

*U S A I D / S R I L A N K A*

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*RESULTS REVIEW & RESOURCE REQUEST*

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*COLOMBO - MARCH 1998*

## **Please Note:**

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The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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## **PART 1**

### **1.0 OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE**

The Government of Sri Lanka (GSL), one of South Asia's oldest and most stable democracies, is a responsible and committed development partner. It has long been known for its successful programs in the social sectors, with quality of life indicators exceeding those of countries with a similar per capita income. The GSL also has a noteworthy track record for promoting growth with equity.

The U.S. Government's foreign policy objectives in Sri Lanka are: (1) Promotion of a peaceful, democratic resolution of the ongoing civil conflict, including strengthening democratic institutions, particularly an efficient, non-partisan judiciary; (2) Promotion of continued expansion and liberalization of the Sri Lankan economy; and (3) Promotion of recognition and respect for human rights.

The performance of the economy in 1997 was strong compared to the previous two years. After a decade where GDP growth averaged about 4%, the economic picture in 1997 and the forecast for 1998 are more optimistic. GDP growth in 1997 is estimated at 6% (compared to 3.8% in 1996) and a further 6% growth rate is now projected for 1998. Unemployment dropped from 14% in 1996 to 10% in 1997 and inflation dropped from 16% to 9% during the same period. A balance of payments surplus of US\$ 400 million is estimated for 1997. The debt service ratio in 1997 is estimated at 13.0%, down from 15.1% in 1996. The budget deficit for 1997 is estimated at 7.6% of GDP, a significant decline from 9.5% in 1996. Despite the ongoing ethnic conflict and recent terrorist activities in Colombo, tourism is up 22% over 1996 levels.

The 1998 budget proposal includes several major policy reforms, primarily dealing with business sector taxes and tariffs. In some cases, tariffs on capital and intermediate goods imports have been eliminated and in other cases the duties have been dramatically reduced. The new budget also provides tax incentives for investors and liberalizes regulations dealing with foreign investment. There are currently over \$2 billion in projects in process to develop new, private infrastructure facilities. These include private power production, transport, transportation and environmental projects. Privatization of large agricultural plantations is moving forward. The management of eighteen plantations has been privatized, and six are now listed on the Colombo Stock Exchange (CSE).

In January 1998, local government elections were held in Jaffna for the first time in 14 years. Four of the political parties that participated in the election are former militant groups who have now entered the democratic process in the country. For the first time, a woman was appointed Mayor of the Jaffna Municipal Council. With support from USAID, the Human Rights Commission has now opened a regional field office in Jaffna. These events are positive signs, despite the continuation of the civil conflict.

## **PART II**

### **2.0 PROGRESS TOWARD OBJECTIVES**

#### **2.1 The Strategic Objective - Increased Private Sector Employment & Income**

##### **2.1.1 Performance Analysis**

Given the significantly reduced funding in 1997, USAID has performed extremely well in achieving the planned targets of the strategic objective and in helping more people to participate in economic growth. USAID restructured its original plans, and assistance focussed on the strategic objective (SO) of increasing private sector employment and incomes, which was achieved through two intermediate results (IRs): 1) expansion of private enterprises; and 2) improvement of the enabling environment.

USAID-assisted enterprises created a total of 9,271 jobs and exceeded its target by 25%. Approximately 980 of these jobs were in the informal sector. The main contributors towards the 7,465 formal direct jobs created were from the manufactured exports and agro-based production, processing and marketing enterprises assisted through the Technology Initiative for the Private Sector (TIPS) and Agro-Enterprise (AgENT) activities. Forty-four percent of these jobs went to women. These direct jobs represent 9.3% of the 1997 estimated net increase in employment in the manufacturing sector in Sri Lanka. In addition, USAID's support to the capital market resulted in the generation of 3,000 jobs through companies raising capital on the Colombo Stock Exchange (CSE). Given the recent negative sentiment and lower than expected investments in the Asian stock markets, this performance of 85% of target rates extremely well.

The IR covering the expansion of private enterprise is directly linked to the SO and had a significant impact on the achievements of the SO. Over 50 TIPS clients obtained exposure to new technologies and over 90 AgEnt clients adopted new processing technologies during 1997. This resulted in a \$8.6 million increase in the indicator on value of investments in new technologies by USAID activity clients which almost met its target. Joint TIPS/AgEnt offices which were opened in the Southern and Central Provinces assisted over 90 clients to increase broad-based participation in the economy by extending technology transfer outreach beyond Colombo.

New technology transfers helped clients improve quality, increase productivity and sales, and reach new markets. The value of domestic sales and exports of USAID clients totaled \$164.7 million and \$118.8 million, respectively, and performed well to exceed targets. TIPS assistance also helped over 65 small and medium sized manufacturing clients to acquire knowledge about market opportunities by forming linkages with foreign companies. To date, TIPS has assisted more than 375 clients in attending trade shows to introduce specific products intended for export and almost 250 clients in arranging business trips to foreign markets, while 58 new agro-products were marketed by AgEnt clients during the year. This assistance has not only addressed the

otherwise prohibitive cost to an individual enterprise of pioneering exports, but has also helped counteract fears of significant risk by the individual enterprises as the local business community has not been able to provide such specialized services which enterprises need in order to expand into overseas markets.

The Global loan portfolio guarantee program for micro and small enterprises (MSED) and the Micro-Enterprise Support Activity (MESA) contribute to the indicator on the value of loans to assisted micro and small enterprises. Only two of the targeted five banks under the MSED program renewed their guarantees in 1997, the other three have permanently dropped out of the program. The two participating banks made loans of \$1.3 million to 2,833 clients, against the targeted value of \$4.7 million for the five banks. MESA increased its value of loans to micro and small entrepreneurs by \$1.0 million and improved access of 26,582 women to capital through a development bank servicing rural women savers and borrowers. This activity has generated 400 informal jobs, and helped more people to become active and successful participants in the economic process. MESA's target also included \$1 million in loans to another micro-finance institution. The start-up of this activity was delayed due to operational issues which have now been resolved.

Although some targets for the second IR were not met, there was significant progress in the enabling environment. The Promotion of Private Infrastructure (PPI) activity strengthened the Bureau of Infrastructure Investment's capacity to provide valuable project development expertise and advice to line ministries, negotiate with project sponsors, and take the lead in financial and legal analyses. Project proposals include sectors such as ports, highways, power, industrial parks, railway and the airport. An estimated value of \$2.4 billion worth of project proposals are at various stages of technical and financial negotiations, e.g., a RFP is ready for issuance for a \$100 million private power plant; another RFP has been issued for a \$10 million solid waste system; a MOU has been signed for a private industrial park with an anticipated investment of \$100 million; and Cabinet approval has been given for the signing of a \$425 million mining operation with a U.S. company. These actions indicate a favorable performance in efforts to increase private sector financing of infrastructure.

