

The Challenge

The Government of Sri Lanka faces multiple political and development challenges including the longstanding ethnic conflict, low levels of foreign direct investment, low levels of productivity and competitiveness, and poor opportunities for youth. In response to these challenges, USAID is providing assistance in the promotion of the peace process, accelerating economic growth, developing a workforce that meets the needs of key growth industries, and advancing democracy and human rights in the long-term. Progress was undermined by the December 2004 tsunami that caused major implementation delays in USAID's program. USAID must also contend with uncertainties regarding the policies of a newly elected President and Administration and the tenuous and continually tested ceasefire agreement.

Objectives, Sectors and Workforce

Mission Director: Carol Becker

MCA Status: Compact Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Received

Program Budget (Appropriations by Objective)	FY 2004	FY 2005	FY 2006	FY 2007	Percent	2005 SO		Direct SO
	(\$000)	(\$000)	(\$000)	(\$000)	Change	Performance	Score	Admin.
					FY 04-07			Cost Ratio
383-006 Supporting the Benefits of Peace	5,429	2,750	1,960	2,000	-63.2%			0.54
383-007 Humanitarian Assistance	1,800	1,550	1,000	1,000	-44.4%			0.58
383-008 Economic Growth	5,750	7,670	0	1,500	-73.9%			0.24
383-009 Democracy and Governance	4,000	5,024	4,465	3,000	-25.0%	1.14	Exceeded	0.16
PL 480 Title II not Allocated to a Strategic Objective	4,190	11,789			N/A			
Country Total	21,169	28,783	7,425	7,500	-64.6%			

Program Budget (Appropriations by Account)	FY 2004	FY 2005	FY 2006	FY 2007	Percent
	(\$000)	(\$000)	(\$000)	(\$000)	Change
					FY 04-07
Child Survival and Health Programs Fund	300	300	0	0	N/A
Development Assistance	4,750	6,774	3,465	3,500	-26.3%
Economic Support Fund	11,929	9,920	3,960	4,000	-66.5%
PL 480 Title II	4,190	11,789	0	0	N/A
Total	21,169	28,783	7,425	7,500	-64.6%

Program Budget by Sector and Account	FY 2004	FY 2005	FY 2006	FY 2007	Percent
	(\$000)	(\$000)	(\$000)	(\$000)	Change
					FY 04-07
Agriculture and Environment ESF	500	0	0	0	N/A
Higher Education & Training DA	750	1,500	0	500	-33.3%
ESF	500	1,875	0	0	N/A
Economic Growth DA	3,500	4,000	0	1,000	-71.4%
ESF	500	295	0	0	N/A
Human Rights DA	0	500	1,000	1,000	N/A
Democracy and Governance DA	500	0	1,233	750	50.0%
ESF	4,000	4,250	2,000	1,300	-67.5%
Conflict Management / Humanitarian Assistance DA	0	774	1,232	250	N/A
ESF	5,429	2,750	1,960	2,700	-50.3%
HIV / AIDS ESF	750	750	0	0	N/A
Child Survival and Maternal Health ESF	250	0	0	0	N/A
Vulnerable Children CSH	300	300	0	0	N/A
PL 480 Title II not Allocated to a Sector	4,190	11,789			N/A
Total	21,169	28,783	7,425	7,500	-64.6%

Workforce	FY 2004	FY 2005	FY 2006	FY 2007	Percent
					Change
					FY 04-07
US Direct Hires	2	8	8	8	300.0%
US Non Direct Hires	4	5	5	5	25.0%
Foreign Nationals	23	42	41	39	69.6%
Total	29	55	54	52	79.3%

Operating Expense	FY 2004	FY 2005	FY 2006	FY 2007	Percent
	(\$000)	(\$000)	(\$000)	(\$000)	Change
					FY 04-07
Salaries and benefits	324	248	213	249	-23.1%
Travel	112	363	168	220	96.4%
Transportation of things	63	166	56	20	-68.3%
Rent	28	127	225	235	739.3%
Security	42	34	41	60	42.9%
Equipment	251	287	235	156	-37.8%
ICASS - Operating Expense only	147	170	200	230	56.5%

Other Operating Expense	145	390	308	421	190.3%
Total OE Budget	1,112	1,785	1,446	1,591	43.1%
US direct hire salary and benefits	310	501	863	956	208.4%
Program Funded Administrative Expenses				1,568	
Country Total Administrative Budget				4,115	
Percent of Bureau OE Total					#REF!

