

USAID/Sri Lanka

Operational Plan

FY 2006

June 12, 2006

Please Note:

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

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

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Program Performance Summary FY 2005: USAID's Country Strategic Plan, FY 2003-2007-Supporting Peace and Reform in Sri Lanka, was approved in December 2003 and supports the three main pillars of the Mission Performance Plan of Peace, Economic Growth and Democracy/Human Rights. USAID is extending its Strategic Plan period to FY 2008 due to several factors, including but not limited to the following country-specific conditions: the December 2004 tsunami that caused major implementation delays while USAID's implementing partners quickly expanded to address the emergency; uncertainties over the policies of a newly elected President and his newly appointed Administration; and a tenuous, continually tested, Ceasefire Agreement.

Working with a diverse mix of ethnic, religious and political groups, USAID plays a catalytic role in Sri Lanka in enabling citizens to experience improved living standards, benefits from the peace process, and new opportunities for economic and political engagement. USAID implements three major Strategic Objectives (SOs), and one Special Objective (SpO), Programs. These SOs and SpO include, respectively, Democracy and Governance (DG), Humanitarian Assistance (HA), Economic Growth (EG), and Supporting the Peace Process. As the following brief summaries illustrate, all programs demonstrated tangible, solid performance in FY 2005, in spite of experiencing the most devastating natural disaster in a century.

DEMOCRACY AND GOVERNANCE: There are two core activities under this Strategic Objective: supporting the Sri Lanka peace process and the promotion of transparent and accountable local government. USAID has built a strong program to address the development challenge of strengthening the Sri Lankan peace process. Training and technical assistance led to the strengthening of peace-building institutions that have a pivotal role in promoting inclusiveness and accountability, primary themes in this SO.

USAID technical assistance resulted in the creation of 16 linkages/outputs for the peace process, exceeding the target of 14. For example, the five largest political parties representing the Sinhalese, Tamil and Muslim communities participated in the USAID-supported One Text Initiative (One Text). Two significant developments occurred through this process: the inclusion of Muslim political parties and an observer from the Liberation Tigers of Tamil Eelam (LTTE). The exclusion of Muslim political parties from the peace process had been a fundamental weakness. The request by the LTTE to have an observer present was a significant achievement as negotiations between the government and the LTTE had ceased. This was the first opportunity, for government representatives, the LTTE and representatives of all communities to engage on the peace process. The importance of this development was clear to other donors who stepped in quickly to provide support for operational costs.

USAID's technical assistance to 11 groups created linkages within the peace process, exceeding the target of 10. During the first half of this reporting period, two committees from One Text, produced such linkages and facilitated the creation of the Peace Secretariat for Muslims. As an initial response to the tsunami, this secretariat established five regional help centers to assist victims. In FY 2005, the centers received 5,536 cases of which 3,115 have been resolved. These help centers will be developed into district offices, creating a mechanism for outreach in the community.

USAID's Transparent and Accountable Local Government Program with an initial target of 15 local authorities, later expanded to 33 authorities across six provinces with Emergency Supplemental funds for the tsunami. Other important results under this program included: financial management assessments of 24 partner authorities; financial management staff from 16 municipalities began training in financial software packages and budget planning; and 167 government officials and civil society leaders have been trained to facilitate community consultations for planning and service delivery. Achieving increased civic participation is a key result. The Citizen Report Card, a national survey on citizen satisfaction with local government, provides baseline data for this activity. Only 2.6% of the public are consulted by local authorities but when public consultations occur, there is significant enthusiasm for such processes, 76% percent of those invited participate and of these, 94% were satisfied with the process.

Other program highlights include: the establishment of a Local Authority Development Scale; computer training and budget development workshops for 16 local authorities; and citizen participation training in 10

partner authorities. Seventeen local authority partners have begun their budget planning process for 2006.

