

Chapter 1

Overview of Country Program  
Evaluation of Sri Lanka

# CHAPTER 1 OVERVIEW OF COUNTRY PROGRAM

## EVALUATION OF SRI LANKA

### 1.1 Background, Purpose and Objective of the Study

#### 1.1.1 Background and Detail of the Study

JICA set up a new system of “external evaluation” in 1999, in the form of, by academic or research institutions of experience and expertise in Official Development Assistance, for the purpose of securing more transparency and objectivity of evaluation as well as improving evaluation quality through development of evaluation techniques.

In 2001, Sri Lanka was selected as one of the countries to be evaluated, as a result of an overall review over the requests from local and oversea offices, the necessity of updating the “Country Program for Sri Lanka”, and of reviewing the past achievement of Japan’s assistance to the country

#### <JICA Country Program Evaluation <sup>1</sup>>

The objective is to classify the priority sectors and development objectives of JICA cooperation for the country being evaluated and to look at the outputs and contributions resulting from JICA cooperation in each of the priority sectors/areas from a cross-cutting approach to the project, and then to identify and analyze the overall outputs of the JICA cooperation in that country and any problems that arose when implementing the cooperation, to ascertain lessons learned and recommendations to be carried out in terms of cooperation for that particular country. The results of the evaluations are reflected in improvements made in future individual project/program implementation planning and cooperation methods.

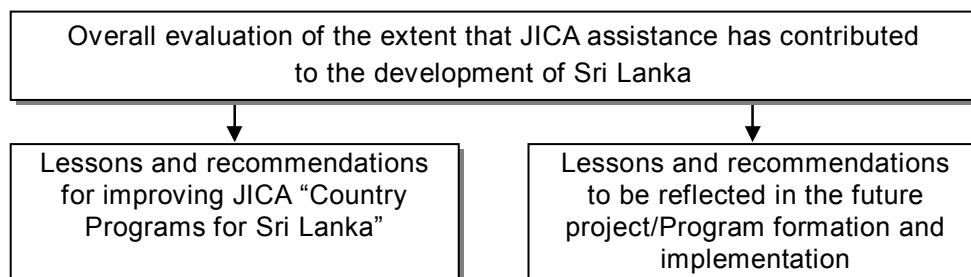
#### 1.1.2 The Purpose of the Evaluation

The purpose of the evaluation was to review the degree to which JICA cooperation has contributed to development in Sri Lanka from a comprehensive standpoint, and based on those results, to formulate recommendations for improvements in JICA Country Programs for Sri Lanka. The evaluation was also aimed at acquiring useful lessons in and recommendations for formulating and implementing future cooperation programs and projects.

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<sup>1</sup> <http://www.jica.go.jp/evaluation/guidance/04.html>

**Chart 1-1-1 : Purpose of the Study**



### 1.1.3 Target of the Evaluation

This evaluation study covers the cooperation projects implemented by JICA for Sri Lanka during the period 1990-2000.

Country Program Evaluation is based on individual project/program evaluation and sectoral evaluation. Sectoral evaluation covers the following five sectors considered to be priority sectors in the Japan’s assistance to Sri Lanka:

- 1) Socio-economic infrastructural development (roads, railroads, ports and harbors, airports, electric power, telecommunications, broadcasting, water supply, sewage service and sanitation, and housing)
- 2) Development of the mining and manufacturing industries
- 3) Development of the agricultural, forestry and fisheries industries
- 4) Education and human resources development
- 5) Development of health and medical service systems

In individual project/program evaluation 69 projects were selected for evaluation as representative projects among the total number of 121 projects covered by the evaluation study. They are indicated in the following table.

**Chart 1-1-2 : Number of Projects to be Evaluated by Sector and by Form of Assistance**

Priority Areas for JICA	Total	Form of Assistance							
		Grants	Project-type Technical Assistance	Technical Assistance for Development Studies	Dispatch of Experts	Dispatch of Volunteers (JOCV)	Second-country Training	Third-country Training	Research Assistance
Building and Improving Socio-economic Infra-structure	41(19)	12	-	11	17	-	-	1	-
Development of Mining and Manufacturing Industries	14(10)	1	3	2	7	-	-	1	-
Development of Agriculture, Forestry and Fisheries	26(14)	5	4	4	9	3	-	1	-
Education and Human Resources Development	16(5)	6	1	-	3	4	-	1	1
Improving Health / Medical Services	24(21)	6	5	-	3	1	1	8	-
<b>Total</b>	<b>121(69)</b>	<b>30</b>	<b>13</b>	<b>17</b>	<b>39</b>	<b>8</b>	<b>1</b>	<b>12</b>	<b>1</b>

( ) The number indicates the number of individual projects/programs evaluated.

## [Building and Improving Economic and social infrastructure]

Project Nam	Form Assistance	Im Period	Project Area	Executing Agency	Project Cost (Million Yen)	Related Project
<b>BRIDGES</b>						
The Project for Reconstruction of V	GA	91	Colom	MoT&H	299	
The Master Plan Study on Bridge Developm Lanla	TADS	95.03-96.08	Nation-wide(excluding North/East area)	MoT&H	173	GA: The Project for Reconstruction of Five Bridges
The Project for Reconstruction of Five Bridges (Phase I, II)	GA	98, 99,	Galle, Subaragam Ratnapura, Kalutara, Colom	MoT&H	468 604	TADS: The Master Plan Study on Bridge Developm Lanla
<b>ROADS</b>						
The Project for Acquisition of Equipm the Divisional Secretaries' Divisions	GA	91	7 provinces, 39 districts (excluding North-east area)	MoF, P	622	
The project for Construction of Mahaweli Road Bridge	GA	95.96.97	Mahaweli, Minipe	Mo&P	236 691 1,056 217	TADS: Agricultural Developm
The Feasibility Study on Outer Circular Highway to the City of Colom Sri Lanka	TADS	98.11-00.01	Gam	MoT&H	185	Requested Yen Loan(2000.Aug.)
Highway and Bridge Construction	DE	94.04 - 96.04	Colombo	MoT&H		
Designing Roads in Land Slide Area	DE	99.05 - 02.05	Kotte	MoT&H		
<b>PORTS</b>						
Developm	TADS	90.09-91.11	Galla port	SLPA	232	Requested Yen Loan(1998.Aug.)
Urgent Developm	TADS	2000	Galla port	SLPA		
New Colom	TADS	95.07-96.10	Colom		343	TADS: Im port of Colom Developm Colom
<b>AIR PORTS</b>						
Bandaranaike International Airport Developm	TADS	99	Colom	MoA&AD		Yen Loan: Developm Colom
<b>TELECOMMUNICATION</b>						
Study on Telecom Socialist Republic of Sri Lanka	TADS	95.03-96.04	Nation-wide	SLT	242	Yen Loan: Telecom Networks of Grater-Colom M/P(88), WB, ADB, Finland etc.
International Telephone Switching System	DE	95.09 - 97.02	Colombo	SLT		
Maintenance of Dom	DE	95.09 - 97.09	Colombo	SLT		
<b>BROADCASTING</b>						
The Project for Im	GA	90, 91	Colom	SLTTI	647 937	
The Third Country Training Program Color Television Engineering	TCTP	88-97	Colombo	R.C.		Expert of Television Broadcasting Engineering
Television Engineering	DE	88.08 - 89.09	Colombo	R.C.		
The Im	GA	1996	Colom	R.C., MoP	1,359	Expert of Television Broadcasting Engineering (95-99), Trainnee(97)
Television Broadcasting Engineering	DE	90.12 - 93.03	Colombo	R.C.		
Television Broadcasting Engineering	DE	93.09 - 95.09	Colombo	R.C.		
Television Broadcasting Engineering	DE	95.09 - 97.08	Colombo	R.C.		
Television Broadcasting Engineering	DE	97.08 - 99.08	Colombo	R.C.		
<b>POWER</b>						
Master Plan Study for Developm System	TADS	96	Nation-wide	CEB	172	
Power Sector Developm	DE	96.05 - 98.07	Colombo	CEB		
Environm	DE	99.04 - 00.04	Colombo	CEB		
Environm	DE	00.03 - 02.03	Colombo	CEB		
Environm						

Project Nam	Form Assistance	Im Period	Project Area	Executing Agency	Project Cost (Million Yen)	Related Project
<b>WATER SUPPLY &amp; SEWERAGE</b>						
The Project for the Rehabilitation of Kandy Water Supply Schem	GA	89, 90	Kandy	NWSDB	854, 753	
The Study on Greater Kandy and Nuwara Eliya Water Supply and Environm Dem	TADS	98.01-99.02	Grate Kandy area	NWSDB	221	Yen Loan "Developm Water Supply of Greater Kandy" (tentative), Grant "Developm and Sewerage of Nuwara Eliya (tentative)
Kalv Ganga Water Supply Project for Greater Colom	TADS	93.12-94.12	Grate Colom	NWSDB	211	Yen Loan "Expansion of Water Supply of Greater Colom (93). " Water Supply of eastern Colom Supply of Northern Colom and Expansion of Cur Rever "(97). " Rehabilitation of Water Supply of Colom
Detailed Design Study on the Project for Reduction of Non-Revenue Water in the Greater Colom Dem	TADS	99	Grate Colom	MoH&UD		
Project for the Rehabilitation of the Am Plant	GA	92-95	Colom	MoPA, HA & PI	291/4,540/1,475	DE: Developm Supply (94-97), Com Evaluation (97)
The Project for Im Rural Area	GA	95	Colom Moneragara, Kurunegala, Kalutara, Em	MoH&UD	823	JOCV (6persons: 96.12-98.12), Expert: Developm Supply, Excavator (NORAD, UNICEF, DANDA)
Water Supply Managem	DE	89.04 - 91.04	Colom	MoH&UD		
Water Supply Developm	DE	94.12 - 97.12	Colom	MoH&UD		
Water Supply Developm	DE	98.01 - 00.03	Colom	MoH&UD		
Water Supply Developm	DE	00.03 - 02.03	Flatm	MoH&UD		
Sewerage Developm	DE	00.12 - 01.12	Grate Colom	NWSDB		
<b>LIVING ENVIRONMENT</b>						
Project for Im People	GA	92,93,96,00	Nation-wide	MoH&UD	307 500 674 773	
The Project for Im Managem	GA	95	Colom	Colom	983	
The Project for Im Managem	GA	97	Western Province		528	

Note1: conducted evaluation for colored Projects

Notes: Abbreviations

**Forms of Assistance**

- 1 GA: Grant Assistance
- 2 TADS: Technical Assistance for Development Studies
- 3 DE: Dispatch of Experts
- 4 TCTP: Third Country Training Program

**Executing Agency**

- 1 MoT&H: Ministry of Transport & Highways
- 2 MoF, P: Ministry of Finance, Planning
- 3 MoI & P: Ministry of Irrigation & Power
- 4 SLPA: Sri Lanka Ports Authority
- 5 MoA &AD: Ministry of Aviation and Airports Development
- 6 SLT: Sri Lanka Telecom Ltd
- 7 SLTTI: Sri Lanka Television Training Institute
- 8 RC: Rupavahini Corporation
- 9 MoP: Ministry of Posts
- 10 CEB: Ceylon Electric Board
- 11 NWSDB: National Water Supply and Drainage Board
- 12 MoH & UD: Ministry of Housing & Urban Development
- 13 MoPA, HA & PI: Ministry of Public Administration, Home Affaires and Plantation Industries

## [Development of Mining and Manufacturing Industries]

Project Nam	Form Assistance	Im Period	Project Area	Executing Agency	Project Cost (Million Yen)	Related Project	Rem
Com	PTA	87.04 – 91.03					95/05: Ex-post Study
Foundry Technology Developm	PTA	95.12 – 00.11 01.06 –03.05	Moratuwa	MoID		TADS: Study (After-Care) on Industrial Sector Developm (Electroplating and Waste Water Treatm Sri Lanka, DE: Foundry Industry	00/08: Com Evaluation
Study (After-Care) on Industrial Sector Developm	TADS	96	Nation-wide	MoID		Study on Industry	
Foundry Industry	DE	95.02 – 95.08		MoID			
Quality Im Products	PTA	96.04 – 01.03	Ratm	MoID		TADS: Developm Industrial Sector (93), TCTP (00-)	01/01: Com Evaluation
Quality Im	TCTP	00-04	Colombo	MoID			
Dyeing and Finishing Technology	DE	95.07 – 96.03		MoID		Service Center of Clothing Training	
The Project for Im Industrial Standardization and Meteorology in Sri Lanka Standards Institution	GA	94	Colom	(Sri Lanka Standards Institution)	539		
Master Plan Study on Industrialization and Investm	TADS	99	Nation-wide	MoID			Cost paym for lectures dispatched by UNIDO
Industrial and Investm	DE	91.06–94.06	Colombo	MoS&T			
Industrial and Investm	DE	94.08–96.08	Colombo	MoS&T			
Car Manufacturing Engineering	DE	89.10–92.09	Colombo	MSTC			
Autom	DE	95.04–97.04	Colombo	MSTC			
Autom	DE	95.04–97.04	Colombo	MSTC			

Note1: conducted evaluation for colored Projects

Note2: Abbreviations

### Forms of Assistance

- 1 PTA: Project-type Technical Assistance
- 2 TADS: Technical Assistance for Development Studies
- 3 DE: Dispatch of Experts
- 4 TCTP: Third Country Training Program
- 5 GA: Grant Assistance

### Executing Agency

- 1 MoID: Ministry of Industrial Development
- 2 MoS&T: Ministry of Science & Technology
- 3 MSTC: Motorcycle Training Center

## [Development of Agriculture, Forestry and Fisheries]

Project Nam	Form Assistance	Im Period	Project Area	Executing Agency	Project Cost (Million Yen)	Related Project
Integrated Agricultural Developm Project in Sri Lanka	PTA	85.02 – 90.02				Yen Loan: Agricultural Dev. of right bank in Mahaweli river basin (type B) (87), Yen Loan: Dev. of Mahaweli river basin (type C) (81, 87), Upgrading of Mahaweli river basin (type C) (97)
Upland Crop Cultivation	DE	90.12 – 92.12	Mahaweli			
Crop Cultivation	DE	94.11 – 95.10	Mahaweli	MoMD		
Rice Cultivation	DE	95.01 – 98.01	Mahaweli	MoMD		
The Project for the Centre for Plant Genetic Resources in Sri Lanka	PTA	88.04 – 93.03 93.04 – 95.03	Kandy	MoA&L		GA: Genetic Resources Conservation (87–88)
Long-term their Utilization for Breeding Purposes Genetic Resources Managem	DE	95.05 – 97.05	Kandy	Plant Genetic Resources Center		
	DE	98.04 – 00.04	Kandy	Plant Genetic Resources Center		
Plant Genetic Resources Conservation and Managem	TCTP	99–04	Kandy	Plant Genetic Resources Center		
Project for the Establishm Quarantine Services	GA	92–93	Gam	MoA&L	1,806 / 284	
National Plant Quarantine Services Project	PTA	94.07 – 99.06	Gam	MoA&L		
Plant Quarantine Technology	DE	93.04 – 94.06	Kandy	MoA&L		
Plant Quarantine Adm	DE	94.03 – 94.06	Kandy	MoA&L		
The Integrated Rural Developm Gam	GA	94	Gam	MoF, P	1,195 531	
The Agricultural Extension Im Gam	PTA	94.07 – 99.06	Gam	Western Province, Dept. of Agriculture		TADS: Integrated Rural Developm District (86, 87), GA: Integrated Rural Developm District (89, 90)
Rice Cultivation	JOCV	93.12 – 96.06	Gam	Ministry of Plan and Im		Integrated Rural Developm District by Ministry of Policy Developm Im
Social Infrastructure / Civil Engineering	JOCV	95.04 – 97.04	Gam	Ministry of Plan and Im		Integrated Rural Developm District by Ministry of National Integration in charge of Planning ,Im Ethnic Affairs
Social Infrastructure / Civil Engineering	JOCV	95.07 – 97.07	Gam			
Walawe Irrigation Upgrading and Extension Project	TADS	92	Walawe river left	MA		
The Project for the Im Infrastructure in Walawe Left Bank Area	GA	93,94,95	Kirinda	MA	968 253 765	The Project for the Upgrading and Expansion of Irrigation in Walawe Left Bank Area (94, 96, 99)
The Project for Im Facilities and Fisheries Training Centre at Tangalle	GA	99, 00	Tangalla	MoF&ARD	389 472	
Project for Rehabilitation of the Kirinda Fisheries Harbour	GA	92,93,94	Kirinda	MoF&ARD	737 1,209 212	

Project Nam	Form Assistance	Im Period	Project Area	Executing Agency	Project Cost (Million Yen)	Related Project
The Rehabilitation of Irrigation and Drainage System in the River Basins of Southern Sri Lanka	TADS	94	Ham Matara	Mol&P		ADB (Southern Province Rural Dev't PJ)
The Study for the Potential Realization of Irrigated Agriculture in the Dry and Interm Lanka	TADS	99	Anuradhapura, Kurunegala, Puttalam	Mol&P		
The Master Plan Study on the Agricultural and Rural Developm Rehabilitation Program	TADS	93	Central, Uva and Sabaragam	Ministry of Up-country Peasantly Rehabilitation		Governm part of developm rural road, power, irrigation, water supply, public facility is im
Agricultural Econom	DE	88.04 – 91.04	Kandy	International Irrigation		
Water Irrigation Managem	DE	94.01 – 96.01	Colom	Management		

Note1: conducted evaluation for colored Projects

Note2: Abbreviations

Forms of Assistance

PTA: Project-type Technical Assistance

DE: Dispatch of Experts

TCTP: Third Country Training Program

GA: Grant Assistance

TADS: Technical Assistance for Development Studies

JOCV: Japan Overseas Cooperation Volunteers

Executing Agency

MoMD: Ministry of Mahaweli Development

MoA&L: Ministry of Agriculture & Lands

MoF, P: Ministry of Finance, Planning

MA: Mahaweli Authority of Sri Lanka

MoF & ARD: Ministry of Fisheries & Aquatic Resources Development

Mol & P: Ministry of Irrigation & Power



## [Education and Human Resources Development]

Project Nam	Form Assistance	Im Period	Project Area	Executing Agency	Project Cost (Million Yen)	Related Project
Project for Establishm Centre in the Open University of Sri Lanka	GA	91.92		MoE&HE	574 774	
Audio-visual Production	DE	93.12 – 97.12	Colom	OUSL		Open University by Ministry of Education
Project for Upgrading Equipm Education of the Faculty of Science, University of Colom	GA	91.92	Colom	UoC	446	
The Project for Establishm Equipm	GA	94-95	Colom	MoH&UD	1,869 688	
Construction Equipm	PTA	96.10 – 01.09	Colom	MoH&UD		GA: The Project for Establishm of Construction Equipm Training Centre (94-95)
Construction Equipm	JOCV	96.01 – 98.01	Colombo	MoH&UD		
Construction Equipm	JOCV	98.04-00.04	Colombo	MoH&UD		
The Project for Im the Dem	GA	1998	Kegalle, Ratnapura, Gam	MoE&HE	1,329	JOCV and Mathem Education (2 persons)
Science and Mathem	JOCV	98.07 – 99.03	Galle	MoE&HE		
Science and Mathem	JOCV	98.07 – 00.07	Kurunegala	MoE&HE		
Project for Im the Faculty of Engineering-University of Peradeniya	GA	1997	Kandy	MoE&HE, UoP	481	
The Project for the im Equipm of Peradeniya, Sri Lanka	GA	1996	Kandy	MoE&HE	655	
Biology Education (Third Country Training for Kenya)	TCTP	2001	Kandy	UoP		
The Joint Study Project on Strengthening Capacity for Participatory Rural Developm Mobilisation of Local Resources	Research Assistance	98.06-01.5	Colom	UoC		
Curriculum	DE	96.04 – 98.04		Ministry of Science, Technology and Hum Resources Developm		
Adm	DE	98.07 – 01.07		MoV		

Note 1: conducted evaluation for colored Projects

Note2: Abbreviations

### Forms of Assistance

GA: Grant Assistance

DE: Dispatch of Experts

TCTP: Third Country Training Program

PTA: Project-type Technical Assistance

JOCV: Japan Overseas Cooperation Volunteers

### Executing Agency

MoE&HE: Ministry of Education & Higher Education

OUSL: The Open University of Sri Lanka

UoC: University of Colombo

MoH & UD: Ministry of Housing & Urban Development

UoP: University of Peradeniya

MoH&IM: Ministry of Health, & Indigenous Medicine

MoVT&RI: Ministry of Vocational Training & Rural Industries

## [Improving Health/Medical Services]

Project Nam	Form Assistance	Im Period	Project Area	Executing Agency	Project Cost (Million Yen)	Related Project
Sri Jayewardenepura General Hospital Project	PTA	86.04 – 91.04	Sri Jayewardenepura Cotte			
The Project for Establishm Nursing Sri Jayawardenepura	GA	96.97	Sri Jayewardenepura Cotte	MoH&IM	265 1,180	
Nursing Education in Sri Lanka	PTA	96.10 – 01.09	Sri Jayewardenepura Cotte	MoH&IM		
The Project for Im Equipm University of Sri Jayawardenepura	GA	96.97	Sri Jayewardenepura Cotte	MoE&HE	721 218	TCTP: Medical Equipm Maintenance and Managem (1996)
Medical Research Institute Project	PTA	89.01 – 95.12	Colombo	MoH&IM		GA: National Research Institute (87–88)
Project for Rehabilitation of Biom Engineering Services	GA	91	Colombo	MoH&IM	1,369	
Managem Equipm	DE	93.02–98.02	Colombo			
In-Country Training Course in Medical Equipm	RT	98–01	Colombo			
Medical Equipm Managem	TCTP	1997	Colombo	Medical Equipment Center		
Medical Equipm Managem		96–96	Colombo			
Medical Equipm shooring (for Cam		99–99	Colombo			
Medical Technology (for Cam		00–00	Colombo			
Medical Equipm Managem		00–00	Colombo			
Medical Equipm Managem		96–96	Colombo			
Medical Equipm Managem		99	Colombo			
Medical Equipm Troubleshooting (for Tanzania)		99	Colombo			
Project for the Developm (phase II)	GA	92	Peradeniya, Kalutara, Nuwara Eliya, Gam	MoWA	596	Second Country Training Program (98–01)
Ratnapura General Hospital Development (1/2)	GA	99	Ratnapura	MoH&IM	554	
Population Inform	PTA	87.11 – 92.11	Colom	MoF, P		
Dem	DE	93.05 – 93.12	Colom	MoH&IM		
Population Statistics	DE	94.12 – 95.02	Colom	MoH&IM		
The Project for Im Equipm University of Sri Jayawardenepura	GA	95.96	Peradeniya	MoE&HE	494 1,751	
Dental Education Project at University of Perade	PTA	98.02 – 03.01	Peradeniya	MoE&HE / MoH&IM		
Dental Hygiene	JOCV	00.12 – 02.12	Kandy	UoP		

Note1: conducted evaluation for colored Projects

Note2: Abbreviations

### Forms of Assistance

PTA: Project-type Technical Assistance

GA: Grant Assistance

DE: Dispatch of Experts

RT: Receiving Trainees

TCTP: Third Country Training Program

JOCV: Japan Overseas Cooperation Volunteers

### Executing Agency

MoH&IM: Ministry of Health, & Indigenous Medicine

MoE&HE: Ministry of Education & Higher Education

MoWA: Ministry of Women's Affaires

MoF, P: Ministry of Finance, Planning

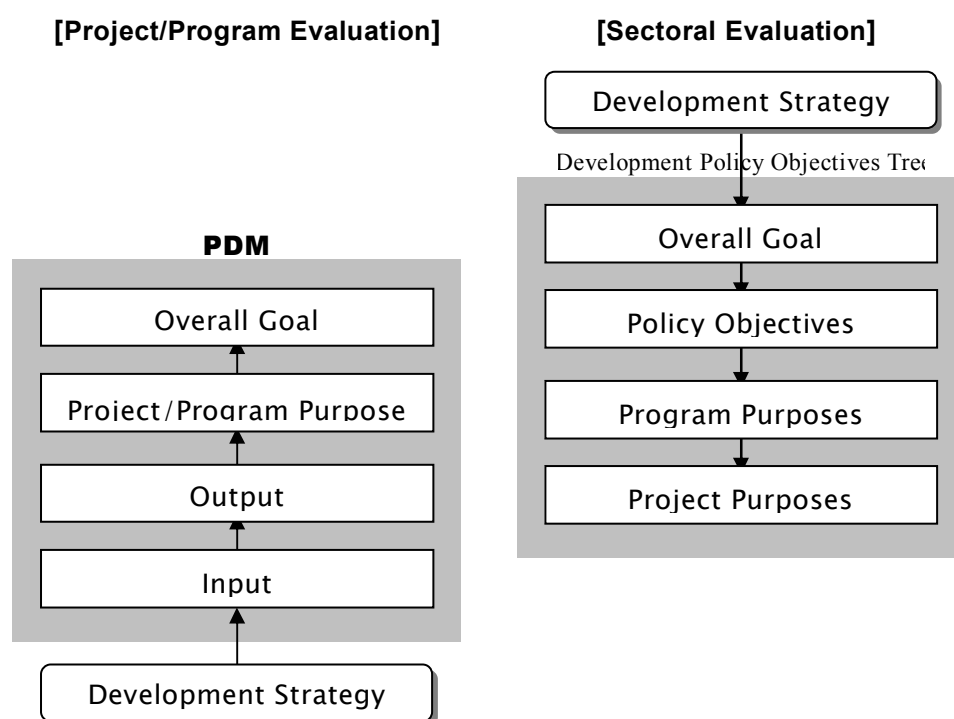
UoP: University of Peradeniya

## 1.2 Plan for the Evaluation Study

### 1.2.1 Framework for the Evaluation Study

This evaluation study was conducted by evaluating both individual project/program evaluations and sectoral evaluations at the same time, and a comprehensive overall evaluation was then carried out to identify lessons learned and recommendations.

