USAID/Sri Lanka

Annual Report

FY 2005

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Please Note:

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Sri Lanka

Performance:

The goal of USAID/Sri Lanka's Country Strategy is "A more peaceful, prosperous and democratic Sri Lanka." Working with a diverse mix of ethnic, religious and political groups, USAID will play a catalytic role in enabling citizens to experience improved living standards, benefits form the peace process, and new opportunities for economic and political engagement. USAID/Sri Lanka implements four major Strategic Objective Programs:

· Peace Process Supported (Transition Initiatives)
· Inclusive and Peaceful Approaches to Politics and Governance Strengthened (Democracy and Governance)
· Improved Social and Economic Integration of Targeted Disadvantaged Groups (Humanitarian Assistance)
· Foundation Set for Rapid and Sustainable Economic Growth (Economic Growth)

As the following brief summaries illustrate, all programs demonstrated tangible results in FY2004.

OFFICE OF TRANSITION INITIATIVES (OTI): The field presence, relentless pace and effective outreach of the Office of Transition Initiatives (OTI) program have been instrumental in restoring the Mission's high profile among Sri Lankans and other donors alike. The Embassy has both benefited from and contributed to this process, taking advantage of OTI's knowledge of ground level reality in a fluid political and security environment while contributing to visibility through participation in openings of OTI funded activities. OTI was able to amplify the impact of programming through publicity on a consistent basis, coupling national media coverage generated by the Embassy Public Affairs Office (PAO) with OTI's strong relationships with reporters at the district level. On average, the OTI program generated nearly two press releases per month, highlighting regularly an active, responsive USAID Mission committed to supporting local initiatives for peace. In the past year OTI provided 157 grants worth $3.7 million.

USAID's overall contribution to peace building efforts was maximized by OTI's ability to achieve synergies with the Mission's Democracy and Governance Peace Support Project. Enabled by collaboration among key staff, OTI's primary focus on immediate impact of short-term activities on several occasions successfully complimented the Academy for Educational Development's (AED) long-term, capacity building approach. For example, after the airing on national TV of "Take This Road," a popular 13 part television drama with a peaceful coexistence theme that was funded under the DG program, OTI expanded the options for educational outreach by supporting the creation of a movie version for mass distribution and use as a tool for dialogue with targeted groups.

OTI also supported activities aimed at enhancing peaceful coexistence in communities prone to or at risk of communal violence. Such communities include areas where large numbers of displaced persons have returned, occasionally to a host community unable to cope or sometimes even unwilling to try. . In addition, OTI are provided support to reduce tensions between internally displaced persons or returnees and members of the host community. This supportThe latter In the Puttalam District, for example, in which nearly 100,000 internally displaced Muslims originally from the Northern Province reside, OTI has built and rehabilitated health care facilities, schools, community centers and other physical infrastructure shared by both the displaced and host communities, improving public service delivery and reducing both inter- and intra-group tensions that in the past have escalated into violence. To construct a polyclinic across the lagoon from Puttalam town on the Kalpitiya Peninsula, OTI established new partnerships between local government authorities, a mosque and the multi-ethnic population of several nearby villages, creating a benefit of peace by improving health service provision to 728 Muslim, 93 Sinhalese

and 80 Tamil families local families in addition to 802 Muslim families displaced from the North. In the Eastern Province, OTI's program staff in the multi-ethnic town of Trincomalee focused grant development on conflict mitigation and youth, supporting a series of activities that provided safe spaces for interaction and purposeful engagement among Muslims, Sinhalese and Tamil from the region. One such initiative supported training of university and high school students in non-violent communication skills, after which trainees formed youth networks in violence-prone, ethnically mixed areas of the district to strengthen relationships and build trust.

