

Chapter 6

Conclusion and Lessons
Learned/Recommendations

CHAPTER 6 CONCLUSION AND LESSONS LEARNED / RECOMMENDATIONS

In the Country Program Evaluation conducted, projects implemented during the 1990s that had a high level of connection were bundled as programs (project groups) which were evaluated from a standpoint of five items (individual project/program evaluations). Additionally, looking back over the status and outputs of development that took place in the 1990s in five areas of priority, an analysis and evaluation were conducted in each of those areas to ascertain the relevance of assistance implemented by JICA, and to what extent JICA made contribution to the development policy objectives at that time by the results of that assistance (sectoral evaluations).

Through comprehensive evaluation of the results attained by these two evaluation approaches, the following lessons learned and recommendations were identified.

6.1 Summary

In the 1990's JICA's efforts were initially concentrated on 5 priority areas, and the areas of poverty and environment were added as new priority areas in the latter half of the decade. Let us now briefly examine whether or not those priority areas of JICA's efforts were congruent with Sri Lanka's core development areas. Sri Lanka's development was carried forward throughout the decade under two 5-year plans. With "to become an economically advanced and prosperous nation" as the overall goal, those two plans concentrated on the strategic goals and priority areas indicated below.

Chart 6-1-1 : Structure of Sri Lanka's Five-Year Programs during the 1990s

Development Goals	1 st half of '90s	2 nd half of '90s
Overall Goals	To become an economically advanced and prosperous nation	Same as in the left
Strategic Goals	<ul style="list-style-type: none"> ① Accelerating economic growth ② Fair distribution of benefits of economic growth 	<ul style="list-style-type: none"> ① Same as in the left ② Same as in the left ③ Ensure higher quality of life for all
Priority Areas	<ul style="list-style-type: none"> ① Industrial promotion ② Economic infrastructure ③ BHN infrastructure ④ Transport ⑤ Social infrastructure 	<ul style="list-style-type: none"> ① Social infrastructure (education & health) ② Poverty alleviation ③ Environment ④ Rural infrastructure

Source: Public Investment Program (1995-99)

The 5 priority areas of JICA were in agreement with the core areas of Sri Lanka's 5-year plans, and when in the latter half of the nineties Sri Lanka adopted the strategic goal of further improvement of the standard of living of its people, it identified poverty and the environment as additional core areas. As mentioned above, JICA acted in accordance with such change. Thus, it can be said that it was appropriate for JICA to adopt those 5 priority areas, as they were in line with Sri Lanka's development policy.

To follow is a summary of the result of sectoral evaluation.

First of all, it can be said that the JICA assistance projects in each sector were relevant. They are positioned as appropriate means of assistance for attaining all the policy objectives and program purposes listed in the development policy objectives tree for each sector, and JICA's assistance policy can be considered as to perfectly comply with Sri Lanka's development policy. Furthermore, as shown in Chart 6-1-2, it can also be said that good coordination and division of niches with other donors was attained in many areas and sectors, and hence JICA has been able to practice its originalities and advantages with providing distinctive assistance and support in areas where it has comparative superiority. In the economic and social infrastructure sector it has provided assistance in areas where it is particularly competent, such as roads and bridges and power transmission and distribution, while it contributed to development of urban infrastructure by concentrating on ports and harbors, water supply and sewer facilities, treatment of wastewater, refuse disposal, low-income housing, etc. in the Greater Colombo Area. In the telecommunication area Japan has made a big contribution on the hardware side, thereby influencing subsequent participation of Japanese capital in

the privatization process. In the agricultural area it has been deeply involved in the Mahaweli Development Project, and in the manufacturing industry area it has contributed to promotion of exports. It has made a distinctive contribution to higher education in the education area, and to raising the level of dental medicine in the health area.

Furthermore, JICA's assistance has been effective in helping each area achieve its development objectives. In the area of the building and improving economic and social Infrastructure, to which more loan assistance on the part of the Japanese Government was directed than any other area, development studies by JICA generally played a guiding role in JBIC loan assistance. Moreover, in the broadcasting (television) field that is one of the sub-sectors in the building and improving economic and social infrastructure sector, combining grant assistance provided by the Japanese Government with technical cooperation by JICA produced significant results. In the development of mining and manufacturing industries sector, as well, development studies played a significant role and technical cooperation and loan assistance were carried out along the lines indicated by the studies, contributing to the promotion of exports, in particular. In the development of agriculture, forestry and fisheries sector, technical cooperation by JICA was combined with loan assistance in diverse divisions such as agriculture and farming, fishery and irrigation, and assistance was provided over the long term, producing definite results. Also, in the education and human resources development and improving health/medical services sectors, although loan assistance involving the procurement of facilities and materials/supplies comprised a large part of the financial assistance provided by the Japanese Government, the contribution made by JICA in the form of education and training of human resources such as teachers, doctors and nurses also deserves special mention.

Thus, cooperation by JICA in the 1990s, in general, contributed to the development and growth of Sri Lanka through loan assistance and grant assistance in combination.

As for individual project/program evaluation, it can broadly be summarized as follows. Both in the implementation stage and at the time of evaluation all of the programs have been in line with the needs and hence been relevant. Moreover, the implemented projects have had high degree of attainment of goals and good efficiency of implementation, producing favorable impacts that were simultaneously enhanced by unexpected positive effects. As for sustainability, although sustainability has been fairly well established in the technical, organizational and institutional aspects, many of the projects have problems on the financial side. The technology transfer effect has for the most part been good, and the technical assistance has been significant as a whole. In terms of overall evaluation, JICA's assistance can be referred to as a success.