The establishment of the automated trading system and the new central depository system (CDS) have improved the efficiency of the operations of the Colombo Stock Exchange, and have placed its infrastructure among the best in world. Operational improvements now allow for identification of clients with multiple registrations through different broker members of the Colombo Stock Exchange. This analysis was not possible when baseline and annual targets for the indicator on number of shareholders of publicly traded equity were established and therefore, unknowingly targets were based on an inflated number of account holders of the CDS which are now deemed unrealistic. Given these changes, performance of this indicator can be best measured by comparison of the change in account holders during 1996 and 1997. The new information reveals that there was a more than 300% increase in the number of "new" account holders of the CDS as the increases in 1996 and 1997 were 3,863 and 15,659 respectively. Thus, USAID efforts to increase ownership of share holdings has met with success. Also, it must be noted that the

actual ownership is greater than reported, since the number of registered account holders on the central depository system held only 45% of the total market capitalization at year end 1997.

Sri Lanka's corporate sector reported positive results in the third quarter in 1997, in contrast with almost every other market in the region which was hit by earnings disappointments. Reasons behind the revival in profit growth were a pick-up in economic activity driving consumer demand, increased exports, lower interest costs, higher commodity prices, a recovery in tourism and above all, a focus on cost control. Yet, these growth results were overlooked in the face of regional stock market problems. The bearish sentiment in the stock market returned in the third quarter, bringing the market to the low valuations last seen at the beginning of the year. This delayed announcement of new issues which contributed to the low volume of "new" capital raised. However, this bearish sentiment belies the strong fundamentals of the market, and market analysts forecast that the Sri Lankan blue-chip companies will deliver above average returns over the medium and long term, and will lead any rally in 1998. Expectations are also based on the belief that Sri Lanka's economy is poised at the commencement of a new growth cycle after over three years of contraction. The GSL's commitment to privatization of the plantations continued; two additional plantations with 40 estates were privatized during the year. More plantations are scheduled for privatization, and are expected to be oversubscribed when listed on the CSE.

The Financial Markets Project (FMP) component of the Private Sector Policy Support activity, assisted the CSE to establish an over-the-counter board and a second board for smaller listed companies. The FMP also assisted in drafting of legislation for the GSL to issue longer term securities which enabled the Central Bank of Sri Lanka to issue the first two-year treasury bond in March 1997 and the first four-year bond in May 1997.

GSL 1998 budget proposals announced important duty free concessions on imported agricultural production, processing, and marketing inputs. AgEnt helped identify these business impediments by working with individual enterprises, and provided leadership to associations in laying the groundwork for advocating and presenting the need for reform (including policy and regulatory impediments) to the GSL. Also, revisions in quarantine regulations for the import of hybrid corn and sunflowers seeds, which were made as a result of lobbying with the Department of Agriculture, will allow the import of improved seeds at considerable savings to farmers. ISO 9000 consultants trained by TIPS formed an Association for International Standards (Sri Lanka) for ISO 9000 certification in Sri Lanka and will continue efforts in promoting quality assurance procedures to improve products competing in local and foreign markets.

USAID carried out an internal evaluation of TIPS activities which highlighted the need for TIPS to identify and address manufacturing and export policy constraints faced by its clients. Finally, two significant studies were conducted under the TIPS activity: with the Ministry of Industrial Development, a review of economic policy which highlighted the policy constraints in relation to productivity; and with the Department of Commerce, a needs assessment which made recommendations on how the Department could strengthen its institutional capability to formulate

trade policy and to negotiate trade agreements, as Sri Lanka progressively opens its economy to global competition.

### **2.1.2 Expected Progress Through 2000 and Management Actions**

Although USAID/Sri Lanka continued to meet its targets for private sector employment and income, the number of jobs created, given budget levels through 2000, will inevitably be modest in comparison to labor force participation rates and what it would take to significantly reduce overall unemployment rates in Sri Lanka. USAID/Sri Lanka has proposed a revision to its CPS for the period 1998-2000 to focus on better support for Sri Lanka as a small emerging market. The revised strategy takes into account budgetary and staffing constraints.

In a more focused manner than in the past, USAID/Sri Lanka will work directly with both public and private stakeholders in Sri Lanka's trade sector, and address the policy constraints most important to expanding trade and investment opportunities in Sri Lanka. These constraints relate to areas where USAID/Sri Lanka has been active and successful in the past, priorities of the U.S. country team in Sri Lanka, and elements of the recently concluded IMF Article IV discussions.

Because of the more intense focus on the enabling environment for trade and investment, the Economic Growth SO will change, as well as the IRs, indicators and targets. Expected progress through 2000 is described in the revised CPS and does not include most of the indicators in the current strategy which are reported in this R4. USAID's principal partners, IESC, OSU/DAI and ISTI are developing workplans which reflect the new strategy and expected results. In the future, USAID also intends to use G/EG/EM mechanisms to support our policy reform, trade strategy, and financial markets programs.

## 2.1.3

## PERFORMANCE DATA TABLES

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME <b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>RESULT :</b> Increased Private Sector Employment and Income			
<b>INDICATOR:</b> SO1.1. Increase in total employment in targeted enterprises			
<b>UNIT OF MEASURE:</b> # of jobs	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Contractor/grantee progress reports	1996B	19,189	
<b>INDICATOR DESCRIPTION:</b> This indicator is a composite of five activity indicators, TIPS, AgEnt, SCOR, CIPNA and MESA. Baseline is the cumulative figure through end FY96.	1997	6,750	8,442
	1998	8,500	
<b>COMMENTS:</b> Unemployment dropped from 14% in 1996 to 10% in 1997. There was a net increase in employment of 80,000 (est.) jobs in the manufacturing sector in 1997.	1999	9,050	
	2000	9,000	

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME <b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>RESULT :</b> Increased Private Sector Employment and Income			
<b>INDICATOR:</b> SO1.2 Employment generated by companies raising new capital on the Stock Exchange			
<b>UNIT OF MEASURE:</b> # of jobs	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Colombo Stock Exchange	1996B	31,722	
<b>INDICATOR DESCRIPTION:</b> Direct new jobs created by companies raising new capital on the Stock Exchange. Baseline is the cumulative figure through end FY96.	1997	3,500	2,997
	1998	3,500	
<b>COMMENTS:</b> Unemployment dropped from 14% in 1996 to 10% in 1997.	1999	3,500	
	2000	3,500	

