

Data Sheet

USAID Mission:	Sri Lanka
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	383-008
Status:	Continuing
Planned FY 2005 Obligation:	\$5,500,000 DA; \$2,170,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$4,250,000 DA; \$3,000,000 ESF
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2007

Summary: USAID's program to increase Sri Lanka's ability to compete internationally provides technical assistance to the government and private sector; promotes business education for youth; strengthens Sri Lanka's participation in regional energy and environmental issues; supports new initiatives in coastal and environmental tourism; provides expert advice and training opportunities on monetary policy and statistical analysis and reporting; and extends access to information and communication technology (ICT) in rural areas.

Inputs, Outputs, Activities:

FY 2005 Program: Increased Participation in Global Trade and Investment (\$250,000 DA). USAID's advisors will continue to work with government and private sector organizations to strengthen trade capacity and promote greater foreign direct investment. An assessment of existing capacity to manage and direct Sri Lanka's trade program is scheduled for early 2005 and will serve as the benchmark against which future technical assistance and training efforts will be measured. Seminars, study tours, workshops, and other training opportunities will also be provided to improve understanding of economic activities and promote collaboration between the government and entities concerned with trade issues. Principal contractors include Nathan Associates, Inc., the Ceylon Chamber of Commerce, several regional chambers, the Ministry of Commerce and Trade, and the Ministry of Industry, Tourism and Investment Promotion.

Improve Economic Policy and Governance (\$250,000 DA, \$295,000 ESF). USAID will continue to support policy analysis and develop commodity competitiveness strategies for the Government of Sri Lanka (GSL) to assist them in forming policies to encourage private sector trade. An Industrial Development Policy will be drafted in mid-2005. The purpose is to assemble, under one framework, the policies, procedures, and regulatory requirements affecting Sri Lanka's principal export commodities. Principal contractors include Nathan Associates, Inc. and J.E. Austin.

Increase Private Sector Growth (\$3,500,000 DA). USAID will continue to support Sri Lanka's private sector by assisting eight commodity clusters - tea, rubber, spices, coir, gems and jewelry, ceramics, ICT, and tourism - in their transformation to operational independency. Assistance will be provided to build management capacities (trained personnel, administrative and financial management systems, fund raising capacity, and service delivery). The principal contractor is Nathan Associates, Inc.

Improve Quality of Workforce (\$1,500,000 DA, \$1,500,000 ESF). Based upon an analysis of the workforce, USAID's job skills enhancement pilot program in ceramics will be reinforced to meet the needs and expectations of the private sector. Additional pilots will be undertaken involving other industries of The Competitiveness Program (TCP) to expand and improve access to training and social infrastructure. Given the growing interest in the link between trade expansion and poverty reduction, attention will be given to the agricultural-based commodity clusters. Principal contractors include Nathan Associates, Inc. and J.E. Austin.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$375,000 ESF). USAID funding will provide technical support to increase cooperation on urban solid waste handling and

environmental and natural resource management, and to improve the management of the energy sector. Cooperation will reinforce linkages among universities and local government organizations, and between the United States and Sri Lanka. In addition, this cooperation will promote investment in commercial applications and provide cleaner, less expensive, and higher quality energy to business and industry. Principal contractors are Nexant, Inc. and Louis Berger, International.

FY 2006 Program: Improve Economic Policy and Governance (\$750,000 DA, \$250,000 ESF). USAID plans to maintain support for policy analysis and commodity competitiveness strategies. The Industrial Development Policy to be developed in mid-2005 will be submitted to the Cabinet of Sri Lanka for approval and will guide trade expansion and increase trade opportunities. Principal contractors include Nathan Associates, Inc. and J.E. Austin.

Increase Private Sector Growth (\$2,000,000 DA, \$1,500,000 ESF). The transition to full operational independence by the eight commodity clusters will have been completed, and the assistance to build management capacity will manifest in the greater diversity of funding sources supporting the cluster apex organizations. Continuing assistance provided by USAID will support an increased number of strategic marketing initiatives. The principal contractor is Nathan Associates, Inc.

Improve Quality of Workforce (\$1,500,000 DA, \$1,000,000 ESF). USAID will support the creation of a responsive workforce development program in order to increase successful matches between prospective employers and job seekers. The workforce skills program will bring public teaching institutions together with private sector employers to identify skill needs and form partnerships to address those needs. Crosscutting concerns such as English language proficiency, problem solving skills, and ICT competency will be foci for TCP's eight cluster areas. Principal contractors include Nathan Associates, Inc. and J.E. Austin.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$250,000 ESF). USAID will provide technical assistance to improve the management and operation of the energy sector - a critical factor for further economic growth in Sri Lanka. Technical assistance and enhanced technology, along with improved cooperation among the players involved in urban solid waste handling and environmental and natural resource management, will lead to improved quality of life indicators. The principal contractors are Nexant, Inc. and Louis Berger, International.

Performance and Results: The mainstay of USAID/Sri Lanka's economic growth program, the Competitiveness Program, remained on course during the past twelve months, weathering the crisis in government in November 2004 and the subsequent change in government leadership. Bolstered by a recently approved USAID Country Strategy, the Economic Growth program has withstood the scrutiny of Sri Lanka's new administration, which recently turned to the program for technical assistance and guidance. A request by the Ministry of Finance for assistance in developing a new poverty reduction strategy has strengthened the Ministry's analytical and reporting capability and helped frame the priorities in the national budget. A similar request for assistance in drafting an industrial development policy bodes well for the job and export-oriented growth targets planned for 2005 and beyond.

Given the significant achievements in production and marketing, the Mission will increasingly focus investments on "soft" economic growth activities that need support, i.e. the youth-oriented business education initiative and the workforce development program, which are medium- to long- term endeavors. Continued progress will significantly increase global competitiveness of selected industries, create the economic climate necessary to attract foreign direct investment, and build the human capital basis for sustainable private sector-led growth. The principal contractors are Nathan Associates, Inc. and J.E. Austin Associates.

US Financing in Thousands of Dollars

Sri Lanka

383-008 Economic Growth	DA	ESF
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2004		
Obligations	4,250	1,500
Expenditures	0	0
Through September 30, 2004		
Obligations	4,250	1,500
Expenditures	0	0
Unliquidated	4,250	1,500
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	5,500	2,170
Total Planned Fiscal Year 2005		
Obligations	5,500	2,170
Proposed Fiscal Year 2006 NOA		
Obligations	4,250	3,000
Future Obligations	10,250	12,100
Est. Total Cost	24,250	18,770