SUPPORTING THE PEACE PROCESS: Sri Lanka's history has shown that violent incidents which occur in local level 'hot-spots' can rapidly escalate to the national level. There are groups of people in these areas who act as peace-spoilers, barriers to sustained peace. USAID jump starts activities with community level groups and peace leaders, providing people with tools to mitigate these conflicts.

USAID targets communities by increasing public support for a negotiated settlement to the conflict through short-term, high-impact small-grant activities that increase awareness of key transition issues and collaboration among diverse groups to set and address local priorities. The program has proven to be an invaluable tool due to its relentless pace, demand-driven nature and strategically placed field offices. Using a bottom up approach to peace building, this USAID program works predominantly at the village level and often with informal groups. This compliments the USAID Democracy and Governance program which has focuses more on national level stakeholders and formal institutions.

An example of the impacts of the USAID-supported community activities was evident in the early days and weeks of the tsunami relief effort as people from non-tsunami effected communities came together to support clean up efforts. For example, in the town of Galle volunteers representing different geographic locations and ethnic backgrounds cooperated with tsunami affected people to restore the main coastal road to Colombo. These volunteers had previously participated in USAID small-grant activities.

USAID pioneered two activities directed toward greater engagement of youth in peace process issues. A sub-grant to the Center for Policy Alternatives brought together students of diverse backgrounds, cultures and religions, from 10 national universities, to interact, research and debate on key themes such as democracy, good governance, conflict analysis, conflict sensitive journalism and power sharing. A national level activity supported the inaugural Sri Lanka Youth Parliament by providing a forum for 225 youth from all corners of the island on peace, democracy and human rights.

HUMANITARIAN ASSISTANCE: In FY 2005, this Strategic Objective improved social services to targeted vulnerable populations, particularly people with mobility disabilities, and made progress in implementing new activities for children affected by armed conflict and violence and torture survivors and their families. Through sound and sustainable management, this SO continued to provide humanitarian services to strengthen the capacity of Sri Lankan organizations to meet the social service needs of these vulnerable populations.

During the reporting period, a total of 891 devices utilizing improved design technologies were delivered to clients, including 437 polypropylene prosthetic devices, 314 orthotics devices, 65 wheelchairs and 75 tricycles. While these numbers reflect a significant improvement in the availability of improved devices for the disabled in Sri Lanka, the significance of the designs of the technologies is more profound. For example, wheelchairs, now available in Sri Lanka, are customized to the needs of the client. Local partner organizations are now trained on proper client assessment, measurement, and fitting for wheelchairs. Ordering and delivery of systems have improved to help simplify and speed up the fabrication process of wheelchairs, allowing for provision to clients within days, rather than months. A new tricycle for the disabled was designed and is now available on the market. This new design provides improved stability, function and ergonomics, and features an optional gasoline powered engine to help the users become more mobile.

USAID's New Beginnings program focuses in three areas: fostering the resettlement and reintegration of children affected by armed conflict through psychological and social care and vocational training; protecting children from violence and abuse at home and in their communities; and reducing institutionalization by developing and replicating alternative community-based care interventions. New Beginnings achieved three major results during FY 2005: development of a methodology to reunify children; completion of data collection and personal interviews with 420 children living in state homes; and, development of a training program for institutional care-givers and probation officers.

Two new USAID/Sri Lanka programs, one program that is responsive to a Congressional earmark to support Victims of Torture and one HIV/AIDs program, are in the design phase and solicitation phases, respectively.

ECONOMIC GROWTH: Through this Strategic Objective, USAID successfully supported Sri Lanka's efforts to promote economic growth through increased competitiveness. This program succeeded in strengthening the role of the private sector in the economy by providing expert assistance to increase productivity and exports of key commodities and improving the ability of the Sri Lankan workforce to compete in domestic and world markets.