## PERFORMANCE DATA TABLES

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME			
<b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>INTERMEDIATE RESULT :</b> Expansion of Private Enterprise			
<b>INDICATOR:</b> IR1.1.1 Value of investments in new technologies			
<b>UNIT OF MEASURE:</b> US \$ Mn.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Project quarterly reports of TIPS, AgENT, SCOR	1996B	28.5	
<b>INDICATOR DESCRIPTION:</b> Company expenditure on 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. Baseline is the cumulative figure through end FY96.	1997	9.3	8.6
	1998	13.3	
	1999	13.5	
	2000T	14.0	
<b>COMMENTS:</b>			

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME			
<b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>INTERMEDIATE RESULT :</b> Expansion of Private Enterprise			
<b>INDICATOR:</b> IR1.1.2 Value of exports by targeted enterprises			
<b>UNIT OF MEASURE:</b> US \$Mn.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> TIPS and AgENT quarterly reports	1996B	147.7	
<b>INDICATOR DESCRIPTION:</b> Current dollar value reported by companies at the time the goods and services are sold out of the country. Baseline is the cumulative figure through end FY96.	1997	89.5	118.8
	1998	102.0	
	1999	116.5	
	2000T	132.7	
<b>COMMENTS:</b> Sri Lanka's exports increased by 14% and manufacturing exports by 16% in 1997.			

## PERFORMANCE DATA TABLES

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME <b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>INTERMEDIATE RESULT :</b> Expansion of Private Enterprise			
<b>INDICATOR:</b> IR1.1.3 Value of domestic sales by targeted enterprises			
<b>UNIT OF MEASURE:</b> US \$Mn.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Project quarterly reports of TIPS, AgENT, MED & SCOR	1996B	225.46	
<b>INDICATOR DESCRIPTION:</b> Client companies reported or estimated value of all sales and services less export sales converted at the exchange rate prevailing for the year. Baseline is the cumulative figure through end FY96.	1997	161.1	164.7
<b>COMMENTS:</b>	1998	197.1	
	1999	239.3	
	2000T	289.1	

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME <b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>INTERMEDIATE RESULT :</b> Expansion of Private Enterprise			
<b>INDICATOR:</b> IR1.1.4 Value of loans to micro and small enterprises			
<b>UNIT OF MEASURE:</b> Rs. converted to US \$ Mn at current rate	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Quarterly reports of participating financial institutions under MESA and MSED.	1996B	1.79	
<b>INDICATOR DESCRIPTION:</b> Loans of < \$5,000 and microenterprises which have the capability of moving towards becoming a small enterprise and loans of < \$25,000 to small enterprises. Baseline is the figure at end FY96.	1997	6.70	2.33
<b>COMMENTS:</b>	1998	7.25	
	1999	7.75	
	2000T	6.20	

## PERFORMANCE DATA TABLES

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME <b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>INTERMEDIATE RESULT :</b> Improved Enabling Environment			
<b>INDICATOR:</b> IR1.2.1 Value of private sector investments in economic infrastructure			
<b>UNIT OF MEASURE:</b> US \$ Mn. Estimated project cost at the time of signing the implementation agreement	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Bureau of Infrastructure Investment and respective agencies.	1996B	62	
<b>INDICATOR DESCRIPTION:</b> Both local and foreign private sector investment in power, roads and transportation, telecommunications, waste water treatment and solid waste disposal. Baseline is the cumulative figure through end FY96.	1997	300	0
<b>COMMENTS:</b> There are over \$2 billion in infrastructure projects in process.	1998	300	
	1999T	350	

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME <b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>INTERMEDIATE RESULT :</b> Improved Enabling Environment			
<b>INDICATOR:</b> IR1.2.2 Number of shareholders of publicly traded equity			
<b>UNIT OF MEASURE:</b> # of shareholders	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Data from the Central Depository System (CDS) of the Colombo Stock Exchange (CSE)	1996B	143,952*	
<b>INDICATOR DESCRIPTION:</b> # of client accounts with the CSE CDS for equity shares in companies listed on the CSE. *Baseline and 1997 target have been revised based on current CDS ability to disaggregate multiple account holders. Future targets will be established in the revised CPS.	1997	168,000*	159,611
<b>COMMENTS:</b> Almost 30% of the account holders were women. The increase in the number of new clients is 15,659 in 1997 as against 3,863 in 1996.	1998		
	1999		
	2000T		

## PERFORMANCE DATA TABLES

<b>OBJECTIVE:</b> SO1 INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME <b>APPROVED:</b> 16/May/1997 <b>COUNTRY/ORGANIZATION:</b> USAID SRI LANKA			
<b>INTERMEDIATE RESULT :</b> Improved Enabling Environment			
<b>INDICATOR:</b> IR1.2.3 Value of capital raised through private equity & debt issues			
<b>UNIT OF MEASURE:</b> Value of equity and debt in current US\$ Mn.  <b>SOURCE:</b> CSE quarterly reports  <b>INDICATOR DESCRIPTION:</b> Current dollar value at time of initial issue of new listings on CSE plus rights, corporate bonds, debentures, secondary market mortgages. *Baseline has been revised.  <b>COMMENTS:</b> Market capitalization increased by 24% and turnover by 147% from 1996 to 1997.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996B	660	
	1997	248	33
	1998	260	
	1999	270	
	2000T	280	

## **2.2 Special Objective - Improved Quality of Life for Disadvantaged People**

### **2.2.1 Performance Analysis**

USAID/Sri Lanka's special objective (SpO) focuses on improving the quality of life for disadvantaged people. One component of the program was designed to address the physical and psycho-social needs of women and children affected by the civil conflict. Another component focuses on groups at high risk of contracting HIV/AIDS, such as children targeted for prostitution. The successes achieved under this SpO can be substantially attributed to USAID's utilization of local and international non-government organizations (NGOs) as its implementation partners, who have been able to work under extremely stressful circumstances in and around conflict zones.

Under the IR, strengthened citizen and community capacities, USAID-supported partners provided direct and substantial assistance to 104,363 persons in 1997, exceeding the target set in the program grants by 16%. Indirect beneficiaries, eg. those attending HIV awareness exhibits, number close to 400,000. With DCOF funding, USAID supported 411 Community Based Groups (CBGs) and 45,996 displaced children. Community based groups were assisted and/or institutionally strengthened to enhance their capabilities to address its ongoing and future needs. One of the most notable outcomes of the community based organizations has been the formation of children and youth groups. These associations have successfully provided a safe environment in which to play, study and interact. Tracking of individual children through the use of both the Post-Traumatic Stress Disorder (PTSD) indicator as well as anecdotal observations indicates significant positive changes in the psycho-social status of children participating in these community groups.