Chart 6-1-2 : Operations of Major Donors in Sri Lanka

Donor	Sector/Infrastructure					Finance and Industry	Agriculture	Education	Health	Environment
	Transport	Energy	Telecom	Urban Devt./Housing	Water & Sani.					
Multilateral										
World Bank	<ul style="list-style-type: none"> Private sector infrastructure devt. Sector restructuring 	<ul style="list-style-type: none"> Renewal energy Energy conservation Sector restructuring 	Privatization	<ul style="list-style-type: none"> Housing and environmental improvement for the poor in urban areas 	<ul style="list-style-type: none"> Community water supply Colombo wastewater 		<ul style="list-style-type: none"> Land market devt. Non-plantation agriculture 	<ul style="list-style-type: none"> General education 	<ul style="list-style-type: none"> Support for Govt. Health Reform Program 	<ul style="list-style-type: none"> Urban pollution Environmental Action Plan
ADB	<ul style="list-style-type: none"> Roads Colombo Port Southern Transport Corridor 	<ul style="list-style-type: none"> Restructuring of sector institutions Transmission and distribution Rural electrification 	Restructuring of sector institutions	<ul style="list-style-type: none"> Small urban infrastructure Low income housing 	<ul style="list-style-type: none"> Sector reform (water and sewage) 	<ul style="list-style-type: none"> Public enterprise reform Capital market devt. 	<ul style="list-style-type: none"> Plantation reform Devt. of perennial crops Rural area devt. 	<ul style="list-style-type: none"> Tertiary education Skill devt. 		<ul style="list-style-type: none"> Forestry management Coastal management
UN	<ul style="list-style-type: none"> Provincial road feasibility 						<ul style="list-style-type: none"> Uva province income and employment 		<ul style="list-style-type: none"> Humanitarian assistance in civil conflict areas 	<ul style="list-style-type: none"> Masterplans for protected areas Wildlife
Bilateral										
Japan (JICA /JBIC)	<ul style="list-style-type: none"> Roads and bridges Colombo Port 	<ul style="list-style-type: none"> Hydropower Transmission and distribution Rural electrification 	Nationwide telecommunication	<ul style="list-style-type: none"> Drainage in Colombo Waste disposal Low income housing 	<ul style="list-style-type: none"> Water and sewerage for the poor in Colombo 	<ul style="list-style-type: none"> Export promotion plan Industrial infrastructure 	<ul style="list-style-type: none"> Mahaweli devt. 	<ul style="list-style-type: none"> Educational infrastructure Open univ. Educational facilities and materials in unis. 	<ul style="list-style-type: none"> Peradeniya Univ. Nursing education 	<ul style="list-style-type: none"> Pollution abatement technology
Germany	<ul style="list-style-type: none"> Railway bridges 	<ul style="list-style-type: none"> Thermal energy Rural electrification 			<ul style="list-style-type: none"> Localized water supply and sanitation Restoration of Jaffna water supply 	<ul style="list-style-type: none"> Assistance to SMEs Private sector infrastructure fund 	<ul style="list-style-type: none"> R&D Farm mechanization Livestock 	<ul style="list-style-type: none"> Technical and vocational education Rehabilitation of education facilities in Jaffna 		<ul style="list-style-type: none"> Pollution abatement technology Watershed management Coastal protection masterplan
US (USAID)						<ul style="list-style-type: none"> Capital markets devt. and technology improvement 	<ul style="list-style-type: none"> Private, agro-based enterprises 			<ul style="list-style-type: none"> Pollution abatement technology
UK (DFID)					<ul style="list-style-type: none"> Private participation in Colombo water supply 			<ul style="list-style-type: none"> Primary education 		<ul style="list-style-type: none"> Forestry management Pollution abatement technology
Netherlands (DANIDA)	<ul style="list-style-type: none"> Railway communication and signalling 						<ul style="list-style-type: none"> Agro-forestry devt. Plantation workers 			<ul style="list-style-type: none"> Forestry management Wetland conservation
Norway (NORAD)		<ul style="list-style-type: none"> Hydropower Transmission 			<ul style="list-style-type: none"> Collaboration with ADB 	<ul style="list-style-type: none"> Assistance to SME's 	<ul style="list-style-type: none"> Plantation workers Fishery in northern and eastern areas 	<ul style="list-style-type: none"> Strengthen the Vocational Training Authority 		
Sweden (SIDA)	<ul style="list-style-type: none"> Roads Southern Transport Corridor 					<ul style="list-style-type: none"> Financial sector devt. 				

6.2 Lessons Learned and Recommendations Concerning the Formation and Implementation of Cooperation Programs and Projects

A total of 25 cases (programs) were evaluated from the standpoint of the five evaluation items and the effectiveness of technology transfers, and it was confirmed as a result that, on the whole, there were no particular problems with any of the programs, and definite results are being produced as of the present. (For detailed results see “individual project/program evaluations report” as a separate-volume.)

This section summarizes the lessons learned and recommendations made through the individual project/program evaluations, with the aim of providing feedback to JICA and to the governmental organizations working with JICA. “Lessons learned” refers to items that should be referenced by JICA when formulating and implementing similar projects and programs in the future (contents concerning items to be learned by JICA itself), whereas recommendations involve notifying the governmental organization working with JICA if any kind of an irregularity or problem was observed in a project (program) that was evaluated, and presenting a request for specific countermeasures (advice from JICA to the country working with it).

(1) Lessons Learned

The following table shows lessons learned from the outputs of the individual project/program evaluations.

Chart 6-2-1 : Lesson Learned from individual project/program evaluations

Area	Contents of lesson learned
Building and Improving Economic and Social Infrastructure	<ul style="list-style-type: none"> ▪ Combining different schemes should be encouraged. ▪ (At the study and planning stage) External conditions need to be sufficiently confirmed. ▪ Dialogue and sharing of information with international organizations and donor countries are important. ▪ (Starting from the study and planning stage) The maintenance and management system for after completion of the project should be sufficiently confirmed. ▪ Participatory-style project formation, planning and implementation are effective.
Development of Mining and Manufacturing Industries	<ul style="list-style-type: none"> ▪ Continuing project support is effective (however, caution should be exercised to avoid encouraging dependency on the part of organizations in the beneficiary country). ▪ (At the study and planning stage) It is important to make sure that external conditions are sufficiently organized and analyzed. ▪ When a certain industry is being promoted on a long-term and strategic basis, support should be provided in a “package” format that incorporates funding supply programs and other programs in addition to technical cooperation. ▪ It is important to encourage autonomy and ambition on the part of private entities. ▪ Support for small- and medium-sized companies which make up the bulk of the industrial sector should be a focus. ▪ (From the standpoint of balanced development of the country) Decentralization of factory sites should a focal point if possible.
Development of Agriculture, Forestry and Fisheries	<ul style="list-style-type: none"> ▪ Finding ways that principal aid organizations (WB, AsDB) can work together is a necessary condition. ▪ Tying together (combining) schemes that JICA can provide is effective. ▪ Efforts should be made to specify the project purpose clearly. ▪ If possible, beneficiaries should be involved from the initial stage when formulating the project. ▪ At the project formation stage, it is important to ascertain future sustainability (in particular, the ability of the beneficiary to conduct ongoing maintenance and management). ▪ Employing the same leader from planning to implementation is effective.
Education and Human Resources Development	<ul style="list-style-type: none"> ▪ From the standpoint of sustainability, an awareness of the local residents should be maintained when formulating the planning. ▪ (Until now, support has consisted primarily of “hard” components, but) Providing “package-style” support that combines the “hard” and “soft” elements boosts the sustainability and is therefore an effective approach.
Improving Health / Medical Services	<ul style="list-style-type: none"> ▪ It is important to transfer technology and knowledge concerning the operation and management of hospital facilities (not just medical service technology). ▪ Carrying out adequate advance studies is critical in terms of the peripheral environment of the project. ▪ (When organizations related to research and development are involved) If possible, elements concerning networks with overseas organizations should be studied from the planning stage. ▪ Formulating planning using a participatory-style approach is effective in encouraging a sense of ownership from the initial stage. ▪ Second- and third-country training is effective in raising the abilities and confidence of the counterpart.