**Chart 1-2-1 : Flows of Project/Program Evaluation and Sectoral Evaluation**



Although it is desirable to associate the two approaches of individual project/program evaluation and sectoral evaluation with each other, the results of the individual project/program evaluations do not necessarily always infer the results of the sectoral evaluations. For instance, when the Japanese Government (JICA, JBIC) is the principal donor for the relevant sub-sector, as is the case with harbors and airports, which are sub-sectors of the Building and Improving Economic and social infrastructure area, an evaluation of the relevant sector can be conducted by conducting individual project/program evaluations. On the other hand, when it is difficult to make a straightforward judgment as to whether or not assistance provided by the Japanese Government surpasses assistance provided by other international organizations and donor countries, as in the area of Education /

Human Resources Development, performance may be judged to be satisfactory as the result of an individual project/program evaluation, but the level of contribution may not necessarily be high when the individual sectors are examined. For this reason, handling individual project/program evaluations and sectoral evaluations separately is a basic tenet of the evaluation process.

### **1.2.2 Individual Project/Program Evaluations**

In evaluating the degree to which JICA cooperation contributes to the progress of development in the area being evaluated, it was necessary to ascertain whether or not the cooperation project implemented by JICA during the target period (1990-2000) met the expectations set forth by the planning. To do that, representative projects were adopted and evaluations were conducted of each of the individual projects. When the individual project/program evaluations were carried out, if the target projects constituted a group of related projects with the same goals and objectives (for instance, when grant assistance was implemented following a development study), the evaluation was conducted with the related projects bundled as a single program.

Evaluations were conducted by compiling information and data within the framework of a Project Design Matrix (PDM) which is based on existing documents pertaining to the individual project (such as the evaluation reports submitted when the project is completed) and field work, and each individual project was examined from a cross-section perspective that encompassed five evaluation items (relevance, effectiveness/degree of accomplishment of objectives, efficiency, impacts, and sustainability), along with the effectiveness of technology transfers and the poverty level, environment, genders, and other pertinent factors. The procedures are detailed in Chapter 4, “4-1. Procedures for Individual Project/Program Evaluation”.

### **1.2.3 Sectoral Evaluations**

In these evaluations, a development policy objectives tree was created by extracting policy objectives for each sector being evaluated, based primarily on existing documents such as study reports and other documents concerning national development planning on the part of the Sri Lanka Government and principal assistance organizations (Asian Development Bank, World Bank, etc.). Additionally, the assistance provided by the Sri Lanka Government, JICA, and other principal donors during the period targeted for evaluation was analyzed, and a clear ranking was assigned onto the development policy objectives tree. Following that, the progress of the development was analyzed in the aspect of

whether JICA's cooperation was relevant or to what degree it contributed to by comparing the development status observed between 1990 and 2000, for each policy objective.

Based on those results, relevance and the contribution made by JICA cooperation in the various areas and the various development objectives were analyzed and evaluated, and the factors that either encouraged or were detrimental to that contribution were identified.

The procedures are detailed in Chapter 5, "5-1. Framework of Sectoral Evaluation".

#### **1.2.4 Overall Evaluation and Lessons Learned/Recommendations**

In the sectors feasible for overall evaluation integrating individual project evaluation and sectoral project evaluation, evaluation is attempted regarding both (1) relevance, i.e. whether or not the cooperation by JICA is consistent with Sri Lanka's policy goals and at the same time comparative advantages has been demonstrated, and (2) effectiveness, i.e. whether or not JICA's support for the sector concerned has been effective.

Based on the evaluation results described above, conclusions were drawn as to (1) lessons learned and recommendations that will contribute to improving the formation and implementation of cooperation programs and projects, and (2) lessons learned and recommendations that will contribute to improving Country Programs in Sri Lanka. For (1), conclusions were drawn primarily from the results of the individual project/program evaluations, while for (2), conclusions were drawn primarily from the results of the sectoral evaluations.

With regard to the contents of individual project/program evaluations (contents of individual evaluation items, lessons learned, recommendations, etc.), the contents are organized into databases to make it easier to search for contents by project name or by areas, or to search by key words.

## 1.3 Organizational Structure and Processes of Studies

### 1.3.1 Organizational Structure of Studies

The study team for the evaluation is comprised of the following personnel.

**Chart 1-3-1 : List of Study Members**

Name	In Charge	Organization
Mori, Nobuhiro	Leader / Evaluation Methodology	KRI International Corp.
Okada, Takuya	Sub-leader / Building and Improvement Economic and Social Infrastructure	KRI International Corp.
Sakaya, Izumi	Development of Mining and Manufacturing Industries	KRI International Corp. (GG21Ltd.)
Yaguchi, Tetsuo	Development of Agriculture, Forestry and Fisheries	KRI International Corp. (RDI)
Dobeta, Kazuhiko	Education and Human Resources Development	KRI International Corp.
Suwa, Hiromi	Improving Health / Medical Services	KRI International Corp. (Inter-Techno Ltd.)
Aotsu, Mitsuru	Coordinator	KRI International Corp.

### 1.3.2 Field Work Process and Places Visited

The first part of the study began on December 13, 2001 and ended on March 29, 2002. The contents of the work carried out during that period are as noted below.

- Preparatory work in Japan (December 2001 and January 2002)
- First field work (February 3 to February 11, 2002)

During that time, the following reports were drafted and submitted.

- Inception report (January 2002)
- Progress report (March 2002)

Furthermore, from the first part of February to the end of March 2002, a subcontracted local consultant compiled baseline data and formulated questionnaires for implementing agencies, as well as beneficiary surveys to determine the level of awareness on the part of beneficiaries.

The following is an overview of the work carried out during the first field work.

#### **(1) Description of the inception report concerning persons involved in the Sri Lanka Government**

An Advisory Committee meeting was held with Ms. Sujatha COORAY, the head of the Department of External Resources at the Ministry of Economic Reform,

Science & Technology, serving as the chairperson and 20 to 30 persons from the implementing agencies taking part.

**(2) Interview studies for principal international organizations and Japanese assistance organizations**

- Asian Development Bank, World Bank, United Nations Development Program, Japan Bank for International Cooperation

**(3) Document compilation**

- Institute of Policy Study, Central Bank of Sri Lanka, Department of Census and Statistics, JICA Office, Department of Health Services.

**(4) Conclusion of minutes**

- External Resources Department, Study Team, JICA

**(5) Business report**

- Sri Lanka ambassador in residence, JICA field office in Sri Lanka

Subsequently, the second part of the study began on April 18, 2002 and ended on October 31, 2002. The following is an overview of work carried out during that period.

**(1) First Work in Japan (April 2002)**

Preparations for the individual project/program evaluations and sectoral evaluations were made, and items to be confirmed during the Second Field Work were organized.

**(2) Second Field Work**

The second field work was carried out from the latter part of April to mid-May 2002 (April 21 to May 14). The contents of the study are as follows.

① Report and analysis of the results of hiring a local consultant

A progress report describing the following work subcontracted to a local consultant was received, the contents confirmed, and further instructions issued concerning follow-up.

- (a) Retrieval and response status of questionnaires for implementing agencies
- (b) Progress of checking and totalizing the responses to the beneficiary study

- ② Compiling information from Sri Lanka Government-related organizations  
The contents of the retrieved questionnaires described above were checked, and if there were any ambiguities or additional questions, an inquiry was made to the responding organization. Whenever possible, direct visits were made to the organizations in order to compile more detailed data.
- ③ Implementing field work relating to the project to be evaluated  
Conducting evaluations using only secondary information, such as information organized in advance and numeric data, is inadequate from the standpoint of doing the evaluation correctly. With that in mind, as many targeted projects (programs) as possible were visited during the field work period, and the current situation of the facilities and materials/equipment provided through assistance was ascertained.

### (3) Second Work in Japan

- ① The field work results were summarized in the first part of July, and a D/R was submitted. Also, a meeting was held to explain the contents of the report, and comments were received from JICA, JBIC, and agencies related to the Ministry of Foreign Affairs.
- ② Based on the comments obtained in ①, a DF/R was drafted, and an English version of the report was sent to the Sri Lanka Government through the JICA Sri Lanka field office.

### (4) Third Work in Japan

Based on comments on DF/R, F/R was put together and submitted to JICA

The field work process and places designated for sectoral field visits (when the Second Field Work was carried out) are as indicated below.

**Chart 1-3-2 : Study Process**

	Fiscal Year 2001 (The First)				Fiscal Year 2002 (The Second)						
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.
Work in Japan	□ □	□□□	□		□	□ □		□	□		
Field Work			■ ■		■ ■ ■						
Report	* IC/R			* P/R				* D/R		* DF/R (J)	* * DF/R F/R (E)



**Chart 1-3-3 : Visiting Agency in Site**

Priority Areas of JICA	Visiting Agency	
Building and Improving Economic and Social Infrastructure	<ul style="list-style-type: none"> <li>• Ceylon Electricity Board</li> <li>• Department of Irrigation</li> <li>• Road Development Agency</li> <li>• Colombo Muni. and local</li> <li>• W.B. Office</li> </ul>	<ul style="list-style-type: none"> <li>• Sri Lanka Telecom.</li> <li>• Sri Lanka Port Authority</li> <li>• Sri Lanka Rupavahini Corp.</li> <li>• National Water Supply and Drainage Corp.</li> <li>• AsDB Office</li> </ul>
Development of Mining and Manufacturing Industries	<ul style="list-style-type: none"> <li>• Ministry of Enterprise Development, Industrial Policy &amp; Investment Promotion</li> <li>• Industrial Development Board</li> <li>• ICT</li> </ul>	<ul style="list-style-type: none"> <li>• Textile Training and Services Centre</li> <li>• JETRO</li> <li>• USAID</li> <li>• 5 Private Companies</li> <li>• Statistic Department</li> <li>• Investment Board</li> </ul>
Development of Agriculture, Forestry and Fisheries	<ul style="list-style-type: none"> <li>• Mahaweli Authority of Sri Lanka and Agencies</li> <li>• Department of Agri. in Western Province</li> <li>• Statistics Department</li> <li>• W.B. Office</li> <li>• Agrarian General Dep., Ministry of Agri. Rearch</li> <li>• Agrarian Research &amp; Policy Commission</li> <li>• Ambepusa Agricultural Training Centre</li> </ul>	<ul style="list-style-type: none"> <li>• Department of Irrigation</li> <li>• Ceylon Fisheries Corporation</li> <li>• Western Region Road Dev.</li> <li>• Plant Generic Resources Centre</li> <li>• National Plant Quarantine Services</li> <li>• Socio-economic Planning Centre</li> <li>• Morena Agri. Promotion Centre</li> </ul>
Education and Human Resources Development	<ul style="list-style-type: none"> <li>• Ministry of Human Resource Dev., Edu. &amp; Cultural Affairs</li> <li>• Open University</li> <li>• National Water Supply and Drainage Board</li> <li>• Ministry of Women's Affairs</li> <li>• Maharagama Muni.</li> <li>• Moratuwa Muni.</li> <li>• National Education Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Construction Equipment Training Centre</li> <li>• Colombo Municipality</li> <li>• Dehiwala Muni.</li> <li>• Sri Jayewardenepura Cotte Muni.</li> <li>• Colonawa Muni.</li> <li>• AsDB Office</li> <li>• Ministry of Hosing &amp; Plantation Infrastructure</li> </ul>
Improving Health / Medical Services	<ul style="list-style-type: none"> <li>• Ministry of Health, Nutrition &amp; Welfare</li> <li>• Sri Jayewardenepura General Hospital</li> <li>• Nursing School</li> <li>• Dentist Dep., Peradeniya Uni.</li> <li>• Medical Dep., Peradeniya Uni.</li> <li>• Bio-medical Serves Center</li> </ul>	<ul style="list-style-type: none"> <li>• W.B. Office</li> <li>• AsDB Office</li> <li>• Statistic Department</li> <li>• National Medical Institute</li> <li>• Karutala General Hospital</li> <li>• Ratnapura General Hospital</li> <li>• Gampaha Hospital</li> <li>• Hambantota Hospital</li> <li>• Nuwara Eliya Hospital</li> </ul>

Chapter 2  
Present Situation of  
Socio-Economic Development  
in Sri Lanka

## CHAPTER 2 PRESENT SITUATION OF SOCIO-ECONOMIC DEVELOPMENT IN SRI LANKA

### 2.1 Overview

In Sinhalese "Sri Lanka" means "sacred island" or "beautiful island." The country has an area of about 65,610 square kilometers, which makes it approximately 0.8 times the size of Hokkaido, and the island has the shape of a pear. The northern half is mostly lowlands, whereas the southern half consists of highlands with prevalent greenery. The climate is of the tropical monsoon type with high temperatures and humidity and sharply defined rainy and dry seasons. Of the total population of 19.4 million in 2000, 4.96 million, or approximately 25.6%, lives in the western region. The political and economic heartland of the country is the Western Province, which includes the Colombo District. The official languages are Sinhalese and Tamil, and English, too, is used in urban areas. The largest ethnic group is the Sinhalese, who represent 74.0% of the population, followed by the Sri Lanka Tamils at 12.6% (census of 1981). The two largest groups by religion are the Buddhists, accounting for 69.3% of the total, and the Hindus at 15.5%.

#### Box 1 : Sri Lanka Profile

<ul style="list-style-type: none"> <li>* Area : 65,610 km<sup>2</sup></li> <li>* Population : 19.4 million (2000)</li> <li>* Population Growth Rate : 1.7% (2000)</li> <li>* Population by Province (mil., 2000)               <ul style="list-style-type: none"> <li>• Western : 4.96</li> <li>• Central : 2.51</li> <li>• Southern : 2.50</li> <li>• North-Western : 2.25</li> <li>• Sabaragamuwa : 1.85</li> <li>• Northern : 1.46</li> <li>• Eastern : 1.43</li> <li>• Uva : 1.23</li> <li>• North-Central : 1.17</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>* Composition of Population by Ethnicity (% , 1981 Census)               <ul style="list-style-type: none"> <li>• Sinhalese : 74.0</li> <li>• Sri Lanka Tamils : 12.6</li> <li>• Indian Tamils : 5.5</li> <li>• Moors : 7.1</li> <li>• Others : 0.8</li> </ul> </li> <li>* Composition of Population by Religion (% , 1981 Census)               <ul style="list-style-type: none"> <li>• Buddhists : 69.3</li> <li>• Hindus : 15.5</li> <li>• Muslims : 7.5</li> <li>• Christians : 7.6</li> <li>• Others : 0.1</li> </ul> </li> </ul>
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Source : Central Bank of Sri Lanka

Since gaining its independence in 1948, Sri Lanka has been a democratic state in which all changes in regime have taken place through elections. The political system of the country is structured around two major parties, the United National Party (UNP) and the People's Alliance (PA), and currently Chandrika

Bandaranaike Kumaratunga is the president of Sri Lanka. President Kumaratunga took office in 1994 and, having been re-elected in 1999, is still serving as president today. Since August 1994 the PA had been in power, but the UNP, which was the opposition party, made great strides in the parliamentary elections held in December 2001 and ultimately defeated the PA. As a result, the president of the UNP became the president of the country, and members of the UNP became Cabinet members, launching the UNP regime. Thus, the country now has a split government in which the president is from the PA and the new government from the UNP, raising the issue of how the government will deal with domestic challenges such as civil problems. In April 2001 the new government resumed a peace process with the LTTE (Liberation Tigers of Tamil Eelam), which had been deadlocked, and is now actively engaged in peace negotiations. In February 2002 an agreement was reached between the government and the LTTE for a mutual ceasefire, and further progress in the direction of peace is expected in the future.

Japan established diplomatic relations with Sri Lanka in 1952, and since then the two countries have enjoyed good relations. 2002 is the 50th anniversary of the establishment of diplomatic relations. In terms of an economic relationship between the two countries, Japan is an important trading partner of Sri Lanka. Exports to Japan made Japan Sri Lanka's fourth largest trading partner in the 1990s (Sri Lanka to Japan) and first in imports (Japan to Sri Lanka). The principal exports to Japan are machinery and equipment, black tea, shrimp, and textiles/clothing, while the principal items imported from Japan include transport machinery and electrical machinery.

The following section presents an overview of the political, diplomatic, economic and social situations in Sri Lanka, as well as the poverty situation. In particular, along with describing policies in Sri Lanka to reduce poverty, both past and present, this section compares poverty rates and economic and social indices for the various provinces, and outlines the characteristics of each.

## **2.2 Economic Conditions**

Furthermore, from 1978 until the present, Sri Lanka has operated under a free economic system, and in the 1990s, in response to more relaxed regulations concerning prices, investments, and exchange rates, as well as growth in private investments and strong exports from the manufacturing sector, the economy was moving in a bullish direction<sup>1</sup>. However, ongoing financial deficits at high levels,

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<sup>1</sup> For instance, (1) the government reviewed the customs duties system in 1997 with an eye toward introducing a duties framework of 5%, 10% and 30% starting from November 1998, and decided the framework for customs duties for each category of imported item. (2) Between 1995 and the present, plantations, the Sri Lanka Communications Corporation, and the Air Lanka airline have been privatized. (3) In recent years, more private funding has been introduced in infrastructure divisions, particularly in those such as energy, communications, and transportation.

deficits in ordinary revenues, outstanding loans from foreign sources and other factors have been a cause of instability, and administration of a sound macro economy continues to be a concern (see Chart 2-2-1 and 2-2-2)<sup>2</sup>.

**Chart 2-2-1 : Key Economic Indicators**

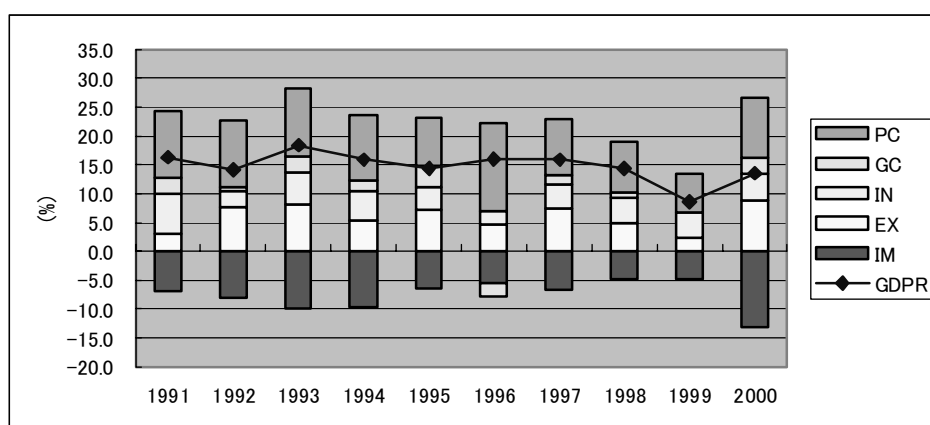
(Unit: %)

Indicators \ Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000*
Real GDP Growth Rate	4.6	4.3	6.9	5.6	5.5	3.8	6.3	4.7	4.3	6.0
Inflation Rate	12.2	11.4	11.7	8.4	7.7	15.9	9.6	9.4	4.7	6.2
Unemployment Rate	14.7	14.6	13.8	13.1	12.3	11.3	10.5	9.2	8.9	7.7
Fiscal Balance/GDP	-11.6	-7.3	-8.4	-10.5	-10.1	-9.4	-7.9	-9.2	-7.5	-9.9
Current Balance/GDP	-6.9	-5.7	-4.8	-7.4	-6.0	-4.9	-2.6	-1.4	-3.6	-6.3
International Foreign Reserves*	2.9	3.4	4.9	5.2	4.8	4.4	4.2	4.1	3.3	2.0
Saving Rate	15.2	17.9	20.2	19.1	19.5	19.0	21.5	23.4	23.5	21.4
Investment Rate	22.9	24.3	25.6	27.0	25.7	24.3	24.4	25.1	28.1	28.0
Foreign Debt/GDP	74.1	73.9	75.4	71.6	70.4	62.6	56.4	58.0	59.2	56.4

Sources: Central Bank of Sri Lanka and AsDB

Remarks: Provisional in 2000. International Foreign Reserves show the available period of import.

**Chart 2-2-2 : Contribution to Growth**



Source : Accumulation employing data from Central Bank of Sri Lanka.

Remarks: PC, GC, IN, EX, IM and GDPR stand for Private Consumption, Government Consumption, Investment, Export, Import and GDP growth rate, respectively.

Analyzing the economy of Sri Lanka in terms of its production and disbursements, the characteristics and development issues noted below become clear.

