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MAHAWELI ENTERPRISE DEVELOPMENT

MED/EIED PROJECT

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

MED/EIED ANNUAL REPORT 1991



INTERNATIONAL SCIENCE AND TECHNOLOGY INSTITUTE, INC.

WITH :

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

CONSULTANTS TO THE MAHAWELI AUTHORITY OF SRI LANKA

The Mahaweli Enterprise Development Project

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

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

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

ACRONYMS

EDP	.....	Entrepreneur Development Program
EDTP	.....	Entrepreneurship Development Training Program
EIED	.....	Employment, Investment and Enterprises Division of the MASL
FBC	.....	Field Business Consultant
GSL	.....	Government of Sri Lanka
ISTI	.....	International Science and Technology Institute
KKTA	.....	Kotmale Kitul Treacle Association
MARD	.....	Mahaweli Agriculture and Rural Development Project
MASL	.....	Mahaweli Authority of Sri Lanka
MEA	.....	Mahaweli Economic Agency of the MASL
MED	.....	Mahaweli Enterprise Development Project
MIS	.....	Management information system
MLE	.....	Medium and large enterprises
MVCC	.....	Mahaweli Venture Capital Company
NGO	.....	Non-governmental Organisation
PIP	.....	Pre-investment Programs
RPM	.....	Resident Project Manager
SCA	.....	Savings & Credit Association
SSE	.....	Small scale enterprises
SP	Special Project
USAID	United States Agency for International Development

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INTRODUCTION

This report reviews the project's first full year of operation. While it has been prepared by ISTI, under its contractual responsibility for MED planning and reporting, the activities covered in the report have been carried out jointly by EIED officials and MED consultants.

1991 overview. The MED project gathered momentum during 1991 and the foundation was laid for full scale operation during 1992.

- The Mahaweli agribusiness advisory service was inaugurated with the arrival of the field based MED agribusiness advisor; ten commercial farmers and five agro-industrial ventures are now receiving on-going, practical assistance with business planning, production and marketing.
- Assistance to agribusiness investors through Pre-Investment Programs and the MED market component, with SRD assistance, introduced new export products, notably specialty banana exports to the U.K., and improved technologies, such as bulk brining of vegetables, expanded the output of existing investments, raised the performance of commercial farms, and identified major projects, including a bottling plant, a cold chain and a tourism complex, to be carried out in the coming year.
- Investor interest in the Mahaweli grew with the impact of promotional efforts - more than 100 investor applications were filed during the final two months of the year. Activities and reports by MED consultants were critical in assisting EIED to stimulate this interest.
- MED/EIED assisted more than 600 small businesses to receive loans and the design of the credit program for small businesses was completed in collaboration with commercial banks and approved by USAID and the MASL; EIED field staff and MED business consultants established nine Savings and Credit Societies.
- EIED's business advisory services to entrepreneurs and small businesses were strengthened with the posting of resident business consultants to seven business centers in Mahaweli areas and the organizing of the advisory services on an integrated 'business center' basis rather than on an individual consultant or field staff basis. More than 1,300 enterprises received consultancy services from MED/EIED during 1991.
- The policy environment for business development was improved with decisions by the Honorable Minister to transfer to the private sector MASL's underutilized farms and facilities and to issue small businesses with titles, rather than annual permits, to their business sites.
- The MED monitoring and EIED management information system was designed, tested and, as of the end of the year, put into use in the field and at headquarters. A management audit, conducted as part of a wider USAID exercise, produced positive findings and led to improvements in several ISTI internal controls.

1991 observations. A broad observation is that the MED/EIED planning for 1991 was overambitious. With the experience of 1991, the plan targets and activities for 1992 are expected to be more realistic. Other comments are:

- **The development of enterprises in Mahaweli areas is constrained by: (i) insufficient private property (the state owns the land); (ii) limited institutional and physical infrastructural (most physical infrastructure has been developed for settler paddy production); (iii) inadequate support for private investment (the orientation towards enterprise development has tended to be to control and supervise rather than promote and support); (iv) broad rather than specific statements of policy on land and water (much is left to discretionary decision-making); (v) restrictions on market functioning and on factor accumulation by private individuals and firms (e.g., land limitations); (vi) labor shortages in some areas and in most areas on a seasonal basis.**
- **Mahaweli areas are competing for investment with other areas of Sri Lanka, which are actively promoting investment. Aggressive and continual promotional efforts are required.**
- **Tourism and minerals investments in the Mahaweli are of interest to investors due to the availability of specific resources in Mahaweli areas. Manufacturing for export is of interest to investors under special circumstances, such as the availability of export garment quotas. (It was originally thought that only agribusiness would be of interest.)**
- **Industrial employment in the Mahaweli will not produce significant increases in settler incomes and living standards unless emphasis is given to higher value activities. The limited industrial employment which exists is currently concentrated in (i) small scale activities whose growth depends on increasing incomes in the Mahaweli and neighboring areas and whose comparative advantages are based on resource and market locations which are remote due to poor transport and communications infrastructure; and (ii) export activities which are based in the Mahaweli due to low wage rates and special circumstances, most notably the availability of quotas for textile factories. The competitiveness of many of the small industries producing for local markets will decline as Mahaweli infrastructure improves and as domestic and import competition increases with the opening of the economy at the national level; the income gains from export demand will be limited unless there is a shift into higher skill and higher wage activities.**
- **A regional approach to Mahaweli development is required which recognizes growth poles and patterns of economic activity within a region. The implication is that it may be useful to provide some business services to enterprises located in regional centers such as Mahayangana and Kekirawa. There is a significant potential to attract investors from these regional centers into Mahaweli, including small and medium size ones.**

Key problems confronted during 1991 were in the areas of the business environment, project implementation rates and the mobilization of the small business advisory services:

- Uncertainties and a weak business environment, especially with regard to land issues, (i) made it difficult to close deals with large investors, (ii) constrained the flow of new small and medium scale investors into the Mahaweli from regional towns and (iii) led to the inability to achieve the goal of issuing 1,000 transferrable leases to existing Mahaweli small businesses.
- Project implementation rates in all areas, measured in disbursements and activities, were lower than projected.
- Difficulties in mounting the projected levels of services for small businesses through the field business centers were experienced due to constraints in recruiting qualified consultants for the field-based positions and identifying suitable housing and transport for the consultants.