The Competitiveness Program (TCP) has succeeded in producing increasingly self-reliant apex bodies (e.g., associations and organizations) that are representative of the eight export-led industry clusters (e.g., strategic task forces including representatives from the public and private sectors). These bodies are improving their capacity and member associations and they are continuing to implement initiatives that advance industry competitiveness. In aggregate, the firms in the eight TCP clusters (tea, rubber, tourism, gems, information technology (IT), coir, spice, and ceramics) employ over two million people, about 29% of Sri Lanka's workforce. In FY 2005, these clusters accounted for 33% of the country's exports, up from 30% in 2000.

There were several important policy reform achievements resulting from USAID assistance. The most important of these was passage of new legislation restructuring the Sri Lankan Tourism Board (SLTB), a government entity charged with promoting the growth of the industry. The new legislation removes the functions of promotion and the tourism training school from the control of the SLTB and places them under the control of public/private boards which now have a majority of private sector board members.

Through TCP, USAID provided technical assistance to the Tourism Cluster to mobilize over \$3 million in private funds for the development of a new "ecolodge" concept. This places Sri Lanka squarely in the mainstream of this fastest growing segment of the tourism industry worldwide, ecotourism.

Through TCP, USAID continued to assist the Ceramics and IT Clusters by conducting two programs with the University of Moratuwa. The six-month Ceramic Industry Placement Program for undergraduates that was piloted in 2004 became a success, and an increase of 12% in participation was seen in 2005. Eight of the 10 students who completed the program found employment in the industry. Due to the success of this program the University is planning to have a year-round program to double the capacity of placement. Another program, "IT Rapid Skill Development," for non-IT graduates is being conducted now with 19 participants (six of whom are women) to qualify and apply for jobs in the IT field. Two other provincial universities have expressed desire to conduct similar programs.

CHANGES IN THE RESULTS FRAMEWORK: USAID is slightly modifying its results framework to better reflect on-the-ground results and adequate information collection to monitor impacts. These changes are needed after a thorough review of the portfolio during the Performance Monitoring Plan (PMP) process that took place in June 2005. The new Results Framework reads as follows:

GREATER SUPPORT FOR NEGOTIATED SETTLEMENT GENERATED

IR 6.1: Awareness increased of key transition issues

IR 6.2: Collaboration among diverse groups to set and/or address priorities increased

Explanation of changes:

This special objective changed its title from "Peace Process Supported," to "Greater Support for Negotiated Settlement Generated." In addition, the development of the PMP led to the creation of two new intermediate results and the deletion of the three previous IRs.

SOCIAL SERVICES TO TARGETED VULNERABLE POPULATIONS IMPROVED

IR 7.1: Rehabilitative services for disabled civilians developed and improved

IR 7.2 Communities' capacity to address threats to children and young people's security improved

IR 7.3 Psychological and Social Services to torture victims improved

IR 7.4 HIV prevention services for at-risk groups developed and improved

Explanation of changes:

SO7 changed its title from “Improved Social and economic integration of targeted disadvantaged groups” to “Social services to targeted vulnerable populations improved.” In addition to the title change, SO7 also added an addition intermediate result, IR 7.4: HIV prevention services for at-risk groups developed and improved.

SO 8: Foundation for Rapid and Sustainable Economic Growth Set

IR 8.4: Natural resources planning and management improved

Explanation of changes:

SO8 added an intermediate result, IR 8.4: Sustainable management of natural resources and biodiversity conservation improved which simply codifies bilaterally some of the activities that the Mission was doing through regional efforts, where it made sense to do so.

SO9: Approaches to Good (including Peaceful) Governance Strengthened

IR 9.1: Civic foundations for a sustainable peace strengthened

IR 9.2: Local governments' capacity for good governance increased

IR 9.3: Equitable access to dispute resolution resources increased

Explanation of changes:

The names of the SO and the IRs were all changed under this strategic objective. The changes do not reflect a shift in technical areas or programming.