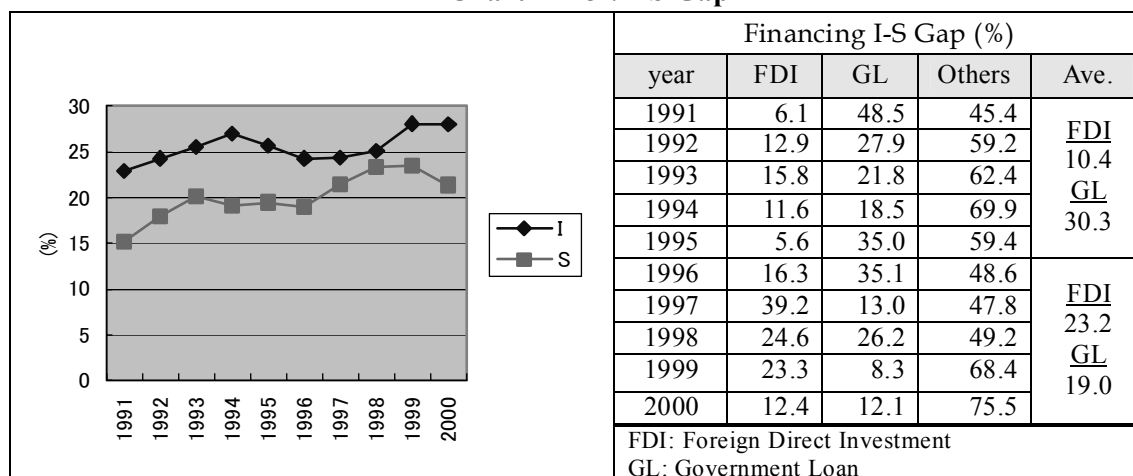
<sup>2</sup> It is difficult to judge economic conditions in Sri Lanka objectively based on the macro economic indicators shown in Chart 2.2.1 alone, but Chart 2.2.5 shows which of the country's economic indicators need to be looked at by comparing the indicators with ordinary country risk benchmarks.

**< Economic conditions and development objectives >**

Economic Conditions	Development Objectives
<ul style="list-style-type: none"> <li>▪ In the 1990s (1991 – 2000), the agricultural sector accounted for an average of 23.0% of production, the commercial sector for 21.9%, and the manufacturing sector for 15.9%, and these three sectors together accounted for approximately 60% of the GDP.</li> <li>▪ The average degree of contribution of each of these three sectors to the GDP growth rate was as follows: agriculture, 2.7%, commerce, 3.3%, and manufacturing, 2.5%, but the contribution made by agriculture has been dropping since 1997 and was 1.3% in 2000.</li> <li>▪ The average employment rate is 38.9% in agriculture, 11.8% in commerce, and 14.7% in manufacturing. The percentage of the work force employed in the Agricultural Division has continued to be nearly 40%, while the employment absorption rate in the production industry, with its higher added value, continues to be weak.</li> </ul>	<p>As indicated by the figures at the left, in Sri Lanka, where agriculture is the major industry, development of the agricultural sector is crucial to reducing poverty. However, growth rates in the agricultural sector have been sluggish in recent years, and work productivity is thought to be dropping. Consequently, the development challenge in the pertinent sector is considered to be the refurbishment of agricultural and production bases in terms of materials, personnel, and systems, that will contribute to improving productivity.</p> <p>Furthermore, education and vocational training programs (improvement in technical skills, cultivation of an entrepreneurial spirit, etc.) that will help to correct the imbalance between demand and supply in labor should be provided, along with legal systems that will provide support for private economic activities.</p>
<ul style="list-style-type: none"> <li>▪ The chronic gap between savings and investments was compensated for primarily through loans by foreign governments in the first half of the 1990s, but in the latter half of the 1990s the percentage of loans decreased and the percentage of direct foreign investments increased (Chart 2-2-3).</li> </ul>	<p>Foreign direct investments (FDI) provide capital funding that not only supplements development resources, but also helps to boost job opportunities, propagate management knowhow, and boost employee capabilities through on-the-job training, in a far-reaching ripple effect. The biggest challenge in introducing more FDI is regarded as making advances in peace.</p>
<ul style="list-style-type: none"> <li>▪ Looking at the economy of Sri Lanka in terms of expenditures (GDE) in the 1990s, private consumption accounted for 72.5% of all expenditures, while exports were at 34.7%, followed by imports at 43.8%, investments at 25.0%, and government consumption at 11.8%.</li> <li>▪ The average degrees of contribution to growth were as follows: private consumption: 10.6%, imports: 7.6%, exports: 5.9%, investments: 4.4%, and government consumption: 1.5%. Incidentally, because imports are a primary factor in the decrease of the GDE, the degree of contribution is a negative value (Chart 2-2-2).</li> <li>▪ The growth rates of exports and imports are seen as being correlative (correlation coefficient: 0.67). Principal export items include textiles/clothing and black tea, the two together making up over 60% of total exports.</li> </ul>	<p>It is clear that private consumption and exports are closely connected when it comes to economic growth. Conversely, the stimulation of domestic economic activity brings about increases in imports of capital goods, enlarges the trade deficit, and broadens the gap between savings and investments. Consequently, governmental policies should be encouraged that revamp and strengthen the trade configuration by refurbishing and expanding ports and by diversifying export products, and that contribute to industries that supply capital goods, such as machine tooling equipment.</p> <p>Also, with the abolishment of the export allocation system in 2005, global competition will increase in exports of textiles and clothing. As a result, it will be necessary to consider ways to establish and promote Sri Lanka brand images and to add value to products, rather than simply engaging in price competition.</p>

At the same time, from the viewpoint of the domestic economy it is clear that there is a large savings and investment gap which translates into continuing high dependency on financial assistance from other countries (government loans) for addressing development tasks and problems.

**Chart 2-2-3 : I-S Gap**

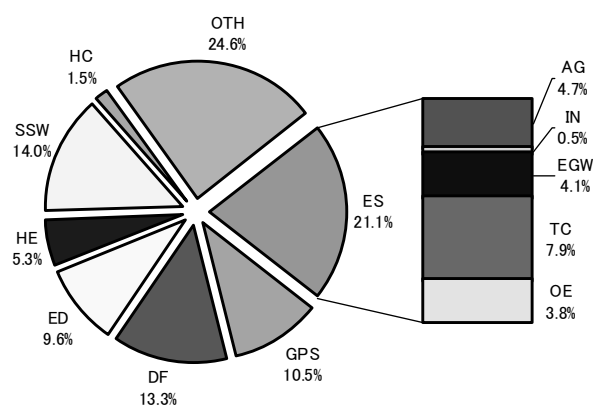


Source: Central Bank of Sri Lanka

Remarks: *I, S* stands for Investment and National Saving, respectively. Each of them is percent of GDP.

According to the percentages of government expenditures allocated by purpose in the 1990s, the priority order was as follows, from highest to lowest: “social security”, “national defense”, “general administrative services”, “education”, “transport and communications”, “health and medical care”. These made up around 60% of all government disbursements, so it can be said that budgets for areas of social development are being given a fairly high priority (Chart 2-2-4).

**Chart 2-2-4 : Budget Allocation (90s on ave.)**



Source: AsDB “Key Indicators 2001”

For your information Sri Lanka's country risks are evaluated as follows.

**Chart 2-2-5 : Country Risks**

Indicators \ Year	1998-2000 on Average	Benchmark (standard)*	Country Risk Judgment*
Real GDP Growth Rate	5.0%	1.0%	Good
Inflation Rate	6.8%	8.0%	Good
Unemployment Rate	8.6%	10.0%	Good
Fiscal Balance/GDP	▲ 8.9%	▲ 3.0%	Poor
Current Balance/GDP	▲ 3.8%	▲ 3.0%	Poor
International Foreign Reserves*	3.1 months	3.0 months	Good
Saving Rate	22.8%	15.0%	Good
Investment Rate	57.9%	50.0%	Poor

Remarks: ① Source of Benchmark: Euromoney, "Bank and Country Risk Analysis"  
 ② Country Risk Judgment: Ave. > Sta. = Good/Poor, or Ave. < Sta. = Good/Poor.  
 ③ International Foreign Reserves show the available period of import.

## 2.3 Social Conditions

Sri Lanka is a multiethnic state. Its ethnic breakdown is given in the table below. Since 1983 there has been continuous ethnic strife between the Sinhalese (which account for about 74% of the total population) and the Tamils (about 18%). In the Northern Province and Eastern Province, where the Tamils represent a large percentage of the population, development has lagged behind the rest of the country because of the security problem spawned by the ethnic strife, and assistance by other countries has been extremely limited.

**Chart 2-3-1 : Percentage of ethnic groups per province (census of 1981: %)**

	Western	Central	Southern	Northern	Eastern	North-Western	North-Central	Uva	Sabaragamuwa
Sinhalese	85.0	65.7	95.1	3.0	24.9	90.1	91.2	75.9	85.4
Sri Lanka Tamils	5.6	7.3	0.6	86.3	40.9	2.7	1.6	4.5	2.2
Indian Tamils	1.6	18.7	1.4	5.7	1.2	0.5	0.1	15.7	8.9
Others	7.8	8.3	2.9	4.9	32.9	6.7	7.1	3.9	3.5

Since gaining its independence, the development of personnel resources has been a priority issue for Sri Lanka, and grant assistance has been provided in the form of education and medical services. As a result, primary school education extended throughout the entire country as of 1985, and the percentage of total students attending junior high school had reached 70%. At the same time, however, regional differences with regard to education exist in the state of school equipment, the existence of textbooks and educational supplies, the quality of teachers, and other aspects, and it has been pointed out that there are disparities in the degree of learning reached among pupils who have attended school for the same number of years. In medical services, education in preventive inoculation campaigns and reproductive health is spreading, with the result that the average lifespan and the low mortality rates for infants and for expectant and nursing mothers are approaching the level of those in advanced nations. Development for women is



progressing smoothly; the average lifespan for women is now longer than that for men, and there is almost no gap between men and women in the ratio of school attendance (Chart 2-3-2).

**Chart 2-3-2 : Key Social Indicators**

Indicators		The Year 1990	The Latest
Adult Literacy (%)	<i>Female</i>	85	89 (1999)
	<i>Male</i>	93	94 (1999)
Gross Enrolment Ratio (Primary: %)	<i>Female</i>	105	108 (1996)
	<i>Male</i>	107	110 (1996)
Gross Enrolment Ratio (Secondary: %)	<i>Female</i>	77	78 (1995)
	<i>Male</i>	71	72 (1995)
Life Expectancy at Birth (years)	<i>Female</i>	74	76 (1999)
	<i>Male</i>	69	71 (1999)
Infant Mortality Rate (per 000)		19	15 (1999)
Maternal Mortality Ratio (Per 100,000 Live Births)		60 (1990-99 on Ave.)	
Human Development Index		0.695	0.735 (1999)

Source: AsDB

As for the government disbursement, the two areas of education and health and medical care account for approximately 15% of financial disbursements (average figure for the 1990s), and along with government finances being squeezed, it is becoming a problem to maintain the current status of services under harsh financial conditions. In view of such circumstances, even though countries providing assistance and international organizations are proposing ideas of paid education and medical services, the Sri Lanka Government has yet to accept paid service provision because of the concept of free education and medical services in place for many years and for political reasons. (This policy started undergoing conversion after 2002.)

## **2.4 Poverty Reduction Strategy**

Efforts by Sri Lanka to reduce poverty have mainly been in the form of the Janasaviya Plan begun in 1989 (1989 to 1995) and the Samurdhi Plan begun in 1995.

## Box 2 : Poverty Reduction Programs

<p><b>Janasaviya Plan (1989–95)</b></p> <ul style="list-style-type: none"> <li>▪ Targeted families with a monthly income of 700 rupees or less (self-reported).</li> <li>▪ 1,458 rupees per month provided over a 2-year period.</li> <li>▪ Of the amount provided, families had to use 1,000 rupees for living expenses and had to save the remaining 458 rupees.</li> <li>▪ At the time the provision period ended, a total of 25,000 rupees was provided in a lump sum with the objective of improving the abilities of the recipients to support themselves. Also, in order to receive the living allowance of 1,000 rupees each month, recipients were obligated to spend 20 days each month providing labor and participating in public works projects and vocational training programs.</li> </ul> <p><b>(Problems)</b></p> <ul style="list-style-type: none"> <li>▪ Method by which recipient households were targeted: The allowance criterion (a monthly income of 700 rupees) was not respected.</li> <li>▪ Government fiscal difficulties: The government failed to pay the amount of 25,000 rupees that should have been paid at the end of the provision period, and thus the program was not tied to an improvement in the ability of recipients to support themselves.</li> </ul> <p><b>(Other)</b></p> <ul style="list-style-type: none"> <li>▪ Because of effects from changes in the regime, etc., the program ended when a switch was made to the Samurdhi Plan.</li> </ul>	<p><b>Samurdhi Plan (1995– present)</b></p> <ul style="list-style-type: none"> <li>▪ The objectives are to create employment in the agricultural sector, develop rural public works, provide vocational training for young entrepreneurs, and improve nutrition.</li> <li>▪ This is the poverty reduction plan with the largest scale.</li> <li>▪ The plan is configured of the following components: (1) Assistance with living expenses (targeting families with a monthly income of 1,500 rupees); (2) Savings and credit services targeting mainly support for small-scale enterprises; (3) Refurbishment of the rural agricultural infrastructure; (4) support for vocational training and startup businesses; (5) Social insurance programs (scholarships, promotion of crafts manufacturing, etc.); (6) Provision of working opportunities; (7) Agricultural development programs, and (8) Stockbreeding and fishery development programs.</li> </ul> <p><b>(Problems)</b></p> <ul style="list-style-type: none"> <li>▪ Political pressure: There are indications that the government is using the poverty reduction program to assure support and backing at the grass-roots level.</li> <li>▪ Method by which recipient households were selected: A large portion of the advantages provided by the plan are going to the non-poverty level, and are not necessarily concentrated at the poverty level.</li> <li>▪ Sustainability: Because approximately 80% of the program budget is going for income transfers, and there are large expenditures for personnel expenses and operating costs, it is questionable whether the activities and outputs can be sustained after the program ends.</li> </ul>
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Source : JBIC (2001), World Bank “Recapturing Missed Opportunities”, 2000.

The Sri Lanka Government, along with recognizing the problems in the Samurdhi Plan described above, which were pointed out in a World Bank study, began formulating policies for a poverty reduction framework in 1998. According to a report titled “Connecting to Growth: Sri Lanka’s Poverty Reduction Strategy” that was issued by the Sri Lanka Government in June 2002, the “development target” of Sri Lanka is economic growth (virtually an annual average of 10%) that will contribute to reducing poverty, and the strategic goals and program objectives as provided in Chart 2-4-1 below are being promoted in order to achieve that development goal.

**Chart 2-4-1 : Poverty reduction framework in Sri Lanka**

Development Goals	Strategic Goals	Program Target
<b>Economic growth rate for poverty reduction (annual 10%)</b>	A Supportive Macro-Economic Environment through Public and Private Partnership	Trade and Investment Policy Reform
		Commercial Law Reform
		Labor Market Reform
		Financial Sector Reform
		Power Sector Reform
	Reducing Conflict-Related Poverty	Peace
		More effective relief for the victims of the ethnic conflict
		Fostering Rehabilitation
		Investing in Social Harmony
	Creating Opportunities for Pro-poor Growth	Upgrading the port network
		Building a national highway and integrated road network
		Enhancing the performance of the bus system
		Modernizing the railways
		Improving access to telecommunications facilities
		Transforming the postal system into a modern IT-Financial network
		Bringing internet into the countryside
		Fostering regional competition through enhancing telecommunication and road networks
		Agricultural and rural development
		Small and medium-scale enterprises development
	Investing in People	Enhancing access to high quality education
		Reforming health care systems
		Expand access to safe water and sanitation
		Solid waste management
		Considering Samurdhi programme
		Social protection (disabled persons, elderly-poor, persons suffering disasters)
	Pro-Poor Governance and Empowerment	Developing human capital in the public sector
		Decentralization
		Combating gender discrimination
		Micro-credit services to empower the poor
		Community-driven development and environmental sustainability

Source: Created from “Connecting to Growth: Sri Lanka’s Poverty Reduction Strategy” by the Sri Lanka Government

## 2.5 General Conditions by Province

The socio-economic development conditions are shown by province in the table underneath. (Note that data is limited as to the Northern Province and the Eastern Province dominated by the Tamils.) Uva Province, Sabaragamuwa Province, North Western Province, etc. have in common the following characteristics, which cohere with the high poverty rates: (1) a large number of people work in agriculture; (2) the population density is low; and (3) the refurbishment rate of the economic and social infrastructures is low.

**Chart 2-5-1 : Socio-economic Condition by Province**

Province Indicators	Western	Central	Southern	Northern	Eastern	North- Western	North- Central	Uva	Sabaraga muwa
Area (k m <sup>2</sup> )	3,684	5,674	5,544	8,884	9,996	7,888	10,472	8,500	4,968
Population (000, 2000)	4,959	2,507	2,500	1,461	1,427	2,254	1,174	1,226	1,853
Population Density (1k m <sup>2</sup> per capita)	1,380	450	464	176	152	300	120	147	377
Unavailability of Elec. (%, 1994)	35.3	65.0	59.2	N.A.	N.A.	68.7	72.2	73.5	74.4
Unavailability of Safe Water (%, 1994)	18.2	26.1	35.0	N.A.	N.A.	34.6	48.0	44.6	32.1
Unavailability of Sanitation (%, 1994)	11.2	24.4	20.3	N.A.	N.A.	30.3	31.7	34.1	22.7
Road Development* (km, 2000)	1,546	1,693	1,254	1,258	1,104	1,275	1,111	1,147	1,099
Unenrollment Ratio of grade 1-9 (%, 1994)	18.9	15.2	14.7	N.A.	N.A.	11.1	11.8	10.7	12.5
Adult Literacy Rate (%, 1996/97)	94.6	88.5	92.4	N.A.	N.A.	93.1	91.4	86.8	89.7
Labour Force (%/provincial popu.)	40.5	39.1	37.4	N.A.	N.A.	38.2	41.0	40.5	41.8
Unemployment Rate (1996/97) (%/Labour Force)	11.3	11.1	13.5	N.A.	N.A.	7.6	5.9	8.7	9.8
Ave. Income per Month (Rs., 1996/97)	7,537	4,839	5,362	N.A.	N.A.	4,831	4,613	4,062	4,888
Consumer Ex. per Month (Rs., 1996/97)	2,755	1,816	1,673	N.A.	N.A.	1,607	1,625	1,442	1,756

Source: Central Bank of Sri Lanka, UNDP.

Remark (\*): The data shows total Km of Type A and Type B Class road. Where, Type A Class: All roads within the network of Trunk Roads connecting the national capital with the provincial capitals and also connecting these capitals with one another. Also included are other major roads (all roads paved and bitumen surfaced with carriage way between 24ft. to 36ft. and platform width 36ft. to 56ft.). Type B Class: Main roads connecting other important towns and also providing important links within the trunk route system (Metalled and bitumen with a small percentage graveled).

According to the World Bank and the PRSP, trends in region-specific poverty rates can be summarized as noted in Chart 2-5-2 below.

**Chart 2-5-2 : Poverty Condition by Province**

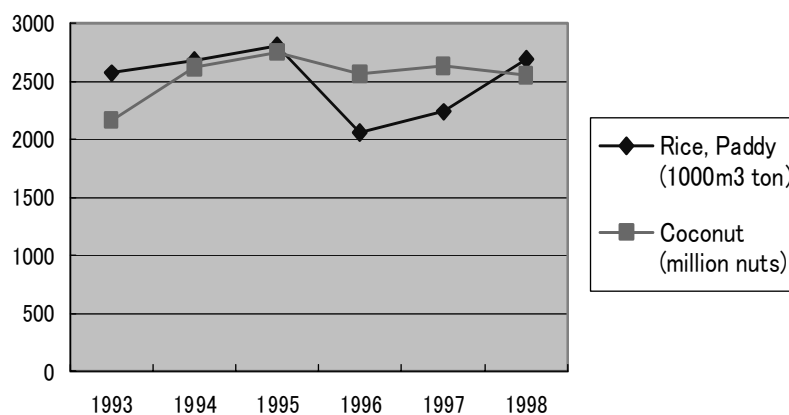
Province	Poverty Ratio (%)		Gini Coefficient	
	1990/91	1995/96	1995/96	1999/2000
① Western	15.2	13.6	0.339	0.358
② Southern	23.7	26.5	0.294	0.325
③ North-central	18.2	31.2	0.284	0.264
④ Central	23.5	27.9	0.297	0.349
⑤ Uva	23.7	37.0	0.287	0.297
⑥ Sabaragamuwa	23.1	31.6	0.280	0.331
⑦ North-western	18.0	33.9	0.268	0.292

Source: World Bank, PRSP

Remarks: Not including the data of Northern and Eastern provinces due to lack of the data. Poverty ratio shows % under lower Poverty Line (monthly expenditure per capita in 1995/96: Rs. 791.67) . Gini Coefficient is consumption based.

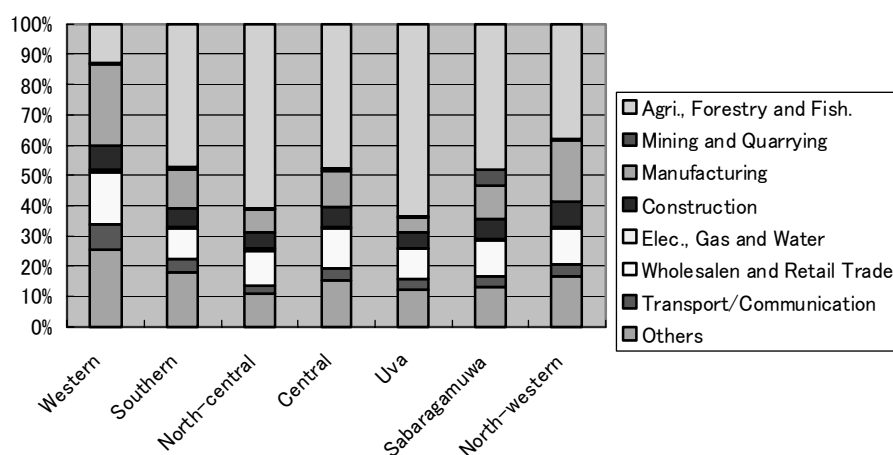
As indicated above, poverty rates are worsening except in the Western Province, and disparities among provinces are broadening. The main origin of the worsening poverty rates in 1995 and 1996 is thought to be a decrease in the production of rice and coconuts, the principal foods, caused by the effects of a drought (Chart 2-5-3). Looking at the sectoral employment rates for each province (1996/97), it can be seen that, except for the Western Province, the agriculture, forestry and fisheries sector is where the largest share of employment is to be found, and this sector accounts for more than 60% of the employment rate in the North Central Province and the Uva Province in particular, indicating that the effects of the drought were significant (Chart 2-5-4).

**Chart 2-5-3 : Trend of Production of Principal Crops**



Source: AsDB

**Chart 2-5-4 : Composition of Employment by Sector**



Source: Central Bank of Sri Lanka (2001)

## 2.6 Conclusion: Present Situation of the Socio-economic Development

This chapter has presented an overview of the development situation in Sri Lanka from the standpoints of politics, the economy, society, and poverty. Based on that overview, the development situation and challenges in the country can be summed up as follows.

### (1) About the socio-economy

Since gaining its independence, Sri Lanka has been working to develop the areas of education and health, and grant assistance is being provided in primary, junior high and high school education, and in public health and medical care as well as in other areas. When development figures are compared with those of neighboring countries and of Japan, development in Sri Lanka has produced generally good results. The national per capita income is approximately 2.5% that of Japan (in purchasing power parity, approximately 12.7% that of Japan), and although there are differences between the two countries in terms of the average lifespan and the rate of children attending elementary school, they are not as significant as the differences in national per capita incomes (Chart 2-6-1). Incidentally, according to country-specific documents provided by the World Bank, Sri Lanka is classified as a middle-income country, and in country-specific documents provided by the UNDP, the country is ranked as medium in terms of human development<sup>3</sup>.

<sup>3</sup> According to country-specific groupings set forth by the World Bank, based on the per capita GNP level for 1999, a country with a per capita GNP of 755 dollars or less is classified as a low-income country, that with a level between 756 and 9,265 dollars as a medium-income country, and that with a level of 9,266 dollars or more as a high-income country.