1992 directions

- The official business environment will be improved through the (i) issuing of leases to medium and large scale investors, (ii) the granting of titles to small businesses; (iii) the development of a more supportive orientation of officials towards enterprise development; and (iv) improvements in physical infrastructure.
- Project implementation and disbursement rates will be accelerated through (i) regular meetings of the Project Review Committee; (ii) the use of a new mechanism for disbursements through which ISTI will directly manage expenditures for selected activities; and (iii) an intensified promotion of Mahaweli resources - e.g., farms, facilities, land, buildings, tourism sites, minerals - and services, - e.g., market assistance, PIP assistance, grant assistance - available to the private sector through MED/EIED.
- Business advisory services will be increased and upgraded through (i) intensified recruitment and (ii) more logistical support for field business consultants; (iii) closer ties with the RPMs and their staffs; and (iv) the training of field staff and consultants in small business consultancy methods.

SUMMARY OF PERFORMANCE UNDER MED/EIED 1991 PLAN

Activity	1991 Target	To date accomplished	Progress Indicators				
			0%	25%	50%	75%	100%
Provide support to selected investors, incl. commercial demonstration farms, through pre-investment programs	15 PIPs presented 12 PIPs approved 10 PIPs carried out	08 PIPs presented plus special project 06 PIPs approved 03 PIPs carried out	-----	-----	-----60%	-----	-----
Promote in Sri Lanka and abroad investment opportunities in Mahaweli	20 Sri Lankan and 2 foreign investors present investment applications to EIED	22 local companies presented applications including 1 joint venture	-----	-----	-----50%	-----	-----110%
Operate a Mahaweli investor information service	Information provided to 100 MLE investors	Information provided to 167 investors.	-----	-----	-----	-----	-----167%
Provide field advisory services technical assistance and training to agribusinesses and other investors	Field based assistance in commercial farm development provided to 15 agri-business investors & in 6 product areas	Field assistance provided to 15 commercial farmers. Seminars given to 60 investors in 6 product areas.	-----	-----	-----	-----	-----100%
Develop export and local markets for Mahaweli products	Marketing services to 50 firms	Services provided to 71 investors.	-----	-----	-----	-----	-----142%
Develop tourism resources	1 tourism investment approved	1 investments approved by MASL evaluation panel.	-----	-----	-----	-----	-----100%
Develop manufacturing, mineral, property and service sector opportunities	3 investments approved in non-agricultural sectors	4 investment approved (including textiles)	-----	-----	-----	-----	-----133%
Provide field business advisory services	16 FBCs provided services to SSE entrepreneurs 8 Business Centers established providing services to SSEs in the field	9 FBCs providing services 7 Business Centers established	-----	-----	-----56%	-----	-----87%
Commence 1st phase of SSE credit programmes	8 savings and credit assoc. (SCAs) formed	9 new SCAs formed	-----	-----	-----	-----	-----112%
Facilitate SSE access to credit outside savings and credit assoc.	Credit assistance provided to 800 new and existing SSEs outside SCAs	Credit assistance provided to 639 new and existing SSEs (loans received)	-----	-----	-----	-----	-----80%
Expand avenues of MVCC finance	Increase financial participation of private & other Sri Lankan financial institutions in MVCC	Draft report on expanding operations and capital base of MVCC submitted for consideration by MVCC Board	-----	-----	-----30%	-----	-----

Activity	1991 Target	To date accomplished	Progress				
			0%	25%	50%	75%	100%
Conduct, monitor and assess entrepreneur development programmes	1200 aspiring entrepreneurs trained; 300 new SSEs started, 150 existing enterprises expanded	939 persons trained 175 new businesses started 99 existing businesses expanded					
Develop MLE/SSE linkages incl. those in the handicraft sector	4 new MLE-SSE ventures established	--	--				
Implement training and other interventions for existing SSE product/service groups with high employment potential	10 interventions carried out	8 interventions carried out					
Develop new SSE opportunities for investments and other areas	12 new products or services identified & business profiles completed,	6 products identified					
	agro-industry data base installed,	--	--				
	3 tourism sector SSEs initiated	--	--				
Assess and promote selected EIED/SSE special projects incl. Kotmale Kitul Treacle Assoc.	2 pilot projects replicated	1 pilot project replicated (ornamental fish - 8 ponds reopened in System B)					
Establish working links with selected SSE programs and associations and chambers	3 collaborative activities carried out with NGO & GSL organ. assoc. and chambers	2 activities carried out (with Youth Ministry in Uda Walawe and with Plenty Canada at Madatugama)					
Monitor and evaluate progress	Collect baseline data;	1988 baseline indicators established for System H, B and C					
	put mechanisms in place for (1) monitoring the results of enterprises served and	Monitoring system designed and tested for tracking results of enterprises assisted					
	(2) tracking indicators on employment and businesses.	--	--				
Conduct audit of the land available in Mahaweli areas for investors	Location & extent of land available in Mahaweli for investors recorded	Land audits of System C, G, H and Kotmale completed					
Establish a land bank consisting of relevant information on Mahaweli Lands available to investors	Land profiles for 100 allotments for investors published	57 land profiles completed					

Activity	1991 Target	To date accomplished	Progress (%)				
			0%	25%	50%	75%	100%
Issue transferable leases	1000 leases issued	--	--				
Establish policies on access to water for Mahaweli investors	Policy for water use by investors issued by MASL	Water policy drafted. Year round irrigation in main and branch canals in System B agreed on	-----50%				
Improve labour availability for Mahaweli investors	Recommendations on actions to improve labour avail. accepted by MASL	--	--				
Improve EIED policies, procedures and regulations	EIED's inventory of policy, procedures and regulations revised	--	--				
Establish a dialogue among investors and policy makers	Constraints on investors due to Mahaweli policies identified resolved	3 meetings with investors held	-----70%				
Formulate policies for manufacturing, tourism and housing development	Mahaweli policies for manufacturing tourism and housing development formulated	Tourism policy formulated	-----33%				
Improve transport facilities in Mahaweli areas	Plan for improving the transport facilities in the Mahaweli areas developed	--	--				
Prepare and make available to investors an inventory of Mahaweli mineral resources	Document on availability of mineral deposits in Mahaweli areas for potential investors published	Initial discussions, study designed, part of catalogue materials collected	-----20%				
Increase the capabilities of EIED staff to assist micro and small businesses	24 EIED staff trained in small scale enterprise devel. extension methods	Several orientation sessions held	-----10%				
Increase the capabilities of EIED staff to carry out activities and manage information	4 EIED staff trained in fields of importance to Mahaweli development	one person trained at Asian Institute of Technology	-----20%				
	15 staff trained in computer information and management	--	--				
Develop management information system	MIS established which provides monthly information on services and results indicators	Client and services monitoring framework developed and tested	-----80%				
Report and plan	Report quarterly and annually, carry out quarterly, mid-year and annual reviews, prepare 4 quarterly plans and 1992 annual plan	4 quarterly reports and plans produced, 2 MED planning meetings and reviews held	-----100%				