In an effort to measure the micro- and macro-level impact of its small-grants activities, OTI made a commitment to more comprehensive, intentional monitoring and evaluation. Adopting a learning facilitator's approach, a full time specialist worked closely with senior management and program staff to measure the impact of individual grants, and identify lessons learned and best practices through analysis of data from surveys, focus groups and key informants. OTI's interest in remaining strategic, responsive and politically relevant was demonstrated through a midterm assessment conducted over three weeks in September 2004. The assessment, based on more than 200 interviews in Colombo and the field, provided feedback which was immediately used to re-target the program at a critical juncture-signaling the need for more proactive programming aimed at depth, rather than breadth in strategic locations.

DEMOCRACY AND GOVERNANCE (DG): The DG program is focused on sustaining a multi-stakeholder peace building process that supports Sri Lanka's transition to peace. In February 2002, the GSL established the Secretariat for Coordinating the Peace Process (SCOPP). Initially at the request of the GSL, USAID's Peace Support Project provided technical assistance and training to the SCOPP, while supporting a set of catalytic programs which recognized that a peace process has multiple tracks and involves multiple entities--including those involved in the negotiations and those involved in stakeholder groups (e.g., political parties, civil society organizations, the private sector, grassroots level constituencies and local leaders). The program continues to emphasize the importance of advancing the role of civil society in the peace process while building bridges among civil society, political stakeholders and the GSL   Additionally, emphasis was placed on developing participatory multi-stakeholder dialogues; improving the quality of information regarding citizen concerns; strengthening the relationship among stakeholders, and promoting a multi-partisan collaboration in peace efforts. In 2004, the specific challenge was initiating programs to depoliticize the debate on the peace process during the general election of April 2004.

Progress during FY2004 was good. The USAID funded teledrama, "Take this Road" focusing on the impact of the war on three families - Muslim, Singhalese and Tamil - whose lives cross in Jaffna after the post cease fire opening of the A-9 highway, was aired on national television and enjoyed a wide viewership. The second series is in production. In order to provide Sri Lankans with unbiased information on public perceptions related to a negotiated settlement, USAID also supported the first national survey on knowledge and attitudes toward to the peace process. The second national survey was completed. USAID also supported media training that led to the development of a national newspaper supplement on the peace process. Four supplements were produced and appeared in all three languages and in all six national newspapers. USAID continued to reinforce its relationships with GSL institutions, civil society and political parties. These relationships enabled USAID to design and implement the One Text Initiative.

The One Text Initiative, funded through USAID's Sri Lanka Peace Support Project, provides a multi-partisan dialogue for Singhalese, Tamil and Muslim political stakeholders on the peace process. It is a process that incorporates electronic and face-to-face dialog with transparency of process and confidentiality of content. An individual or group enters the dialogue only with the approval of all other participants. All the major political parties in the country are now participating in this dialogue and the two smaller parties that have yet to join have agreed in principle to participate. This initiative recently brokered an agreement between competing Muslim political parties to establish a Muslim Peace Secretariat, and the GSL's SCOPP requested that the One Text Initiative draft an agenda for future peace negotiations. No other donor agency in Sri Lanka has been able to establish a similar initiative with all stakeholders, whose high levels of confidence in this activity is reflected in the participation of politicians, including a government deputy minister nominated by the President of Sri Lanka. The "One Text"

initiative represents an innovative strategy for addressing impediments to dialogue in the peace process. USAID's Office of Conflict Management and Mitigation has identified the Sri Lanka Peace Support Project as an example of best practice.

HUMANITARIAN ASSISTANCE (HA): The USAID Disability Support Program (DSP) met all targets during FY2004. This included great progress in ensuring that appropriate, high quality services and assistance devices are readily accessible to Sri Lankans with disabilities. The DSP implementing partner, Motivation Charitable Trust, made great strides in capacity building and training with Sri Lankan organizations. Three achievements stand out this year: First, all four partner rehabilitation centers began producing prosthetics (artificial limbs) and orthotics (braces) made from polypropylene. This type of material is the only one meeting international quality standards, yet this production was not done in Sri Lanka prior to the DSP. Second, Motivation completed training on four modules of organizational capacity building for its local partners-helping them to conduct effective strategic planning, to better manage operations according to action plans, to improve standards of product quality and production safety, and to accurately manage finances for accountability and sustainability. During this year, the DSP also completed the design phase for new and greatly improved hand and motor powered wheelchairs and tricycles for the disabled. USAID's local partners can now independently design, construct, and distribute high quality assistance devices that meet the needs of individual disabled clients.

