITS INNOVATIVE APPROACH OF COMBINING OLD PROJECTS WITH NEW UNDER ONE PROGRAM (STRATEGIC OBJECTIVE) WITHOUT NEED TO DEOBLIGATE/REOBLIGATE. THE BUREAU INDICATED THAT THIS MAY SERVE AS A MODEL FOR OTHER MISSIONS AS THEY MOVE FROM THE PAST TO THE FUTURE (I.E. RE-ENGINEERING).

24. CATEGORY C: SRI LANKA HAS ONLY ONE CATEGORY C PROJECT: PROMOTION OF PRIVATE INFRASTRUCTURE (PPI). THE MISSION HAS TERMINATED ITS TA UNDER THIS PROJECT, WHICH UNCLASSIFIED

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STOPPED MAJOR DISBURSEMENTS. THE MISSION ALSO SENT A PROJECT IMPLEMENTATION LETTER TO THE GOVERNMENT. THE LETTER, WHICH WAS JOINTLY DEVELOPED WITH THE GOVERNMENT, STIPULATED A SERIES OF REGULATORY AND POLICY DECISIONS REQUIRED IN ORDER TO PUT THE PROJECT BACK ON TRACK. MISSION WILL CONTINUE TO MONITOR THE PROJECT CLOSELY.

25. AIDS FUNDING. THERE ARE NO FY 1995 GLOBAL BUREAU RESOURCES AVAILABLE FOR SUPPORTING HIV/AIDS ACTIVITIES IN SRI LANKA. USAID/SRI LANKA HAS SUBMITTED A REQUEST FOR ANE BUREAU REGIONAL HIV/AIDS FUNDS. THE MISSION REQUEST WILL BE TAKEN INTO CONSIDERATION AS THE BUREAU DEVELOPS AND APPROVES A WORKPLAN FOR OBLIGATING FY 1995 ANE HIV/AIDS FUNDS.

26. OUTSTANDING ACTIONS. IN SUMMARY, THE FOLLOWING ACTIONS ARE TO BE TAKEN:

(A) THE MISSION WILL SUBMIT A REVISED STRATEGIC OBJECTIVE TREE TO INCLUDE, AT A MINIMUM, THE FOLLOWING:

-THE CHANGES TO STRATEGIC OBJECTIVE 1 AND RELATED INDICATORS DESCRIBED IN PARAS 7 AND 8 ABOVE;

-MODIFICATIONS TO INDICATORS FOR PL480 TITLE III TO BRING THEM IN LINE WITH EXISTING RESOURCES;

-STRATEGIC OBJECTIVE 3 WILL BE MODIFIED PER PARA 9

(B) ANE WILL CONTINUE TO PURSUE PL480 TITLE III AND TITLE I RESOURCES FOR SRI LANKA (PARAS 10, 11 AND 12 ABOVE)
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(C) AT THE NEXT CONSULTATIVE GROUP MEETING, ANE WILL ACKNOWLEDGE THE IMPORTANCE THAT THE USG PLACES ON THE PEACE PROCESS IN SRI LANKA.

(D) THE MISSION WILL PROCEED WITH THE DESIGN AND OBLIGATION OF THE NAD.

(E) GLOBAL BUREAU HAS PROVIDED A COMPLETE LIST OF ACTIVE FIELD SUPPORT IN SRI LANKA IN THIS CABLE, AND WILL PROVIDE A LIST OF CORE RESEARCH PROJECTS ACTIVE IN SRI LANKA AT A LATER DATE IN FY 1995.
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