In addition to the positive changes seen in individuals participating in community organizations, the organizations themselves have matured and now contain elements of self-sufficiency. For example, mother's groups formed under the grants continue to meet on a regular basis to discuss and make decisions on the pre-schooling of their children. Minimal assistance is provided and some groups have approached and secured additional assistance from local government agencies. However, for most organizations financial assistance remains necessary as the majority of community based groups exist within IDP camps and other marginalized populations. In some instances, small loan programs have emerged as a need of the community and PVOs are exploring the use of these mechanisms in moving the community towards financial self-sufficiency.

USAID's assistance has provided opportunities for displaced children and their families affected by the conflict in the North Eastern Province of Sri Lanka and children and families at risk in the Central Province to develop, participate and contribute to their communities.

Through the Global Bureau's (G/PHN/HN/EH) Leahy War Victims Fund (WVF), USAID is providing physical mobility assistance to civilian victims of the civil strife. No other groups,

donor or public service work in this sector. USAID's grantee, The Friend in Need Society (FINS), is the oldest social service organization in Sri Lanka. Prior to the 1980s, there were no facilities specifically set up to address the provision of artificial limbs. Instead, a small number of hospitals attempted to fulfill the need by producing limbs in small workshops located at the hospitals, but the number of limbs produced was not significant. Since 1985, FINS has produced and delivered over 5,000 limbs. FINS remains the single largest provider of artificial limbs in Sri Lanka, producing and fitting almost 1300 artificial limbs last year.

USAID has also provided technical and financial support to activities addressing HIV/AIDS prevention, including a program funded under the International HIV/AIDS Alliance (IHAA). Specifically, USAID supported policy advocacy, capacity building and public education of HIV/AIDS prevention. During 1997, over 50,000 people benefited from increased awareness regarding the risks of HIV/AIDS and drug abuse through seminars, workshops, training, information, education and communication materials. During the year, Community Front for Prevention of AIDS (CFPA) and Sri Lanka Voluntary Association of Surgical Contraception (SLAVSC), two local NGOs, carried out a baseline survey with a view to offer alternative employment skills to vulnerable groups especially women and children. The results of this survey are currently being analyzed and will be used to develop appropriate training modules.

Alliance Lanka, through conceptual workshops and linking groups to other information and resources, has provided technical support to develop and assure the quality of HIV/AIDS programming country wide. During 1997, support was been provided in the areas of sexual health and HIV/AIDS, proposal development and program planning, participatory methods of program implementation, capacity and skills development in communication, training and counseling. This has resulted in the strengthened capacity of 26 NGOs/CBOs to design and implement effective programs with minimal technical assistance as well as improved institutional capabilities. Institutional strengthening is demonstrated through the organizations putting into practice concrete policies and procedures on financial and human resource management. Additionally, Alliance Lanka has fostered strong links between NGOs, schools and other government services. For example, policy collaboration and leadership has been enhanced through the membership of Alliance Lanka's Executive Director as one of only two NGO representatives on the National AIDS Committee, and an annual partnership with the Ministry of Health to produce World AIDS Day newspaper inserts.

### **2.2.2 Expected Progress Through FY 2000 and Management Actions**

USAID has requested and received FY 1997 funding from both the WVF and DCOF. This money will be used to extend the successful grant programs into FY 1999. More specifically, modifications will be made and funds added to extend activities for the Terre de Hommes, Sarvodaya and Salesian Missions grants under the DCOF and the FINS grant under the WVF.

As well, these agreements will be revised to more effectively support the results intended under USAID's SpO.

USAID has refined this SpO and improved its results indicators. These changes are reflected in the Mission's revised country program strategy for FY 1998 - 2000. The new SpO will *enhance the opportunities of vulnerable groups to become active participants in society*. USAID believes that this SpO, with succinct indicators, more accurately supports the Mission's overall goal of broad based participation and sustainable economic growth.

USAID is exploring ways to reduce the number of managements units for the WVF and DCOF programs. One option is to execute an "umbrella" grant to a U.S. PVO which could on-grant to local organizations working in the fields of displaced children and prosthetics. Options for streamlining these important programs and reducing the management burden on the Mission will be explored with G/PHN/HN/EH during the review of the revised strategy.

**2.3 Environmental Compliance:** The Mission does not have any environmental issues.

## PART III

### 3.0 STATUS OF MANAGEMENT CONTRACT

The current management contract was approved in State 47010 in March, 1997. The contract required a reduction in objectives to a single SO and one SpO. AID/W approved the SO of "Increased Private Sector Employment and Income" and the SpO of "Improving the Quality of Life of Disadvantaged People". USAID/Sri Lanka has recently submitted a revised CPS and requests that the Management Contract be modified to reflect the new strategy.

In the current contract, USAID was asked to explore ways to maintain a coherent set of DG activities (despite the elimination of the DG SO during the last strategy revision in January 1997). Since that time, USAID received \$500,000 in FY 1997 ESF designated for human rights and democracy activities and anticipates an additional \$1.0 million through FY 2000. As a result, a second SpO in human rights and democracy has been added, as more fully described in the revised CPS. Since the ESF funds were received late and only obligated in August, the human rights and democracy activities under the new SpO have just begun the implementation phase.

The Management Contract also required that USAID reduce its staff levels to 6 USDH and 53 FSNs by the end of 1997. This target was achieved, but subsequent guidance asked that further staff reductions be implemented in FYs 1998 and 1999. The workforce and OE narratives and tables present planned staffing levels which show the reductions. The contract also required a reduction in the total number of activities from 20 to 17 by the end of 1997 and from 17 to 10 by the end of 1998. Per the revised strategy of March 1998, USAID expects to maintain a portfolio of 15 management units through 1998, with a reduction to 9 in FY 1999. Of the 15 management units still active at the end of FY 1998, several are small grants which will close in FY 1999 and do not pose a management burden for USAID. In addition, the receipt of ESF funds for human rights/democracy programs necessitated the addition of two new management units. The number of FSN activity managers will drop to five by the end of FY 98 (four program funded) and to four by the end of FY 99 (three program funded).