Mission Summary

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	10,585	3,598	928	938
Program per All US (\$000)	3,528	2,214	571	577
Program per Position (\$000)	730	523	138	144
Operating Expense as % of Program Funding				21.2%
Program Funded Admin Expense as % of Total Admin				38.1%
Total Admin Expense as % of Program Funding				54.9%

Other Major Donors:

Bilateral: Approximately \$2 billion has been pledged for relief and reconstruction after the tsunami. In terms of bilateral assistance for post-tsunami reconstruction -- a ranking that includes both tsunami-targeted assistance and regular bilateral assistance -- the United States ranks fourth after China, Japan, and Germany.

Multilateral: The International Monetary Fund and the World Bank are providing multi-year loans supportive of the Government of Sri Lanka's Poverty Reduction Strategy Paper. The Asian Development Bank is the largest multilateral contributor in Sri Lanka, pledging \$1 billion for projects related to reconstruction, transportation, and power sector reform.

Sri Lanka PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	300	300	0	0
Development Assistance	4,750	6,774	3,465	3,500
Economic Support Fund	11,929	9,920	3,960	4,000
PL 480 Title II	4,190	11,789	0	0
Total Program Funds	21,169	28,783	7,425	7,500

STRATEGIC OBJECTIVE SUMMARY				
383-006 Supporting the Benefits of Peace				
ESF	5,429	2,750	1,960	2,000
383-007 Humanitarian Assistance				
CSH	300	300	0	0
DA	500	500	1,000	1,000
ESF	1,000	750	0	0
383-008 Economic Growth				
DA	4,250	5,500	0	1,500
ESF	1,500	2,170	0	0
383-009 Democracy and Governance				
DA	0	774	2,465	1,000
ESF	4,000	4,250	2,000	2,000

Mission Director,
Carol Becker

Data Sheet

USAID Mission:	Sri Lanka
Program Title:	Supporting the Benefits of Peace
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	383-006
Status:	Continuing
Planned FY 2006 Obligation:	\$1,960,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$2,000,000 ESF
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: USAID bolsters public support for a negotiated peace settlement through small-grant assistance for community-based activities. These activities bring ethnically and politically diverse groups together to collaboratively identify and address local priorities. The community-based activities also increase awareness and understanding of transition issues. The program takes a bottom-up approach to peace building by working predominantly at the village level and often with informal groups. This objective complements USAID's Democracy and Governance (DG) program, which has a greater focus on national-level stakeholders and more formal institutions. Although the Ceasefire Agreement signed in February 2002 remains in place, escalating violence, particularly in the North and East, has put the agreement at risk and stalled peace talks between the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam (LTTE). In this fluid and increasingly volatile political and security context, the program's strategic field presence, flexibility, and relentless pace have allowed USAID to support small-grant activities that serve as a constant reminder of the benefits of peace.

Inputs, Outputs, Activities:

FY 2006 Program:

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:

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.

Performance and Results: USAID's program targets communities by increasing public support for a negotiated settlement to the conflict. Through short-term, high-impact small-grant activities, USAID has increased awareness of key transition issues and collaboration among diverse groups to set and address local priorities. This program has proven to be very successful due to its relentless pace, demand-driven nature, and strategically-placed field offices. USAID pioneered two activities leading to 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 discuss key themes such as democracy, good governance, conflict analysis, conflict sensitive journalism, and power sharing. USAID supported the inaugural Sri Lanka Youth Parliament by providing a forum for 225 youth from all corners of the island to discuss peace, democracy, and human rights.