There are a lot of lessons to be learned from evaluation of the different areas. Taking together the lessons learned from the evaluation of the different sectors and those learned from the evaluation of the individual projects, the lessons learned in this country program evaluation can be summarized as follows.

Project Formation Stage

① Importance of Policy Discussions

Many of the JICA projects discussed have been formed and adopted in the form of follow-up of the policy of the Sri Lankan side. But one also has to recognize cases in which change in policy on the Sri Lankan side has resulted in diminishing of the effect of JICA's assistance. For example, the evaluation of support in ports and harbors, telecommunications and other M/P formulation is that it ended up being insufficiently effective as a result of changeover to the policy of privatization (in evaluation of the individual projects that is presented as change in external factors). Regarding the study on the "Master Plan Study on Industrialization and Investment Promotion in Sri Lanka," it is thought that the study policy and approach would have been different if there had been discussions in greater depth concerning policy regarding different industries. Nor can it be denied that as a result of lack of discussion concerning how to best allocate the limited resources, allocation to different projects turned out to be unclear as to relative justification. These outcomes have taught us a lesson as to how very important policy discussions are. In view of the unfortunate fact that there has not been sufficient participation in policy issues by the dispatched experts, we think that more study should be given to what the situation should be regarding policy discussions, including offering of policy advice by experts¹.

② Importance of Sector Strategy Studies

The World Bank, ADB and other international organizations are carrying forward project/program-level assistance while studying clarification of development objectives, priorities and working strategies through implementation of sector review/strategy studies after carrying out a country review. Furthermore, on the basis of sector strategy studies they are intervening in policy for each different sector. On the other hand, the general approach of JICA's assistance is project positioning in the sector starting from individual projects (M/P studies, however, starting from the sector). Because of that, project planning goes ahead without any clear project positioning in the sector or sector strategy. For example, the study on

¹ Please refer to footnote 3) in Chapter 4, p.4-14.

improvement of the Galle Port has been carried out without having adequately considered the development strategy of the port and harbor sub-sector, and that the role of the port has still not been articulated. Take, again, the Gampaha Rural Comprehensive Development Project. It was taken up in a spot fashion without consideration of rural development strategy in general, and it is therefore considered in this evaluation to be not suitable for serving as a model for elsewhere. From such a viewpoint one can appreciate that it is extremely important for the sake of achieving effectiveness of assistance that a sector strategy study be carried out before starting individual projects. It is concluded therefore that sector strategy studies are also important in connection with the above-mentioned policy discussions.

③ Up to now JICA assistance has been carried out on the basis of requests received.

Particularly, grant aid projects have been considered without sector strategy studies. Because of that there have been cases of projects being implemented without having adequately considered their priority, scale, connection with related areas, etc. On the other hand, there are also examples of carrying out of M/P studies for formation of grant aid projects (such as the Bridge Reconstruction Study). Although priority is clear in the case of formation of projects on the basis of an M/P study, doubts remain as to whether or not cost performance is high. Of course, it is not possible to carry out a M/P for each project, but we do think that it is important, in case of not having any M/P study or sector strategy study implemented, to carry out a project performance study for adequate study and consideration of policy concerning and ways of going about addressing the task at hand.

④ Importance of Coordination Among Donors

As already mentioned, the World Bank, the ADB and other international organizations are more actively intervening at the policy level (the policy objectives and program purposes level in the policy objectives tree indicated in the section on evaluation of different sectors). If JICA's assistance intervenes at the project level, great importance will have to be attached to exchanges of views with international organizations intervening at the policy level, and if JICA cooperates in M/P studies, it will be necessary to have policy discussions at the M/P level. Furthermore, not all of the programs and projects proposed in JICA M/P studies can be handled by the Japanese side alone. Even when other donors are carrying out assistance in a sector in which JICA is also doing so, it is even more important that donors coordinate with each other. We believe that it is important to further strengthen coordination among donors in the JICA project formation stage and study

implementation stage. Considering also the fact that the period of stay in the country in question in the project formation and study implementation stages is of a limited length, it is also essential that the JICA office constantly strive for close cooperation and coordination with other donors.

⑤ Clear Identification of Assistance Goals

In the different JICA assistance projects the goals thereof are stipulated as those of formulating the project (in a development study) and building the facilities (grant aid). That is setting of output. On the other hand, in evaluation what is sought is evaluation of not only output but also outcome. For evaluation of outcome it is necessary that the assistance goals that have been set be in line with the outcome. Furthermore, in order for evaluation to be possible in outcome it is also necessary that there be setting in the study stage (development study and basic design study). Because of that, we recognize the need to study and consider the outcome to be set, the indicators for evaluation and the methods of evaluation in the short period of implementation of the basic design study for the grant aid.

⑥ Efforts Toward Program Formation

If the goals of the assistance are set in terms of outcome, not only the project in question but also combination with other projects is needed in order to achieve that outcome, which means that it is necessary to seek program formation. In this evaluation study the term "program" is used to mean a combination of development study, grant/non-grant aid, dispatching of experts, etc. as an object of evaluation (it probably would be better to call that "packaging" than "programming"), but it will probably become necessary as well to have programming as combining of projects across lines dividing sectors and areas. For example, a possible idea is that of combining, for instance, the "Greater Colombo Area Refuse Disposal Improvement Project" and the "Nationwide Power Transmission Development Project" with the "Television Broadcasting Development Project" for implementation of campaigns for reduction of volume of refuse and sparing consumption of electricity (which would have the result of providing support to the "Television Broadcasting Development Project"). We think that more and more importance should be attached to such programming in order to enhance the effectiveness of assistance.