MAHAWELI AGRIBUSINESS INVESTMENTS

1. APPLICATIONS FOR LAND DURING REPORTING PERIOD

Total Mahaweli	1986 - 1989	1990	1991	1986 - 1991
Agribusiness investor applications for land to EIED	333	48	23	404
approved by MASL evaluation panel	104	23	14	141
pending with EIED at end of period	---	1		
final approval received	75	18	11	104

2. CUMULATIVE STATUS OF APPROVED AGRIBUSINESS INVESTMENTS

Total Mahaweli	as of end 1989	as of end 1990	1991			
			end 1st Q	end 2nd Q	end 3rd Q	end 4th Q
Investments, number which have received final approvals	75	93	98	103	104	108
Of which: withdrawn by investor before handover	14	14	14	14	14	14
Land not yet handed over to investor	3	4	5	6	7	4
Land handed over to investor	58	75	79	83	83	90
Of which: leases issued	1	1	1	1	1	1
canceled by EIED	11	29	29	29	29	33
Hectares handed over - irrigable uplands	489	654	674	720	740	800
Hectares handed over - non-irrigable uplands	253	529	529	549	587	587

3. CURRENT STATUS OF APPROVED AGRIBUSINESS INVESTMENTS

Total Mahaweli	at end 1989	at end 1990	1991			
			at end 1st Q	at end 2nd Q	at end 3rd Q	at end 4th Q
Active investments (lands handed over to investor less those subsequently canceled by EIED)	47	46	50	54	54	54
Of which: not in operation					8	8
preparatory work underway					9	9
in operation	22	30	32	36	37	37
On which: hectares cultivated of irrigable uplands	50	95	100	110	125	125
hectares cultivated of non-irrigated uplands		100	110	115	153	153
persons directly employed		871	470	590		480
outgrowers contracted		956	575	730	n.a.	n.a.

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

Total Mahaweli		Total 4th Quarter	Cumulative Total 1991
Business consultancies (2)		944	4775
Enterprises assisted with planning, technical advice and credit (3)		332	1329
Entrepreneur Development Training - number of individuals trained		0	939
Product and Service groups - number of individuals trained (ad-hoc training)		117	711
Self employment opportunities created	Full time	103	625
	Part time	35	145
Jobs created in micro and small enterprises	Full time	61	297
	Part time (secondary employment)	22	265
Jobs created by start-ups of micro and small enterprises	Full time	37	201
	Part time (secondary employment)	18	198
Jobs created by expansions of micro and small enterprises (4)	Full time	24	96
	Part time (secondary employment)	4	67
Savings and Credit Societies	Number of societies formed	2	9
	Number of members	24	121
	Value of member equity ('000s)	24	161
	Value of collateral funds	Nil	Nil
Grants to Savings and Credit Societies	Number of grants made	Nil	Nil
	Value of grants made	Nil	Nil
	Value of grant disbursements	Nil	Nil
Loans to members of Savings and Credit Societies	Number of loans	Nil	Nil
	Value of loans (Rs. 000s)	Nil	Nil

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

Total Mahaweli		Total 4th Quarter	Cumulative Total 1991
Direct loans submitted to Banks	Number of loans	134	896
	Value of loans (Rs. 000s)	3192	13005
Direct loans received from Banks	Number of loans	78	639
	Value of loans (Rs. 000s)	775	6227

1. Data compiled from reports sent by each business center giving combined EIED and FBC totals for 1991. Number of consultancies provided to women entrepreneurs in 1991 = 675 or 14% of the total
2. Of these consultancies, 22% were provided to aspiring entrepreneur clients and 78% to existing enterprise clients. Number of women owned enterprises assisted in 1991 = 229 (17%)
3. Of these enterprises, 65% were self employment projects, 25% microenterprises (1-4 employees), and 10% small enterprises (5-25 employees).
4. Estimates as EIED statistics do not track employment from expansion

**OUTPUT INDICATORS
POLICY, PROCEDURES AND REGULATIONS**

1990

- 1,600 allotments were selected for the issuing of transferable leases
- the Director General/MASL decided that investors should be levied a charge for water taken from the canals
- the process of approving investor applications was streamlined and made quicker through the appointment of a Ministry representative to the EIED evaluation panel which reviews proposals
- agreement in principle was reached to permit investors more flexibility to respond to market opportunities by establishing a negative list of crops that cannot be cultivated by agribusiness investors to replace the practice of establishing a restrictive positive list of crops which each investor may cultivate. At the moment the intention is to place rice on the negative list.

1991

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

MEDIUM AND LARGE SCALE ENTERPRISE ACTIVITIES			
Activity	1991 Target	Accomplishments	Issues
Provide support to selected investors including commercial demonstration farms through pre-investment programs (PIPs)	15 PIPS presented 12 PIPS approved 10 PIPS carried out	08 PIPS presented 06 PIPS approved 03 PIPS carried out	Lack of land leases and credit facilities Consultant approval process has been lengthened Limited ability of many investors to develop bankable business plans
Promote in Sri Lanka and abroad investment opportunities in Mahaweli	20 Sri Lankan and 2 foreign investors present investment applications to EIED	23 local companies have presented applications during 1991 including 1 joint venture	
Operate a Mahaweli investor information service	Information provided to 100 MLE investors	Information provided to 167 investors	
Provide field advisory services, technical assistance and training to agribusiness and other investors	Field based assistance in commercial farm development provided to 15 agribusiness investors and in 6 product areas (to include dried fruit and tomatoes) to 50 investors	Field assistance provided to 15 commercial farmers and agribusiness investors; seminars given to 60 investors in silverskin onions, aromatic herbs and spice crops; trials planted on 5 investor farms	Farmers unwilling to proceed during 4th quarter due to heavy rains Lack of adequate varieties for testing MASL commercial farms not yet issued by Mahaweli in System C and H
Develop export and local markets for Mahaweli products	Marketing services provided to 50 firms	Services provided to 71 investors	Need to integrate provision of marketing services with other investor services
Develop tourism resources	1 tourism investment approved	1 investment approved by MASL evaluation panel	Need to resolve environmental issues
Develop manufacturing, mineral, property and service sector opportunities	3 investments approved in non agricultural sectors	4 investments approved for textile factories	Need to coordinate textile investments with other EIED investment procedures