**Chart 2-6-1: Key Economic and Social Indicators by Country**

Key Indicators	Sri Lanka	India	Bangladesh	Japan
GNP per Capita (US\$, 1999)	820	450	370	32,230
GNP per Capita adjusted by PPP (US\$, 1999)	3,056	2,149	1,475	24,041
Life Expectancy at Birth (Year, 1998)				
Male	71	62	58	77
Female	76	64	59	84
Percentage of population who can access to sanitation (% , 1990-96)	52	16	35	100
Adult Illiteracy Rate (% , 1998)				
Male	6	33	49	0
Female	12	57	71	0
Net Enrollment Ratio (1997)				
Primary School	100	77	75	100
Secondary School	76	60	22	100
Human Development Index (1999)*	0.735	0.571	0.470	0.928

Source : W.B. "World Development Report 2000/2001", UNDP "Human Development Report 2001".

Remark: Human Development Index- A composite index based on three indicators: longevity, as measures by life expectancy at birth; educational attainment, as measured by a combination of adult literacy (two-thirds weight) and the combined gross primary, secondary and tertiary enrolment (one-third weight); and standard of living, as measured by GDP per capita (PPP US\$)- Upper HDI0.800 means High human development; HDI0.500~0.799 means Medium human development; Lower HDI0.500 means Low human development.

Let us now examine the development situation in Sri Lanka by comparison with the "21st Century Development Goals" (MDG, Millennium Development Goals) presented throughout the world by the OECD/DAC's new development strategy (see Chart 2-6-2).

**Chart 2-6-2 : Millennium Development Goals (MDG)**

Millennium Development Goals(MDG)	Development Status of Sri Lanka
1. Eradicate extreme poverty and hunger by 2015 (1) Reduce by half the proportion of people living on less than a dollar a day (2) Reduce by half the proportion of people who suffer from hunger	[Proportion of people living on less than a dollar a day] 6.6%(2000) [Population below the poverty line] 25.0%(2000)
2. Achieve universal primary education by 2015 (1) Ensure that all boys and girls complete a full course of primary schooling.	[Gender ratio in primary education] Boys: 98%. girls:102%(2000)
3. Promote gender equality ad empower women (1) Eliminate gender disparity in primary and sedondary education preferably by 2005, and at all levels by 2015.	[Ratio of female pupils to male pupils in junior schools] 99% (1990)→99% (1998)
4. Reduce child mortality (1) Reduce by two thirds the mortality rate among children under five by 2015	[Infant mortality (per 1,000)] 23 (1990)→18 (2000)
5. Improve maternal health (1) Reduce by three quarters the maternal mortality ratio by 2015	[Parturient mortality (per 100,000)] 60 (1999)
6. Combat HIV/AIDS, malaria and other diseases (1) Halt and begin to reverse the spread of HIV/AIDS by 2015 (2) Halt and begin to reverse the incidence of malaria and other major diseases by 2015	[Proportion of hiv carriers (age between 15 and 24, 1999)] Male: 0.0%, female: 0.1% [Immunization ratio of 1-year old infants (1998)] Tuberculosis:90%, measles:91%
7. Ensure environmental sustainability (1) Integrate the principles of sustainable development into country policies and programmes by 2015; reverse loss of environmental resources. (2) Reduce by half the proportion of people without sustainable access to safe drinking water by 2015	[CO <sub>2</sub> exhaust per capita (mt)] 0.2(1990)→0.4(1998) [Population with access to safe drinking water (%)] 66%(1990)→83%(2000) [Population with access to sanitation facilities (%)] 82%(1990)→83%(2000)
8. Develop a global partnership for development by 2015 (1) Deal comprehensively with developing countries' debt problems through national and international measures. (2) In cooperation with the developing countries, develop decent and productive work for youth. (3) In cooperation with pharmaceutical companies, provide access to affordable essential drudges in developing countries. (4) In cooperation with the private sector, make available the benefits of new technologies-especially information and communications technologies.	[Unemployment (ages between 15 and 24)] 28%(1999) [Telephone line penetration (per 1,000)] 41%(2000)

Source: UN, the World Bank (World Development Indicators 2002), UNDP (Human Development Reports, various years)

Remark: These are eight development goals for reducing by half the poverty rate in developing countries by 2015.



First of all, the percentage of the population below the poverty line is low, and, furthermore, the Sri Lanka Government's "Vision2010" aims at reducing it further to one-half of what it is now by 2010.

In the field of education the Sri Lanka Government has adopted a policy of free education, and primary schooling has been widespread today. The utilization of educational opportunities by females is also in a favorable situation, accounting for the ratio of female pupils to male pupils in junior schools being higher than the average for the South Asian countries (78% as of 1998).

The infant mortality rate saw improvement between 1990 and 2000, falling to a level considerably lower than the average for the South Asian countries (54 out of 1,000 infants in 2000), indicating the good performance of the strategies. Furthermore, "Vision2010" aims at lowering the indicator to below 1%.

The Vision also advocates environmental preservation, in light of securing environmental sustainability.

Accordingly, Sri Lanka has been yielding development results particularly in terms of education and medical care, but one can hardly say that the country's economic development has been stimulated by such progress. For one thing, the agricultural sector, which has the largest employment, has been undergoing low growth in recent years and is of low labor productivity. Some of the possible reasons why the agricultural sector remains the main receptacle for employment may be: (1) inadequate intermeshing of education and vocational training with market needs, (2) the small absolute number of entrepreneurs, (3) underdevelopment of economic and social infrastructure, and (4) fragility of systems supporting private economic activity.

## **(2) Poverty and development**

Based on the relationship between region-specific development conditions and poverty rates, it is evident that poverty rates are high in agricultural and farming regions that are far from the markets, and where economic and social infrastructures have not been refurbished. The Sabaragamuwa Province, Uva Province, North Western Province and others are such regions, and from the standpoint of reducing poverty, these regions should be made a development priority. It can be assumed that the situation is much the same in the Northern and Eastern Provinces, but because of the effects of civil war there is a dearth of economic and social data from which the development conditions can be judged, making it difficult to ascertain the poverty situation. In the future, it will be necessary to ascertain the development situation in these regions in view of advances being made towards peace, and it is to be hoped that, based on that, regional development planning can be formulated that involves those regions.

There are various factors that cause poverty, but in the case of Sri Lanka, the largest factor, both directly and indirectly, is probably the civil unrest caused by

the armed conflict with the LTTE. Social tension keeps economic activity sluggish, and the escalation of civil war leads to a brain drain and to a flight of capital, shutting out opportunities for foreign investments. Along with further advances in the direction of peace, it is to be hoped that the economic and social reforms can be initiated to allow for the provision of support that will further the efforts of regional populations to help themselves.

### **(3) Recent Development Policy**

This study targets at the assistance provided during the 1990's, but December 2001 saw establishment of a new political party in Sri Lanka, the United National Party (UNP), which has adopted a policy of maximum utilization of private vitality as a departure from the traditional policy of basing development on government-drafted planning. With the IMF and the World Bank also providing guidance, there have been efforts in the direction of privatization of development programs originally drafted by the government.

For instance, privatization has already been carried forward in telecommunications, electric power and port and harbor development, and considerable change is now taking place in development program implementation systems.

With that being the case, although the development policy of the 1990's underlies the evaluation performed in this study, an effort is made to determine the sectors to be addressed by assistance in the future, considering the situation as far as possible from the viewpoint of the trend of privatization and utilization of private vitality since 2002.

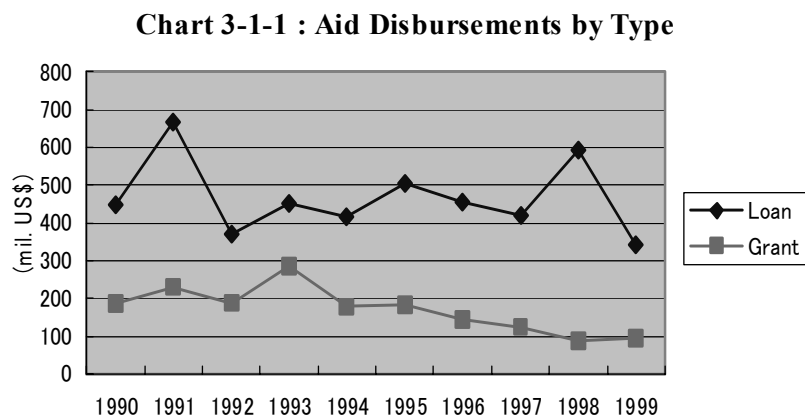
Chapter 3  
International Cooperation  
by International Organizations and  
Donor Countries

# CHAPTER 3 INTERNATIONAL COOPERATION BY INTERNATIONAL ORGANIZATIONS AND DONOR COUNTRIES

## 3.1 Aid Disbursement by Sri Lanka

### 3.1.1 Aid disbursement by type

In aid statistics for Sri Lanka, aid is divided into two overall categories: loan-type cooperation (loan aid) and grant-type cooperation (grant aid)<sup>1</sup>. Chart 3-1-1 below shows those trends for the 1990s.



Source: ERD “Foreign Aid Bulletin” various years

Both loan aid and grant aid have been declining in recent years, with the points noted below being indicated as the primary factors in those decreases<sup>2</sup>.

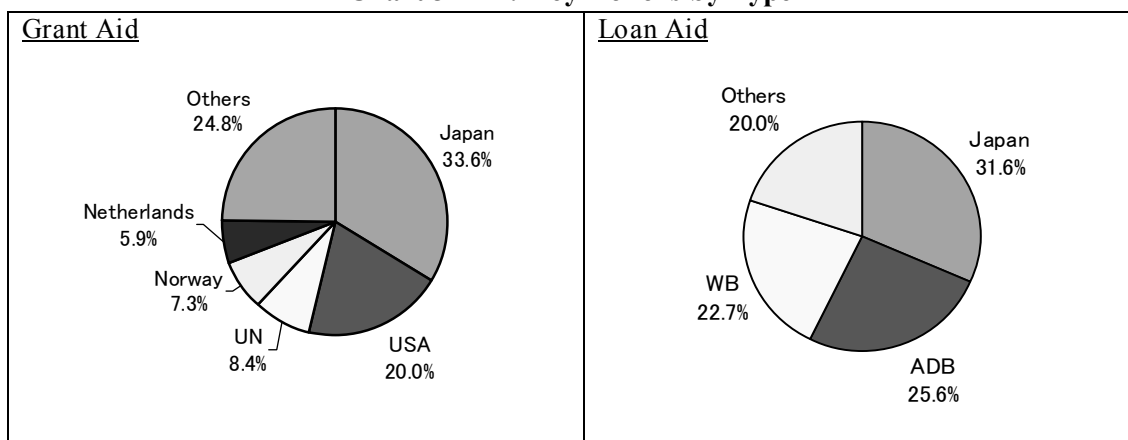
- Provides less opportunities for aid projects due to the increased security threat.
- Economic recession and budget pressures in donor countries.
- The end of the cold war created a new set of recipients in Eastern Europe, in particular Russia, to share a declining pool of funds.
- The donor community appears to have focused their efforts on Africa and the least developed countries.

<sup>1</sup> The data pertaining to technical cooperation includes loan-type cooperation (loan aid) and grant-type cooperation (grant aid) based on information obtained by ERD from the donor. With regard to figures for technical cooperation provided by the Japanese Government to Sri Lanka, existing data is not reflected because ERD was unable to ascertain the amounts. As a result, the figures listed subsequent to this section for Japan’s ODA by type refer to grant aid and loan aid.

<sup>2</sup> IPS, “State of the Economy 2001”

Looking at the principal donor countries and international organizations by type, Japan was the top donor in loan aid, providing 31.6% of the total aid (average percentage of cumulative aid provided over the period from 1990 to 1999). The Asian Development Bank (ADB) and World Bank Group (IBRD, IDA) were next; these three donors together provided approximately 80% of the total aid. In grant aid as well, Japan was the top donor, providing 33.6% of the total aid. This was followed by the United States, the UN Group (UNDP, FAO, UNICEF, etc.), Norway, and the Netherlands, which together accounted for over 70% of the total aid (Chart 3-1-2).

**Chart 3-1-2 : Key Donors by Type**

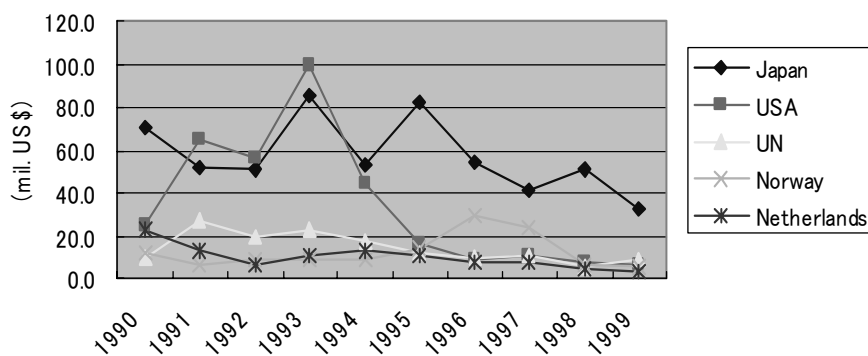


Source: ERD "Foreign Aid Bulletin" various years

Remarks: Ave. Percentage of aid accumulation from 1990-99, "UN" means UN Group (UNDP, UNICEF etc.) , "WB" means WB Group (IBRD, IDA) .

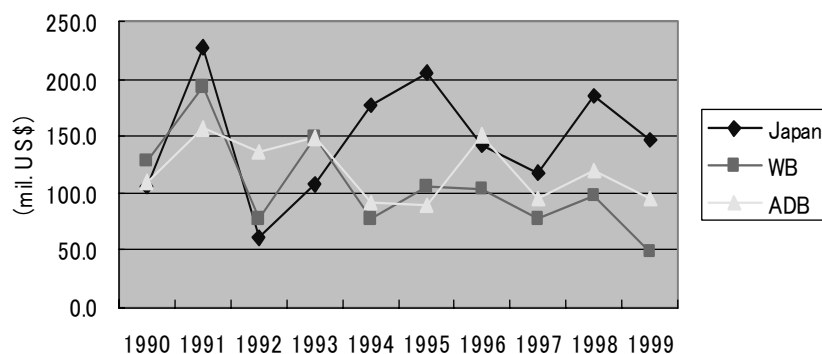
Looking at the trends in the amounts of aid provided by the principal donors and international organizations noted above by type, the aid provided by each of the donors and organizations has been declining in recent years, and the rate of decline is particularly large in the area of grant aid.

**Chart 3-1-3 : Trend of Grant Aid by Key Donor**



Source: ERD "Foreign Aid Bulletin" various years.

**Chart 3-1-4 : Trend of Loan Aid by Key Donor**

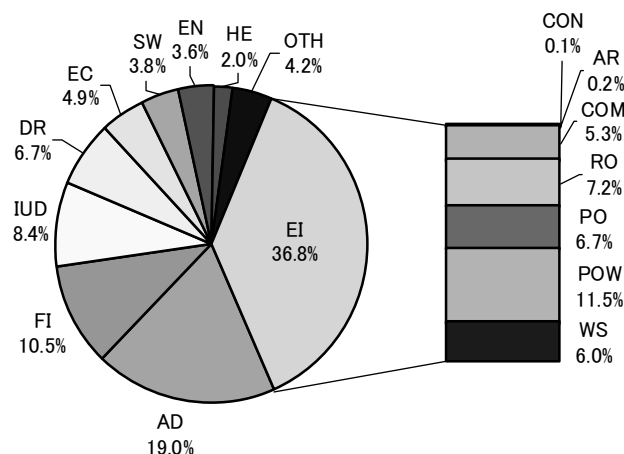


Source: ERD "Foreign Aid Bulletin" various years.

### 3.1.2 Aid disbursement by sector

Based on the figures for aid provided in each area from 1990 to 1999, the greatest amount of aid was provided for the development of economic infrastructures such as power, roads, and ports, with the average percentage during that period being 36.8%. Aid in agricultural and rural development was next at 19.0% (Chart 3-1-5)<sup>3</sup>.

**Chart 3-1-5 : Aid Disbursements by Sector**



Source: ERD "Foreign Aid Bulletin" various years

Abbreviations: EI: Economic Infra. (CON: Construction/ AR: Airport/ COM: Communication/ RO: Road/ PO: Port/ POW: Power/ WS: Water Sup. and Sewerage)/ AD: Agri. and Rural Dev./ FI: Finance and Banking/ IUD: Industrial and Urban Dev./ DR: Debt Relief/ EC: Education and Culture/ SW: Social Welfare/ EN: Environment/ HE: Health/ OTH: Others/

Remarks: 1) AD includes Plantation, Irrigation, Forestry, etc. 2) FI includes Enhancing Financial System, Aid for tax reform, etc. 3) IUD includes Private Sector Dev., Tourism, etc.

<sup>3</sup> These are the percentages of disbursement amounts for 1990 through 1999. This data is the sector-specific percentages when loan aid and grant aid are calculated together.

## 3.2 Aid Policies and Aid Provided by Japan for Sri Lanka

### 3.2.1 Aid Policies

The Japanese Government has been implementing aid to Sri Lanka for many years based on the following three factors: (1) Japan has a traditional relationship with Sri Lanka; (2) Sri Lanka is a democratic nation whose government has been run democratically by means of elections since gaining its independence in 1948; and (3) Efforts are being made at self-help in order to achieve economic reforms accompanying the implementation of structural adjustment policies<sup>4</sup>.

Based on policy dialogues conducted between the Sri Lanka Government and the Economic Cooperation Overall Study Team dispatched by the Japanese Government in March 1991, and on subsequent policy conferences, etc., the five areas noted below were identified as “priority areas for aid.”

- Building and Improving Economic and Social Infrastructure
- Development of Mining and Manufacturing Industries
- Development of Agriculture, Forestry and Fisheries
- Education and Human Resources Development
- Improving Health / Medical Services

JICA is implementing development projects/programs based on these five priority areas targeted for aid. In recent years, environmental conservation has also been added as a priority area, and support is being provided in aspects such as refuse processing and residential environments. The basic approaches of JICA to these fields are set up as follows<sup>5</sup>.

Priority Aid Area	Basic Approach to Cooperation
<b>Building and Improving Economic and Social Infrastructure</b>	The entire economic infrastructure is fragile, posing a serious obstacle to the stimulation not only of the domestic economy, but of the export industry as well. Joint cooperation by the Asian Development Bank and JBIC is considered to be an effective and efficient approach.
<b>Development of Mining and Manufacturing Industries</b>	The textiles and sewing industry, which was the center of the export industry in the 1990s and is a large source of employment, will face harsh global competition when the exports allocation system is abolished in 2003. It is thought that, in the future, support measures will need to be implemented for small- and medium-sized companies, and support provided that will contribute to advancing and fostering IT education and the IT industry.

<sup>4</sup> The Sri Lanka Government is financially pressured due to domestic fighting, and has been implementing structural adjustment policies since 1989.

<sup>5</sup> Taken from “2001 Country Program for Sri Lanka” by JICA.

<b>Development of Agriculture, Forestry and Fisheries</b>	From the standpoint of raising the incomes of farmers, the development and encouragement of crops for cash needs to be made a priority, along with research in and the propagation of crops that can be traded for imports.
<b>Education and Human Resources Development</b>	Gratuitous educational services are one factor in the chronic fiscal deficit. In the future, a system by which users will bear part of the costs will be examined and implemented. It is thought that retraining of educators is necessary in order to cultivate human resources that conform to market changes and needs.
<b>Improving Health / Medical Services</b>	In addition to introducing a system whereby users pay part of the costs, and improving medical services, of which medical care is a primary element, preventive medical care needs to be implemented on a broader basis and to be improved.
<b>Environmental Conservation</b>	Systems need to be created to improve the urban environment, such as refuse processing, for refurbishing the water drainage and supply, and for environmental administration.

### 3.2.2 Trends in Types of Aid Provided by the Japanese Government

Schemes for ODA aid provided by the Japanese Government can be divided into three categories: loan aid (project + non project), grant aid (project + non project), and technical aid. A total of approximately 366.6 billion yen in ODA was provided to Sri Lanka from 1990 through 1999. Looking at the figures for each type of aid, project loan aid comprised the largest category at 283.4 billion yen (77.3%), followed by project grant aid at approximately 58.5 billion yen (16.0%), the two categories together making up more than 90% of the overall aid provided (Chart 3-2-1).

**Chart 3-2-1 : Japan's ODA to Sri Lanka by Type (from FY 1990-99)**

(Unit: 00 mil. Yen)

Loan Aid		Grant Aid		Technical Coop.	Total
2,835.5 (77.3%)		593.5 (16.2%)		237.3 (6.5 %)	3,666.3 (100.0 %)
Project Loan	Non Project Loan	Project Grant	Non Project Grant		
2,835.5 (77.3 %)	- (0.0 %)	585.4 (16.0 %)	8.1 (0.2 %)		

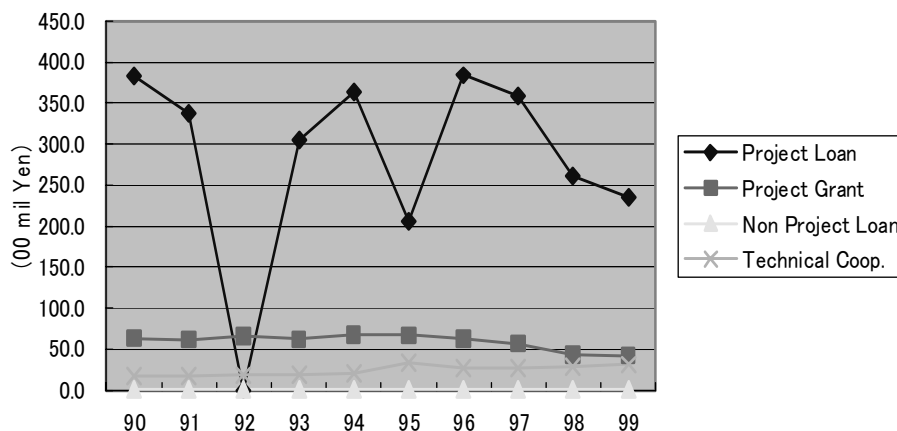
Source: MoFA, "ODA White Paper", various years.

Remarks: Non Project Loan is mainly composed of Commodity Loan. Non Project Grant is mainly composed of Debt Relief, Disaster Relief, Food Aid.

Looking at trends in aid by type, no aid was provided during this period in the form of non-project loan aid. Moreover, project loan aid and grant aid has been declining in recent years, while technical aid has been increasing (Chart 3-2-2).



**Chart 3-2-2 : Trends of Japan's ODA by Type**

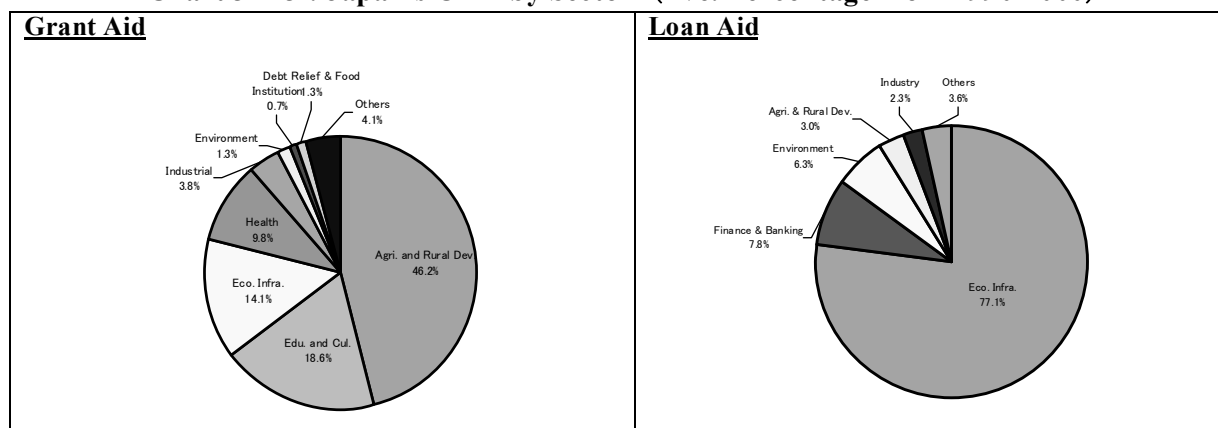


Source: Generated from MoFA, "ODA White Paper".