USAID FY 1999 Budget Request by Program/Country

09-Nov-98  
01:52 PM

Country/Program: USAID/Sri Lanka  
Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	Estimated Total	FY 1999										Est. Expend. FY 99	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G				
S.O. 1. Improved framework for Trade & Investment																		
DA	Bilateral		6,412,000	1,500,000			1,500,000								4,721,000	33,208,000	15,000,000	05
	Field Spt			0														
	Total		6,412,000	1,500,000	0		1,500,000	0	0	0	0	0	0	0			15,000,000	
SpO. 1. Citizen's rights better protected in law & practice																		
	Bilateral		1,272,000	1,000,000										1,000,000	1,725,000	8,670,000	5,000,000	05
	Field Spt			0														
	Total		1,272,000	1,000,000	0		0	0	0	0	0	0	0	1,000,000			5,000,000	
SpO. 2. Enhance opportunities of vulnerable groups to become active participants in society																		
ESF	Bilateral			0														
	Field Spt		1,403,000	0											781,000	5,078,000	2,500,000	05
	Total		1,403,000	0	0		0	0	0	0	0	0	0				2,500,000	
	Bilateral			0													0	XX
	Field Spt			0														
	Total		0	0	0		0	0	0	0	0	0	0				0	
	Bilateral			0													0	XX
	Field Spt			0														
	Total		0	0	0		0	0	0	0	0	0	0				0	
	Bilateral			0													0	XX
	Field Spt			0														
	Total		0	0	0		0	0	0	0	0	0	0				0	
	Bilateral			0													0	
	Field Spt			0														
	Total		0	0	0		0	0	0	0	0	0	0				0	
Total Bilateral			7,684,000	2,500,000	0		1,500,000	0	0	0	0	0	0	1,000,000				
Total Field Support			1,403,000	0	0		0	0	0	0	0	0	0					
<b>TOTAL PROGRAM</b>			<b>9,087,000</b>	<b>2,500,000</b>	<b>0</b>		<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>				<b>22,500,000</b>	

FY 1999 Request Sector Totals -- DA	
Econ Growth	1,500,000
[Of which Microenterprise	0
HCD	0
PHN	500,000
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 1999 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	1,000,000
Humanitarian	0

FY 2001 Target Program Level	4,500,000
FY 2002 Target Program Level	4,500,000
FY 2003 Target Program Level	4,500,000

\*Note: SpO 2 fund request consists of \$200,000 of WVF and \$300,000 of DCOF from G/PHN



## GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1998 Obligated by:		FY 1999 Obligated by:		FY 2000 Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO1	Support for Economic Growth and Institutional Reform - 936-4212	high		-	-	-	-	1,800	-
SO1	RAISE - (Policy & Institutional Reform in Agriculture & Agribusiness)	high		-	-	-	-	700	-
SpO2	Displaced Children & Orphans Fund Project - 936-6004	high		300	-	-	-	300	-
SpO2	War Victims Fund Project - 936-6004	high		200	-	-	-	200	-
<b>GRAND TOTAL.....</b>				<b>500</b>		<b>0</b>		<b>3,000</b>	

\* For Priorities use high, medium-high, medium, medium-low, low

### **4.3 WORKFORCE LEVELS AND OPERATING EXPENSES**

During fiscal year 1997, the Mission commenced revising its country program strategy and reorganizing its operations. The reorganization involves considerable reductions of FSN and USDH staff over the next three years as well as a fiscal year 1999 move to the USIS building. During fiscal year 1998, the Supervisory Project Development Officer and Supervisory Agricultural Development Officer positions will be eliminated and a Supervisory General Development Officer position added. The Executive Officer and Controller positions will be eliminated by the end of fiscal year 1999. It is anticipated that procurement, payment and motorpool responsibilities managed by the Executive and Controller offices will be shifted to ICASS and/or another Mission (payments). The remaining USDH and FSN staff will be functioning with consolidated job descriptions which will require considerably more responsibility and use of additional skills. In addition, the Mission is reviewing its development portfolio to determine optimal implementation mechanisms with the minimal amount of resources with the objective of reducing management units and transactions. Impact on workforce levels and operating expenditures is incorporated into the operating expenditure budgets and includes minimum staffing requirements as reflected in the staffing level tables.

#### **Reductions in Resources**

The fiscal year 1998 budget reflects cost savings from a fiscal year 1997 staff reduction of 30 FSN's and 7 USDH's. The fiscal year 1999 budget reflects cost savings from the fiscal year 1998 net staff reduction of 1 USDH, 28 FSN's comprised of a departure of 23 FSN's, a transfer to program funding of 4 FSN's and a transfer to RHUDO funding of 1 FSN. The fiscal year 2000 budget reflects cost savings from the fiscal year 1999 staff reduction of 7 FSN's and 2 USDH's. In addition, fiscal years 1999 and 2000 budgets reflect cost savings from the fiscal year 1999 move to the USIS building and increased use of ICASS services.

#### **Fiscal Year 1998**

Fiscal year 1998 is a transitional year for the Mission. The Missions fiscal year 1998 workforce and budget levels reflect this transition. End of fiscal year staffing includes 4 USDH's and 25 FSN's (excludes 4 program funded FSN's and 1 RHUDO funded FSN). Approximately 7 of these FSN positions are being retained into fiscal year 1999 to meet Mission needs pertaining to the move to the USIS building.

The Missions target budget and request for fiscal year 1998 is \$1,506,600 (before ICASS) as compared to fiscal year 1997 actual obligations of \$2,164,500 (before ICASS). The net reduction of \$657,900 (30%) reflects cost savings realized from fiscal year 1997 activity related to FSN salary and benefits reductions, office rent due to the 18 month prepayment and reductions of residential housing, maintenance, furniture and post assignment freight from USDH departures. The fiscal year 1998 budget includes estimated costs for building renovations of \$200,000 related to the move to the USIS building.

The Mission does not anticipate providing any ICASS services. ICASS user charges are budgeted at \$200,000. Significant ICASS services include health services, residential rental and guard

services and various administrative and GSO services pertaining to housing, switchboard and telephone, non expendable property and shipping and customs services.

#### Fiscal Year 1999

Fiscal year 1999 continues to reflect the Missions reorganization and implementation of its revised country program strategy. One program funded FSN position is eliminated due to completion of a major SO activity. End of fiscal year staffing includes 2 USDH's and 18 FSN's (excludes 3 program funded FSN's and 1 RHUDO funded FSN).

The Missions target budget and request for fiscal year 1999 is \$1,177,200 (before ICASS) as compared to a fiscal year 1998 target budget and request of \$1,506,600 (before ICASS). The net reduction of \$329,400 (22%) reflects cost savings from fiscal year 1998 activity related to FSN salary and benefit reductions, near completion of office renovations at the USIS building, prepayment of educational allowances for two USDH's and office power, maintenance and rent savings of approximately \$275,000 (excluding ICASS charges) due to the move to the USIS building. The budget does include additional costs of \$100,000 pertaining to completion of office renovations and estimated costs pertaining to the replacement of servers, personal computers and software and other year 2000 requirements.

The Mission does not anticipate providing any ICASS services and ICASS user charges are budgeted at \$325,000. The increase of \$125,000 over fiscal year 1998 reflects ICASS user charges of approximately \$46,000 pertaining to occupancy of the USIS building and additional estimated costs of \$79,000 pertaining to the planned use of Embassy procurement, motorpool and budget and fiscal services. These planned uses relate to Executive and Controller office reductions of approximately 7 FSN positions and the elimination of the Executive Officer and Controller positions. Other services purchased are consistent with fiscal year 1998.