SMALL SCALE ENTERPRISE ACTIVITIES			
Activity	1991 Target	Accomplishments	Issues
Provide field business advisory services	16 FBCs provided services to SSEs 8 business centers established providing services to SSEs in the field	9 FBCs providing services 7 Business Centers established	Difficulties in recruiting and housing FBCs To increase MEA support for MED, RPMs should be briefed regularly on MED goals and activities
Commence 1st phase of SSE credit programmes	8 Savings and Credit Assoc. (SCAs) formed	9 SCAs formed	Delays in registration of societies by Registrar of Companies. Unable to register non-industry SSEs in the SCAs No grants can be made until AID-MASL mechanism is in place
Facilitate SSE access to credit outside Savings and Credit Assoc.	Credit assistance provided to 800 new and existing SSEs outside SCAs	Credit assistance provided to 639 SSEs (loan received)	Slow pace of loan processing by banks
Expand avenues of MVCC finance	Increase financial participation of private and other Sri Lankan financial institution in MVCC	Recommendations being reviewed by the MVCC Board	
Conduct, monitor and assess Entrepreneur Development Programmes	1200 aspiring entrepreneur trained; 300 existing entrepreneurs trained; 360 new SSEs started; 150 existing enterprises expanded	939 persons trained in 5 systems. 175 new businesses started 99 expanded	Cost effectiveness of courses should be improved. Courses to be redesigned prior to further programs
Develop MLE-SE linkages including those in the handicraft sector	3 new MLE-SSE ventures established	None consummated to date from SSE program but 4 initiatives under discussion	
Implement training and other interventions for existing SSE product/service groups with high employment potential	10 interventions carried out	8 interventions carried out plus study tour for entrepreneurs	Experience to date suggests that further instructions and guidance for field staff in assessing training needs is required Need to focus on higher value activities

SMALL SCALE ENTERPRISE ACTIVITIES			
Activity	1991 Target	Accomplishments	Issues
Develop new SSE opportunities for investments in agro industry and other areas	12 new products or services identified and business profiles completed; agro-industry data base installed; three tourism sector SSEs initiated	6 new product or services identified but feasibility studies not contracted	
Assess and promote selected EIED SSE special projects including Kotmale Kitul Treacle Association	2 pilot projects replicated. Operational efficiency of KKTA improved	1 project replicated (8 ornamental fish ponds reopened in System B)	
Establish working links with selected SSE programs and associations and chambers	3 collaborative activities carried out with NGO and GSL organisations, associations and chambers	2 collaborative activities carried out (EDP training with Youth Ministry; EDTP with Plenty Canada)	
Monitor and evaluate progress	Collect data; put mechanisms in place for (i) monitoring the results of enterprises served and (ii) tracking indicators on employment and businesses	1988 baseline indicators established for System H, B and C Monitoring system designed and tested for tracking results of enterprises assisted	

POLICY, PROCEDURES & REGULATION ACTIVITIES			
Activity	1991 Target	Accomplishments	Issues
Conduct audit of the land available in Mahaweli areas for investors	Location and extent of land available in Mahaweli for investors recorded	Land audits of Systems C, G, H and Kotmale completed	Lack of blocking out plans has hampered work Need for audit of commercial allotments available for allocation to SSE investors.
Establish a land bank consisting of relevant information on Mahaweli lands available to investors	Land profiles for 100 allotments for investors published	57 land profiles completed	Lack of survey plans especially in System G
Issue transferable leases	1,000 leases issued	Zero	RPMs have not sent all relevant information to Manager, Lands - MEA Indecision by MASL regarding MED doing surveys
Establish policies on access to water for Mahaweli investors	Policy for water use by investors issued by MASL	Water policy drafted. Year round irrigation in main and branch canals in System B agreed on	Draft water policy not submitted to MASL Board
Improve labour availability for Mahaweli investors	Recommendations on actions to improve labour availability accepted by MASL	Postponed to 1992	
Improve EIED policies, procedures and regulations	EIED's inventory of Policy, Procedures and Regulations revised	Incremental improvements made	
Establish a dialogue among investors and policy makers	Constraints on investors due to Mahaweli policies identified and resolved	Three meetings with investors held and initial arrangements made for constituting 2 Mahaweli Investor Associations	Past difficulties have made investors hesitant to put effort into policy dialogues
Formulate policies for manufacturing, tourism and housing development	Mahaweli policies for manufacturing, tourism and housing development formulated	Tourism policy prepared and circulated	Issues with Wildlife authorities are pending
Improve transport facilities in Mahaweli areas	Plan for improving the transport facilities in the Mahaweli areas developed	Postponed to 1992	Infrastructure requirements for Mahaweli to be studied in an integrated fashion
Prepare and make available to investors an inventory of Mahaweli mineral resources	Document on availability of mineral deposits in Mahaweli areas for potential investors published	Study designed and advertised; bid received from local firms; to be carried out in 1992	Uncertainty about contracting mechanism

EIED STAFF TRAINING AND OTHER ACTIVITIES			
Activity	1991 Target	Accomplishments	Issues
Increase the capability of EIED staff to assist micro and small businesses	24 EIED staff trained in small scale enterprise development extension methods		Requirement of USAID that training candidates pass an English proficiency test prior to going for training
Increase the capabilities of EIED staff to carry out development activities and manage information	4 EIED staff trained in fields of importance to Mahaweli development. 15 staff trained in computer information and management	One person trained at AIT	
Develop management information system	MIS established which provides monthly information on services and results indicators	MIS and monitoring system designed, tested and put into use in 1991	
Report and plan	Report quarterly and annually; carry out quarterly, mid-year and annual reviews; prepare 4 quarterly plans and 1992 annual plans	Four quarterly reports and plans produced; three MED planning meetings and reviews held; 1992 plan prepared	