US Financing in Thousands of Dollars

Sri Lanka

	DA	ESF
383-006 Supporting the Benefits of Peace		
Through September 30, 2004		
Obligations	0	5,429
Expenditures	0	2,653
Unliquidated	0	2,776
Fiscal Year 2005		
Obligations	0	2,750
Expenditures	0	0
Through September 30, 2005		
Obligations	0	8,179
Expenditures	0	2,653
Unliquidated	0	5,526
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	0	1,960
Total Planned Fiscal Year 2006		
Obligations	0	1,960
Proposed Fiscal Year 2007 NOA		
Obligations	0	2,000
Future Obligations	3,000	2,000
Est. Total Cost	3,000	14,139

Data Sheet

USAID Mission:	Sri Lanka
Program Title:	Humanitarian Assistance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	383-007
Status:	Continuing
Planned FY 2006 Obligation:	\$1,000,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$1,000,000 DA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: USAID's Humanitarian Assistance program improves social services for targeted vulnerable populations, particularly people with mobility disabilities, children affected by armed conflict and violence, and torture survivors and their families. Through sound and sustainable management, USAID will continue to strengthen the capacity of Sri Lankan organizations to meet the social service needs of these vulnerable populations.

Inputs, Outputs, Activities:

FY 2006 Program:

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:

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.

Performance and Results: In FY 2005, 891 devices utilizing improved design technologies were delivered to clients, including 437 prosthetic devices, 314 orthotics devices, 65 wheelchairs, and 75 tricycles. While these numbers reflect a significant improvement in the availability of devices for the disabled in Sri Lanka, the significance of the technology is more profound. For example, customized wheelchairs are now available in Sri Lanka for the very first time. In addition, USAID completed data collection and personal interviews with 420 children living in state homes and developed a training program for institutional caregivers and probation officers.

At the conclusion of the humanitarian assistance programs, assuming that operations are unimpeded by civil conflict or other disrupting factors, USAID anticipates the following results: over 2500 prosthetic and orthotics devices will have been provided to clients; at least 8000 children will have benefited from support activities to recover from armed conflict, including over 1200 children who will have benefited from supplementary education programs; and 500 children will have been reunified with family caregivers. In addition, USAID implementers, along with other partners, will reach a target of at least 60% coverage of most-at-risk populations with HIV-AIDS behavior change communication.

US Financing in Thousands of Dollars

Sri Lanka

383-007 Humanitarian Assistance	CSH	DA	ESF
Through September 30, 2004			
Obligations	300	500	1,000
Expenditures	0	160	299
Unliquidated	300	340	701
Fiscal Year 2005			
Obligations	300	500	750
Expenditures	0	0	0
Through September 30, 2005			
Obligations	600	1,000	1,750
Expenditures	0	160	299
Unliquidated	600	840	1,451
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2006 NOA			
Obligations	0	1,000	0
Total Planned Fiscal Year 2006			
Obligations	0	1,000	0
Proposed Fiscal Year 2007 NOA			
Obligations	0	1,000	0
Future Obligations	1,850	927	0
Est. Total Cost	2,450	3,927	1,750

Data Sheet

USAID Mission:	Sri Lanka
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	383-008
Status:	Continuing
Planned FY 2006 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$1,500,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: USAID's economic growth program increases Sri Lanka's ability to compete globally. USAID provides technical assistance to the government and selected industries; promotes workforce development in key skill areas needed to rebuild the country after the tsunami; strengthens Sri Lanka's participation in regional energy and water activities; supports new initiatives in land use and disaster planning, coastal zone management, and environmental tourism; and extends access to Information and Communications Technology (ICT) in rural areas.

Inputs, Outputs, Activities:

FY 2006 Program:

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

FY 2007 Program:

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 (\$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.

Performance and Results: The Competitiveness Program (TCP) succeeded in producing increasingly self-reliant private sector associations and organizations. These bodies are improving their capacity as member associations and are continuing to implement initiatives that advance industry competitiveness. In total, the firms in the eight TCP-supported 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. Participating executives, surveyed in 2005, agreed that USAID-funded assistance has contributed significantly to the improvement in overall industry performance.

In FY 2005, there were several important policy reform achievements resulting from USAID assistance. The most important of these was the passage of new legislation restructuring the Sri Lankan Tourism Board, the government agency charged with promoting the growth of the tourism industry. The new legislation creates semi-autonomous boards with private sector majority control to administer multi-million dollar budgets for promotions and training funded by special tourism taxes. USAID's TCP provided technical assistance to the Tourism Cluster to mobilize over \$3 million in private funds for the development of a new eco-lodge concept.