### 3.2.3 Aid Provided by the Japanese Government by Sector

Japan is the top donor in both grant aid and loan aid. In grant aid, projects in the agricultural and rural development areas are the most numerous, followed by "education and culture", "economic infrastructure", and "health". In loan aid, economic infrastructure accounts for the greatest part of the aid, making up over 70% (Chart 3-2-3). Within the economic infrastructure sector, there is a lot of development aid for "ports" and "power".

**Chart 3-2-3 : Japan's ODA by Sector (Ave. Percentage from 1990-2000)**



Source: Calculation from ERD internal materials.

Remark: The above figures show sectoral proportion of completed Japan's projects from 1990-2000.

### 3.2.4 Trends in aid to the Southwest Asian Region

Among regions targeted for aid as classified by the Japanese Government, Sri Lanka is included in the Southwest Asia region. Six other countries are included in the same classification: India, Pakistan, Bangladesh, Nepal, Bhutan, and

Maldives. Of the total amount of aid provided by Japan to the countries in this region from 1990 through 1999, the largest portion went to India, comprising approximately 1.15 trillion yen and accounting for approximately 44.6% of the overall amount provided. Sri Lanka was fourth in terms of the total amount of aid provided during the same period, following Bangladesh, and received approximately 366.6 billion yen (16.1%) (Chart 3-2-4).

**Chart 3-2-4 : Japan's ODA to South West Asian Countries** (Unit: 00 mil. Yen)

South West Asian Countries	Amount of accumulation from 1990-99	Percentage of the amount (%)
India	10,149.8	44.6
Pakistan	3,926.4	17.3
Bangladesh	3,766.1	16.6
<b>Sri Lanka</b>	<b>3,666.3</b>	<b>16.1</b>
Nepal	934.1	4.1
Bhutan	169.0	0.7
Maldives	139.1	0.6
Total	22,750.8	100.0

Source: MoFA "ODA White Paper", various years.

At the same time, however, looking at trends in the average per capita ODA amount provided by the Japanese Government when the total amount of aid to each of the countries listed above is divided by the population, Maldives is the largest at an average 5,663 yen, and Sri Lanka is in third place in the region, behind Bhutan (Chart 3-2-5).

**Chart 3-2-5 : Japan's ODA per capita**

(Unit: Yen)

South West Asia	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Ave.
Maldives	5,164	6,112	5,148	5,504	4,963	5,849	4,578	7,514	6,556	5,237	5,663
Bhutan	N.A.	N.A.	N.A.	N.A.	3,489	3,418	2,568	2,812	1,485	1,441	2,536
<b>Sri Lanka</b>	<b>2,726</b>	<b>2,414</b>	<b>484</b>	<b>2,193</b>	<b>2,524</b>	<b>1,688</b>	<b>2,590</b>	<b>2,385</b>	<b>1,768</b>	<b>1,620</b>	<b>2,039</b>
Nepal	526	479	575	558	554	411	439	405	345	390	468
Pakistan	463	396	180	576	358	475	538	304	13	15	332
Bangladesh	465	308	212	582	200	358	183	329	171	384	319
India	131	129	135	141	144	145	146	144	13	2	113

Source: MoFA, "ODA White Paper", various years and AsDB, "Key Indicators 2001".

The results of aid provided to the various countries of Southwest Asia by the Japanese Government (cumulative figures for 1990 through 1999) are shown in Chart 3-2-6 on the following page, organized by type of aid. Among the beneficiaries, Sri Lanka occupied third place in the region in terms of project loan aid, first place in project grant aid, and second place in technical aid, indicating that the Japanese Government considers Sri Lanka to be a priority country in Southwest Asia for aid.

At the same time, however, the method by which the government development budget is allocated to the various regions changed starting from April 2002 to a method in which the overall framework is cited by region, so that the overall framework allocation for the Southwest Asia region is decided first, and then the amount to be allocated to Sri Lanka within that framework is decided. At the current JICA office, looking at the present conditions in the regions, the budget is being allocated mainly to India and Pakistan, and Sri Lanka is being given a lower priority than earlier.

**Chart 3-2-6 : Japan's ODA to South West Asian Countries by Type** (Unit: 00 mil. Yen, (%))

South West Asian	Project Loan	Non Pro. Loan	Project Grant	Non Pro. Grant	Technical Cooperation
Sri Lanka	2,835.54 (16.9)	0.00 (0.0)	585.44 (22.8)	8.05 (0.4)	237.25 (24.1)
India	9,542.59 (56.9)	202.56 (41.4)	252.78 (9.9)	44.53 (2.3)	107.33 (10.9)
Pakistan	3,113.54 (18.6)	122.47 (25.0)	541.80 (21.1)	20.80 (1.1)	127.76 (13.0)
Bangladesh	1,258.67 (7.5)	164 (33.5)	441.69 (17.2)	1,714.35 (88.5)	187.35 (19.0)
Nepal	27.10 (0.2)	0.00 (0.0)	518.54 (20.2)	137.81 (7.1)	250.68 (25.5)
Bhutan	0.00 (0.0)	0.00 (0.0)	122.76 (4.8)	0.00 (0.0)	46.25 (4.7)
Maldiver	0.00 (0.0)	0.00 (0.0)	99.85 (3.9)	12.30 (0.6)	26.99 (2.7)
Total Amount	16,777.44	489.03	2,562.86	1,937.84	984.61

Source: MoFA, "ODA White Paper" various years.

Technical aid, which is the form of aid in which the Japanese Government is most involved face-to-face with the recipients, is an important form of aid not only from the standpoint of cultivating human resources and building systems in the partner country, but also from the standpoint of encouraging mutual understanding between the citizens of Japan and those of the partner country. Looking at the numbers of people involved in aid to Sri Lanka, the country was first in the region in terms of the number of trainees accepted from 1990 through 1999, and second only to Nepal in the number of experts dispatched. The country was first in the region in the dispatch of study teams, and third in the dispatch of project teams (JOCV) (Chart 3-2-7). The Japanese Government has provided an extremely high degree of contribution to Sri Lanka in human resources.

**Chart 3-2-7 : Japan’s Technical Cooperation for South West Asian** (Unit: Accu. No.)

South West Asia	Trainees	Dispatch of Experts	Dispatch of Study Team	JOCV
Sri Lanka	2,263	469	1,391	242
India	1,458	260	833	0
Pakistan	1,596	323	921	39
Bangladesh	1,993	443	1,152	336
Nepal	1,425	662	1,327	258
Bhutan	413	22	243	142
Maldives	343	17	172	93

Source: MoFA, “ODA White Paper” various years.

One example of the technical aid that has been provided to Sri Lanka on an ongoing basis in the form of the dispatch of project teams is the efforts made in kindergarten education targeting the North Western Province of Sri Lanka. From 1989 through 2001, a total of nine project team members were dispatched in the area of kindergarten education, and these team members conducted a series of activities such as visiting kindergartens in the province, making preparations to develop model kindergartens and kindergarten teacher training centers, providing guidance for teachers, and providing lectures at the kindergarten training centers. Through activities such as these, technical transfers were carried out in kindergarten education and were tied to strengthening the kindergarten education system in the North Western Province. Ultimately, the Ministry of Education in the province was able to create a “Teachers’ Guidance Handbook” and “Kindergarten Establishment Standards”. In this way, the dispatch of project teams made a significant contribution to the development of kindergarten education in the North Western Province.

Also, as was mentioned earlier, in terms of the results of aid provided by the Japanese Government by type of aid, project loan aid was the largest form of aid, but without the appropriate measures being taken to deal with social and natural environmental problems, it has become more difficult than before to proceed with large-scale infrastructure refurbishment projects. By combining loan aid and technical aid, it has been possible in some cases to achieve project progress that was smoother and more appropriate to the local needs. For example, in the “Kalu Ganga Water Supply Project for Greater Colombo” (loan aid provided in 1997), project teams worked with local residents to accurately identify current needs and problems, through an approach in which residents participated in the effort, and implemented a pilot project for regional development. Specifically, the project team members listened to and organized dissatisfactions voiced by the local residents when implementing transfers such as large-scale infrastructure refurbishment, and conveyed them to JBIC, achieving communication more closely tailored to the residents. With respect to the hopes and problems they heard from residents, the project team members and JBIC staff members pooled

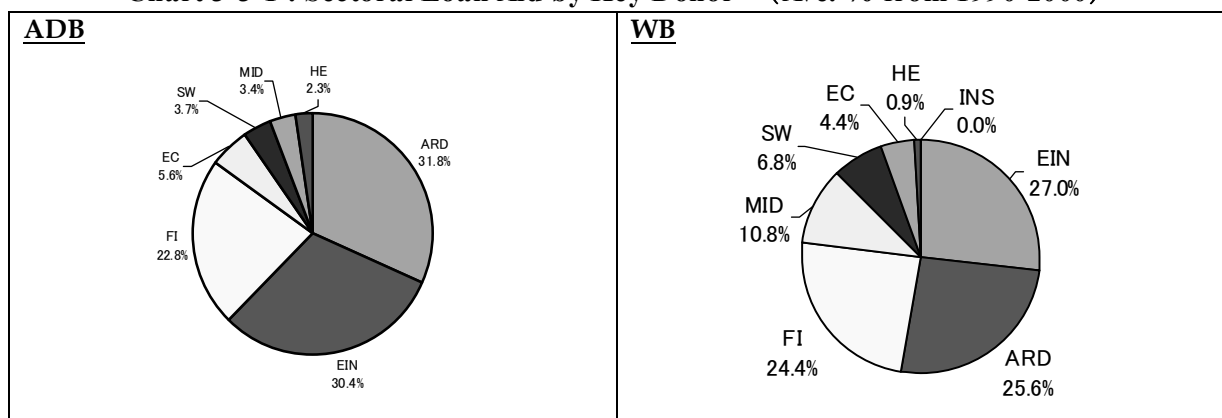
their wisdom each time an occasion arose and considered methods for solving the problem, putting the implementing agency or agencies on the Sri Lanka side to work solving the problem when necessary. This enabled aid to be promoted that reflected the local needs. This process of having residents participate helped to create a sense of ownership among the residents, and affected the maintenance control of the living environment in positive ways<sup>6</sup>.

### 3.3 Trends in Aid by International Organizations and Other Donors

#### 3.3.1 Aid by International Financial Institutions

The ADB is the second top donor after Japan, focusing primarily on the areas of “agricultural and rural development”, “economic infrastructure”, and “credit and finance”. The WB Group conducts many projects in the areas of “economic infrastructure”, “agricultural and rural development”, and “credit and finance” (Chart 3-3-1).

**Chart 3-3-1 : Sectoral Loan Aid by Key Donor (Ave. % from 1990-2000)**



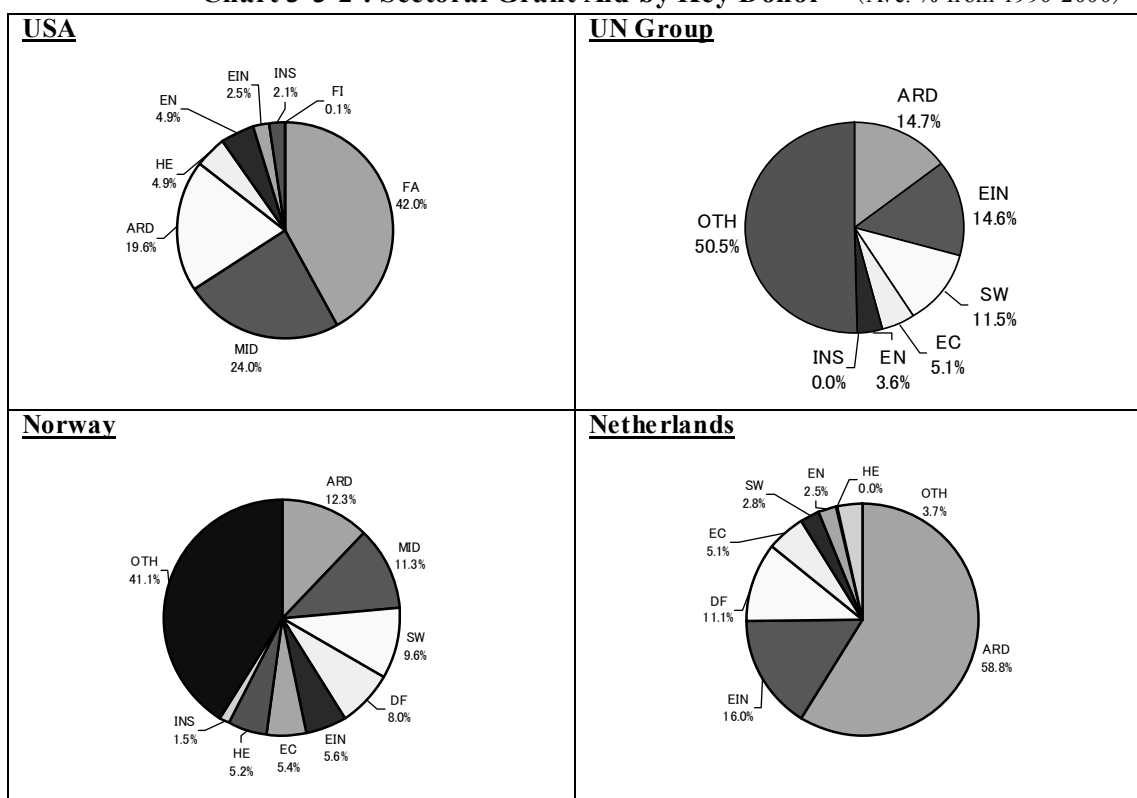
Source: ERD

#### 3.3.2 Aid by Other Donors

In grant aid, the United States is the next top donor, following Japan. The United States conducts numerous projects in the areas of “food aid”, “mining industry”, and “agricultural and rural development”. In addition, the UN Group conducts many projects in the areas of “agricultural and rural development”, “mining industry”, “social insurance”, and other areas. Norway is involved in many projects in areas such as “agricultural and rural development”, “economic infrastructure”, and “social insurance”, while nearly 60% of the aid provided by the Netherlands is in “agricultural and rural development” (Chart 3-3-2).

<sup>6</sup> International Cooperation Bank News (No. 1, published in May 2001)

**Chart 3-3-2 : Sectoral Grant Aid by Key Donor** (Ave. % from 1990-2000)



Source: ERD

Abbreviations: FA: Food Aid; MID: Mining & Industrial Development; ARD: Agricultural and Rural Development; HE: Health; EN: Environment; EIN: Economic Infra.; INS: Institution; FI: Financial and Banking; Social Welfare; EC: Education & Culture; OTH: Others; DF: Debt Relief & Food.

### 3.3.3 Aid Characteristics by Donor

Chart 3-3-3 on the following page summarizes the characteristics of aid provided to Sri Lanka by principal donor countries and international organizations. It can be seen from this table that, when compared to these other donors, the characteristics of aid provided by the Japanese Government are as follows: (1) the implementation periods for grant aid and loan aid are comparatively short; (2) in grant aid, a large number of projects involving relatively little money are being implemented; (3) many of the projects involving improvement of the economic infrastructure through loan aid are large-scale projects, and (4) except for the area of education, the standard deviation in amounts provided by sector is not all that large, and there are many projects being implemented that are similar in terms of costs.

**Chart 3-3-3 : Priority Sector and Disbursements by Key Donor**

Key Donor / International Agency	Priority Sector	% by Sector (1990-2000)	Aid Disbursements and Project Term
<b>JAPAN</b>	<ul style="list-style-type: none"> <li>• Economic Infra.</li> <li>• Mining and Industrial Dev.</li> <li>• Agricultural &amp; Rural Dev.</li> <li>• Human Resources Dev.</li> <li>• Health</li> <li>• Environment</li> </ul>	<u>Grant(%)</u> Agri. & Rural Dev.: 46.2 Education: 18.6 Eco. Infra.: 14.1 Health: 9.8 Min & Industrial Dev.: 3.8 Environment: 1.3 <u>Loan(%)</u> Eco. Infra.: 77.1 Finance & Banking: 7.8 Environment: 6.3 Agri. & Rural Dev.: 3.0 Min. & Industrial Dev.: 2.3	➤Top Donor of Grant and Loan Aid to Sri Lanka ➤Sectoral Ave. disbursement (unit: 00 mil. Rs.) of completed projects from 1990-2000 and Standard Deviation showing ( ) (unit: 00 mil. Rs.) are as follows: <u>Grant</u> ① Agri. and Rural Dev.: 9.0 (3.0) ② Education: 3.5 (4.1) ③ Eco. Infra.: 5.3 (4.1) ④ Health: 5.5 (2.3) ⑤ Min & Indust. Dev.: 8.6 (2.2) ⑥ Environment : 3.0 (0.9) <u>Loan</u> ① Eco Infra. : 28.9 (5.1) ➤In case of Grant Aid, the average period from disbursement till project completion is 2.6 years, and the standard deviation on ave. is 1.6 years. In case of Loan Aid, the average period from disbursement till project completion is 5.6 years, and the standard deviation on ave. is 2.2 years.
<b>ADB</b>	<ul style="list-style-type: none"> <li>• Policy and institutional reforms to promote private sector development and improve public sector management</li> <li>• Human Resources Dev.</li> <li>• Basic Infra. Dev.</li> <li>• Environment and natural resources conservation</li> </ul>	<u>Loan(%)</u> Agri. & Rural Dev.: 31.8 Eco. Infra.: 30.4 Financial and Banking: 22.8 Education: 5.6 Social Wel.: 3.7 Min. & Industrial Dev.: 3.4 Health: 2.3	➤One of Key donor following Japan on the aspect of Loan Aid to Sri Lanka. ➤Sectoral Ave. disbursement (unit: 00 mil. Rs.) of completed projects from 1990-2000 and Standard Deviation showing ( ) (unit: 00 mil. Rs.) are as follows: <u>Loan</u> ① Agri. & Rural Dev.: 12.3 (11.3) ② Eco. Infra.: 17.6 (8.2) ③ Financial & Banking: 22.6 (12.7) ④ Education: 13.0 (3.2) ⑤ Social Wel.: 8.5 (2.5) ⑥ Min. & Industrial Dev.: 11.9 (3.3) ⑦ Health: 8.0 (4.0) ➤The average period from disbursement till project completion is 7.4 years, and the standard deviation on ave. is 2.2 years.
<b>WB</b>	<ul style="list-style-type: none"> <li>• Increase education quality</li> <li>• Promote health system reforms</li> <li>• Aids prevention, eradicate malaria, eliminate malnutrition</li> <li>• Access to clean water</li> <li>• Increase agri. productivity</li> <li>• Preserve land, forests</li> <li>• Eco. Infra. Dev.</li> <li>• Promoting privatization</li> <li>• Raise farmer productivity and income</li> <li>• Support disaster preparedness</li> </ul>	<u>Loan(%)</u> Eco. Infra.: 27.0 Agri. & Rural Dev.: 25.6 Financial & Banking: 24.4 Min. & Industrial Dev.: 10.8 Social Wel.: 6.8 Education: 4.4 Health: 0.9	➤One of Key donor following Japan and ADB on the aspect of Loan Aid to Sri Lanka. ➤Sectoral Ave. disbursement (unit: 00 mil. Rs.) of completed projects from 1990-2000 and Standard Deviation showing ( ) (unit: 00 mil. Rs.) are as follows: <u>Loan</u> ① Eco. Infra.: 12.0 (9.6) ② Agri. & Rural Dev.: 15.5 (14.0) ③ Financial & Banking: 54.0 (17.6) ④ Min. & Industrial Dev.: 18.0 (5.9) ⑤ Social Wel.: 22.6 (2.6) ⑥ Education: 14.8 (14.4) ➤The average period from disbursement till project completion is 6.7 years, and the standard deviation on ave. is 2.4 years.

Key Donor / International Agency	Priority Sector	% by Sector (1990-2000)	Aid Disbursements and Project Term
<b>USA</b>	<ul style="list-style-type: none"> <li>• Policy and regulatory reforms in financial markets and trade and investment systems</li> <li>• Building democracy</li> <li>• Governance</li> <li>• Humanitarian assistance</li> <li>• Food assistance</li> </ul>	<u>Grant(%)</u> Food: 42.0 Min. & Industrial Dev.: 24.0 Agri. and Rural Dev.: 19.6 Health: 4.9 Environment: 4.9 Eco. Infra.: 2.5 Institution: 2.1 Financial & Banking: 0.1	<ul style="list-style-type: none"> <li>➤ One of Key donor following Japan on the aspect of Grant Aid to Sri Lanka.</li> <li>➤ Sectoral Ave. disbursement (unit: 00 mil. Rs.) of completed projects from 1990-2000 and Standard Deviation showing ( ) (unit: 00 mil. Rs.) are as follows: <u>Grant</u>                ① Food: 20.7 (12.6)                ② Min. &amp; Industrial Dev.: 7.9 (5.4)                ③ Agri. &amp; Rural Dev.: 4.3 (2.8)                ④ Health: 2.4 (2.2)                ⑤ Eco. Infra.: 1.0 (1.4)                ⑥ Financial and Banking: 0.05 (0.02)</li> <li>➤ The average period from disbursement till project completion is 6.0 years, and the standard deviation on ave. is 3.5 years.</li> </ul>
<b>UN Group</b> (UNDP, FAO, UNFPA, UNICEF, WFP, UN Agencies)	<ul style="list-style-type: none"> <li>• Rehabilitation in the North &amp; East</li> <li>• Poverty alleviation</li> <li>• Expand of job opportunities</li> <li>• Agri. &amp; Rural Dev.</li> <li>• Reproductive health</li> <li>• Gender</li> <li>• Education reform</li> <li>• Aid coordination</li> <li>• Law reform</li> <li>• HIV/AIDS protection</li> </ul>	<u>Grant(%)</u> Agri. & Rural Dev.: 12.3 Min. & Ind.: 11.3 Social Wel.: 9.6 Food: 8.0 Eco. Infra.: 5.6 Education: 5.4 Health: 5.2 Institution: 1.5 Others ( land dev., military protection, various study programme technical cooperation): 41.1	<ul style="list-style-type: none"> <li>➤ One of Key donor following USA on the aspect of Grant Aid to Sri Lanka.</li> <li>➤ Sectoral Ave. disbursement (unit: 00 mil. Rs.) of completed projects from 1990-2000 and Standard Deviation showing ( ) (unit: 00 mil. Rs.) are as follows: <u>Grant</u>                ① Agri. &amp; Rural Dev.: 0.4 (0.3)                ② Min. &amp; Industrial Dev.: 0.5 (0.2)                ③ Social Wel.: 0.8 (0.9)                ④ Eco. Infra.: 0.4 (0.3)                ⑤ Education: 0.4 (0.3)                ⑥ Health: 0.4 (0.3)                ⑦ Institution: 0.2 (0.2)                ⑧ Others: 1.7 (3.1)</li> <li>➤ The average period from disbursement till project completion is 4.0 years, and the standard deviation on ave. is 1.7 years.</li> </ul>
<b>Norway</b>	<ul style="list-style-type: none"> <li>• Regional dev.</li> <li>• Social welfare targeted to plantation sector</li> <li>• Environmental protection</li> <li>• Private sector dev.</li> <li>• Promotion of peace, reconciliation and democracy</li> </ul>	<u>Grant(%)</u> Agri. & Rural Dev.: 14.7 Eco. Infra.: 14.6 Social Wel.: 11.5 Education: 5.1 Environment: 3.6 Others(Gender, various programme technical cooperation): 50.4	<ul style="list-style-type: none"> <li>➤ Impact more than amount of aid disbursements because of positive contribution to peace process.</li> <li>➤ Sectoral Ave. disbursement (unit: 00 mil. Rs.) of completed projects from 1990-2000 and Standard Deviation showing ( ) (unit: 00 mil. Rs.) are as follows: <u>Grant</u>                ① Agri. &amp; Rural Dev.: 4.5 (4.5)                ② Eco. Infra.: 2.3 (2.7)                ③ Social Wel.: 1.8 (2.1)                ④ Education: 1.6 (0.4)                ⑤ Environment: 1.1 (0.9)                ⑥ Others: 10.3 (13.6)</li> <li>➤ The average period from disbursement till project completion is 5.5 years, and the standard deviation on ave. is 4.3 years.</li> </ul>

Sources: 1) Calculation from ERD internal materials, 2) Reviewing ERD and UN Report on aid priority sector

Remarks: 1) Each exchange rate employing conversion of disbursement showing each currency unit or SDR to Rs. unit is average rate from 1990-2000, 2) Period of project shows average period of projects excluding shorter period than one year and much longer than ordinal one among projects by sector, 3) Needless to say that, in case that number of completion project by sector is only one, the average disbursement and standard deviation are not calculated, 4) Standard Deviation explains the degree of variety of data. If the value is big, we can say various projects are implemented.