USAID made significant contributions to the protection and education of children at risk of violence and war related impacts. Through the Youth for Peace building Program, USAID and CARE supported three local organizations to provide social and remedial education services to children and young people. Achievements of this program during the fiscal year include: provision of remedial education for over 2,800 teens (many of whom completed or left school without reading/writing skills), training in useful vocations for over 200 young men and women, workshops in peer conflict resolution held with over 200 children participating, and self-help groups dedicated to improving the lives of children established in 30 villages around Sri Lanka. In addition, one partner of this program completed a groundbreaking study on what are the most effective and appropriate tools and methods for participatory work with children affected by conflict and displacement. The findings in the study provide theory, practical insight, and guidance that will greatly improve future monitoring and evaluation of psychosocial interventions with children.

Lastly, another key achievement of FY2004 for the Humanitarian Assistance Program is that two new vitally important planned programs reached the contracting stage, and will enter implementation in 2005. These new programs are the Psychosocial Support to Victims of Torture Program (which is funded by the USAID War Victims of Torture Fund) and the Support to Children Associated with Violence and Conflict Program (funded by the USAID Displaced Children's and Orphan's Fund).

ECONOMIC GROWTH (EG): USAID's competitiveness program achieved milestones for the intermediate results of sound economic policy implemented and more competitive products sold in global markets, and carried out a pilot which will inform further work for the intermediate result of improved quality and relevance of skills of the private sector workforce. This program provided technical assistance to the government and private sector, promoted business education for youth, strengthened Sri Lanka's participation related to regional energy and environment issues, supported the development of new initiatives in coastal and environmental tourism, provided expert advice and training opportunities on monetary policy and statistical analysis, stimulated private-public sector dialogue, and explored ways to extend access to information and communication technology (ICT) in rural areas. Through the Competitiveness Program, USAID continued to assist eight export industry clusters-tea, rubber, spices, coir, gems and jewelry, ceramics, ICT and tourism. Six of the eight industry clusters incorporated as non-profit associations by mid 2004, strengthening their ability to assess and implement competitiveness strategies for their industry on a sustainable basis. The remaining two clusters are reviewing options to further strengthen competitiveness within the framework of preexisting associations.

Just one example of a cluster success is in the gem and jewelry sector. During 2004, an international jewelry designer submitted designs for a new line of sapphire jewelry. Fabrications of these designs for buyers' shows are being produced in Sri Lanka. This is a departure from the long-standing practice of

exporting gems from Sri Lanka, with the value added fabrication into jewelry-and the resulting additional profits-generated outside the island's economy. A consortium of firms in the gem and jewelry cluster is investing in this new line of branded, made-in-Sri Lanka sapphire jewelry, and will launch a promotion and distribution campaign in 2005. Total investment by both private sector and government will exceed $1 million and support more than 30 skilled workers during the development phase. New orders are expected to result in a 10% increase in the island's jewelry exports. A related industry-training program will improve the skills of existing workers and add 100 new workers to handle the increase in orders for the new line of jewelry.