⑦ Efforts Toward Formation of Private Business Undertakings

In assistance in the economic infrastructure sector, too, which is covered by this evaluation study, assistance that has been affected by privatization in the areas of telecommunications, electric power and ports and harbors has been pointed out. It is not a matter of whether privatization itself is a good thing or not. Rather, it is a problem that has to be addressed and coped with in a positive manner. We believe that something that is the other way around will come to be sought—i.e. keeping in mind eventual promotion of projects as private business undertakings in providing development study assistance and taking up the theme of encouraging Public-Private Partnership. In other words, we believe that it is desirable to also actively work for assistance in the direction of launching private business undertakings while bearing in mind the respective contributions that can be made by the public and private sectors toward that end.

Implementation Stage

① Posture of Thinking in Terms of Businesses

Throughout this evaluation study it has been pointed out that many JICA grant aid projects are faced with financial problems on the economic operational side. In project-type technical assistance, too, some projects are finding it difficult to keep going after termination of JICA assistance. It is thought that such problems may be due partly to the fact that the goals are furnishing of facilities and furnishing of services for a certain period of time. Even in grant aid projects, if one thinks in terms of the projects being a business undertaking, it becomes necessary to work in tune with that on the operational side. On the basis of this way of thinking the logic that in the case of a grant aid undertaking the services provided in it should also be free of charge is not appropriate. It should be recognized that it is necessary to consider measures to make it possible for the project to develop into a viable business undertaking, including things like collection of fees from beneficiaries to cover operating and maintenance expenses.

② Fostering of Ownership Awareness

It has been pointed out in this evaluation study that in the case of some of the projects covered by it there is still insufficient consciousness of ownership on the Sri Lankan side in grant aid assistance and project-type technical assistance. For instance, it has been pointed out that limitations have arisen on the operational side in the "Plant Genetic Resources Center Project" as a result of the transfer from central control to control by organization lower in the hierarchy. Then again, the operational side has been detracted from in

the "Gampaha Rural Comprehensive Development Project" as well after transfer of purview over it to the provisional government. It is also reported that farmers production group activities in that project are just marking time instead of continuing to move forward. Although that kind of thing may also be partly due to the shortness of basis design studies in grant aid projects, we think it is essential to enhance ownership awareness through measures such as promotion of participatory development.

③ Promotion of Participatory Development

In connection with the above-mentioned fostering of ownership awareness, it is also considered necessary to attach more importance to participatory development in implementation and operation of projects as business undertakings, it is particularly essential in areas like rural development. It is pointed out regarding the "Gampaha Rural Comprehensive Development Project" that the fact that things were slow to get moving and the fact that not much progress is being made in organization of farmers production groups have been due to lack of joint awareness of the "bottom-up" method of extension. In that connection it can be said that socialization, including community-based organization (CBO), is essential in rural development.

On the other hand, the "Mahaweli Agricultural Development Project, System C" (JBIC) is being implemented on the basis of participatory development. It is considered to be desirable to further study and consider how best to go about participatory development in rural development using such cases for reference purposes. It should be realized, however, that it takes input and time to carry forward participatory development.

④ Importance of Capacity Building

In this evaluation study it has been concluded that progress has been made in building the capacity of personnel on the Sri Lankan side through project-type technical assistance, particularly in view of the large number of project-type technical assistance projects covered by this study. However, there has not necessarily been attainment of a satisfactory level of technology transfer and capacity building through assistance in development study projects and grant aid projects that do not involve project-type technical assistance. Although one of the stated goals of development studies has been that of working for technology transfer, the fruits in that regard can be considered not necessarily to have been adequate. (In this evaluation study it has been determined that it is difficult to adequately evaluate the technology transfer effect of development studies.) Furthermore, there has not been adequate evaluation of the extent to which sending of individual experts has borne fruit in terms of capacity building. Although this evaluation study has not provided adequate

support of such an assertion, we still believe that it is necessary to give more consideration to possible measures for realization of assistance that puts more emphasis on capacity building.

⑤ Longer-Term Type Assistance

Project-type technical assistance projects and projects with dispatch of experts are assistance of the longer-term type in which there is more time to work on achieving objectives like capacity building. On the other hand, development studies are assistance of the short-term type with limited scope of activities. In contrast to both those types of assistance, GTZ, USAID and other donors provide assistance through even longer local presence during which there is plenty of time to work on study programs. Depending on the particular task involved, it will probably become advisable to have a more flexible approach in which adoption of such longer presence is also possible. For instance, regarding the "Gampaha Rural Comprehensive Development Project," the M/P of which was formulated in 1987 and which saw implementation as a grant aid project in 1989-94, it is surmised that the project would have been effective earlier and to a greater extent if along with the M/P there had been implementation of community-based organization (CBO) through long-term local presence.

(2) Recommendations

The table below outlines the recommendations gained from the results of the individual project/program evaluations for each program.

Chart 6-2-2 : Recommendations gained from individual project/program evaluations

Area	Name of Evaluated Program	Contents of Recommendations
Building and Improving Economic and Social Infrastructure	Development of Television Broadcasting	Management stability through the efforts of the SLRC to help itself, financial support measures by the government as necessary, and paid campaigns
	Development of the Telecommunication Networks	No particular recommendations
	Construction of Mahaweli Road Bridge	Completion of procedures for transfer of authority early on, and improved communication and collaboration between the related ministries
	Reconstruction of Bridges	Early dismantling of the old bridge which is thought to present problems with safety
	Development of the Transmission System	Improved operation, maintenance and management of power transmission operations, and expansion and improvement of base load power generation
	New Colombo Port Development	Stabilization and increased competitiveness of the port sector through privatization
	Improvement of Refuse Disposal Management in Colombo Metropolitan Area	No particular recommendations
	Improvement of Drinking Water Supply in Rural Area	No particular recommendations
Development of Mining and Manufacturing Industries	Computer Center	No particular recommendations
	Industrialization and Investment Promotion	No particular recommendations
	Quality Improvement of Textile and Clothing Products	No particular recommendations
	Foundry Technology Development	No particular recommendations
Development of Agriculture, Forestry and Fisheries	Integrated Agricultural Development in Mahaweli District	Implementation of policies concerning ongoing development of testing and exhibition activities
	National Plant Quarantine Services Institute	Early response to recommendations indicated in the evaluation when repairs were completed (strengthening the organization system, establishing a foundation for plant quarantine), and strengthening the inspection and refurbishment system for machinery and equipment
	Center for Plant Genetic Resources	Clarification of the positioning of the management organization, and strengthening of human resources
	Integrated Rural Development Project in Gampaha District	Strengthening of guidance, etc. in technology and management for agricultural production groups, and expansion of the groups
Education and Human Resources Development	Improvement of Junior Schools	Establishment of a system of periodic inspections by regional governments, and assurance of budgets for facility repairs and upkeep
	Improvement of Open University	Monitoring of the operation and usage of materials and equipment, and reviewing the educational systems as necessary
	Construction Equipment Training Center	Assuring the necessary operation, maintenance and management budgets and strengthening the organizational system

