

Data Sheet

USAID Mission:	Sri Lanka
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	383-008
Proposed FY 2004 Obligation:	\$4,250,000 DA; \$1,500,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$5,500,000 DA; \$4,250,000 ESF
Year of Initial Obligation:	FY 2003
Year of Final Obligation:	FY2007

Summary: Under its revised Strategy (FY 2003-2007), USAID will 1) assist the Government of Sri Lanka with the implementation of sound economic policies 2) improve Sri Lanka's competitiveness in world markets and enhance its capacity to address trade related issues, 3) enhance private sector workforce skills, and 4) foster public-private partnerships that protect the environment.

Inputs, Outputs, Activities:

FY 2004 Program:

Policy Reform (\$750,000 DA, \$250,000 ESF). Consistent with the Government of Sri Lanka's roadmap for economic reform and recovery, this program will fund technical assistance and training to implement targeted policy and institutional reforms. USAID will promote policy dialogue aimed at eliminating the export tax and taking advantage of increased trade opportunities. The program will also fund technical assistance and training to bolster the technical and management skills of energy regulators and attract foreign investment in the energy sector. Activities will be implemented by Nathan Associates (prime) and J.E. Austin Associates (sub) for an interim period. USAID will issue a new contract for a continuation of these activities in mid-FY 2004. USAID will also fund a resident advisor to the Ministry of Finance to help rationalize the Government of Sri Lanka's debt portfolio. The US Treasury will implement this activity.

Competitiveness (\$1,650,000 DA). USAID will consolidate its technical assistance programs to the eight export clusters and the Government of Sri Lanka under The Competitiveness Initiative (TCI). The program will fund five key activities: (1) legal and organizational advice to the newly formed apex bodies and other successor organizations; (2) assistance to cluster member firms with selected joint venture proposals and other promising initiatives; (3) elimination of policy obstacles to improving competitiveness and productivity; (4) development of a strategy to address the problem of workforce skill deficiencies; (5) and expansion of awareness of globalization and the role of competitiveness. These activities will be implemented by Nathan Associates (prime) and J.E. Austin Associates (sub) for an interim period. USAID will issue a new contract for a continuation of these activities in mid-FY 2004.

Trade Capacity Building (\$850,000 DA, \$500,000 ESF). USAID will fund technical assistance to advance the Sri Lankan trade agenda, including policy analysis, advice on drafting legislation and implementing trade standards in such areas as customs, intellectual property rights, sanitary and phytosanitary standards, and government procurement. These activities will be implemented by Nathan Associates (prime) and J.E. Austin Associates (sub) for an interim period. USAID will issue a new contract for a continuation of these activities in mid-FY 2004.

Workforce Development (\$750,000 DA, \$500,000 ESF). Under this program, the Junior Achievement program will continue to be expanded in rural areas and government held areas in the North and East. USAID will initiate short term skills training pilots to increase the employability of recent graduates who pass the entrance exams but are unable to pursue university education. Training will focus on skills demanded by the private sector such as English and information technology. The program will also promote public-private partnerships to create industry-led demand for employment, and training to job-

seekers in sectors relevant to USAID's industry partners. This will begin to address the gap between the skills of current job-seekers and the demands of the private sector. USAID will also fund technical assistance to engage in a policy dialogue with the Government of Sri Lanka and the private sector on reform of the vocational education system. USAID will issue a new contract for these activities in mid-FY 2004.

Environmental Partnerships (\$250,000 DA, \$250,000 ESF). USAID will fund partnerships under the US-Asia Environmental Partnership program to ensure the environmental sustainability of selected cluster initiatives. Initial efforts will be to promote the adoption of environmental best practices in the eco-tourism sector. USAID will utilize incentive fund resources, in partnership with the U.S.-Asia Environmental Partnership, to complete development of the proposed Ecolodge public-private partnership in ecotourism. Other possible partnerships will be in improving environmental sustainability in cluster activities through promotion of pollution abatement measures, environmental mitigation and management best practices, and product labeling and standards. The U.S.-Asia Environmental Partnership implements these activities.

FY 2005 Program:

Policy Reform (\$750,000 DA, \$750,000 ESF). Technical assistance will continue to be provided to the Government of Sri Lanka to reform financial and energy sectors, labor codes, regulations on mining and extraction, and possibly agriculture. USAID will also conduct outreach and awareness of policy reform issues and sponsor public participation in policy reform dialogue. USAID will issue a new contract for the implementation of these activities in mid-FY 2004.

Trade Capacity Building (\$1,250,000 DA, \$1,100,000 ESF). Under this program there will be continued technical assistance to advance the Sri Lankan trade agenda, including conducting policy analysis, drafting legislation, and implementing trade standards in such areas as customs, intellectual property rights, sanitary and phytosanitary standards, and government procurement. USAID will issue a new contract for the implementation of these activities in mid-FY 2004. Under the SARI/Energy regional program, USAID will continue to fund technical assistance, training, and partnerships to promote cross-border trade and foreign investment in energy.

Competitiveness (\$1,500,000 DA, \$1,000,000 ESF). USAID will provide technical assistance to increase value-added and productivity in eight industrial sectors, to strengthen quality and labeling standards, and to strengthen the private sector's ability to advocate for good policies, laws, and regulations that affect them. USAID will issue a new contract for the implementation of these activities in mid-FY 2004.

Workforce Development (\$1,750,000 DA, \$1,400,000 ESF). The program will build its support to the Junior Achievement Program and expand partnerships between the public and private sectors in selected industries to implement innovative and promising workforce training and employment program models. Pilot skills and training activities in English and information technology-enabled learning to improve youth employability will be expanded and assessed for scale-up and additional donor funding. These activities will complement and be supported by USAID's efforts to revise and improve the labor codes.

Environmental Partnerships (\$250,000 DA). USAID will continue to fund partnerships under the US-Asia Environmental Partnership program to ensure the environmental sustainability of selected cluster initiatives. Possible partnerships will address improving environmental sustainability in cluster activities through promotion of pollution abatement measures, environmental mitigation and management best practices, and product labeling and standards. The U.S.-Asia Environmental Partnership implements these activities.

Performance and Results: This is a new program. USAID anticipates that by its conclusion, it will have helped Sri Lanka improve its international competitiveness, created a better policy environment for private sector growth, and reduced youth unemployment.

US Financing in Thousands of Dollars

Sri Lanka

383-008 Economic Growth	DA	ESF
Through September 30, 2002		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2003		
Obligations	0	0
Expenditures	0	0
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	4,250	1,500
Total Planned Fiscal Year 2004		
Obligations	4,250	1,500
Proposed Fiscal Year 2005 NOA		
Obligations	5,500	4,250
Future Obligations	10,600	11,600
Est. Total Cost	20,350	17,350