MED SHORT TERM TECHNICAL ASSISTANCE JANUARY - DECEMBER, 1991			
Program area	Topic	Name	Dates
MLE	Pre-investment programme development	Bob Lee	Jan - Feb
SSE	Baseline survey data entry	Agroskills	Feb - July
SSE	Legal aspects of credit program	G.J.T. Alagaratnam	Feb - Mar, June - September
MLE	Writing of Mahaweli investor guidebook	H.B. Henuapriya	March
MLE	Silverskin onion production	Del Wisdom	March - April
MLE	Brining, fermentation and packaging of gherkins	Wolfgang Pach	April - July, August - October
MLE	MASL farm development by private sector as commercial farms	Thomas Hart	April - June
MLE	Integrated fruit development	Michael Smedley, Ilen Hatfield and W. Somchit	April - July
MLE	Banana production and marketing	Ed Hurlston (SRD) and S.R. Daines (SRD)	April - June
MLE/SSE	Tourism development	Teams, Ltd.	April - June
SSE/MLE	Medicinal and herbal crops, products and markets	Denzil Phillips	May, July
SSE	Handicraft exports	Tilak Samarawickrema	May
MLE	Land bank allotments	Thomas Cruze	May - June
MLE/SSE	Land policy	L.M. Samarasinghe	June
MLE	Land audit	T.J. Jayawardene	June - September
MLE	Investor guidebook text	Tom Healy	June
MLE	Investor guidebook production	Pauline Cochrane	June, September
MLE	Silverskin onion production	Walt Neuberg	June - July
MLE	Pre-investment development	Gordon Bailey	September - October
SSE-EDTP	Entrepreneur development programmes	Hina Shah	October - November
SSE-EDTP	Entrepreneur development programmes	Susan Exo	October - November
MIS	Monitoring assignment	Richard Huntington	October - November
MLE	Essential oils PIP	Tom Davies	November - December
MLE	Agribusiness financing	D. De Santis	October - November

MED (ISTI) REPORTS JANUARY - DECEMBER 1991		
Title	Name	Report # and Date
MED/EIED Quarterly Report January - March 1991		March - 1991
MED/EIED Quarterly Plan April - June 1991		March - 1991
Commercial Demonstration Farms in the Mahaweli	Dr. Thomas G. Hart	1/1991-June 1991
Commercial Demonstration Farm Investment Potential for Gurugodella	Dr. Thomas G. Hart	2/1991-June 1991
Commercial Demonstration Farm Investment Potential for Kachchigalaru	Dr. Thomas G. Hart	3/1991-June 1991
Commercial Demonstration Farm Investment Potential for Malwanagama	Dr. Thomas G. Hart	4/1991-June 1991
Commercial Demonstration Farm Investment Potential for Dambewatana	Dr. Thomas G. Hart	5/1991-June 1991
Mahaweli Land Policy: Proposed Policy and Supporting Documents	Dr. James Finucane and Jayantha Jayewardene	6/1991-June 1991
MED/EIED Quarterly Report April - June 1991		June 1991
MED/EIED Quarterly Plan July - September 1991		June 1991
Crop Profiles - Spices, Herbs and Aromatics	L. Denzil Philips	7/1991-July 1991
Study of the Tourism Development in the Uda Walawe	Teams (Pvt.) Ltd.	8/1991-July 1991
Report on the Gherkin Project	W. Pach	9/1991-June 1991
Report on Commercial Farms in the Mahaweli System B	Jayantha Jayewardene	10/1991-August 1991
Potential for Silver Skin Onions in the Mahaweli	Walter Nucberg	11/1991-August 1991
MED/EIED Quarterly Report July - September 1991		September 1991
MED/EIED Quarterly Report October - December 1991		September 1991
Nursery Development of Papaya and Mango, Papaya Growers' Guide and Technical Notes for Business Plan for Mixed Fruit Cultivation Investment	Ben Hatfield	12/1991 - Nov 1991
Some thoughts on constraints to SSE development in the Mahaweli and proposed actions for 1992	Paul Bundick	13/1991 - Nov '991
A Guide to Formation and Management of Savings and Credit Societies under the MED Project	M.W. Panditha	14/1991 - Nov. 1991

MED (ISTI) REPORTS JANUARY - DECEMBER 1991		
Title	Name	Report # and Date
A Guide to Formation and Management of Savings and Credit Societies under the MED Project	M.W. Panditha	14/1991 - Nov. 1991
An Evaluation of the Entrepreneur Development Programmes	Dr. Susan Exo and Hina Shah	15/1991 - Dec. 1991
Dehydrated Fruit Processing Opportunities and trends in Sri Lanka	Wanchai Somchit	16/1991 - Nov. 1991
Aromatics PIP Interim Report on Trials Establishment	Dr. Thomas Davies	17/1991 - Dec. 1991
Agro-Business Financing Review	Dennis De Santis	18/1991 - Dec. 1991
Integrated Fruit Drying, Juicing, Pulping Project - Pre Feasibility Study	Michael Smedley, Ben Hatfield and Wanchai Somchit	19/1991 - Dec. 1991
Proposal for a Program Monitoring System	Dr. Richard Huntington	20/1991 - Dec. 1991

INPUTS AND ACCRUED EXPENDITURES BY PROJECT LINE ITEM			
Reporting period: January - December 1991			
Project line item	Project targets for inputs and expenditures	Inputs this period	Cumulative inputs to date
Entrepreneur training	Persons trained: 900 persons	939	939
Ad hoc training	xx persons	-	-
EIED staff training	xx person-months staff training	3	3
	\$650,000	n.a.	\$182,333
Pre-investment programs	15 PIPs presented to EIED/USAID	8 presented	8 presented
	10 PIPs approved	6 approved	6 approved
	10 PIPs completed	3	3
	40 firms assisted with PIPs	3	3
	\$250,000 on PIPs	0	0
Investment promotion and Information dissemination	xx promotion seminars		3 seminars
	xx overseas missions	1	3
	xx market seminars	13	16
	xx market studies distributed		
	\$900,000	n.a.	\$23,241
Grants to associations	xx associations assisted		
	xx grants to Savings and Credit Associations		
	xx grants to other associations		
	xx loans to SSEs		
	\$200,000	0	0