Improving Health/ Medical Services	Rural Hospitals	Assuring a sufficient budget for operation, maintenance and management
	Information System	Assuring a budget for renovating equipment, and stepping up studies of surveys and technology
	Medical Research Institute	Consignment and transfer of authority for (separation from) testing operations and creating an environment that allows concentration on research work, which is the essential purpose of the Institute
	Faculty of Dental Sciences - University of Peradeniya	It is critical to find ways to consolidate organizations that govern operation, maintenance and management, such as by establishing Operation and Management Councils, and to establish a referral system for medical services as a whole in Sri Lanka
	Nursing Education	Improving the official status of nurses, and assuring and cultivating human resources involved in education
	Medical Equipment Maintenance and Management	Establishing a referral system involving the refurbishment of medical equipment, and actively implementing third-country training

Each individual recommendation must indicate specific feedback for the relevant organization(s) of the partner country concerning the various projects (programs). The purport and contents of the recommendations are to improve the impacts produced and to strengthen the operation and maintenance and management aspects of the project, but where some of them may be viewed as applicable in individual project units, others must go beyond the project range and be incorporated into the overall sector administration.

6.3 Recommendations Concerning Future Direction of Aid

(1) Directionality of JICA assistance for each sector

JICA assistance to Sri Lanka in the 1990s was implemented in five priority areas, based on the Country Program for Sri Lanka. Potential JICA assistance which are derived from sectoral evaluation are as summarized in the table below. Recommendation are presented in 26 items (consisting of 14 for the economy and social infrastructure sector, 3 for the mining and manufacturing sector, 5 for the agriculture, forestry and fisheries sector, 2 for the education sector and 2 for the health and medical services sector.) It is recommended to study these possibilities further and develop them into project implementation plans.

Chart 6-3-1 : Directionality of future support derived from sectoral evaluations

Area/Sector	Directionality of Future Support	Specific Incorporation Policies, Etc.	
Building and Improving Economic and Social Infrastructure	Roads	<ul style="list-style-type: none"> ▪ Improved traffic access in rural agricultural areas 	
		<ul style="list-style-type: none"> ▪ Focus on northern and eastern areas 	
	Railroads	<ul style="list-style-type: none"> ▪ Technical assistance concerning railroad management 	
		<ul style="list-style-type: none"> ▪ Focus on northern and eastern areas 	
	Ports	<ul style="list-style-type: none"> ▪ Development of local ports 	
		<ul style="list-style-type: none"> ▪ Small-scale port renovation programs 	
	Airports	-	-
	Power	<ul style="list-style-type: none"> ▪ Technical cooperation that concerns strengthening planning and implementation abilities 	<ul style="list-style-type: none"> ▪ Technical cooperation such as dispatching experts to counteract environmental problems
		<ul style="list-style-type: none"> ▪ Technical cooperation that concerns the acceleration of privatization 	<ul style="list-style-type: none"> ▪ Technical cooperation involving management of the power business
		<ul style="list-style-type: none"> ▪ Development studies that concern the establishment of a power supply system in the northern area 	<ul style="list-style-type: none"> ▪ Restoration and development of the power transmission network in the northern area.
Telecommunications	<ul style="list-style-type: none"> ▪ Assistance aiming at solving IT divide. 	<ul style="list-style-type: none"> ▪ Solving IT divide especially in rural areas 	
Broad-casting	-	-	
Water drainage and supply / sanitation	<ul style="list-style-type: none"> ▪ Further cooperative promotion targeting the greater metropolis and core provincial cities 	<ul style="list-style-type: none"> ▪ Actualization of projects while working together with JBIC, in order to refurbish the environment in the greater Colombo metropolis and core provincial cities 	

		<ul style="list-style-type: none"> ▪ Promotion of the drinking water supply targeting the northern and eastern agricultural areas 	<ul style="list-style-type: none"> ▪ A direction that incorporates cooperation with the preceding AsDB project, and combination with rural development
	Housing	<ul style="list-style-type: none"> ▪ Grant assistance for areas damaged by fighting 	<ul style="list-style-type: none"> ▪ Investigating lending of funds, etc. not only for roofing materials, but for a broad range of items
		<ul style="list-style-type: none"> ▪ Technical cooperation concerning the supply of housing in the greater Colombo metropolis 	<ul style="list-style-type: none"> ▪ Technical cooperation such as dispatching experts involving redevelopment projects, etc.
Development of Mining and Manufacturing Industries		<ul style="list-style-type: none"> ▪ “Package-type support” involving the cultivation of new industries 	<ul style="list-style-type: none"> ▪ Development studies concentrating mainly on the IT field, with middle- and long-term views in mind
		<ul style="list-style-type: none"> ▪ Support involving rural areas, particularly the northern and eastern areas 	<ul style="list-style-type: none"> ▪ Implementation of overall regional development planning and studies, including studies and investigations involving possibilities for industry location
		<ul style="list-style-type: none"> ▪ Support involving the attraction of direct foreign investments 	<ul style="list-style-type: none"> ▪ Planning formulation and implementation of measures to promote direct investment by the Japanese Government
Development of Agriculture, Forestry and Fisheries		<ul style="list-style-type: none"> ▪ Support in restoring the northern and eastern agricultural areas 	<ul style="list-style-type: none"> ▪ A strategic approach in which JICA implements highly urgent rehabilitation, and that work is subsequently tied to large-scale projects handled by JBIC
		<ul style="list-style-type: none"> ▪ Technical support in testing and research in the Breeding Division and the Cultivation and Processing Division 	<ul style="list-style-type: none"> ▪ Planning technical operations such as the dispatch of experts, etc. to continue operating the Plant Genetic Resources Center, which produced definite results
		<ul style="list-style-type: none"> ▪ Enterprise support in the form of comprehensive agricultural development comprising compound elements such as small-scale irrigation of villages and the cultivation of water supply unions 	<ul style="list-style-type: none"> ▪ Providing cooperation as the Japanese Government acting together with JBIC for the “Integrated Rural Development Project (IRDP) ” and the subsequent “Rural Economic Advancement Project (REAP)”
		<ul style="list-style-type: none"> ▪ Support involving the Stockbreeding and Fisheries Divisions 	<ul style="list-style-type: none"> ▪ Improvement of the stockbreeding and dairy farming technologies, and also ample room for assistance and improvement of the fisheries and marine product processing technologies.
		<ul style="list-style-type: none"> ▪ Assistance concerning agricultural and marine product processing 	<ul style="list-style-type: none"> ▪ Promotion of the processing industry in line with diversification of crops.