FY 2006 Program**SO: 383-006 SPO - Peace Process Supported****Mitigate Conflict and Support Peace**

Mitigate Conflict and Support Peace (\$1,960,000 ESF). USAID is supporting inclusive and collaborative planning within communities to implement small-grant projects that address locally identified needs. If progress on the peace process allows, USAID will explore opportunities to build relationships between civilians of different ethnicities and develop links between civil society groups engaged in conflict resolution and peace building in border villages along the territory under LTTE control. In addition, opportunities to resume programs in the conflict-affected North will be explored. USAID is empowering opinion shapers in targeted communities to participate with greater confidence in the dialogue on decentralization, among other important issues. USAID is also supporting district-based journalists and civil society organizations in their effort to mobilize constituencies for peace and disseminate critical information on transition issues through participatory, community-based radio programming. This activity complements USAID's other initiatives in media which are focused more at the national and regional levels. USAID is helping to reduce communal tensions and seeking to change attitudes that are sustaining the conflict through the use of traditional and alternative media. Principal Implementer: Development Alternatives, Inc. (DAI).

FY 2007 Program**SO: 383-006 SPO - Peace Process Supported****Mitigate Conflict and Support Peace**

Mitigate Conflict and Support Peace (\$2,000,000 ESF). USAID will continue to support inclusive and collaborative planning within communities. Implementation of small-grant projects addressing locally identified needs, with the objective of mobilizing participation and support of diverse groups and opinion shapers, will continue. USAID will work to establish synergies between the DG program's support for local government authorities and this program's community-based dialogues. USAID will continue to expand the program's geographic scope and impact on peace building and at the same time, identify new partners for other programs. Support will continue for dialogues, debates, and dissemination of information on peace and other transition issues through radio and other media. Activities will seek to involve decision makers at the local and regional levels in the national debate on power sharing and other transition issues. The program will institutionalize links between regional radio programming and USAID's initiatives on local government capacity building and citizens' dialogues to share lessons learned with a national audience. Principal Implementer: DAI.

FY 2006 Program**SO: 383-007 Improved Social and Economic Integration of Targeted Disadvantaged Groups****Address Other Health Vulnerabilities**

Address Other Health Vulnerabilities (\$1,000,000 DA). USAID is continuing to support the Disability Support Program (DSP). The DSP improves financial sustainability, core service provision, legal advocacy, and employment placement for disabled clients who have already received basic services. Through its implementing partner, USAID provides training and guidance on a full range of financial matters aimed at creating sustainable institutions. The activity builds upon previous accomplishments to support the development and distribution of more specialized services to meet clients' needs. Those accomplishments include: producing prosthetic limbs; increasing production of improved orthotics devices; improving wheelchair production; and completing advanced training programs for metal workshop technicians, rehabilitation therapy, and practitioner assistants. In advocacy, USAID's DSP promotes the Disability Rights Bill and full implementation of wheelchair standards and accessibility regulations. Two regional job fairs will be conducted to provide disabled youth access to the private sector job market. USAID is continuing to address the needs of children impacted by civil conflict and violence through the New Beginnings for Children Affected by Violence and Conflict program. Based on a recent

needs assessment, USAID is providing economic support to 150 single-headed families through cash-grant schemes intended to foster income generation. Additionally, 250 children who have dropped out of school and 300 children in need of nonformal education or apprenticeship skills are being included in supplementary education programs. USAID is also improving conditions for children living in state homes through training and capacity building programs involving approximately 600 children and 120 caregivers. As part of the family reunification program, social workers are being deployed to reunify 350 children with their families. The Psychological and Social Services to Torture Victims Improved activity is expanding local interventions for torture victims, small-grants activities, and training for partners. Principal Implementer: Motivation Charitable Trust (MCT), The Asia Foundation (TAF), and Save the Children in Sri Lanka (SC in Sri Lanka).