### **3.4 Conclusion: Trends in Aid for Sri Lanka**

Sri Lanka is one of the nations in the Southwest Asia region that is targeted by the Japanese Government as a priority country in terms of aid. Project loan aid is the largest form of aid provided to Sri Lanka by the Japanese Government in terms of amount, making up just under 80% of the total of aid provided from 1990 through 1999. Moreover, the Japanese Government is also actively involved in providing technical aid, and accepted more trainees from and dispatched more experts, study teams, and project teams to Sri Lanka during that period than any other country in the region.

Looking at the aid provided by the Japanese Government from the Sri Lanka side, Japan is the top donor in both grant aid and loan aid, with the emphasis being on “agricultural and rural development” in grant aid and on “improving the economic infrastructure” in loan aid. Also, in comparison with other donors, the periods for projects implemented by the Japanese Government in Sri Lanka tend to be shorter, and projects are more numerous. This may be taken as proof of the high level of project formation capability of Japanese aid implementation agencies such as JICA and JBIC. In the future it will be necessary to reconfigure our aid strategies with respect to Sri Lanka, to allocate our limited and precious development resources as effectively as possible. What is needed in doing that is to keep in line with the PRSP (Poverty Reduction Strategy Paper) of Sri Lanka. As explained in Chapter 2, there are five main pillars making up the poverty reduction strategy: (1) A Supportive Macro-Economic Environment through Public and Private Partnership; (2) Reducing Conflict-Related Poverty; (3) Creating Opportunities for Pro-poor Growth; (4) Investing in People; and (5) Pro-Poor Governance and Empowerment. Aid policy for Sri Lanka is desired to be formulated around these five pillars.

Formulation of aid strategies is a necessary condition, but that alone is not enough to enable effective implementation of aid. In addition to the formulation of aid strategies, we must have an accurate grasp of the problems involved in implementing aid in Sri Lanka, and find ways to implement that aid efficiently and effectively. Based on that awareness, the World Bank has been giving priority to a renovation of its structures and systems involving aid to Sri Lanka in recent years. In order to provide aid more effectively, aid is being provided based on the approach that it will be necessary to strengthen the governance of Sri Lanka. According to a report put together by think tanks in Sri Lanka, donors are aware of the problems noted below in aid being provided to Sri Lanka<sup>7</sup>.

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<sup>7</sup> IPS, “State of the Economy 2001”

#### [Staffing]

- Selection of poor quality staff for project management.
- Promotions and salary increments of key project staff are not related to overall performance and delivery of outcomes.
- Lack of authority given to Project Directors to implement projects.
- Lack of motivation and incentives for quality staff to serve in the under-served areas of the country.
- Misuse of funds and ineffective management of government counterpart funds particularly with regards to staff development.
- Misuse of vehicles and other facilities by politicians

#### [Implementation]

- Long procedure for land acquisition, resettlement and payment of compensation for infrastructure projects.
- Delayed contract awards due to cumbersome government tender procedure.
- Inordinate delays in procurement and a lack of understanding of the procurement processes and inadequate capacity for procurement management.
- Poor performance of some local contractors.

#### [Monitoring, evaluation and overall management]

- Unfocussed monitoring of project progress (inclusive of financial progress) at the ministry and department levels.
- Much of the evaluation processes is donor driven, hence takes on a donor perspective and not the overall national context.
- No full involvement of the government/national counterparts at both operations and policy level in planning and formulating project documents.
- Poor co-ordination between center and province, and between department staff and project management unit.

The above may be considered to be issues involving the structures and systems that interfere with effective aid. It is expected of the Japanese Government, to be sufficiently aware of the ability of Sri Lanka to implement that aid, and to give careful thought to providing support in renovating the structures and systems that contribute to improving that ability.

Additionally, the mutual ceasefire agreement between the Sri Lanka Government and the LTTE (Liberation Tigers of Tamil Eelam) is bringing about a termination of civil disputes. Taking advantage of this opportunity, it would be a desirable move to shift resources to be used for revitalizing and developing the northern and eastern provinces where devastation by the disputes having lasted for nearly 20 years is most critical, in order to realize peace. Japan, too, is approaching a time of examining specific policies for supporting revitalization and development in the northern and eastern provinces in the future, based on the diverse achievements in support provided to Sri Lanka up to this point in time.

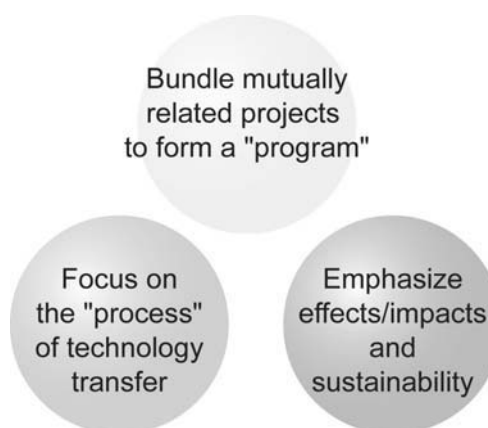
Chapter 4  
Individual Project/Program  
Evaluation

## CHAPTER 4 INDIVIDUAL PROJECT/PROGRAM EVALUATION

### 4.1 Procedures for Individual Project/Program Evaluation

#### (1) Selection of Project/Program for Evaluation

In evaluating an individual project, emphasis is placed on ascertaining effects/impact, and sustainability, because the study is done on an ex-post basis. The evaluation study also is to be conducted standing on the JICA policy of focusing on the process of technology transfer in cases of technical assistance, and to the extent possible undertaking an overall evaluation through bundling mutually related projects. In keeping with this policy, mutually related projects were combined to form the following three program categories.



#### **Category A: Programs Capable of Comprehensive Evaluation with Regard to the Technology Transfer Process and Its Physical Results**

Patterns for project formulation include the following: Dispatch of Expert → Grant Assistance → Dispatch of Expert, and Master Plan Study → Grant (or Loan) Assistance → Study. In the case of project-type technical assistance, even individual instances tend to Grant assistance → Dispatch of expert. Whether or not they comprised a multiple number of cases or were discrete individual cases, if there was a combination therein of technical assistance and the provision of facilities or equipment, a project or group of projects is to be classified as Category 'A' and evaluated each on an individual basis for this study.

#### **Category B: Programs Not Readily Capable of Overall Evaluation with Regard to the Technology Transfer Process and Its Results**

Some projects or project groups consist only of technical assistance in the form of sending numerous experts or *Master Plan Study* → *Dispatch of Expert*. These are to be classified as Category 'B'. These are judged to differ from those in Category 'A' in that they were not suitable for a comprehensive analysis and evaluation of the transfer of technology process and its effects. Hence in principle they are excluded from the work of evaluation of individual projects.

**Category C: Cases Not Readily Evaluated as a Program**

Cases of development assistance that cannot be readily evaluated in combination with others as a program were placed mainly in Category ‘C’ and in principle are not to be evaluated (these correspond to isolated cases of grant assistance and dispatch of experts).

Thus, this study undertakes as the evaluation of individual projects, or as “program evaluation,” of the programs or program groups in Category ‘A.’ As a result, 69 out of 121 candidate projects for the evaluation of individual projects, or 25 groups of projects, were selected as the targets of program evaluation. (See Chart 4-1-4.)

**(2) Procedures for Individual Project/Program Evaluation**

An evaluation study in the following three steps will be made of programs in Category ‘A’, in principle, as selected by the process described above.

**Step 1) Set-up the Evaluation Criteria (Evaluation Grid)**

Study Team will organize for each program the content of the Inputs / Activities, Outputs, Project Purpose, and Overall Goal according to the Project Design Matrix (PDM) approach, in addition to which the Team will utilize the five evaluation criteria (Relevance, Effectiveness/ Degree of Accomplishment of Objective, Efficiency, Impacts, Sustainability) to formulate the evaluation study items<sup>1</sup> (see figure below).

**Chart 4-1-2 : Relationship of the Five Evaluation Criteria and PDM Components**

PDM Components (Program Elements)	Five Evaluation Criteria				
	Relevance	Effectiveness	Efficiency	Impacts	Sustainability
Overall Goal	The degree to which the project can be justified in relation to local and national development priorities	The extent to which the objectives have been achieved	How economically inputs are converted into outputs	The changes and effects due to the project, seen in relation to both target and others who are affected	The extent to which the positive effects of the project can be expected to continue after external assistance has been concluded
Project Purpose					
Outputs					
Inputs/Activities					

Note: The PDM components are the following.

<sup>1</sup> Evaluation from the viewpoints of the environment, gender and poverty issues are used as sub-items for evaluation.

- **Overall Goal:**  
Long-term objectives to be accomplished from 3-5 years after completion of the program.
- **Project Purpose:**  
Purpose to be accomplished by cooperation in implementing the program.
- **Outputs :**  
Items that must be realized if program purpose is to be accomplished.
- **Input/Activities :**  
Inputs in the form of human resources, funds, equipment, facilities etc. to be provided by the donor and recipient country in accordance with program requirement; activities required to realize the intended outputs.

In concrete terms, the program contents (PDM components) will be organized by bundling individual components of a program (the projects). Subsequently, the Team will prepare a grid (see below) that matches the “Study Items” corresponding to the five evaluation criteria and to “Results of Technical Assistance” with the necessary “Required Information and Data” and their “Information Source” needed to understand and inspect the programs. “Results of Technical Assistance” is included in order to obtain knowledge of the technology transfer, mutual cooperation, and formation of interpersonal relationships by the dispatched Japanese experts and the Sri Lankans (implementing agencies, counterparts, beneficiaries) they worked with, at each stage of the program, i.e., planning and implementation.

**Chart 4-1-3 : Format of the Evaluation Grid**

<b>Evaluation Item</b>	<b>Study Item</b>	<b>Required Information and Data</b>	<b>Existing documents</b>	<b>Information Source; Study Method</b>
Relevance				
Effectiveness				
Efficiency				
Impacts				
Sustainability				
Effects of technology transfer				

An evaluation grid is made for each program studied, while giving attention to the following points.

### **<Key Points in Preparing the Evaluation Grid>**

- 1) “Evaluation Item” and “Study Item,” in principle, are to be uniform for all programs. For the others categories, i.e, “Required Information and Data,” “Existing Documents,” “Information Source; Study Method,” information is to be organized as appropriate with reference to the nature and importance of each program.
- 2) Evaluation-related information acquired from existing evaluation and other reports is to be entered in the “Existing Documents” column. Information related to the state of completion at a point of time in the past, or to determination of resultant outputs, is to be treated as important ex-post information for the evaluation work of this study.
- 3) It will be difficult to obtain information related to the effectiveness (achievement of purpose(s)) and process of realization of impacts from existing documents (there is almost no such information). A study item is to be created for information about how the counterpart agency worked to achieve objectives, or what were the social or economic factors external to the program that influenced its impacts, or what were the conditions at the time of the program, and as much information as can be obtained is to be recorded.

### **Step 2) Drafting and Preparation of Questionnaires**

- ① On the basis of the evaluation grid, a questionnaire for the implementing agencies is to be prepared. This questionnaire is to be composed of the following seven parts.

### <Composition of the Questionnaire for Implementing Agencies>

#### **General Features of the Program**

...Organization of the program, background, program objectives and higher objectives, program scope, agency (ies) involved including implementing agency: .

#### **Question Group A: Relevance**

...Questions regarding relevance at the time of evaluation (fit relative to higher objectives, and matching to needs)

#### **Question Group B: Effectiveness/Achievement of Objectives**

...Questions regarding extent of achievement of planned objectives (medium-term outputs), barriers to achievement of objectives, factors promoting or impeding achievement

#### **Question Group C: Efficiency**

...Questions regarding realities of input/output planning; anticipated results vs. actualities; efficiency in implementation, factors impeding or promoting achievement of results

#### **Question Group D: Impacts**

...Questions regarding extent of achievement of higher objectives (long-term effects); degree of contribution of the project or project group to achievement of those objectives; factors promoting or impeding achievement of those objectives

#### **Question Group E: Sustainability**

...Questions regarding items related to sustainability (institutional, systemic, financial and technical factors); factors promoting or impeding sustainability

#### **Question Group F: Results of Technical Assistance**

...Questions regarding the technology transfer, mutual cooperation, and formation of interpersonal relationships by the dispatched Japanese experts and the Sri Lankans (implementing agencies, counterparts, beneficiaries) they worked with on the program

For convenience in drafting of the survey plan for each program to be evaluated, the basic form to be used by the evaluator for each area is to be modified as appropriate subsequent to organization of the corresponding evaluation grid and organizing the study items.

The indicators for measurement of the achievement of purposes (medium-term effects) and overall goal (long-term effects) will as appropriate include (a) indicators as may be embodied in study plans or other documents related to the program (as well as the individual projects which constitute the program), if available; or (b) indicators used as reference examples in preparation of pre-project evaluation tables; or (c) examples from the work of international institutions or other donor countries.

- ② Questionnaires will be prepared for distribution to beneficiaries of about ten programs judged to be of the kind for which opinions and views of beneficiaries is important to ascertain as part of the measurement of extent of achievement of purposes and overall goal. At this time the following ten programs are selected for evaluation.



### <Proposed Programs for Beneficiary Interviews>

- **Economic and Social Infrastructure Development**
  - Mahaweli Road Bridge Construction (Grant assistance (GA))
  - New Colombo Port Development (M/P, F/S)  
(Development study (DS); GA; yen loan)
  - Rupavahini National Channel Improvement  
(GA; dispatch of experts (DE); third-country training (TST))
  - Rehabilitation of Drink Water Supply in Rural Area (GA)
- **Development of Agriculture, Forestry and Fisheries**
  - Demonstration of Integrated Agricultural Development (in Mahaweli)  
(Project-type technical assistance (PTTA); DE)  
n Improvement in Gampaha (GA; PTTA)
- **Resources Development**
  - Construction Equipment Training Centre (GA; PTTA)
  - Junior Schools Improvement (GA)
- **Improving Health and Medical Services**
  - Nurse Education (GA; PTTA)
  - Medical Equipment Maintenance and Management  
(GA; DE; second- and third-country training)

Surveys of program beneficiaries are not to be oriented toward statistical accuracy; they will be endeavors that employ relatively easy-to-use methods in an attitude to ascertain the overall opinions of beneficiaries. The number of samples is expected to be about 100 in the case of programs such as those for regional infrastructure where a large, indeterminate number of beneficiaries exist, and about 50 in the case of programs such as those involving training centers and research institutes where the number of direct beneficiaries is known. Survey forms are to have the following basic content.

### <Contents of the Beneficiary Survey Form>

- 1) Explanation of the purpose of the interview
- 2) Explanation of general features of the project
- 3) Questions concerning the respondent
- 4) Questions related to accessibility to the subject facilities etc.
- 5) Questions related to degree of satisfaction with the subject facilities etc.
- 6) Questions concerning opinions and wishes

### Step 3) Analysis and Evaluation of Programs

Information and data collected as well as related documents, evaluation reports etc. are to be used for analyzing and evaluating the programs. Analysis and evaluation will be performed according to the six criteria, and effects of technology transfer, as well as environmental, gender, and poverty issues.

**Chart 4-1-4 : Projects Covered by Individual Evaluation (Category A)**

Area	Name of Project (Program Component)	Program to be Evaluated	
<b>Building and Improving Economic and Social Infrastructure</b>	Improvement of the Rupavahini National Channel (GA) Television Broadcasting Engineering (DE, 5 experts) The Third Country Training Program in the Field of Color Television Engineering (TCTP)	<b>Development of Television Broadcasting</b>	
	Study on Telecommunication Networks in Democratic Socialist Republic of Sri Lanka (TADS) Maintenance of Domestic Telephone Switching System (DE) International Telephone Switching System (DE)	<b>Development of the Telecommunication Networks</b>	
	The project for Construction of Mahaweli Road Bridge (GA)	<b>Construction of Mahaweli Road Bridge</b>	
	The Master Plan Study on Bridge Development in Sri Lanka (TADS) The Project for Reconstruction of Five Bridges (Phase I, II) (GA)	<b>Reconstruction of Bridges</b>	
	Master Plan Study for Development of the Transmission System of the Ceylon Electricity Board (TADS)	<b>Development of the Transmission System</b>	
	New Colombo Port Development (M/P) (TADS)	<b>New Colombo Port Development</b>	
	The Project for Improvement of Refuse Disposal Management in Colombo (GA) The Project for Improvement of Refuse Disposal Management in Colombo Metropolitan Area (GA)	<b>Improvement of Refuse Disposal Management in Colombo Metropolitan Area</b>	
	The Project for Improvement of Drinking Water Supply in Rural Area (GA)	<b>Improvement of Drinking Water Supply in Rural Area</b>	
	<b>Development of Mining and Manufacturing Industries</b>	Computer Center (PTA) *Includes after-care assistance. The Third Country Training for System Analysis and Statistics Methods (Phase I) (TCTP) The Third Country Training for Information Technology (Phase I)	<b>Computer Center</b>
		Master Plan Study on Industrialization and Investment Promotion in Sri Lanka (Phases I & II) (TADS) Industrial and Investment Promotion (DE, 2 experts)	<b>Industrialization and Investment Promotion</b>
Quality Improvement of Textile and Clothing Products (PTA) Quality Improvement of Apparel Products (TCTP) Dyeing and Finishing Technology (DE)		<b>Quality Improvement of Textile and Clothing Products</b>	
Foundry Technology Development Project (PTA) Foundry Industry (DE)		<b>Foundry Technology Development</b>	
<b>Development of Agriculture, Forestry and Fisheries</b>		Integrated Agricultural Development Demonstration Project in Sri Lanka (PTA) Dispatch of Experts (DE, 3 experts)	<b>Integrated Agricultural Development in Mahaweli District</b>
		Project for the Establishment of the National Plant Quarantine Services (GA) National Plant Quarantine Services Project (PTA) Dispatch of Experts (DE, 2 experts)	<b>National Plant Quarantine Services</b>
		<i>The Project for the Center for Plant Genetic Resources in Sri Lanka (GA)</i> The Project for the Center for Plant Genetic Resources in Sri Lanka (PTA) Dispatch of Experts (DE, 2 experts)	<b>Center for Plant Genetic Resources</b>
	Third Country Training Program (TCTP)		

	The Integrated Rural Development Project in Gampaha District ( <i>Phase I &amp; Phase II</i> ) (GA) The Agricultural Extension Improvement Project in Gampaha in Sri Lanka (PTA)	<b>Integrated Rural Development Project in Gampaha District</b>
<b>Education and Human Resources Development</b>	The Project for Establishment of Construction Equipment Training Center, Phases I and II (GA) Construction Equipment Training Center in Sri Lanka (PTA)	<b>Construction Equipment Training Center</b>
	Project for Establishment of Audio Visual Education Center in the Open University of Sri Lanka, Phases I & II (GA) Audio-visual Production (DE)	<b>Improvement of Open University</b>
	The Project for Improvement of Junior Schools in the Democratic Socialist Republic of Sri Lanka, Phases I & II (GA)	<b>Improvement of Junior Schools</b>
<b>Improving Health /Medical Services</b>	Project for Improvement of the Faculty of Dental Sciences, University of Peradeniya (GA) Project for Dental Education at the University of Peradeniyha (PTA)	<b>Faculty of Dental Sciences - University of Peradeniya</b>
	Project for Medical Research Institute (PTA)	<b>Medical Research Institute</b>
	Project for Biomedical Engineering Services (GA) Dispatch of Experts, Second Country Training, Third Country Training	<b>Medical Equipment Maintenance and Management</b>
	The Project for Improvement of Educational Equipment of the Faculty of Medical Sciences - University of Sri Jayewardenepura (GA) Project for Nursing Education (PTA)	<b>Nursing Education</b>
	Project for Population Information (PTA) Dispatch of Experts (DE, 2 experts)	<b>Information System</b>
	Project for the Development of Rural Hospitals (phase II) (GA) Ratnapura General Hospital Development (GA)	<b>Rural Hospitals</b>

Note: The projects shown in italics were not included in the original list of projects to be evaluated, but they were added during the process of project grouping because they were considered highly relevant.

## 4.2 Results of Individual Project/Program Evaluation

The results of evaluating each program using the 6 items described previously were summarized in *Annex: Program Evaluation* as evaluation reports for individual projects. This section summarizes the overview of the evaluation results as well as the lessons and recommendations learned from them, as to the five areas evaluated by sector.

### 4.2.1 Building and Improving Economic and Social Infrastructure

#### (1) Overview of Evaluation Results

In the field of economic and social infrastructure development, individual project evaluation was made for 8 programs implemented in the 1990s (development survey only for the provision of a nationwide power transmission network and New Colombo port development, and grant assistance only for the construction of the Mahaweli Road Bridge). As the result, it was confirmed that all of the

programs targeted for evaluation were carried out generally efficiently and produced definite impacts. However, some of the programs targeted for evaluation were affected by privatization either directly or indirectly. The evaluation results for each of the programs targeted by the individual project/program evaluations are summarized as follows.

- **Provision of television broadcasting**

This program involved the provision of materials and machinery through grant assistance and ongoing technical cooperation, and strengthening of the broadcasting equipment at the Rupavhini National Channel broadcasting station (SLRC) and higher technical skills of the employees were observed. There was substantial contribution by JICA, or by cooperative projects handled through JICA. Also, third-country training was actively conducted, and there was a strong impact due to the transfer of broadcasting technology and skills to the engineers of neighboring countries, this program having cultivated and encouraged such transfers. However, efforts focused on the systems for collecting fees from viewers and listeners, are insufficient, raising concerns about the sustainability of the program in financial terms.

- **Telecommunications Network in the Democratic Socialist Republic of Sri Lanka**

Following the completion of JICA cooperation in 1996, the Sri Lanka Telecom Corporation (SLT) was privatized and incorporated, and in the following year, 1997, its operation system underwent significant reform, with NTT of Japan taking part in the management planning. It is difficult to assess the efficacy and impacts of this Master Plan, which was formulated without foreseeing such trend. Also, the program was affected by a number of external conditions such as experts dispatched to Sri Lanka after that being compelled to return home partway through the planned period because of political instability.