Education and Human Resources Development	▪ Support involving expanding educational facilities	▪ Development in rural agricultural areas (especially the Northern Province and the Eastern Province)
	▪ Support to propagate education in IT (information technology)	▪ Strengthening of networks between universities and strengthening of the ties with industry, based on the concept of cultivating human resources in the IT industry
Improving Health / Medical Services	▪ Strengthening and expansion of health and medical service systems in rural agricultural areas	▪ Strengthening health services in rural areas
	▪ Developing flexible and comprehensive support in the northern and eastern areas	▪ Providing the necessary items in these areas, such as refurbishment of medical facilities, training and dispatch of medical personnel,

The recommendations obtained as a result of this sectoral evaluation will be fed back to the 2001 JICA country program for Sri Lanka. Chart 6-3-2 summarizes the congruency of the contents of recommendations made in this evaluation study with that program. Of the 26 recommendations, 10 are related to recovery development of the Northern and Eastern Provinces, which because of the security problem were not included in the JICA's program as target areas covered by the support measures. Of the remaining 16 recommendations, 12 (75%) are in line with the orientation of the contents of the 2001 JICA country program. That being the case, it can be said that the relevance of the orientation of the previously formulated JICA country program is still maintained at the time of this evaluation. However, since the 2001 program was drawn in a situation of ethnic strife, it was forced to exclude the Northern and Eastern Provinces. With the hope of building peace after the armistice agreement reached in February 2002, this evaluation study takes up "recovery and development of the Northern and Eastern Provinces" as Sri Lanka's highest-priority task, and renders 10 recommendations concentrating on this matter out of total 26. For the sake of being able to work on the new development task of support to recovery and building of peace, it is desirable that the JICA country program for Sri Lanka be overhauled taking the recommendations of this study into account.

Chart 6-3-2 : Comparison between JICA planning of project evaluation for Sri Lanka and the actual recommendation resulting from the sectoral evaluation of this evaluation study

Problem per priority area	Development objective	JICA assistance purpose	JICA assistance program	Conformity with recommendation derived from sectoral evaluation (directionality of assistance)
1. Economic and social infrastructure				
<ul style="list-style-type: none"> • General frailty in industrial infrastructure including roads and bridges. • Degraded and inefficient railroads • Undeveloped national road net 	<ul style="list-style-type: none"> • Development of roads and bridges • Maintenance, management and repair of superannuated roads and bridges • Private participation in construction of bypass • Congestion alleviation by road network development • Promotion of appropriate urban transport plans • Improvement of O&M capacity of engineers • Rationalization of railroads for departure from vicious cycle of degraded facilities, overcapacity and inadequate fare collection • Development of road and bridge infrastructure • Establishment of maintenance system • Improvement of road administration • Fortification of road and transport education 	<ul style="list-style-type: none"> • Development of rural roads and bridges, and fostering engineers • Development of road net between major cities • Improvement of O&M capacity of engineers • Development of roads and bridge infrastructure • Establishment of O&M system • Improvement of road administration • Fortification of road and transport education 	<ul style="list-style-type: none"> • Development program concerning industrial infrastructure including rural roads and bridges • Urban transport development program • National road network development program 	<ul style="list-style-type: none"> • Conforming to A-1
<ul style="list-style-type: none"> • Rapid increase in electricity and deficiency in supply capacity 	<ul style="list-style-type: none"> • Strengthening the Environmental Protection Section in CEB • Development of power source from thermal generation high and hydropower low • Renewable energy • Shifting hydropower from base load to peak • Utilization of private fund • Restructuring of CEB 	<ul style="list-style-type: none"> • Strengthening the Environmental Protection Section • Fortification of functions of existing hydropower generation plants • Technology transfer to new companies after restructuring 	<ul style="list-style-type: none"> • Power source development program 	<ul style="list-style-type: none"> • Conforming to A-7 • Conforming to A-8

Problem per priority area	Development objective	JICA assistance purpose	JICA assistance program	Conformity with recommendation derived from sectoral evaluation (directionality of assistance)
<ul style="list-style-type: none"> Degradation of urban life environment 	<ul style="list-style-type: none"> Waterworks devt. Sewerage devt. Strengthening implementation and operation capacity of water and sewerage services Development of final disposal plant Fortification of garbage collection system Fortification of implementation and operation capacity of garbage collection Strengthening environmental education Flood precaution Development of land use plans 	<ul style="list-style-type: none"> Waterworks development Sewerage development Strengthening implementation and operation capacity of water and supply. Strengthening garbage collection related organizations Strengthening implementing and operation capacity of garbage collection Strengthening environmental education Flood precaution 	<ul style="list-style-type: none"> Urban environment and sanitation program 	<ul style="list-style-type: none"> Conforming to A-11
<ul style="list-style-type: none"> Degradation of rural life environment 	<ul style="list-style-type: none"> Waterworks development Strengthening environmental education 	<ul style="list-style-type: none"> Waterworks development 	<ul style="list-style-type: none"> Rural environment and sanitation program 	<ul style="list-style-type: none"> Conforming to A-11
2. Mining and manufacturing development				
<ul style="list-style-type: none"> Overemphasis on plantation agricultural products and textile goods in the export structure High unemployment despite the declining trend 	<ul style="list-style-type: none"> Ensuring the international competitiveness of textile industry with view of abolishment of export quota Fostering alternative industries to textile Fostering local industries 	<ul style="list-style-type: none"> Improving international competitiveness of textile goods Supporting SMEs Assistance in fostering IT industry 	<ul style="list-style-type: none"> SMEs support program IT industry fostering program 	<ul style="list-style-type: none"> Conforming to B-3 Conforming to B-1
3. Agriculture, forestry and fisheries Development				
<ul style="list-style-type: none"> Low income by farmers 	<ul style="list-style-type: none"> Production of quality garden products Production of elite plants Development of laws concerning use of pesticides Expansion of vegetable export Development of agricultural products channels 	<ul style="list-style-type: none"> Realization of profitable agricultural production Development of laws concerning use of pesticides Realization of a flow from production to distribution by 	<ul style="list-style-type: none"> Strengthening program concerning garden products 	<ul style="list-style-type: none"> Conforming to C-2