#### Fiscal Year 2000

Fiscal year 2000 reflects stabilization of the Mission reorganization as the Mission continues with its implementation of its country program revised strategy. Staffing includes 2 USDH's and 18 FSN's (excludes 3 program funded FSN's and 1 RHUDO funded FSN).

The Missions target budget and request for fiscal year 2000 is \$839,800 (before ICASS) as compared to the target budget and request for fiscal year 1999 of \$1,177,200 (before ICASS). The net reduction of \$337,400 (29%) primarily reflects cost savings from the 1999 FSN staff reductions and also includes reductions in office renovations, hardware/software, office rent, travel, transportation and freight, residential housing, maintenance and utilities for two USDH's.

The Mission does not anticipate providing any ICASS services and ICASS user charges are budgeted at \$325,000. This budget reflects a consistency with fiscal year 1999 in the types of services to be provided by the Embassy.

Operating Expenses

Org. Title: USAID / Sri Lanka Org. No: OE-23383 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	15		15	16.9		16.9	16.9		16.9	19.5		19.5	19.5		19.5
	Subtotal OC 11.1	15	0	15	16.9	0	16.9	16.9	0	16.9	19.5	0	19.5	19.5	0	19.5
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0			0			0
11.5	FNDH	8.4		8.4	8.9		8.9	8.9		8.9	9.5		9.5	9.5		9.5
	Subtotal OC 11.5	8.4	0	8.4	8.9	0	8.9	8.9	0	8.9	9.5	0	9.5	9.5	0	9.5
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries			0			0			0			0			0
11.8	FN PSC Salaries	427		427	307.5		307.5	307.5		307.5	271.2		271.2	271.2		271.2
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	427	0	427	307.5	0	307.5	307.5	0	307.5	271.2	0	271.2	271.2	0	271.2
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	132		132	96		96	96		96	96		96	96		96
12.1	Cost of Living Allowances			0			0			0			0			0
12.1	Home Service Transfer Allowances			0			0			0			0			0
12.1	Quarters Allowances	3		3	6.8		6.8	6.8		6.8	0		0	0		0
12.1	Other Misc. USDH Benefits	1.1		1.1	2		2	2		2	2		2	2		2
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FNDH	1		1	1		1	1		1	1		1	1		1
12.1	Other FNDH Benefits	2		2	1.7		1.7	1.7		1.7	1.7		1.7	1.7		1.7
12.1	US PSC Benefits			0			0			0			0			0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FN PSC	5		5	10		10	10		10	7		7	7		7
12.1	Other FN PSC Benefits	16		16	11.5		11.5	11.5		11.5	11.5		11.5	11.5		11.5
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	160.1	0	160.1	129	0	129	129	0	129	119.2	0	119.2	119.2	0	119.2
13	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Operating Expenses

Org. Title: USAID / Sri Lanka Org. No: OE-23383		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC		Dollars	TF	Total												
13	Severance Payments for FNDH			0			0			0			0			0
13	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FN PSCs			0			0			0			0			0
13	Other Benefits for Former Personnel - FN PSCs	55		55	16		16	16		16			0			0
	Subtotal OC 13.0	55	0	55	16	0	16	16	0	16	0	0	0	0	0	0
21	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Training Travel	21		21	21		21	21		21	21		21	21		21
21	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Post Assignment Travel - to field	12		12			0			0			0			0
21	Assignment to Washington Travel			0			0			0			0			0
21	Home Leave Travel			0	23.6		23.6	23.6		23.6	12.8		12.8	12.8		12.8
21	R & R Travel	15		15	5.9		5.9	5.9		5.9	5.9		5.9	5.9		5.9
21	Education Travel			0	3.3		3.3	3.3		3.3	3.3		3.3	3.3		3.3
21	Evacuation Travel			0	5		5	5		5	5		5	5		5
21	Retirement Travel	5		5			0			0			0			0
21	Pre-Employment Invitational Travel			0			0			0			0			0
21	Other Mandatory/Statutory Travel			0			0			0			0			0
21	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Site Visits - Headquarters Personnel	35.5		35.5	27.4		27.4	27.4		27.4	38.2		38.2	38.2		38.2
21	Site Visits - Mission Personnel	30.8		30.8	36.3		36.3	36.3		36.3	36.3		36.3	36.3		36.3
21	Conferences/Seminars/Meetings/Retreats	36		36	22.2		22.2	22.2		22.2	22.4		22.4	22.4		22.4
21	Assessment Travel			0			0			0			0			0
21	Impact Evaluation Travel			0			0			0			0			0
21	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21	Recruitment Travel			0			0			0			0			0
21	Other Operational Travel	4		4	4		4	4		4	4		4	4		4
	Subtotal OC 21.0	159.3	0	159.3	148.7	0	148.7	148.7	0	148.7	148.9	0	148.9	148.9	0	148.9
22	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22	Post assignment freight	25		25			0			0			0			0
22	Home Leave Freight			0	24.1		24.1	24.1		24.1	15		15	15		15
22	Retirement Freight	30		30			0			0			0			0
22	Transportation/Freight for Office Furniture/Equip.	3		3	3		3	3		3	3		3	3		3
22	Transportation/Freight for Res. Furniture/Equip.			0			0			0			0			0
	Subtotal OC 22.0	58	0	58	27.1	0	27.1	27.1	0	27.1	18	0	18	18	0	18
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0	57		57	57		57			0			0

Operating Expenses

Org. Title: USAID / Sri Lanka Org. No: OE-23383 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
23.2	Rental Payments to Others - Warehouse Space	16		16	17.1		17.1	17.1		17.1	17.1		17.1	17.1		17.1
23.2	Rental Payments to Others - Residences	68		68	45.2		45.2	45.2		45.2	33.1		33.1	33.1		33.1
	Subtotal OC 23.2	84	0	84	119.3	0	119.3	119.3	0	119.3	50.2	0	50.2	50.2	0	50.2
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	87		87	31.4		31.4	31.4		31.4	31.4		31.4	31.4		31.4
23.3	Residential Utilities	25		25	23.8		23.8	23.8		23.8	11.9		11.9	11.9		11.9
23.3	Telephone Costs	30		30	20		20	20		20	20		20	20		20
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0			0			0
23.3	Other Mail Service Costs	3		3	2		2	2		2	2		2	2		2
23.3	Courier Services	1		1	1		1	1		1	1		1	1		1
	Subtotal OC 23.3	146	0	146	78.2	0	78.2	78.2	0	78.2	66.3	0	66.3	66.3	0	66.3
24	Printing and Reproduction			0			0			0			0			0
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0
25.1	Management & Professional Support Services	15.2		15.2			0			0			0			0
25.1	Engineering & Technical Services			0			0			0			0			0
	Subtotal OC 25.1	15.2	0	15.2	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	60		60	40		40	40		40	45		45	45		45
25.2	Residential Security Guard Services	12.6		12.6	10		10	10		10	5		5	5		5
25.2	Official Residential Expenses			0			0			0			0			0
25.2	Representation Allowances	1		1	1		1	1		1	1		1	1		1
25.2	Non-Federal Audits			0			0			0			0			0
25.2	Grievances/Investigations			0			0			0			0			0
25.2	Insurance and Vehicle Registration Fees			0			0			0			0			0
25.2	Vehicle Rental			0			0			0			0			0
25.2	Manpower Contracts			0			0			0			0			0
25.2	Records Declassification & Other Records Services			0			0			0			0			0
25.2	Recruiting activities			0			0			0			0			0
25.2	Penalty Interest Payments			0			0			0			0			0
25.2	Other Miscellaneous Services	17		17	20		20	20		20	20		20	20		20