- **Construction of the Mahaweli Road Bridge (only GA)**

As a result of this project, the two banks that had been divided by the Mahaweli River were joined by a land route, consequently facilitating interaction and traffic between the areas. Improved traffic access helped to boost convenience for those living in the area, increased employment opportunities and income, and helped improve living conditions in qualitative terms. At the same time, however, given the political instability in the vicinity and lack of connecting roads, the traffic volume and effects in terms of expenses have not reached the hoped-for level at present. Since the ceasefire agreement reached in February 2002, there has been

progress in peace between the northern and eastern regions, and although the provision of connecting roads is behind schedule it is still progressing, so the volume of traffic in the project area should increase in the future.

- **Reconstruction of bridges**

This program proposed a system for combining a development study (M/P) with specific bridge reconstruction projects through grant assistance (combination of schemes), and provided a realization process of the JICA cooperation system for conducting studies, followed by planning (formation of specific projects) and succeeding implementation. In the meantime, although the M/P speculates 100 bridges to be reconstructed by 2010, the implementation has only reached 10 bridges by grant aid (in two terms). In the future, the system is expected to be further improved and strengthened through the autonomous efforts of this corporation. For that reason, it is necessary to assess measures to be taken in terms of financial terms as well as to strengthen organizational and systematic elements that are insufficient at present, in ways such as providing an adequate number of planning personnel and providing more substantial technical training.

- **Provision of a nationwide power transmission network (only DS)**

The “Nationwide Power Transmission Network Refurbishment Plan” formulated through this program later served as the foundation for long-term planning by the Ceylon Power Electric Board Power Transmission Division. The proposal for upgrading the conventional tree-style network into a loop configuration is still effective today, and refurbishment is proceeding along the same lines. Also, after this development planning study was completed, a power transmission refurbishment project was implemented through loan assistance, serving as a good example of a contribution made by Japan to infrastructure refurbishment in Sri Lanka through a joint effort by JICA and JBIC.

- **New Colombo port development (only DS)**

From the 1980s to the mid-1990s, intensive port development was carried out in Colombo through a development study by JICA and loan assistance provided by JBIC as a follow-up measure. As a result, the volumes of freight and containers handled by the port increased annually, becoming a significant source of foreign capital for Sri Lanka. At the same time, however, in the latter 1990s, after the development study had been completed, the harbor sector of Sri Lanka underwent a far-reaching change, switching from public to private management. The sector is still in transition to private management, but with respect to port development, AsDB has presented a future image different from the M/P drawn by JICA, which

is based on the assumption of a privatization scheme. In this sequence of events, the effectiveness of the M/P of this development planning study is being maintained though the form of the contents undergoes change. In the meantime, it poses a question of how the follow system of the M/P should be, as any comments from the M/P formulation side were not sought for in course of privatization.

- **Improvement in refuse processing in the Colombo metropolis**

The purpose of this program was to boost the refuse collection capability by procuring the vehicles and resources (refuse collection vehicles, supplies for vehicle repair plants, spare parts, guidance in operating the vehicles and the machinery used for vehicle repair, etc.) necessary in order to strengthen the refuse collection capability and to make it more efficient, thus contributing to a more sanitary and hygienic environment in Colombo and the neighboring municipalities, and it was successfully achieved. Basically, refuse is now collected on a daily basis in the cities, and less refuse is left along the roadsides. The procured vehicles and machines are being used effectively, with no noticeable problems. In order to strengthen the overall refuse processing system even further, however, a final disposal site for a broad area should be set up, along with a management organization/system, which goes beyond the scope of this project (external conditions). Along with how to cope with waste disposal needs, it is also desirable to include "soft" components such as campaigns to reduce the volume of waste. Although a minimal budget necessary for maintenance is secured, there still remain things to be considered regarding other ways of covering expenses.

- **Rehabilitation of the drinking water supply in rural areas**

Deep wells have been constructed with the procured materials, making it possible to provide a stable supply of drinking water in rural areas. The resulting effects are considered as sustainable for the time being, in view of the good performance of the management and maintenance and management systems. At the same time, however, the roles and responsibilities of the self-governing bodies and water usage unions composed of local residents have not been clarified with respect to management and maintenance and management, and it is hard to say that sufficient technical, organizational, and financial resources are available to assure successful management and maintenance and management, raising a question of whether long-term sustainability is possible. In providing equipment and apparatus by grant aid, it is desirable to enhance sustainability by making sure that the other side fully appreciates the fact that such equipment and apparatus entail cost in terms of maintenance and depreciation.

In the field of socio-economic infrastructure improvement, a style in which a large-scale infrastructure is prepared intensively was often seen (Colombo port and power transmission network) using a cooperative pattern between JICA and JBIC where development study by JICA is followed by yen loan by JBIC. These programs brought significant effect/impact on the corresponding sectors. As for the development/management of recent economic infrastructure, however, the idea that it should be made utilizing the private funding or management capabilities (so-called infrastructure development/management orientation by prioritization) prevails, and discussions are being held for privatization under the involvement of WB or AsDB. The problem henceforth will be how to connect development study and the private sector<sup>2</sup>.

Furthermore, similar to the above JICA-JBIC cooperation pattern, the pattern of “development study + grant assistance” that was seen in bridge reconstruction can be evaluated as a program that can easily bring collective effect/impact to the corresponding sector. However, in "development studies" it is not always necessary that there be M/P formulation. It is often difficult for a formulated M/P to be implemented on the basis of only Japanese or JICA assistance, and it is also hard to work out a cooperative effort with other donors in that regard. That being the case, in sector and sub-sector strategy formulation studies it is also desirable to consider development studies for the purpose of selecting priority objectives and priority programs.

On the other hand, provision of television broadcasting adopts a pattern where several schemes possessed by JICA were successively introduced (grant assistance, project-type technical assistance, and dispatch of experts), and it can be evaluated as a case in which effect/impact was realized by carefully combining facility/materials (hardware) and technology/skills (software).

## **(2) Lessons learned and Recommendations**

A number of lessons learned and recommendations were obtained through the evaluation of individual projects (see the Annex for full information). The lessons learned and recommendations are summarized below as information considered useful in developing, implementing, managing or maintaining similar programs in the future, and as information considered as necessary or effective in improving the performance of programs to be evaluated in the future, respectively.

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<sup>2</sup> There are pros and cons about JICA's direct and active involvement in promotion of privatization and cooperation with the private sector, but this study team is of the opinion that JICA should actively explore ways of making the most of private sector vitality in development studies.

## <Lessons learned>

### **Combination of Different Schemes**

In “Provision of Television Broadcasting,” a ripple effect (e.g. opening of the second channel by self-help and -efforts) that cannot be expected from either one of the assistance schemes alone was generated by the provision of grant assistance and technical assistance in combination. “National Reconstruction of Bridges” consisted of connection of different schemes, namely development study, grant assistance and subsequent dispatch of individual experts, and it now has largely contributed to Sri Lankan national bridge construction field as a leading project.

There has been confirmation of the lesson learned of the importance of combining "hard" and "soft" aspects in JICA schemes. Furthermore, there have been many cases in the economic and social infrastructure sector that projects have been realized through combination of JICA and JBIC schemes, and a big contribution is made through tie-ups whereby JICA development studies are concretized through JBIC yen loans. That confirms the lesson of the essential importance of carrying out development studies concerning economic and social infrastructure on the basis of prior confirmation of the feasibility thereof.

On the other hand, it is desirable to further examine the content of development studies in combination of such studies and grant or non-grant aid. As seen in the development study "The Master Plan Study on Bridge Development in Sri Lanka," it is not possible to implement all of the projects mentioned in the M/P (100 bridges in that study) on a grant aid basis, and even with realization of 10 of those projects on such a basis, the situation is difficult regarding realization of the rest of them on the basis of the Sri Lanka Government's funds and support by other donors. In the case of development studies for which grant aid is presupposed, it is also possible to take the course of "sector strategy studies" for exploration of priority objectives in the sub-sector in question. Besides, there are cases in which decision-making on whether to follow up with grant aid or non-grant aid is expected at the stage of project formation and selection. Thus, it is considered advisable to have greater flexibility of approach in development studies so as to enhance the effect of "combination of different schemes" (including cost performance effect).

### **Sufficient Checking in Relation to External Conditions**

In the fields of transportation, communication and power, the tide of privatization is so large in recent years that the plot drawn in the development study may have to veer in some cases. For example, although the future development master plan for the development of Colombo port had been drawn as public works with assistance from JICA, the development policy to be performed under private



funding was proposed soon after the completion of the study, and development plan is now under way by the BOT scheme with the involvement of AsDB. Therefore, due caution shall be paid, at the planning stage, to the latest tendency in the policies that may greatly influence the effectiveness of the plan. Furthermore, in case of a policy change, doubts will remain regarding whether or not JICA should be involved in reviewing how the M/P formulated by JICA should accordingly be transformed, assuming that it is the Sri Lanka Government's problem after completion of the JICA study. The question is bound to be asked whether or not JICA should provide suggestions and cooperation in follow-up and other studies.

In addition, since the security matters in Sri Lanka in the 1990s were of great concern due to ethnic unrest, the local security conditions became worse and the dispatched experts had to come home in the middle of their term in the “Provision of Telecommunications Network.” No follow-ups have taken place since.

Policy changes and security situations are external conditions that surround the assistance programs, and they cannot be controlled within the program. It is needless to say that sufficient data collection and analysis is required at the stage of survey and planning, whereas it is considered necessary to review countermeasures against a policy change.

### **Repletion of Interaction and Information Sharing with International Organizations/Donor Nation**

International organizations such as WB and AsDB have been adopting a policy to have more significant influence on the policies of the corresponding sector of the subject nation by shifting from project-level cooperation approach to policy-level approach, a combination of policies and funds, while the aid by JICA tends to give project-level assistances due to the characteristics of the assistance schemes. Even with dispatch of experts in such a position that can be involved on the policy level, it must be recognized that contribution in the policy aspect can be only limited<sup>3</sup>. It is desired that sufficient understanding of what kind of policy recommendations are made by the previously mentioned international organizations or major donor nations and when and how Sri Lanka will conduct policy change as a consequence is obtained at the stage of survey and planning (if possible, planning with anticipation of such policy change is desired<sup>4</sup>). To do this, information exchange/interaction with international organizations and major donor nations is

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<sup>3</sup> Though it is hard to specify the reasons why the JICA experts were not able to provide sufficient policy advice because of the circumstances considerably varied from sector to sector and expert to expert, the study team has come to this observation in view of the fact that the discussion on what the relationship between privatization and ODA should be was dominated by international organizations, as seen in the discussion concerning privatization of economic infrastructure, leaving JICA experts little chance to actively present their views.

<sup>4</sup> Please refer to the footnote on page 4-12.

more than ever required. Furthermore, even in the case of development oriented to the private sector, it is advisable for JICA to actively participate in the study and planning stages on that premise, hence trying to promote cooperation in partnership between the public and private sectors.

### **Confirmation of Maintenance/Management System after Completion**

In general, program implementation in most cases is conducted under the responsibility of the central government, which is then handed over the local governments or the related organizations after its completion. In order to establish a smooth maintenance/management system after the completion, it is desired that coordination meetings, etc. should be held between the implementing organization and the (future) maintaining/managing organization from the planning/implementation stage so as to ensure the opportunities to exchange information related to project progress confirmation, etc. Further emphasis must be placed upon reviews of the implementation system.

### **Development, Planning and Implementation of Participation-Type Programs**

With some relation to the above, continuity/self-development of the program is largely affected by the post-completion promotion of use and establishment of maintenance and management system by the local government and the residents (beneficiaries) in programs that are national, widely distributed and closely related to residents as in the case of “Rehabilitation of Drinking Water Supply.” It is important that ownership by the local government or the residents shall be formed at the stage of survey and planning, and also its fortification it is required. One factor for success is repetitive education about information such as, how to use the facility/materials, maintenance and management methods, etc. to achieve a certain level of understanding. In addition, load to the beneficiaries still remains as problems to tackle with.

### **<Recommendations>**

#### **Provision of TV Broadcasting**

Although SLRC is a public station, this broadcasting station provides for its required costs with income from sponsor charges similarly to private stations. SLRC has obligation to create and provide programs considered necessary from the viewpoint of national development and welfare improvement even if high viewership cannot be expected. Therefore, it becomes more difficult to obtain sponsors for some programs even when they have high social meaning. Accordingly, it is desired that certain programs should be sponsored by the government's expense, even though it is a basic tenet that the management

stability should be obtained by SLRC's own self-assistance. This proposal of the approach should be addressed to the Sri Lanka Government for their review.

### **Provision of National Telecommunication Network**

There is no particular recommendation.

### **Construction of the Mahaweli Road Bridge**

Even now when several years have passed since completion of the construction, transfer from Irrigation Bureau to Road Development Agency has not been completed yet. It is strongly advised that the transfer take place immediately from the viewpoint of maintenance and management. It is surmised that the cause of this is a procedural delay, a harmful consequence of the vertically divided administration. To prevent recurrence of such situation, it is important that opportunities such as correspondence meeting, information exchange meeting, etc. shall be held regularly to foster two-way communication among different organizations.

### **Bridge Reconstruction**

The old bridge has not been removed in some cases, and it is advised that the old bridge be removed as soon as possible for sake of the safety of pedestrians.

### **Provision of National Power Transmission Network**

#### **① Improvement of Abilities of Power Transmission Business Management/Maintenance**

It is necessary that improvement of human abilities required for management/maintenance be made as well as improvement/renewal of hardware systems such as power transmission network and substations. Furthermore, not limiting to power transmission and transformation, it is desirable to review measures for improving power distribution networks, the main factor of energy loss.

#### **② Establishment of Balanced Power Supply Structure**

Not rich in fossil fuels, Sri Lanka has depended mostly on hydropower. There being little potential remaining for electric power supply based on hydroelectric power, there is a pressing need to shift to a supply system centering on thermal power generation. It is now urgent to study optimization of the electric power supply system.

### **New Colombo Port Development**

Since privatization of port sector brings negative impact on SLPA including large workforce reduction, the government is currently hesitant to implement it. However, it is considered that sector structural reform via privatization is inevitable. In order to achieve the political objective of securing its position as a hub port of Southwest Asia, examples of Singapore, Taiwan, and South Korea, whereby scales and efficiencies were greatly improved, shall be followed, and policy decision is now urgent to be made with strong will.

### **Improvement in Refuse Processing in the Colombo Metropolis**

There is no particular recommendation.

### **Rehabilitation of the Drinking Water Supply in Rural Areas**

There is no particular recommendation.

## **4.2.2 Development of Mining and Manufacturing Industries**

### **(1) Summary**

Four Programs in 1990s were evaluated in this Study. It has been recognized that all evaluated Programs, with some exceptions, have been effectively implemented and expected levels of output have been by and large attained. The evaluation results of each Program are summarized below.

#### **● Computer Centre**

The Computer Centre has run with continuous support from JICA through 1990s to present (2002), by which the Institute of Computer Technology (ICT), the implementing organization, has improved its capacity and capability, expanded its activities, and established itself as the most prestigious institution to provide human resources for IT industry of the country, which is being promoted with priority by the Government.

#### **● Industrialization and Investment Promotion**

The Sri Lankan side has a high opinion of the fact that development studies have led to project implementation as in the case of realization, as project technical assistance, of the "Program for Improvement of Quality of Textile and Clothing Products" and the "Foundry Technology Development Project" mentioned in the next section, based on the recommendations from the "Project for Promotion of Development of the Manufacturing Sector" carried out in 1992-93 (not included in

the scope of this evaluation study), and the case of realization of the "Seethawaka Industrial Park Project" on the basis of a yen loan. The "Program for Development of and Promotion of Investment in Manufacturing in Sri Lanka," implemented in 1999-2000, aims at formulating a master plan for the manufacturing sector on the nationwide level. The objective of this M/P was basically to promote industrialization through encouragement of public-private partnership (PPP). However, since reliance on ADB funds is incorporated in that master plan and subsequently the ADB has decided to concentrate on promotion of smaller enterprises and to shift the aim to industrialization promotion through private initiative, the implementation of the program took place in line with ADB's intentions. In other words, that is one of the cases that incongruity with the master plan is caused by shifting to a policy of stimulation of the private sector. Nevertheless, there have been considerable outcomes in terms of technology transfer resulting from JICA development studies, and sub-sector strategies are being worked out using that JICA M/P for reference purposes, all of which indicate a recognizable effect of the development studies.

- **Quality Improvement of Textile and Clothing Products**

Quality improvement was achieved owing to formation of a smooth management/operation system and vitalization of services by the project, in cooperation between Japanese experts and the Sri Lankan side. The initial objective of the Program, "to improve the technical services provided by Textile Training and Services Centre (TT & SC) and Clothing Industry Training Institute (CITI), both of which are the governmental organizations in Sri Lanka," was successfully achieved, bringing about affirmative effects to a great degree. However, it is essential for the Sri Lanka Government to continue sufficient follow-up, in pursuit of further strengthening of the technologies concerning production control, productivity and total quality control system, before the abolition of import quota system of textile products under the MFA in 2005.

- **Foundry Technology Development**

The Program was properly conducted and the target level of technology transfer was achieved in many fields. However, due to the delay in the instalment of machinery, there was not sufficient time to provide technical services to the private sector. The Follow-up Cooperation, starting in 2001, is in progress to supplement what was not achieved in the Program.

In the industry sector, JICA has been providing assistance in implementing projects and policy measures based on the proposals made in a comprehensive Development Study, which was conducted by JICA in advance. All four Programs

targeted in this evaluation are somehow related to development studies, implying that JICA's cooperation is evaluated as effective on the whole.

Moreover, JICA's technical assistance and soft-loans granted through JBIC, including Seethawaka Industrial Estate project, are coupled together to yield a great deal of Japan's contributions to the mining and industry sector. JICA has also been gradually facilitating cooperation with other donor agencies such as UNIDO. However, it is becoming increasingly important to devote serious attention to the question of what the respective roles of public and private should be in the mining and manufacturing sector.

## **(2) Lessons learned and recommendations**

Lessons learned and recommendations have been attained through individual project/programs evaluations (See the attached material for full information.) The following is some of the lessons learned, which should be taken in to account when providing any assistance in the mining and industry sector in the future<sup>5</sup>.

### **< Lessons learned >**

#### **Continuous Assistance**

For the Program of Institute of Computer Technology, continuous assistance through 1990s has brought in effective results. In general, continuous assistance has an advantage of availability of flexible responses to the changing needs associated with the change in social and economic conditions, or to problems that take place. On the other hand it could encourage the counterpart agency to take the assistance for granted.

#### **Analysis of External Conditions**

As to the Foundry Technology Development Program, the project itself has been properly implemented and evaluated as generally successful. Nevertheless, a whole foundry industry of Sri Lanka, now confronted with keen competition with foreign products, is on the verge of the decline. Similarly, textile industry has been hard hit by the reduced tariff for imported fabric and the "Quality Improvement of Textile and Clothing Products" projects had to shift its activities more on apparel products, rather than materials.

The lesson is that the success of technical cooperation projects/programs does not necessarily guarantee the success of the industry concerned: on the contrary, if the effects of changes in surrounding environment or government policies are so

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<sup>5</sup> No "recommendation" equivalent to advice was pointed in particular in the field of mining and manufacturing industry.

unfavorable, it is quite possible the industry declines with the effectiveness of the projects/programs not fully displayed. It is important, when planning assistance projects to a specific industry, to critically analyze external conditions surrounding the industry, such as global market trends, international trade schemes, and government policies well in advance.

### **A Package of Assistance Projects/Programs**

Because the effectiveness technical cooperation alone is limited when strategically promoting a certain industry in the long run, financial and institutional assistance may be also required to fulfill the purpose, a combination of policies and funds. One of options that JICA can do is to incorporate in its technical cooperation project, policy recommendations for institutional issues. It is effective for JICA to combine the project with financial assistance program, jointly with JBIC. Such a package of assistance projects, in technical, financial and institutional aspects, may be desirable to totally promote a specific industry or sector.

### **Private Sector Leadership**

To make effects of the technical cooperation projects sustainable, it is important to encourage the private sector to take the leadership in improving their technology. It may be effective to pick up some private enterprises with enthusiasm for technological improvement in the process to disseminate technology effectively and efficiently to the private sector, as a result of technical cooperation projects.

### **Assistance to SMIs**

In "Master Plan Study on Industrialization and Investment Promotion", formulated in 2000, the analysis and proposals focused on SMI development was not sufficient as it covered the entire sector. More attention should be paid to the ideal form of strategic cooperation at the stage of reviewing development study approaches. It is also considered that it was desirable to take up the industrialization development M/P after having fully discussed industrial policies.

### **Industrial Location**

At present many of manufacturing factories are located in Greater Colombo Area, which is not desirable from the viewpoint of environment, employment and balanced development. What is now necessary is therefore cooperation for regional industrial development, while no review has been conducted on regional industrial development in the Industrialization and Investment Promotion Program due to security conditions. In this case, economic and social infrastructure development in rural areas must be taken into account to discuss from the viewpoint of comprehensive regional development plan.

### **4.2.3 Development of Agriculture, Forestry and Fisheries**

#### **(1) Outline of the Result of Evaluation**

In the agriculture, forestry and fisheries sector, the program/project evaluation was carried out on four programs implemented in the 1990s. As the result, it was confirmed that with some exceptions, they were implemented efficiently and obtained results almost as expected. However, regarding the sustainability, it was pointed out that there are much to be improved in respect of finance, organization/institution, and technical aspect.

The result of the evaluation is outlined as follows:

##### **● Mahaweli Agricultural Development**

The Mahaweli Agricultural Development Program has been in successful progress, and it was observed that the program brought forward such effects as improvement of planting techniques for high quality rice and upland crops (onion seed production) and upgrading of milling techniques of rice, and it is able to evaluate that the objectives of the program, i.e., demonstration of agricultural techniques, have been achieved. However, as the program lacked the extension of techniques to farmers (it was not included in the scope of the project), the demonstrated techniques were propagated scarcely to farmers. Due partly to this and mainly to low prices of agricultural products prevailing in the 1990s, the goal of the program (enhancement of farmers' income) was not sufficiently achieved. At present, while JBIC is carrying forward participating-type promotion projects, the Mahaweli Development Authority (MASL) is being restructured and downsized and it poses doubt about its continuous support in the financial and institutional aspects of maintenance and management of the project.

##### **● National Plant Quarantine Services (NPQS)**

The National Plant Quarantine Services (NPQS) Program was not as efficiently implanted as expected, and the objectives have scarcely been achieved at the expected level yet. However, it is worth noting that it exerted such indirect impacts as raising the awareness of the Government officials and strengthening the cooperation with research and education institutes (receiving trainees, students, etc.). The most serious and pressing issue of the NPQS is to realize full utilization of the facilities and equipments, and toward improvement of the situation, strenuous and self-reliance efforts of the agencies concerned are required including securing of the necessary budget allocation and improvement of the related organizational and institutional matters.



- **Plant Generic Resources Center (PGRC)**

The Plant Generic Resources Center (PGRC) Program was implemented properly and the facilities and equipments have been utilized as planned. The goal of the program, i.e., contribution to improvement of seeds and planting materials, is being realized. Besides, it generated numerous indirect impacts such as cooperative activities with other research institutes, undertaking post-graduate training of students, holding the third country training in joint-operation of JICA, etc. However, there remains a concern about the sustainability from the viewpoint of finance. Like other offices of the Government, annual budget allocation is far from satisfactory.