Problem per priority area	Development objective	JICA assistance purpose	JICA assistance program	Conformity with recommendation derived from sectoral evaluation (directionality of assistance)
	<ul style="list-style-type: none"> • Strengthening cooperative associations • Strengthening development of vegetable and fruiter processing technology • Fortification of farmer institutions • Fortification of water management capacity 	<ul style="list-style-type: none"> • systematization of farmers • Improving capacity of research institutes • Comprehensive agricultural development including rehabilitation of irrigation facilities 	<ul style="list-style-type: none"> • Development of agricultural product processing technology 	<ul style="list-style-type: none"> • Conforming to C-5 • Conforming to C-3
4. Education and human resources development				
<ul style="list-style-type: none"> • Obsolete general education and vocational training, degrading educational quality and delaying fostering of human resources capable of contributing to industrial circles • Growing unemployment 	<ul style="list-style-type: none"> • Improving the educational system, improving and strengthening educational contents, and improving the quality of teachers, especially for meeting the industrial requirements in tertiary education and vocational training 	<ul style="list-style-type: none"> • Upgrading curriculum and training teachers, along with development and improvement of facilities, as well as human resource development targeting areas in strong connection to industrial promotion, mainly by science and information education. 	<ul style="list-style-type: none"> • Education and training reform support program 	<ul style="list-style-type: none"> • Conforming to D-2
5. Health and medical services development				
<ul style="list-style-type: none"> • Inability to provide medical care services adequate to meet diversified disease structures and domestic demand 	<ul style="list-style-type: none"> • Strengthening and improving comprehensive medical services 	<ul style="list-style-type: none"> • Strengthening and improving comprehensive medical care services, supported by improvement and reform of the medical service system (with advisory to financial and security matters), development and 	<ul style="list-style-type: none"> • Medical services improvement program 	<ul style="list-style-type: none"> • Conforming to E-1

Problem per priority area	Development objective	JICA assistance purpose	JICA assistance program	Conformity with recommendation derived from sectoral evaluation (directionality of assistance)
<ul style="list-style-type: none"> Insufficient preventive medical care making no contribution to improvement of the nation's health 	<ul style="list-style-type: none"> Establishment, penetration and fortification of institutions concerning preventive activities including health checks and health education, and early detection and treatment by performing medical examination 	<ul style="list-style-type: none"> efficient use of facilities, and development and improvement of human resources for health and medical services. Establishment of preventive activities, including fortification of local public sanitation, promotion of health education, and early detection and treatment of diseases 	<ul style="list-style-type: none"> Preventive medical care promotion program 	

NB: Recommendation item numbers are given in the right column of Chart 6-3-1.

(2) Project Expansion in Relation to the Framework for Poverty Reduction

In June 2002, a strategy entitled “Connecting to Growth: Sri Lanka’s Poverty Reduction Strategy (PRS)” was announced at the “Development Forum” held in Colombo. This strategy is the most recent version of the poverty reduction framework, and because it was disclosed to international organizations and donor countries, it is understood to be Sri Lanka’s development policy at the current point in time. The “PRS” states the development goals for economic growth in order to reduce poverty, and sets a target value of an annual economic growth rate of 10%. The following five strategic goals are outlined with the aim of achieving this development goal.

1. Building a macro economic environment based on governmental and private cooperation
2. Reducing poverty caused by fighting
3. Creating opportunities for growth that take the poverty class into consideration
4. Investing in human resources
5. Strengthening the empowerment and governance of the poverty class

Taking the poverty class into consideration, using the power of the private sector, and investing in human resources are recognized as the key approach to reducing poverty. Each of the five strategic goals has its development objectives underneath.

As for future expansion of JICA assistance for Sri Lanka, supporting the policy of the Sri Lanka Government citing the policy objective of “economic growth in order to reduce poverty” will become necessary. Attachment Chart 6-3-3 shows

the elements of the framework for reducing poverty (policy objectives, strategic goals and development objectives). This diagram demonstrates a correspondence between these elements and the future directionalities for each of the five areas given priority by JICA (see Chart 6-3-1 below). If support is provided for Sri Lanka in line with these recommendations, many of the objectives listed under 1. through 5. of the PRS strategic goals will be addressed, and the “future support directionalities” recommended are seen as appropriate. However, there is still room for further investigation pertaining to support involving the actualization of peace and economic harmony, support involving a renovation of the labor market and financial market, and support involving the improvement of administrative capabilities, decentralization of rural areas, and other facets.

The directionality for support recommended as a result of the sectoral evaluations is indicated within the conventional framework of separate assistance approaches for each area/sector, but establishing a correspondence between these and the elements of the poverty reduction framework and organizing them as a matrix is linked to confirming their relevance in terms of the poverty reduction frameworks of the assistance programs/projects in each of the areas/sectors. For example, the development objective of “restoration” is noted under the strategic goal of “2.: Reducing poverty caused by fighting”, and the projects for the various areas/sectors, such as transportation and traffic, electrical power, the mining industry, agriculture and health/medical care address this objective. What is emphasized here is that adopting a program approach that transects various areas and bundles the projects from different areas and different sectors together allows assistance to be implemented more efficiently and more effectively. For instance, taking the goal of restoring and revitalizing the northern and eastern regions, an all-encompassing field of view is necessary that, in addition to the rehabilitation of basic living elements such as roads and electric power, stimulating the local economy through rural development and promotion of local industry and agricultural product processing, combined with strengthening health and medical systems, can make the lives of the people in that region safer and freer from anxiety. As described in this paper, this type of approach has already been adopted by ADB and other organizations, and, although it would be necessary to verify the effectiveness of assistance provided through a transverse approach, it is expected for JICA to actively incorporate it as well.

Furthermore, organizing the development policies of the government of the recipient country in a systematical manner followed by meshing JICA assistance projects and programs with the planning of JBIC would be a helpful approach for enhancing collaboration and coordination among assistance organizations, with the idea of putting the ODA budget to effective use.

Future development programs for Sri Lanka will be carried out based on PRSP. To be more specific, PRSP will be divided into “multiple consistent

program/project plans” as resource allocation plans (resource plans) for each sector in each area. In future, JICA Country Program for Sri Lanka should be formulated with a view of these resource plans in good collaboration and coordination with other international organizations or donors while paying attention to balance between sectors or areas. On such occasion, it is also effective, in the aspects of program implementation and monitoring evaluation, to generate a tree of JICA assistance frame, that is specific intervention means per overall goal, sector, or program/project, based on the PRS framework.