FY 2007 Program

SO: 383-007 Improved Social and Economic Integration of Targeted Disadvantaged Groups

Address Other Health Vulnerabilities

Address Other Health Vulnerabilities (\$1,000,000 DA). In FY 2007, USAID will finalize all capacity building training and guidance to local disability partner organizations. Technical support activities designed to build and improve service provision capabilities will conclude with the handover of management to local partners. During FY 2007, USAID will launch a new initiative to address the impacts of increased civil violence on vulnerable youth. This initiative will provide psychological and social services to children and families traumatized by violence and civil conflict, develop foster care for child victims of violence, and identify economic alternatives for families at risk of child soldier recruitment. USAID will continue ongoing developmental activities targeting vulnerable youth including policy change advocacy based on prior experiences with de-institutionalizing children. USAID will also continue support for the Women and Children Desk of the Sri Lankan Police to develop professional investigation methods. During FY 2007, the Psychological and Social Services to Torture Victims Improved activity will provide services such as individual or family counseling, play therapy, training in relaxation techniques, and medical interventions to victims of torture and their families. USAID plans to conduct an evaluation of the program and develop a plan for the extension of best practices. Principal Implementer: MCT, TAF, and SC in Sri Lanka.

FY 2006 Program

SO: 383-008 Foundation Set for Rapid and Sustainable Economic Growth

Achieve Equitable Access to Quality Basic Education

There are no activities planned for this objective using FY 2006 funds. Funding for activities will resume in FY 2007.

FY 2007 Program

SO: 383-008 Foundation Set for Rapid and Sustainable Economic Growth

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$1,000,000 DA). USAID will continue to enhance the competitiveness of selected industry clusters. USAID will provide modest support to improve the management and operation of the energy and water sectors in critical areas. This will include sharing of international best practices through USAID's South Asia Regional Initiative for Energy. USAID will coordinate this effort with other initiatives to strengthen the peace process and to build the capacity of local government institutions. Principal Implementers: To Be Determined (TBD).

Improve Quality of Workforce through Vocational/Technical Education

Improve Quality of Workforce through Vocational/Technical Education (\$500,000 DA). Modest expansion

of the education and workforce development programs will build critical skill sets attractive to modern employers: English language, ICT, and problem solving. The workforce development program will increase successful matches between employers and job seekers, building on the extensive vocational education program launched under the Tsunami Reconstruction Program. Principal Implementers: TBD.

FY 2006 Program

SO: 383-009 Inclusive and Peaceful Approaches to Politics and Governance Strengthened

Strengthen Civil Society

Strengthen Civil Society (\$2,000,000 ESF). USAID is training research staff from five political parties and supporting 60 citizen fora to establish a dialogue with political leaders. Peace negotiators are providing technical assistance to partner organizations. USAID is helping the Peace Secretariat for Muslims establish five district offices. The Inter Religious Peace Foundation is mobilizing networks of religious leaders to mediate local conflicts. A fourth Knowledge, Attitude and Perception survey on the peace process will be conducted. A diploma course in conflict resolution is training 70 peace practitioners from political parties, civil society, and government. USAID is providing the Sri Lankan Election Commission with technical assistance to develop a computerized national voter register. Principal Implementers: The Academy for Educational Development (AED), Peace Secretariat for Muslims, the South Asia Peace Institute, the Bandaranaike Center for International Studies, and Social Indicator.

Strengthen the Justice Sector

Strengthen the Justice Sector (\$500,000 DA). USAID is training 3,900 mediators from the Ministry of Justice's Community Mediation Boards. An additional 250 mediators are being deployed in tsunami affected districts to serve on special mediation boards to resolve cases brought by victims of the tsunami. Over 1,000 community advocates from vulnerable groups, including plantation sector workers, internally displaced persons, and tsunami affected communities are being trained as informal paralegals. The program is assisting the Ministry of Justice to revive six mediation boards in the north and east. Principal Implementers: Ministry of Justice and The Asia Foundation (TAF).