INPUTS AND ACCRUED EXPENDITURES BY PROJECT LINE ITEM			
Reporting period: January - December 1991			
Project line item	Project targets for inputs and expenditures	Inputs this period	Cumulative inputs to date
Special projects	xx activities proposed to EIED/USAID	1 proposed	1
	xx activities approved	1	1
	xx activities completed		
	\$1.0m	0	0
Equipment	5 vehicles		5
	16 motorcycles		6
	8 business centers equipped		
	\$700,000	n.a.	\$62,119
Surveys, monitoring	xx opinion surveys completed		
	1 MLE baseline established		
	1 SSE baseline established	1	1
	\$200,000	n.a.	\$38,514

INPUTS AND ACCRUED EXPENDITURES BY PROJECT LINE ITEM			
Reporting period: January - December 1991			
Project line item	Project targets for inputs and expenditures	Inputs this period	Cumulative inputs to date
Evaluation and audits	25 steering committee meetings including Project Review Committee meetings)		
	1 mid-term project external evaluation		
	1 final project external evaluation		
	xx audits	0	0
Planning and operations	750 leases issued		-
	6 annual MED/EIED workplans	1	2
	xx planning workshops	3	5
	\$50,000	n.a.	\$8,999
Technical assistance	20 MED quarterly reports	4	6
	6 MED annual reports	1	2
	1 mid-term MED report		
	1 final MED report		
	302 months long term MED t.a.	15.0	81.0
	60 months short term local t.a.	2.55	11.75
	95 months short term foreign t.a.	6.13	22.97
	780 months MED field advisors	28.97	65.97
xx months short term market t.a.			

Data for compiling this table is incomplete.

PRE-INVESTMENT PROGRAMS

A. GENERAL OVERVIEW

Pre-Investment Programs (PIPs) are custom-designed packages of assistance provided by the MED Project to support pioneer investors in the Mahaweli. Through PIPs the Project provides assistance which enable the unusual risks and extraordinary costs which pioneers face to be shared between the investors and the Project. PIPs can give pioneer medium and large enterprises (MLEs) direct exposure to markets and direct access to expertise in production, management and marketing techniques which investors themselves define as needed. PIP assistance can provide:

- * technical guidance and expertise in specialized fields (e.g., agronomic, production, post harvest handling and transport, processing and marketing).
- * overseas travel to investigate markets and establish market contacts.

B. INVESTOR ELIGIBILITY

Investors to be eligible for PIP consideration should meet the following minimum conditions:

- * be a pioneer Mahaweli investor.
- * be willing to share what is learned with other pioneer investors.
- * be willing to share the cost of the PIP assistance.
- * have the management and financial capacity to undertake the proposed investment.

C. ELIGIBLE ACTIVITIES

Investments eligible for PIP support are those based on comparative or competitive advantages. In practice, this covers non-subsidized export or import substitution oriented investments in:

- commercial scale agricultural production (including nucleus/outgrower schemes) with priority on fruits and vegetables.
- post-harvest packing, processing and storage of commercial agricultural crops being produced.
- packaging, transport and marketing activities that integrate to support the commercial agricultural ventures in the region.
- off-farm activities in the manufacturing, tourism and services sectors

D. SELECTION CRITERIA

Investments proposed by investors for PIP support are judged against the following criteria:

- The investment is technically and financially viable.
- The investment entails extraordinary costs and risks for the pioneer investors.
- The investment if successful will stimulate the entry of new entrants into a potentially profitable industry.
- The investment will expand employment and income earning opportunities in the Mahaweli.
- The investment is not environmentally harmful and is not in product or market areas prohibited from receiving USAID support due to concerns about possible adverse environmental effects or competition with specific American products.

E. ELIGIBLE EXPENDITURES

Expenditures eligible for PIP consideration include:

- Costs to bring specialists to Sri Lanka to provide technical or business assistance to the pioneer investor.
- Travel for Sri Lankan employees of pioneer investor firms to other countries to gain training and make market contacts.
- Costs to support training programs in or outside Sri Lanka.
- Purchase of capital items that are approved as justified by EIED and USAID.

F. ESSENTIAL DEFINITIONS

Pioneer investor is an investor engaged in a new activity in the Mahaweli. Most if not all medium and large investors participating in the targeted agriculturally-based industries are pioneer investors due to the novelty of the industries to Sri Lanka and the frontier nature of the Mahaweli.

Pre-investment is an investment required by a pioneer investor to remove a barrier to the effective initiation of an investment or the effective implementation of an ongoing investment.

Cost sharing is the sharing by the pioneer investor in the cost of the pre-investment which receives PIP support through MED. The pioneer investors share can be cash, executive time, or capital inputs already made. For example, for overseas travel undertaken through a PIP, MED would provide tickets for transport and the investor would provide lodging and the time of the most appropriate executive. In cases where the investor is already committing a major investment of time and money this commitment will likely be considered his share of the cost to support the PIP intervention.

APPROVED PRE INVESTMENT PROGRAMS (PIPs)		
Company/address	Description of PIP	Status
<p>Sunfrost/Hayleys P.O.Box 70 400, Deans Road Colombo 10.</p> <p>Location: Systems B, C, and Uda Walawe</p>	<p>To provide a silver skin onion expert that can help to implement the effective commercial production of the crop on Sunfrost and outgrower lands.</p>	<p>A silver skin onion production advisor, Mr Walt Neuberg assisted Sunfrost to do further planting, harvesting of previous trials and post harvest handling of silver skin onions. Sunfrost advise latest crop trials planted during October/November wet season were not very encouraging. They plan to plant further silver skin onion trials mid January 1992.</p> <p>A. Private Sector Contributions</p> <p>1. Budgeted Amount \$ 23,000</p> <p>2. Amount This Period \$ 1,000</p> <p>3. Amount To Date \$ 21,720</p> <p>Note: This does not include harvesting and processing costs.</p> <p>B. MED Technical Assistance Level of effort 45 days</p>
<p>Forbes & Walker 46/38, Navam Mawatha P.O. Box 60 Colombo 2. Loc: System C</p>	<p>Provide assistance to help improve the fermentation and brining technology being used by the Gherkin industry.</p>	<p>Brining and fermentation specialist, Mr Wolfgang Pach revisited major U.S. buyers, Vlasik and Green Bay foods, to discuss technical aspects of a joint venture with FAS. Mr Pach also assisted FAS ferment this season's gherkin crop in 30 large vats and upgraded a pickle packing plant feasibility study, which may lead to a major investment upwards of Rs.200 million. The services of a processing specialist, Mr Michael Smedley, have been requested to finalize this study in early 1992. Meanwhile FAS have applied for Mahaweli land for a processing and bottling plant site and while awaiting a decision FAS will commence planting gherkins mid January 1992.</p> <p>A. Private Sector Contributions</p> <p>1. Budgeted Amount \$ 91,150</p> <p>2. Amount This Period \$ 111,000 *</p> <p>3. Amount To Date \$ 442,500</p> <p>* Includes increase in working capital (40%) of total extension services, development of collection centres and nucleus farm development, and overseas market development travel.</p> <p>B. MED Technical Assistance Level of effort Apr 03 - Jul 03 90 days Level of effort Aug 23 - Oct 22 60 days</p>