(3) Intellectual Support for National Territorial and Public Development Policy

Subsection (1) of this section present recommendations regarding JICA assistance obtained from the sectoral evaluation, and subsection (2) present recommendations concerning the possibilities of unfolding activities within the framework of poverty reduction. This subsection addresses the need for an integral effort from a viewpoint embracing all sectors as a whole in order to comprehensively deal with the various development problems that Sri Lanka confront. The following points can be cited as the background for such a recommendation. Firstly, a long-term planning development orientation has been lacking. Because since its independence the Sri Lankan policy scene has been characterized by alternate taking of power by two large political parties with very different ideologies and development strategies and policies, the development plans formulated and implemented have all undergone change in midstream. Since 1979 only the Public Investment Plan (PIP) has been formulated. "Vision 2010" was formulated in 2001, in attempt to present a long-term development vision, but after the new government took power in 2002, it has been shelved. Secondly, because of adoption of a development strategy emphasizing social development, imbalance between economic development and social development has given rise to all sorts of problems. An effective means of coping with those problems is policy support for formulation of a comprehensive development vision that balances long-term industrial policy and balanced development of the national territory and for exploring of possibilities regarding public policy stressing efficiency. Japan has a relative advantage over other donors in knowledge and experience concerning those themes. Below is proposed consideration of a JICA assistance program providing support for joint formulation with the Sri Lankan side of a comprehensive development vision and for joint research on public policy methods as part of the intellectual support that Japan can provide on the basis of its experience and knowledge.

▪ **Support for Formulation of Comprehensive Development Vision**

First of all, it is desirable that a long-term comprehensive development vision be formulated. It is proposed considering, among other things, the fact that this evaluation study points out that assistance projects have been taken up in a spot fashion and the fact that Sri Lanka itself has not yet come up with a well-developed long-term vision. Specifically, it is proposed that Japan provide assistance for formulation of development visions such as the following:

[Formulation of National Territory Comprehensive Development Plan]

Since World War II Japan has accomplished recovery and development on the basis of a series of five consecutive national territory comprehensive development plans. This experience is to formulate long-term visions showing spatial unfolding of socioeconomic policy and development of social capital and carrying forward economic infrastructural development from a long-term viewpoint provided by such visions. This approach is quite different in tone from the approach of international organizations (the World Bank, the ADB, etc.) of formulating development plans from short-term and medium-term perspectives, and it can be considered one way in which Japan can make the most of its track record in providing assistance to countries that need it. Now, because of factors like frequent change in priorities resulting from change in governments and policies, Sri Lanka has not had consistent economic infrastructural development objectives in carrying forward its national territorial development. Now that solution of the ethnic strife, which has dragged on for twenty years, has become visible, it would therefore be of great significance also for working for recovery and development with a common image shared by all ethnic groups and the whole Sri Lankan people if it were to be possible to jointly formulate national territorial development plans for the country with the Sri Lankan side. In particular, in order to prevent reoccurrence of ethnic strife, it is necessary to simulate regional physical integration through development of social capital. That is why we propose that JICA provide assistance as soon as possible for formulation of a national territory comprehensive development plan for Sri Lanka that covers the whole country.

[Formulation of Nationwide Transportation and Development Plan]

As already pointed out in this evaluation study, in Sri Lanka road, railroad, port and harbor, airport and other transportation infrastructure has been planned and developed in spot fashion whereas for the sake of effective utilization of limited resources it is necessary to formulate a comprehensive transportation development plan integrating all modes of transportation. Now that the problem of ethnic

strife is being resolved, the task that presents itself in that sector is to plan and implement development of transportation infrastructure throughout the country, including the Northern and Eastern Provinces. That being the case, what is needed is to study and consider strategies and scenarios for transportation infrastructure development on the nationwide level and to formulate a long-term plan for it. However, since transportation plans are affected by industrial and other policies, it is desirable that such a plan be implemented after formulation of the above-mentioned national territory comprehensive development plan. In view of JICA's contribution to date to transportation infrastructure development in Sri Lanka, it is proposed that it also assist in formulation of such a nationwide transportation development plan.

[Formulation of Trincomalee Regional Industry Promotion Plan]

Along with formulation of a national comprehensive development plan, it is desirable also to formulate an industrial promotion plan for the eastern Trincomalee region, which has high future development potential. That region can make use of the Port of Trincomalee, which has good natural conditions, and it is considered to be of importance in terms of avoiding excessive concentration of development in the Greater Colombo Area of the Western Province by aiming for balanced regional development. In development of that region the approach should be one of formulating a development scenario based on study of development strategies for promotion of regional tourism, manufacturing industry and agriculture and for urban development, etc. and then formulating a port and harbor development plan based on that scenario. Also for the sake of developing a scenario for recovery and development of the Northern and Eastern Provinces, it is proposed that JICA provide assistance for formulation of such a Trincomalee Regional Industry Promotion Plan.

▪ Promotion of Joint Research Concerning Public Policy

In the past assistance by JICA has been mainly project-based. But as pointed out in this evaluation study, Sri Lanka has all sorts of problems and things that have to be taken care of regarding development. Considering its level of technology and development, it would be a good idea to have joint research undertaken between JICA and the Sri Lankan side on ways to cope with those kinds of problems (that would mean assistance similar to economic policy support for countries in transition, but the form would be joint study on particular individual themes). From the present evaluation study the following can be cited as some of the suitable themes for such joint research:

[Research on Ways of Promoting Private Education]

Sri Lanka's policy up to now has been to provide education and medical services free of charge, but promotion of private education will no doubt have to be addressed in the future. Rather than take that task up as a study project, it is preferable that it be taken up as a theme of joint policy research with the Sri Lankan side.

[Research on Social Insurance System]

Although medical services have up to now been provided free of charge, future introduction of health insurance, medical care insurance and other social insurance systems and adoption of measures for having the beneficiaries bear a part of the cost seem very likely. That being the case, it is desirable that joint policy research be undertaken with the Sri Lankan side on introduction of such health insurance with and medical care insurance systems.

[Research on Rural Development Models]

Some two thousand years ago rural villages in Sri Lanka flourished through agriculture based on reservoir irrigation. Furthermore, in recent years Community Based Organization (CBO) and socialization techniques are taking a firm hold thanks to assistance by NGOs. At the same time in the "Mahaweli Agricultural Development, System C" project and the "Walawe Agricultural Development" project, too, which have benefited from Japanese assistance, participation-type rural development is being implemented. It is also desirable that there be study and research on ways to best accomplish rural development, taking Japanese experience in promotion of rural development into account, and studies for formulation of models. Another possibility is development of programs for rural development in other countries as well on the basis of such model research in cooperation with the Sri Lankan side.