Operating Expenses

Org. Title: USAID / Sri Lanka Org. No: OE-23383 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
25.2	Staff training contracts			0			0			0			0			0
25.2	ADP related contracts			0			0			0			0			0
	Subtotal OC 25.2	90.6	0	90.6	71	0	71	71	0	71	71	0	71	71	0	71
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	200		200	325		325	325		325	325		325	325		325
25.3	All Other Services from Other Gov't. accounts			0			0			0			0			0
	Subtotal OC 25.3	200	0	200	325	0	325	325	0	325	325	0	325	325	0	325
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	20		20	11.5		11.5	11.5		11.5	13		13	13		13
25.4	Residential Building Maintenance	5		5	3		3	3		3	3		3	3		3
	Subtotal OC 25.4	25	0	25	14.5	0	14.5	14.5	0	14.5	16	0	16	16	0	16
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0			0			0			0			0
25.7	Storage Services			0			0			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	5		5	3		3	3		3	3		3	3		3
25.7	Vehicle Repair and Maintenance	3		3	2		2	2		2	2		2	2		2
25.7	Residential Furniture/Equip. Repair and Maintenance			0	2		2	2		2	2		2	2		2
	Subtotal OC 25.7	8	0	8	7	0	7	7	0	7	7	0	7	7	0	7
25.8	Subsistence and support of persons (by contract or Gov't.)			0			0			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Supplies and materials	24		24	17.5		17.5	17.5		17.5	15.5		15.5	15.5		15.5
	Subtotal OC 26.0	24	0	24	17.5	0	17.5	17.5	0	17.5	15.5	0	15.5	15.5	0	15.5
31	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31	Purchase of Residential Furniture/Equip.	5		5			0			0			0			0
31	Purchase of Office Furniture/Equip.	3		3	12.5		12.5	12.5		12.5	11.5		11.5	11.5		11.5
31	Purchase of Vehicles			0			0			0			0			0
31	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31	ADP Hardware purchases	23		23	103.1		103.1	103.1		103.1	16		16	16		16
	Subtotal OC 31.0	31	0	31	115.6	0	115.6	115.6	0	115.6	27.5	0	27.5	27.5	0	27.5
32	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32	Purchase of Land & Buildings (& construction of bldgs.)			0			0			0			0			0

Operating Expenses

Org. Title: USAID / Sri Lanka Org. No: OE-23383 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
32	Purchase of fixed equipment for buildings			0			0			0			0			0
32	Building Renovations/Alterations - Office	200		200	100		100	100		100			0			0
32	Building Renovations/Alterations - Residential			0			0			0			0			0
	Subtotal OC 32.0	200	0	200	100	0	100	100	0	100	0	0	0	0	0	0
42	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		1706.6	0	1706.6	1502.2	0	1502.2	1502.2	0	1502.2	1164.8	0	1164.8	1164.8	0	1164.8
Dollars Used for Local Currency Purchases		<u>1253.1</u>			<u>957.4</u>			<u>744.1</u>			<u>584.8</u>			<u>584.8</u>		
Exchange Rate Used in Computations		<u>62</u>			<u>62</u>			<u>62</u>			<u>62</u>			<u>62</u>		

Workforce

Org.USAID/SRI LANKA FY 1998 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1				0			1	1	1	1				3	4
Other U.S. Citizens: 1/ OE Internationally Recruited	0							0							0	0
OE Locally Recruited Program	0				0		0	0	0	0	0		0		0	0
FSN/TCN Direct Hire: OE Internationally Recruited	0							0							0	0
OE Locally Recruited	0							0		1	1				2	2
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited Program	1				1			2	1	4	9	2		5	21	23
	3							4							0	4
Total Staff Levels	5	0	0	0	1	1	0	7	2	6	11	2	0	5	26	33
TAACS								0							0	0
Fellows								0							0	0

1/ Excluding TAACS and Fellows

Workforce

Org.USAID/SRI LANKA FY 1999 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other			
U.S. Direct Hire	1							1	1	0	0					1	2
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0								0 0 0	0 0 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 0		1	1					0 2	0 2
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 2 3	1	2	5	1		5		0 14 0	0 16 3
Total Staff Levels	4	0	0	0	1	1	0	6	2	3	6	1	0	5		17	23
TAACS Fellows								0 0								0 0	0 0

1/ Excluding TAACS and Fellows

Org.USAID/SRI LANKA FY 1999 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other			
U.S. Direct Hire	1							1	1	0	0					1	2
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0								0 0 0	0 0 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 0		1	1					0 2	0 2
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 2 3	1	2	5	1		5		0 14 0	0 16 3
Total Staff Levels	4	0	0	0	1	1	0	6	2	3	6	1	0	5		17	23
TAACS Fellows								0 0								0 0	0 0

1/ Excluding TAACS and Fellows

Workforce

Org.USAID/SRI LANKA FY 2000 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other			
U.S. Direct Hire	1							1	1							1	2
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0								0 0 0	0 0 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 0		0 1	0 1					0 2	0 2
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 2 3						5		0 14 0	0 16 3
Total Staff Levels	4	0	0	0	1	1	0	6	2	3	6	1	0	5		17	23
TAACS Fellows								0 0								0 0	0 0

1/ Excluding TAACS and Fellows

Org.USAID/SRI LANKA FY 2000 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other			
U.S. Direct Hire	1							1	1							1	2
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program								0 0 0								0 0 0	0 0 0
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 0			1 1					0 2	0 2
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 2 3						5		0 14 0	0 16 3
Total Staff Levels	4	0	0	0	1	1	0	6	2	3	6	1	0	5		17	23
TAACS Fellows								0 0								0 0	0 0