APPROVED PRE INVESTMENT PROGRAMS (PIPs)		
Company/address	Description of PIP	Status
<p>Aromatic, Herbs and Spices PIP shared by a minimum of five companies including Richard Pieris Ltd., Informatics (Agrotech) Limited., Mahaweli Farm Development Pvt Ltd., Forbes and Walker and Sunfrost.</p>	<p>To assess the commercial viability of growing a range of herbs/spice and aromatic plants in the Mahaweli through a monitored pilot operation designed to assess the yields, costs and returns from the cultivation of a range of such crops and to identify areas of the Mahaweli most suitable to their cultivation. Market testing of the resultant products both in Sri Lanka and abroad will also be undertaken to assess the quality of material produced and to identify potential local and overseas buyers.</p>	<p>Aromatics, herbs and spices specialist, Dr Thomas Davies assisted five companies: Richard Pieris, Informatics Limited, Mahaweli Farm Development Pvt Ltd., Forbes and Walker, and Sunfrost cultivate castor, coriander, and lemongrass as either inter-crops in homesteader fruit and vegetable plots or as a crops grown on an extensive basis on marginal land. Dr Davies will return with Dr Hornock in February 1992 to supervise final plantings of castor, coriander, and lemongrass trials and also to plant local ginger planting material, which will be available around mid January.</p> <p>A. Private Sector Contributions</p> <ol style="list-style-type: none"> 1. Budgeted Amount \$ 47,500 2. Amount This Period \$ 15,000 * 3. Amount To Date \$ 15,000 <p>* Includes increased working capital requirements for the five companies.</p> <p>B. MED Technical Assistance</p> <p>Level of effort - up to 150 days Level of effort 4 Nov - 5 Dec 32 days</p>
<p>Vanathawilluwa Vineyard 441/1A Razeendale Gardens Colombo 4</p> <p>Location: Girandurukotte, System C</p> <p>Richard Pieris Agricult' Enterprises Ltd 69 Hyde Park Corner. Colombo 2</p> <p>Contact: Mr Cumarantunga Director</p> <p>Location: System H.</p>	<p>To assist two companies: Vanathawilluwa Vineyards Ltd (VVL) and Richard Pieris Agricultural Developments (RPAE) carry out production trials and assist VVL with preliminary processing work on processing tomatoes that will help to confirm the viability of an integrated tomato paste project in the Mahaweli.</p> <p>RPAE processes paddy for Mahaweli farmers in System 'H' and is planning to cultivate fresh tomatoes for the local market and to develop chilli and curry powder for export.</p>	<p>VVL have selected Mr Peter Florance as the tomato production agronomist specialist and Mr Don Chisolm as the tomato processing and industry specialist. Mr Florance is expected to arrive late January 1992. VVL is to prepare a marketing plan and financial evaluation of the processing facility to determine investment and working capital requirements and to establish if the venture is financially viable.</p> <p>VVL and RPAE have agreed to share the technical services of Mr Florance. RPAE have applied for Malwanegama commercial farm on Mahaweli land in System 'H' for the cultivation of tomatoes.</p> <p>A. Private Sector Contributions</p> <ol style="list-style-type: none"> 1. Budgeted Amount \$ 119,530 2. Amount This Period \$ 5,000 * 3. Amount To Date \$ 5,000 <p>* Includes VVL and RPAE investments</p> <p>B. MED Technical Assistance</p> <p>Level of effort - up to 150 days</p>

PROPOSED PRE INVESTMENT PROGRAMS (PIP's)		
Company/address	Description of PIP	Status
<p>Aitken Spence & Co. 13, Sir Baron Jayatilake Mawatha Colombo 1</p> <p>Loc: Uda Walawe</p>	<p>ASAD will be a pioneer producer in the large scale export of fresh fruit and vegetable. ASAD seek PIP assistance for the services of three specialists to assist ASAD design the cold chain facility, train ASAD staff in cold chain procedures and to carry out sound environmental practices. Transport and marketing development assistance is also sought.</p>	<p>PIP proposal to provide Aitken Spence with technical assistance and market development and transport for the cold chain facility in Uda Walawe was submitted for approval late December 1991. This proposal is contingent upon Aitken Spence's board of directors approving the Uda Walawe area cold chain special project.</p>
<p>Ceylon Tobacco Co. P.O. Box 18, 108 George R.de Silva Road Colombo 7</p>	<p>Processing of tropical fruits for pulping or drying and production of soya and maize used in the production of milk substitutes (Thriposha) for Government of Sri Lanka contracts.</p>	<p>CTC's proposal for their future investment plans in the Mahaweli for the cultivation of burley tobacco and the development of 150 acres of crops, including cultivation of soya and maize for a Thriposha project and fruit and vegetables for processing was submitted to MASL officials. The PIP document focusing on fruit drying with CTC has been submitted to EIED/ USAID for approval.</p>