Additionally, TCP continued its assistance to the Ceramics and IT clusters by conducting two pilot projects that introduced public-private partnership training programs. Government programs dominate both the education and vocational training sectors, and private firms have to invest heavily in their own training programs to produce capable employees and managers. The success of these pilot programs can contribute to a revitalization of Sri Lanka's workforce and help reduce growing unemployment affecting even university graduates. These two programs are being implemented in partnership with one of Sri Lanka's leading universities -- the University of Moratuwa. The six month Ceramic Industry Placement Program for undergraduates, piloted in 2004, grew by 12% in 2005. Eighty percent of the students found employment in the industry. The University is planning to double the scale of the program. The other pilot program, "IT Rapid Skill Development," is being conducted for non-IT graduates (32% women) to help them qualify for jobs in the IT field. Two provincial universities have expressed a desire to undertake similar programs.

US Financing in Thousands of Dollars

Sri Lanka

383-008 Economic Growth	DA	ESF
Through September 30, 2004		
Obligations	4,250	1,500
Expenditures	2,023	0
Unliquidated	2,227	1,500
Fiscal Year 2005		
Obligations	5,500	2,170
Expenditures	0	0
Through September 30, 2005		
Obligations	9,750	3,670
Expenditures	2,023	0
Unliquidated	7,727	3,670
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	0	0
Total Planned Fiscal Year 2006		
Obligations	0	0
Proposed Fiscal Year 2007 NOA		
Obligations	1,500	0
Future Obligations	9,692	2,800
Est. Total Cost	20,942	6,470

Data Sheet

USAID Mission:	Sri Lanka
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	383-009
Status:	Continuing
Planned FY 2006 Obligation:	\$2,465,000 DA; \$2,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$1,000,000 DA; \$2,000,000 ESF
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: USAID's program supports the establishment of a stable post-conflict society. This program will create structures and develop the capacity for increased citizen engagement in decentralized government, the peace process, and nonviolent dispute resolution at the community level. Training and technical assistance for government institutions, political parties, and civil society organizations are creating a channel linking national agencies with local communities. Citizens engage with local government to prioritize service delivery and resource allocation to meet the needs of the community. These inclusive processes are supported by strengthening the capacity of local government to manage resources, increase revenue collection, and improve service delivery to their constituents. Increased citizen engagement with government is an important tool in garnering support for devolution, an essential element of a future federal system and a key demand of the Liberation Tigers of Tamil Eelam to reach a negotiated settlement. USAID will support the training of community advocates with paralegal skills to advocate on behalf of vulnerable groups, including internally displaced persons and victims of the tsunami. Community dispute resolution will be supported through training of mediators and establishing community mediation boards in the conflict and tsunami affected regions of the country.

Inputs, Outputs, Activities:

FY 2006 Program:

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 (\$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 and 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:

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 (\$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 and 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.

Performance and Results: USAID's technical assistance contributed to many positive developments in the peace process. For example, the five largest political parties representing the Sinhalese, Tamil, and Muslim communities participated in the USAID-supported One Text Initiative. Significant developments occurred through this process: the inclusion of Muslim political parties and a request for observer status from the Liberation Tigers of Tamil Eelam. As part of this program, USAID also completed financial management assessments of 24 partner authorities; trained financial management staff from 16 municipalities in financial software packages and budget planning; and trained 167 government officials and civil society leaders to facilitate community consultations for planning and service delivery. Other program highlights include: establishing a Local Authority Development Scale; computer training and budget development workshops for 16 local authorities; and citizen participation training in 10 partner authorities. With USAID's assistance, 17 local authority partners have begun their budget planning process for 2006.

US Financing in Thousands of Dollars

Sri Lanka

383-009 Democracy and Governance	DA	ESF
Through September 30, 2004		
Obligations	0	4,000
Expenditures	0	624
Unliquidated	0	3,376
Fiscal Year 2005		
Obligations	774	4,250
Expenditures	0	0
Through September 30, 2005		
Obligations	774	8,250
Expenditures	0	624
Unliquidated	774	7,626
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	2,465	2,000
Total Planned Fiscal Year 2006		
Obligations	2,465	2,000
Proposed Fiscal Year 2007 NOA		
Obligations	1,000	2,000
Future Obligations	3,000	4,200
Est. Total Cost	7,239	16,450