1/ Excluding TAACS and Fellows

Workforce

Org.USAID/SRI LANKA FY 2001 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other			
U.S. Direct Hire	1							1	1							1	2
Other U.S. Citizens: 1/ OE Internationally Recruited								0								0	0
OE Locally Recruited Program								0								0	0
FSN/TCN Direct Hire: OE Internationally Recruited								0								0	0
OE Locally Recruited								0		1	1					2	2
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0								0	0
OE Locally Recruited Program	1				1			2	1	2	5	1		5	14	16	
	2							3							0	3	
Total Staff Levels	4	0	0	0	1	1	0	6	2	3	6	1	0	5	17	23	
TAACS								0							0	0	
Fellows								0							0	0	

1/ Excluding TAACS and Fellows

Workforce

Org.USAID/SRI LANKA Summary On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
FY 1998:																
U.S. Direct Hire	1	0	0	0	0	0	0	1	1	1	1	0	0	0	3	4
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	1	0	0	0	1	0	0	2	1	5	10	2	0	5	23	25
Total OE Funded Staff	2	0	0	0	1	0	0	3	2	6	11	2	0	5	26	29
Program Funded	3	0	0	0	0	1	0	4	0	0	0	0	0	0	0	4
<b>Total FY 1998</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>6</b>	<b>11</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>26</b>	<b>33</b>
FY 1999 Target:																
U.S. Direct Hire	1	0	0	0	0	0	0	1	1	0	0	0	0	0	1	2
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	1	0	0	0	1	0	0	2	1	3	6	1	0	5	16	18
Total OE Funded Staff	2	0	0	0	1	0	0	3	2	3	6	1	0	5	17	20
Program Funded	2	0	0	0	0	1	0	3	0	0	0	0	0	0	0	3
<b>Total FY 1999 Target</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>17</b>	<b>23</b>
FY 1999 Request:																
U.S. Direct Hire	1	0	0	0	0	0	0	1	1	0	0	0	0	0	1	2
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	1	0	0	0	1	0	0	2	1	3	6	1	0	5	16	18
Total OE Funded Staff	2	0	0	0	1	0	0	3	2	3	6	1	0	5	17	20
Program Funded	2	0	0	0	0	1	0	3	0	0	0	0	0	0	0	3
<b>Total FY 1999 Request</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>17</b>	<b>23</b>
FY 2000 Target:																
U.S. Direct Hire	1	0	0	0	0	0	0	1	1	0	0	0	0	0	1	2
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	1	0	0	0	1	0	0	2	1	3	6	1	0	5	16	18
Total OE Funded Staff	2	0	0	0	1	0	0	3	2	3	6	1	0	5	17	20
Program Funded	2	0	0	0	0	1	0	3	0	0	0	0	0	0	0	3
<b>Total FY 2000 Target</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>17</b>	<b>23</b>
FY 2000 Request:																
U.S. Direct Hire	1	0	0	0	0	0	0	1	1	0	0	0	0	0	1	2
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	1	0	0	0	1	0	0	2	1	3	6	1	0	5	16	18
Total OE Funded Staff	2	0	0	0	1	0	0	3	2	3	6	1	0	5	17	20
Program Funded	2	0	0	0	0	1	0	3	0	0	0	0	0	0	0	3
<b>Total FY 2000 Request</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>17</b>	<b>23</b>
FY 2001 Estimate:																
U.S. Direct Hire	1	0	0	0	0	0	0	1	1	0	0	0	0	0	1	2
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	1	0	0	0	1	0	0	2	1	3	6	1	0	5	16	18
Total OE Funded Staff	2	0	0	0	1	0	0	3	2	3	6	1	0	5	17	20
Program Funded	2	0	0	0	0	1	0	3	0	0	0	0	0	0	0	3
<b>Total FY 2000 Target</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>17</b>	<b>23</b>

Workforce

MISSION :

USAID/SRI LANKA

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 98	NO. OF USDH EMPLOYEES IN BACKSTOP FY 99	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001
01SMG	1	1	1	1
02 Program Off.				
03 EXO	1	0	0	0
04 CTR	1	0	0	0
05/06/07 Secretary				
10 Agriculture.	0	0	0	0
11Economics				
12 GDO	1	1	1	1
12 Democracy				
14 Rural Dev.				
15 Food for Peace				
21 Private Ent.				
25 Engineering				
40 Environ				
50 Health/Pop.				
60 Education				
75 Physical Sci.				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other*				
<b>TOTAL</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>

\*please list occupations covered by other if there are any

TRUST FUNDS & FSN SEPARATION FUND

FN-23383

Org. Title: USAID/Sri Lanka

**Foreign National Voluntary Separation Account**

Action	FY 98			FY 99			FY 00		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	6.0		6.0	11.0		11.0	8.0		8.0
Withdrawals	60.0		60.0	10.0		10.0	0.0		0.0

Unfunded Liability (if any)  
at the end of each FY.

**Local Currency Trust Funds - Regular (\$000s)**

	FY 98	FY 99	FY 00
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate(s) Used

**Trust Funds in Dollar Equivalents, not in Local Country Equivalents**

**Local Currency Trust Funds - Real Property (\$000s)**

	FY 98	FY 99	FY 00
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

**Trust Funds in Dollar Equivalents, not in Local Country Equivalents**

Country: Sri Lanka

**STATUS OF R4  
ACTION AGENDA**

File Name:agenda.r4

ACTION REQUESTED	RESPONSIBLE ACTOR(S)	DUE DATE	STATUS
SO1: INCREASED PRIVATE SECTOR EMPLOYMENT AND INCOME.  Agreements: None	Mission	March 31, 1998	Strategy is being revised.
SO2: IMPROVED ENVIRONMENTAL PRACTICES TO SUPPORT SUSTAINABLE DEVELOPMENT.  Agreements: That ANE/SEA and G/ENV work with the Mission to consider the usefulness of a performance indicator for SO1 that tracks the sustainability of Economic Growth, particularly with regard to Urban and Industrial Pollution. The approved revised Country Program Strategy 1997-2000 includes no indicators for the sustainability of Economic Growth. Even though the Environment so has been dropped in the strategy revision, AID/W and the Mission may want to consider retaining one or a few of the current SO2 indicators as sustainability indicators for the revised SO1.	Mission		Revised strategy and new SO focus on policy environment and financial markets, rather than firm level assistance. Therefore, no specific environmental indicators will be included.
SO3: GREATER EMPOWERMENT OF PEOPLE TO PARTICIPATE IN DEMOCRACY.  Agreements: None.	Mission		New special objective created in revised strategy.
GENDER CONCERNS: USAID/W suggests that Sri Lanka's significant progress on incorporating gender concerns into its program be more fully integrated into R4 narrative which describes the Mission's results.	Mission	February 29, 1998	Gender data incorporated into performance narratives of the R4.