POTENTIAL PRE-INVESTMENT PROGRAM (PIP) INVESTORS.		
Company/address	Potential project	Status
<p>Pure Beverages Co. Ltd 74 Union Place Colombo 2 Contact: S. de Silva - Manager General Accounting Tel: 20603, 447497 Fax: 447320</p>	<p>The company's main business is the bottling of Coca-Cola and other softdrinks. PBL are keen to develop an out-grower scheme for commercial fruit production of tropical fruits for processing into squash drinks and juice products.</p>	<p>A long industrial dispute has resulted in PBL delaying the preparation of their corporate plan which will include future Mahaweli investment. PBL advise they may be in a position to submit their proposal during this quarter.</p>
<p>Pickle Packers Ltd 122/1 Dudley Senanayake Mawatha Dehiwela Contact: Mr Wilhelm Balthazaar Managing Director Tel: 553856</p>	<p>PPL will require technical assistance to: a) improve out-grower yields and minimize post harvest losses for PPL farmers in Eppawela, System 'H' and b) design, planning, siting and commissioning of a pickle bottling and canning factory. PPL also seek assistance with test marketing and market development travel expenses up to a maximum of \$25,000.00</p>	<p>PPL currently have no land in Mahaweli although work with outgrowers in System H. They propose growing gherkins and melons in System H on a joint venture with ACDI. They are also interested in a bottling plant for gherkins and other related products. PPL inspected existing land, buildings and infrastructure in System 'H'. PPL have recently received approval for the venture from ACDI, and are due to prepare a proposal for assistance in January.</p>
<p>Country Style Foods Ltd. 201 St. Anthony's Road Kirimetiyyagara -Kandy Rd Contact: Mr Sarath Alahakoon Tel: 525027</p>	<p>To assist the company - the manufacturers of "SMAK" natural fruit and milk drinks - increase the supply of tropical fruits, specifically mango, papaya and pineapple, for their fruit juice operations.</p>	<p>Mr Alahakoon visited System 'H' in December to identify suitable land for fruit production. Mr Indra Phillips agreed to assist Mr Alahakoon prepare his proposal for Mahaweli land and PIP assistance to increase his source of raw material supplies. A copy of a business plan guideline was given to him and the contents explained. Requested Earl Guise to assist Mr Alahakoon formulate a production plan and crop data based on SMAK's next >5 years supply requirements.</p>
<p>Startechs 4A Perahera Mawatha Colombo 3 Contact: Mrs S. Athauda Tel: 446605</p>	<p>Startechs plan to cultivate rambutan, foliage plants, papaya and passion fruit and will require technical assistance in agronomy and marketing.</p>	<p>Mrs Athauda has identified suitable available land of approximately 10 acres at the Pallekela area of Victoria dam project area for production of rambutan, papaya and passion fruit. Mrs Athauda wrote to EIED on 10th December 1991 seeking details and related procedures to apply for a lease over this land. Mrs Athauda will prepare seedlings for the above crops from her nursery at Kalutara. Seedlings are also available from Agro Consultants Services (Pvt) Ltd. (ACS), of 56/42 Deveni Rajasinghe Mwt, Kandy. ACS are preparing a proposal to cultivate and manage Startechs' land.</p>

POTENTIAL PRE-INVESTMENT PROGRAM (PIP) INVESTORS.		
<p>Bary and Company 20 Malwaite Road Dchiwela</p> <p>Contact: Mohamed Bary Proprietor</p>	<p>Company are interested in the cultivation of specialty bananas. They are interested in land at Hingunukanamediyara (close to the Presidents bungalow) in Embilipitiya, Uda Walawe. State they would like 1,200 hectares and desire land with adequate water for cultivation.</p>	<p>Company introduced to SRD's Mr K. Kodituwakku who discussed the water problem and handed them a banana technology brief to assist them with research material for preparation of a proposal should they wish to continue. We introduced them to Earl Guise to discuss bananas and other alternate crops. Earl Guise is to arrange a further meeting in new year.</p>
<p>Sunpak (Pvt) Ltd. 55 Rosmead Place Colombo 7</p> <p>Contact: Prof W. Gunawardena</p>	<p>To provide agronomic assistance to Sunpak in commercial fruit production for processing into jams, jellies, cordials and juices. Sunpak would consider a site in Mahaweli System B to do the primary processing. The other processing facilities would be sited in or near Colombo.</p>	<p>Sunpak are focussing their attention on current heavy workload for their consulting arm, 'Teams'. Prof W. Gunawardene will attempt to prepare a business plan during first half of 1992.</p>
<p>Ceylon Supply and Development Co Senanayake Building 7 Station Road Colombo 3</p> <p>Tel: 574511-5</p> <p>Contact: Priantha Dias</p>	<p>CSD intend to establish four collection centers and a cold chain distribution system in Mahaweli System 'H'. CSD plan to seek PIP technical assistance design the cold chain facility, train ASAD staff in cold chain procedures. Some travel and marketing assistance may be sought.</p>	<p>CSD management have been away overseas and advise they are working on a bankable proposal for MED program assistance. This may be through a special project and/or PIP assistance.</p>
<p>Renuka Agro Exports 69 Sri Jinaratna Road Colombo 2</p> <p>Contact: Dr. Rajiah Mng/Dir Tel: 422694, 435213 436778/82, Telx: 21324</p>	<p>Renuka plan to establish a processing unit on a 50 acre demonstration farm and cultivate coconut with the assistance of outgrowers. They also plan to operate a nursery for the production of modern strains of coconut seedlings and function as purchasing and processing agents by establishing a series of 15 collection centers.</p>	<p>Renuka directors advise they are preparing a proposal for PIP assistance in 1st quarter of 1992.</p>

POTENTIAL PRE-INVESTMENT PROGRAM (PIP) INVESTORS.		
<p>Ceylon Botanicals Ltd. 69 Sri Jinaratna Road Colombo 2</p> <p>Contact: Mr Candappa - Chairman of Directors Tel: 422694, 435213 436778/82, Telx: 21324CBL</p>	<p>CBL propose to lease 50 acre of Mahaweli land to set up a nucleus farm for the cultivation of organic rice and sesame for export. The company plan to demonstrate organic cultivation practices and help outgrowers convert their existing plantations to organic under certification. CBL also plan to function as a purchasing/processing centre for organic produce.</p>	<p>CBL directors advise they are preparing a proposal for PIP assistance in 1st quarter of 1992.</p>
<p>Intabex (Lanka) Ltd Contact: Chris Yewdall Executive Director 4th Floor, Manapperuma Bldg. 228, Galle Rd, Col 4 Colombo Tel: 501516/7 Office: Celltel: 444013 Factory: 56 1235</p>	<p>Intabex desire to have outgrowers grow an alternate crop to tobacco in the Yala season that will require limited technology inputs from basic outgrowers. This crop would ideally be one that would not be in vogue with local buyers.</p>	<p>Intabex agronomists plan to work closely with Ceylon Tobacco Co on Mahaweli System H trials where out-growers will plant up to 1/2 acre of burley tobacco in Maha season on dry rainfed land. Intabex are to meet MED consultants Guise and Peters early January 1992 to discuss alternate crops for out-growers before submitting any proposal for PIP assistance.</p>

Project Steering Committee

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

EIED Management Team

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

ISTI/MED Consultant Team

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