- **Integrated Rural Development for Gampaha Distract (IRDP Gampaha)**

This program is comprised of such diversified components as improvement of infrastructure for agricultural production, extension of agricultural techniques, improvement of road infrastructure, and, roughly speaking, the operation of the facilities has been near to the envisaged targets. However, since the facilities are implemented on the basis of grant aid, problems remain as to cost-effect performance (making it difficult to serve as a model).. A current issue is the sustainability and further development of the farmers' production groups organized under the program. Against expectation, the number of groups remains at 13 (as they were at conclusion of JICA cooperation) and their activities are rather stagnant due mainly to decrease of the support of the Government. To improve such situation, the supporting services by Western Province (successor of the program) need to be strengthened. It is also necessary to further consider how sustainable comprehensive rural development should be approached.

All of the programs involve problems concerning finance, organization/institution, and technical matters in connection with the sustainability. Despite the facilities constructed under grant aid, annual budget allocation for its operation remains about two-third of the required and suffices only for meeting the routine expenditures. As regards the organization/institution, there are such problems as the "downgrading" in administration hierarchy (PGRC, NPQS), transfer of the responsibility from the central to the local government (IRDP Gampaha), restructuring and downsizing of the executing agency (Mahaweli), as well as the moving out of trained technical staff and reduction of the number of staff on account of chronic shortage of the budget allocation. Meanwhile, problems arise regarding mainly maintenance and repair of the plant and equipment, and a common problem is difficulty to execute timely repair and replacement. In order to sustain the results of the programs and realize further development, it is a

pre-requisite that fundamental changes are incorporated into the present ways of the beneficiary-payment for maintenance and management cost and of the administrative scheme.

## **(2) Lessons Learned and Recommendations**

Through the program/project evaluation, a number of lessons and proposals are obtained (see the Annex for full information). The “lessons learned” mean the matters considered useful for planning and implementation of similar type of projects, while the “recommendations” deal with the matters related specifically to each of the programs evaluated. These are summarized as below.

### **< Lesson Learned >**

#### **Cooperation with Other Donors**

In the agriculture, forestry and fisheries sector, there are many cases that assistance of a plural number of donors is concentrated in the same area and sub-sector. As such, it is necessary to pay due attention to the aid policy and strategy of major international agencies (e.g. IDA, AsDB) and other countries from the initial stage of plan formulation. Care needs to be taken that the proposed project of Japan is not only well conforming to the international aid trend but also well concerted in the aid framework of other donors. Strengthening of cooperation with the JBIC is also necessary especially concerning the project formulation and implementation. For this purpose, a systematic approach needs be taken so that cooperative activities are ensured between parties concerned. It is considered that all these cooperation are vital to realization of efficient and effective implementation of projects.

#### **Inter-Scheme Cooperation within JICA**

Compared with the other sectors, the agriculture, forestry and fisheries sector tends to implement such “combined” type projects as “grant aid” plus “project-type technical cooperation”, “development studies” plus “grant aid” or “project-type technical cooperation”, “project-type technical cooperation” plus “dispatch of experts” etc. Such combination among schemes is considered to be more effective than “non-combined” type of projects in achieving the overall project target and ensuring the sustainability. To make such combination more fruitful, it is desired to strengthen the inter-scheme cooperation system within JICA. Specifically, it is desirable that a “development study” embarks a program, followed by other schemes carrying out the program.

### **Clear Definition of Project Objectives**

Project objectives need to be defined clearly especially in case of project-type technical cooperation. For transfer of techniques, defining of the target in quantitative terms is generally not easy, but to enable precise assessment of the project effect and also to avoid prolonged dispatch of experts, it is desirable to set up the target as precise as possible. For an instance, in case of transfer of agricultural techniques, the target may be expressed as “the number (or percentage) of farmers who applied the techniques to actual farming”.

### **Project-Formulation through Beneficiaries Participation**

In case of projects that are aimed at transfer of techniques to beneficiaries (farmers), either directly or indirectly, participation of beneficiaries to project formulation is important in a sense not only to arouse their incentives but to make the plan-formulation more practical and to implement the transfer of techniques more effectively. In this connection, formulation of approaches and strategies as a program is expected from the stage of plan formulation.

### **Confirmation of Durability and Sustainability at the Project Formation Stage**

From the early stage of plan formulation, the sustainability of the project needs to be confirmed with regard especially to finance, organization, staffing and technical capacity. Past instances in this regard seem to be too general and scarcely objective (e.g. “there is no problem about sustainability because they have handled many other similar projects already”), which needs to be strictly avoided. Consideration also should be given to study of ways of accomplishing capacity building in each program and incorporation of capacity building in implementation programs.

### **Continuous Assignment of Right Personnel**

Good performance of the Plant Genetic Resources Center (PGRC) Program is regarded due largely to that suitable personnel was assigned for and involved in the program from the very beginning of plan formulation through completion of the follow-up. As seen in this instance, continuous assignment of a right person to each role, especially a team leader, from the stage of project formulation through termination of the project is a key to lead a project to success. Reflection of their opinions to detailed plans (including design of facilities and selection of equipment) will enhance the efficiency of the project. Besides, when the project entails a series of different schemes (grant aid, project-type technical cooperation and dispatch of experts), the team leader will be expected to act as a program manager, who can supervise the project from a consistent and comprehensive

point of view and will participate in the series of cooperation thoroughly. Selection of project members, needless to say, controls the success of a project, therefore the qualifications of a team leader candidate must be carefully confirmed.

### < Recommendations >

#### **Mahaweli Agricultural Development**

Research and demonstration activities under this program are now losing the say for further development or disappearing due to closing of the technical cooperation by JICA in 1998. To install such situation, an appropriate preventing measure should be taken by the implementing organization, MASL, as soon as possible. As one of such measures, utilization of the “Farmers’ Training Plan,” setting up and administration of a training center under with JBIC funds, is conceivable. If the plan is attached one additional component that deals with “research and demonstration”, it will be possible to function as the successor of the works performed under the program.

#### **National Plant Quarantine Services (NPQS)**

Previous proposals at the conclusion of technical cooperation (1999) should be realized as soon as possible: (i) upgrading of the NPQS from the unit of the Seed Certification and Plant Protection Section to the direct control of the DOA, (ii) extension of the competence of the NPQS on execution of the annual budget, (iii) establishment of a national-wide institutional system for plant quarantine management with the NPQS acting as its center, (iv) establishment of a “ Plant Quarantine Trust Fund” utilizing the quarantine and disinfections treatment charges to be increased. In addition, strengthening of the equipment maintenance unit of the NPQS and taking a thorough inventory of all the facilities and equipment are needed

#### **Plant Generic Resource Center (PGRC)**

Restoration of the competence over personnel and budgetary affairs is of crucial need for PGRC. In this context, the reorganization plan, which proposes to upgrade the position of PGRC from the lower unit of the Seeds Certification and Plant Protection Section to the direct control of Directorate General of Agriculture, needs to be realized promptly. On the other, in order to operate the PGRC smoothly, it is necessary for the PGRC to secure experienced and competent technical staff continuously. In this sense, personnel changes need to be done carefully so as not to interrupt or hinder the operation of the PGRC. If any adverse effects are foreseen, changes should be avoided even if routine management

procedure so requests. Return of staff, moved out from the PGRC, should also be considered positively

### **Integrated Rural Development for Gampaha**

Concerning the farmers' production groups, it is necessary to strengthen the supporting services by the Western Province including (i) guidance on farming practices and organization management to the existing groups, (ii) financial assistance and provision of agricultural inputs during the inception period to new groups to be organized, and (iii) periodical monitoring of their activities.

#### **4.2.4 Education and Human Resources Development**

##### **(1) Overview of Evaluation Results**

It has been confirmed that all three of the programs targeted for evaluation in the area of education and human resources development (the improvement of primary and junior school facilities was handled through grant assistance only) have generally been efficiently implemented, and that a definite impact was made. The overviews of the evaluation results for each of the programs targeted by the individual project/program evaluations are as follows.

##### **• Construction Equipment Training Center**

This program consists of the refurbishment of facilities and supplies through grant assistance, and of subsequent technical cooperation in the form of creating curricula, etc. through Project-type Technical Assistance. Drawing on the facility's superior ranking in both scale and content, not only in Sri Lanka but in neighboring countries as well, and given the enrollment of students well above the target level, the program offers a significant contribution to the cultivation of human resources in the operation and care of construction equipment. Also, an impact is also being seen in neighboring countries, whose students are being accepted at the Center. At the same time, however, the Sri Lanka Government has failed to provide the initially planned budget allocation, and staffing for the maintenance and management and management systems of the facility and equipment is inadequate, leaving a necessity for further improvement in the aspect of autonomous sustainability.

- **Improvement of the Open University**

This program consists of the refurbishment of facilities and supplies/equipment for manufacturing audiovisual teaching materials through grant assistance, and subsequently for technical cooperation in the form of dispatching experts in the various fields. Along with being the top-ranked facility in Sri Lanka in both scale and content, technology transfers have been sufficient, and expenses for thorough maintenance and management control of the facilities and materials are being met through consignments from outside organizations, along with other efforts being made for the autonomous sustainability of the program. However, the operation status of the facility and materials, and the usage status of the audiovisual teaching materials produced at the facility, are still not sufficient, leaving a necessity for further improvement in the aspect of the effectiveness of the program.

- **Primary and junior school facilities improvement (only GA)**

With this program, improvements in educational environments, including the class environment and health and sanitation environment, were carried out at 25 schools targeted for school facilities refurbishment through grant assistance. The environmental improvements were aimed at providing wider educational opportunities for children, such as by increasing the number of prospective students and reducing the number of students who drop out. Also, it was confirmed that the refurbishment of school facilities extended beyond improving “hardware” aspects, to areas such as encouraging the participation of the local population in school management, and creating an opportunity for a new relationship between the local society and the schools.

In the field of education and human resources, programs mainly consist of grant assistance. Facilities and materials provided by grant assistance are of high grades that did not exist in Sri Lanka before, and they can exert great advantage in scale and contents by combining them with technical assistance, and the impact brought in this sense is large.

On the other hand, because they are facilities and materials of high grades that did not exist before, it is required that self-assistance in relation to maintenance and management of the facilities and especially sufficient funding for this purpose is ensured on the Sri Lankan side in order to secure the autonomous sustainability of the program after completion of JICA assistance.

## **(2) Lessons learned and Recommendations**

Some lessons learned and recommendations were obtained through the evaluation of individual projects (see the Annex for full information). In the below sections, the lessons learned are summarized as information considered useful in developing, implementing, managing or maintaining similar programs in the future, and recommendations as information considered as necessary or effective in improving the performance of programs to be evaluated in the future.

### **<Lessons learned>**

#### **Plan Development with Consideration for Local Residents**

In “Primary and Junior School Facilities Improvement,” it was confirmed that school facility improvement provided an impetus for developing a new relationship between the local community and the school. It is expected that more effective relationship will be developed and improvement in self-development will be achieved if opinions of local residents are collected from the early stages and they are reflected on the plan details (facility design, maintenance, etc.) when similar programs are planned.

#### **Package-Type Assistance with Hardware (Facility/Material) + Software (Management/Maintenance Skills)**

Most cases of previous projects in the field of education consisted of assistance up to the range of providing facilities and materials and implementing technical transfer related to the methods of using them. However, it was learned through this evaluation that the skills related to management and maintenance after completion are indeed essential, and it is surmised that the needs are high for technical assistance in relation to learning and improvement of the corresponding skills. Therefore, it is important that cooperation programs should be taken as “projects,” with anticipation for post-management/maintenance from the stages of program planning and implementation. That is, formulating “package-type assistance” with hardware (facility/material) + software (management/maintenance skills) as a project is considered to be effective in facilitating the self-development of completed programs.

### **<Recommendations>**

#### **Construction Equipment Training Center**

Since the budgetary measure of the Sri Lanka Government is not being implemented as planned before, facility or device maintenance and enhancement in the management organization are not conducted adequately. In order to utilize

the advantage that has the scale largest in the surrounding nations, it is desired that examination and implementation of measures to obtain necessary budget and enhance the organization shall be made. It is expected that the certificate for the completion of technical training provided by this center will be a publicly approved proof of the trainee's technical skills, and, as a result, that the needs for technical training at the center and recognition of the certificate will become larger if the NSS (National Skill Standard) and NTT (National Trade Test) systems that are currently under discussion are actually established. Furthermore, it is also expected that the position of this center in the construction industry will be established, leading to a higher self-development by means of providing the industry with paid retraining courses.

### **Improvement of the Open University**

Due to insufficient budget distribution of the Sri Lanka Government, and obscure positioning of the audio-visual learning materials in the education system, use of facilities/materials and audio-visual materials is not adequate, which necessitates further improvement. It is desired that continuous monitoring be implemented on its performance and utilization so that measures such as review of the system can be examined as necessary.

### **Primary and Junior School Facilities Improvements**

Daily maintenance system including cleaning with involvement of local residents is established well. However, matters that cannot be dealt by daily maintenance such as facility repair requires regular inspection and acquisition of budget.

## **4.2.5 Improving Health / Medical Services**

### **(1) Overview of Evaluation Results**

The six programs targeted for evaluation in the health and medical services area were generally implemented efficiently except for one portion, and it was confirmed that they had largely produced the anticipated outputs. The overviews of the evaluation results for each of the programs targeted by the individual project/program evaluations are as follows.

#### **● Faculty of Dental Sciences - University of Peradenia**

The program was aimed at boosting the capabilities and technical skills of dental faculty instructors, and this objective was successfully achieved. Additionally, the program is acclaimed in that the Faculty of Dental Sciences and teaching



universities used the abilities and technology that were mastered to carry out activities such as domestic seminars for postgraduate education and lifelong education programs, thus contributing to the capabilities of persons involved in dentistry in Sri Lanka. At the same time, however, there remains a scope of improvement in terms of management. Although the Ministry of Higher Education and the Ministry of Health are involved in budget allocation and organizational systems as decision-making organizations, coordination and cooperation between the two ministries are lacking, and the program is rated as being inefficient. Appropriate steps should be taken early on to solve this problem, such as establishing a “Board of Management” to make decisions.

- **Medical Research Institute**

As a result of support provided in both “hard” and “soft” aspects through grant assistance and technical cooperation, the Medical Research Institute (MRI) has established itself as a comprehensive organization encompassing medical research, testing and education, and is equipped with modernized equipment befitting its ranking as Sri Lanka’s most prominent national medical university research institute. As a result, striking improvements and changes for the better have been attained in its diagnosis, education, and reference functions. Although the Institute functions adequately as a diagnostic center and an educational center for related technologies, further improvement is expected when it is actually overwhelmed on a daily basis with running tests, and almost no research is being carried out.

- **Strengthening of the system for maintenance and control of medical supplies**

Through the refurbishment of facilities, disposition of workshop materials, and dispatch of experts in the repair of medical equipment made possible through grant assistance, more than 90% of the repairs have been completed, and the program objectives have largely been fulfilled. Although there were some problems at the implementation stage, such as the start of the program being delayed for four years because of factors such as changes in plans for the dispatch of experts and the selection of full-time counterparts, outputs were produced largely as expected. Also, technical cooperation is considered to have had a strong impact on the program, leading to fortification of the program effects including self-implementation of third-country training. In the future, the position of the facility as a training center for neighboring countries will be strengthened even further, and autonomous expansion and development can be expected.

- **Nursing education**

A shortage of nurses is a serious problem in the area of health and medical services, and this program, aimed at establishing and running a model school for basic nursing education, played a large role in the area. Although the program itself was implemented as planned on the whole, through the efforts made by experts and others involved in it, there are many remaining problems with the efficient cultivation of nurses, such as eliminating a shortage of educators, improving the practical training program, improving the quality of education, and establishing a higher status for nurses, and more cooperation is anticipated in solving these problems.

- **Information systems**

In order to suppress population increases, enormous efforts have been made to implement and encourage family planning for past years, but there has been a shortage of accurate population information and in the prompt provision of information, and the usage system has not been sufficiently organized, making it difficult to formulate effective population policies. Although the domestic security situation was an obstacle when this program was implemented, the transfer of technology involving the building of data and information systems was largely achieved as planned. However, the computer processing of population census survey results and the creation of a database planned for implementation in 1991 as part of a comprehensive technology transfer under this program were not implemented because of cancellation of the census. It is unfortunate that opportunities to utilize the transferred technology were lost.

- **Rural hospitals**

From 1980 to May 2002, health and medical service policies in Sri Lanka were basically aimed at building up primary health care, and one of the top priorities was expanding the target range of medical services, and strengthening the quality of those services, emphasizing the correction of disparities between regions. The implementation of this program, by refurbishing equipment and materials and putting them to effective use, contributed to expanding the medical services available at the target medical facilities and strengthening the quality of those services, so that testing and medical services formerly not possible can now be carried out. However, there continue to be disparities among regions in the medical situation of residents and in the medical services available, and further efforts will be required to improve the situation.

Overall evaluation of the six programs can be summarized as follows. In all six of them the objectives were mostly attained and technology transfer effects have also been observed. It is evaluated therefore that the JICA programs have made contribution to human resource development, facility and system extension and expansion and reinforcement of administrative and institutional capacities in the health and medical services field. On the other hand, as regards impact and independent development, points that need improvement were identified in half of those programs: information processing systems are not being made full use of; medical research facilities are not engaged in research activities to the extent expected; the nurse education program is saddled with problems regarding efficient training of nurses. Although such problems are generally due to external factors, further efforts are needed for the sake of more effective utilization of facilities and systems.

## **(2) Lessons learned and recommendations**

Some lessons and recommendations were obtained through the evaluation of individual projects (see the Annex for full information). The highlight of the lessons learned and recommendations is provided below.

### **<Lessons learned>**

#### **Necessity for Technology/Knowledge Transfer Related to Management Enhancement**

In order to use the facilities and devices provided by grant assistance effectively and continuously, assistance to perform medical technology transfer, repair of medical devices, and management instruction has been implemented through project-type technical assistance. However, in the “Rural Hospitals Program,” the fact was pointed out that trash separation was not thoroughly being done when the provided garbage incinerator was used. This is a problem that originates in insufficient knowledge about basic hospital management. Therefore, it is surmised that sufficient attention is given to transferring technology/knowledge about daily management of the facility/material, and that incorporation of Facility Management program should be considered in some cases of the type of projects (programs) that provide facility/materials.

#### **Sufficient Prior Survey is Critical**

“Information System Program” is an example that did not function well due to mismatch with the establishment of communication infrastructure in Sri Lanka even though a network system in which the central agency and local branches are connected via communication modems. In order to prevent such inconvenience, it

is critical that sufficient prior survey is made in relation to the project's circumferential environment.

### **Development of Relationship with Other Organizations**

It is extremely useful and advantageous to conduct joint research or information exchange, etc. with foreign organizations in order to ensure self-development and continuance of research after the project is completed. It is desired that efforts to develop good relationship with other organizations shall be made with anticipation of joint research after completion, from the stages of project planning and implementation.

### **Cultivation of Ownership by Introduction of Participation-Type Methods**

In the "University of Peradenia Faculty of Dental Sciences Program," participation-type planning method was adopted at project formation, and the core staffs were appointed under the dean of Dental Sciences, who is the general supervisor to co-develop the plan. The fact that ownership was fostered from the early stages deserves special noting. PCM Planning Process was adopted by the unit of college, department or division, and university faculty participated in planning positively for appropriate input and timing, which led to efficient achievement of the project. Furthermore, consistency was added to the planning factors such as facility scale, details, devices and technical assistance by creating the project with assumption of combination between grant assistance and technical assistance from the stage of prior survey. This is an important factor in achieving the outcomes. The significance of clarifying activities using PCM method also seems to have played a large part in terms of the activities by the experts from Japan.

### **Cultivation of Counterpart Proficiency and Confidence by Sabbaticals in Third Nations**

Implementation of sabbaticals in second or third nations by the counterpart was a shift in position from receiving technology transfer to giving technology transfer, which contributed to cultivation of their proficiency and confidence.

### **<Recommendations>**

#### **University of Peradenia Faculty of Dental Sciences**

The instability factor for the self-development is the fact that the management of education hospital is complex in terms of both budget distribution and management with the involvement of the Ministry of Education & Higher

Education and the Ministry of Health, leading to hindrance of hospital management. To solve this problem, urgent establishment of management council, currently under process, is desired. Rapid increase in the number of patients has become a large burden in ensuring education as well as service quality as well as on financial aspect. The number of patients has increased as lesser hospitals are facing dilapidation and shortage in devices/materials, and that patients directly concentrate on the tertiary facility with good facility equipment. It is the first order of business to normalize the referral system functions to solve this problem, and it is desired that countermeasure policies be developed and resource appropriately distributed.

### **Medical Research Institute**

Since the amount of testing business is outstandingly large among testing, education and research, which are the main functions of MRI, the employees are tied up in this business and this is a factor for inhibiting research activities. It is desirable that examination of possibilities to divide the diagnosis business by establishing a branch room for MRI and devolve or relegate the businesses other than assay, diagnosis related to assay and research to other entities. It is surmised that establishment of a branch room will reduce the financial burden as well as management of MRI as a public organization, leading to promotion of MRI's self-management.

### **Strengthening the System for Maintenance and Control of Medical Supplies**

It is desired that the referral system for medical equipment provision should be established with BES at the top. While maintenance/management of medical equipment consists of two types, we recommend that daily inspection/repair and large repair, the former should be conducted by establishing a workshop in each hospital to take charge of daily inspection and first-aid type simple repair and the latter should be deal by establishing a system in which BES specially handles the repair requiring high technology. In addition, further efforts are expected for enhancement of medical equipment personnel training service to include surrounding nations, since it will also lead to higher technical levels of BES employees and higher morale.

### **Nursing Education**

As to the field of health and medicine, it is the top priority issue that the nurses are given public position as experts to play an important role in supporting the health of citizens instead of simple assistants to doctors, and that human resource development is made to achieve it.

### **Information Systems Program**

Computers are devices with frequent model changeovers, and it is required that budget is ensured for updating. In addition, further lucubration related to survey technology including knowledge/skill improvement for better survey methods or higher data accuracy is expected in addition to technique for handling computers.

### **Rural Hospitals**

Although devices were procured, budget sufficient for maintenance and management is not distributed. Therefore, continuance of medical services is intervened as in shortage of necessary consumables, etc. It is desired that the Ministry of Health should review the budget distribution plan and give sufficient budget.

#### **4.2.6 Evaluation as Regards the Poverty, Gender and Environmental Issues**

Although it can be said that all of the projects of the JICA cooperation programs of the 1990's ultimately addressed reduction of poverty, in this evaluation study none of the programs have been found to have had mitigation of the poverty of particular social strata or particular regions as a program goal. But that does not mean that the projects that JICA has been carrying out have not actively worked for solution of the poverty problem. Rather, it should be considered that since it was not until the mid-nineties that reduction of poverty became recognized as an important policy issue, we have not yet seen completion of any projects explicitly perceiving this importance, and therefore this evaluation study has not covered this aspect.

In individual project/program evaluation there has been explicit recognition of environmental impact in three projects. In the Greater Colombo Area Refuse Disposal Improvement Program strengthening of door-to-door collection of garbage has incurred less garbage left out on the streets for a long time, thereby improving street sanitation conditions. Thanks to establishment of the Plant Genetic Resources Center (PGRC), they say that loss of rare plant genetic resources of main plants has come to an end. The Gampaha Rural Development (Phase-II grant aid) project has largely contributed to improvement of the living environment of the residents of the area through construction of 18 bridges. Furthermore, a big improvement effect regarding the gender problem has been noted in the Gampaha Comprehensive Rural Development project. In this project, participation by women in the activities of "agricultural production activity groups" has heightened social activity awareness on the part of women. One of the 13 groups has been formed entirely by female membership, and in some of the others women have assumed actual control.