In September, the SO joined with the Bureau of Census to formalize and structure a program to assist the GSL Department of Statistics. This assistance took the form of training and technical assistance in statistical analysis and reporting to strengthen data collection, analytical capacity, and coverage and timeliness of reporting of the country's leading economic indicators. The system will serve as the tool for monitoring progress in reducing poverty island-wide. The GSL supported the program fully in its policy pronouncements and regulatory changes, a result of the consistent support this USAID Economic Growth program receives from the private sector both in public fora and private consultations with government. Following the example of leading private sector firms, the government adopted policies and practices addressing the special interests of the disabled. While enforcement is uneven (due to budget constraints), the government policy closely tracks Agency policy in this area.

USAID/Sri Lanka's US-Asia Environmental Partnership (USAEP) program facilitated the award of two Global Development Alliance grants, leveraging existing USAID investments through The Competitiveness Program and USAEP. The proposed ecotourism activity represents an important source of accomplishment for the newly incorporated tourism cluster, which is a partner in this effort, and will provide a model for additional such approaches. The coastal tourism activity forms the basis of the Mission's involvement in a regional initiative aimed at promoting best practices for sustainable natural resource management of coastal resources, involving public and private entities (e.g., hotels) with interest in these areas.

Results Framework

383-001   Improved Framework for Trade and Investment
383-002   Citizens' Rights Better Protected in Law and Practice
383-003   Improved Social and Economic Integration of Targeted Disadvantaged Groups
   SO Level Indicator(s):
      Number of assisted rehabilitation centers adopting polypropylene technology
   3.1 Community coping skills strengthened
   3.2 Professional counseling and support services increased
   3.3 Rehabilitation and mobility choices improved

383-004   Foundation Set for Rapid and Sustainable Economic Growth
   SO Level Indicator(s):
      Number of Cluster graduation strategies developed
      Number of laws/policy reforms for which USAID provided input
      Number of regional clusters formed to implement YESL program
      Number of schools adopting YESL programs
   4.1 Policy and regulatory framework improved
   4.2 Private sector competitiveness improved
   4.3 market responsive workforce created
   4.4 Effective public and private partnerships established

383-005   Inclusive and Peaceful Approaches to Politics and Governance Strengthened
   SO Level Indicator(s):
      Multistakeholder dialogues on the peace process held
      National newspaper supplement developed and published by major newspapers
   5.1 Legal and political recourse expanded
   5.2 Propensity for violent conflict reduced
   5.3 Support and capacity for government strengthened

383-006   SPO - Peace Process Supported
   SO Level Indicator(s):
      Number of field offices opened and operationalized
   6.1 Constituencies and institutions supporting peace strengthened
   6.2 Livelihoods of constituencies improved
   6.3 Small scale community infrastructure rehabilitated

383-007   Improved Social and Economic Integration of Targeted Disadvantaged Groups
   SO Level Indicator(s):
      Improved quality of services for identified target populations
      Increased access to services in the selected communities
   7.1 Rehabilitative services for disabled civilians developed and improved
   7.2 Communities' capacity to address threats to children and young people's security improved
   7.3 Services for selected especially vulnerable groups improved

383-008   Foundation Set for Rapid and Sustainable Economic Growth
   SO Level Indicator(s):
      Percentage change in GDP (constant)
      Percentage change in rate of youth unemployment by age category (15-19) and (20-24)
      World Economic Forum Growth Competitiveness Index (GCI)
   8.1 Sound economic policy implemented
   8.2 More competitive products sold in the global market
   8.3 Improved quality and relevance of skills for private sector workforce

383-009   Inclusive and Peaceful Approaches to Politics and Governance Strengthened
   SO Level Indicator(s):
      Number of cases resolved through the mediation boards
      Number of targeted multi-ethnic civil society organizations active in coalitions that support peace
      Percentage of citizens in target local government units who believe that local government is
addressing their needs
      9.1 Civic foundations for a sustainable peace strengthened.
      9.2 Key political institutions made more responsive to citizen input
      9.3 Increased use of the law to protect and empower vulnerable groups

383-XXX   498-009 U.S. - Asia Environmental Partnership (US-AEP)
383-YYY   Peace Process Supported (Special Objective-SPO)