Support Democratic Local Government & Decentralization

Support Democratic Local Government & Decentralization (\$1,965,000 DA). USAID is providing technical assistance to 13 local authorities across three provinces. Training is being provided to 308 officials in the areas of financial management and budget design, service delivery, community consultations, and good governance. The Local Authority Development Scale is reporting on 27 governance indicators in 13 local authorities. Each finance department in partner local authorities will receive two computers to implement improved financial management systems. The program is replicating seven best practices in all partner authorities, including a Sri Lankan designed financial reporting system. USAID is offering training to 13 local government units in non-tsunami affected areas to improve their delivery of services to communities. Each authority, in consultation with the community, is targeting one service area. Local government officials are participating in study tours within Sri Lanka to observe indigenous best practices in financial management and service delivery. Principal Implementers: TAF and the International City and County Managers Association.

FY 2007 Program

SO: 383-009 Inclusive and Peaceful Approaches to Politics and Governance Strengthened

Strengthen Civil Society

Strengthen Civil Society (\$1,500,000 ESF). USAID will continue to support the five district offices of the Peace Secretariat for Muslims. The South Asia Peace Institute will train political parties in conflict analysis. Four civil society organizations will support 72 community-based fora, where citizens will be

trained in conflict mapping and peace building methodologies. Each community forum will implement conflict resolution programs in their communities. The Inter Religious Peace Foundation's network of religious leaders will promote inter-ethnic dialogues in the Eastern Province. A diploma course in conflict resolution will train 70 peace practitioners from political parties, civil society, and government. A computerized national voter register will be established at the Election Commission. Principal Implementers: AED, the Peace Secretariat for Muslims, the South Asia Peace Institute, and the Bandaranaike Center for International Studies.

Strengthen the Justice Sector

Strengthen the Justice Sector (\$500,000 ESF). In FY 2007, USAID will support the training of 2,135 mediators from the Ministry of Justice's Community Mediation Boards. USAID's will also train 735 community advocates as informal paralegals, including 75 trainees from the plantation communities, 240 women heads of households, and 90 internally displaced persons. Two mediation boards will be revived in the Eastern Province. Principal Implementers: Ministry of Justice and TAF.

Support Democratic Local Government & Decentralization

Support Democratic Local Government & Decentralization (\$1,000,000 DA). In FY 2007, USAID will continue to provide technical assistance and training to 13 local authorities. USAID also plans to train 160 local government officials in revenue collection, service delivery, and good governance. A survey conducted in partner local authorities will show that 10% of citizens participate in local government meetings. USAID's program will document and disseminate seven best practices to all partner local authorities in FY 2007. Local authority officials will participate in two overseas study tours. Principal Implementers: TAF and The International City and County Managers Association.

Results Framework

383-001 Improved Framework for Trade and Investment

Program Title: Improved Framework for Trade and Investment

383-002 Citizens' Rights Better Protected in Law and Practice

Program Title: Citizens' Rights Better Protected in Law and Pract

383-003 Improved Social and Economic Integration of Targeted Disadvantaged Groups

Program Title: Humanitarian Assistance

- 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

Program Title: Competitiveness

- 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

Program Title: Democracy and Governance

- 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

Program Title: Supporting the Benefits of Peace

- 6.1: Awareness of key transition issues in targeted communities increased
- 6.2: Collaboration among diverse groups to set and/or address priorities increased

383-007 Improved Social and Economic Integration of Targeted Disadvantaged Groups

Program Title: Humanitarian Assistance

- 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: Psychological and social services to torture victims improved
- 7.4: HIV prevention services for at-risk groups developed and improved

383-008 Foundation Set for Rapid and Sustainable Economic Growth

Program Title: Economic Growth

- 8.1: Sound economic policy implemented
- 8.2: More competitive products in the global market sold
- 8.3: Quality and relevance of skills for private sector workforce improved
- 8.4: Natural resources planning and management improved

383-009 Inclusive and Peaceful Approaches to Politics and Governance Strengthened

Program Title: Democracy and Governance

- 9.1: Civic foundations for a sustainable peace strengthened.

- 9.2:** Local governments' capacity for good governance increased
- 9.3:** Equitable access to dispute resolution resources increased