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**IFAD**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**Executive Board – Eighty-Fourth Session**

Rome, 18-20 April 2005

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

**DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

FOR THE

**POST-TSUNAMI COASTAL REHABILITATION AND RESOURCE MANAGEMENT  
PROGRAMME**



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**CURRENCY EQUIVALENTS**

Currency unit	=	Sri Lankan rupee (LKR)
USD 1.00	=	LKR 99.85
LKR 100	=	USD 1.0015

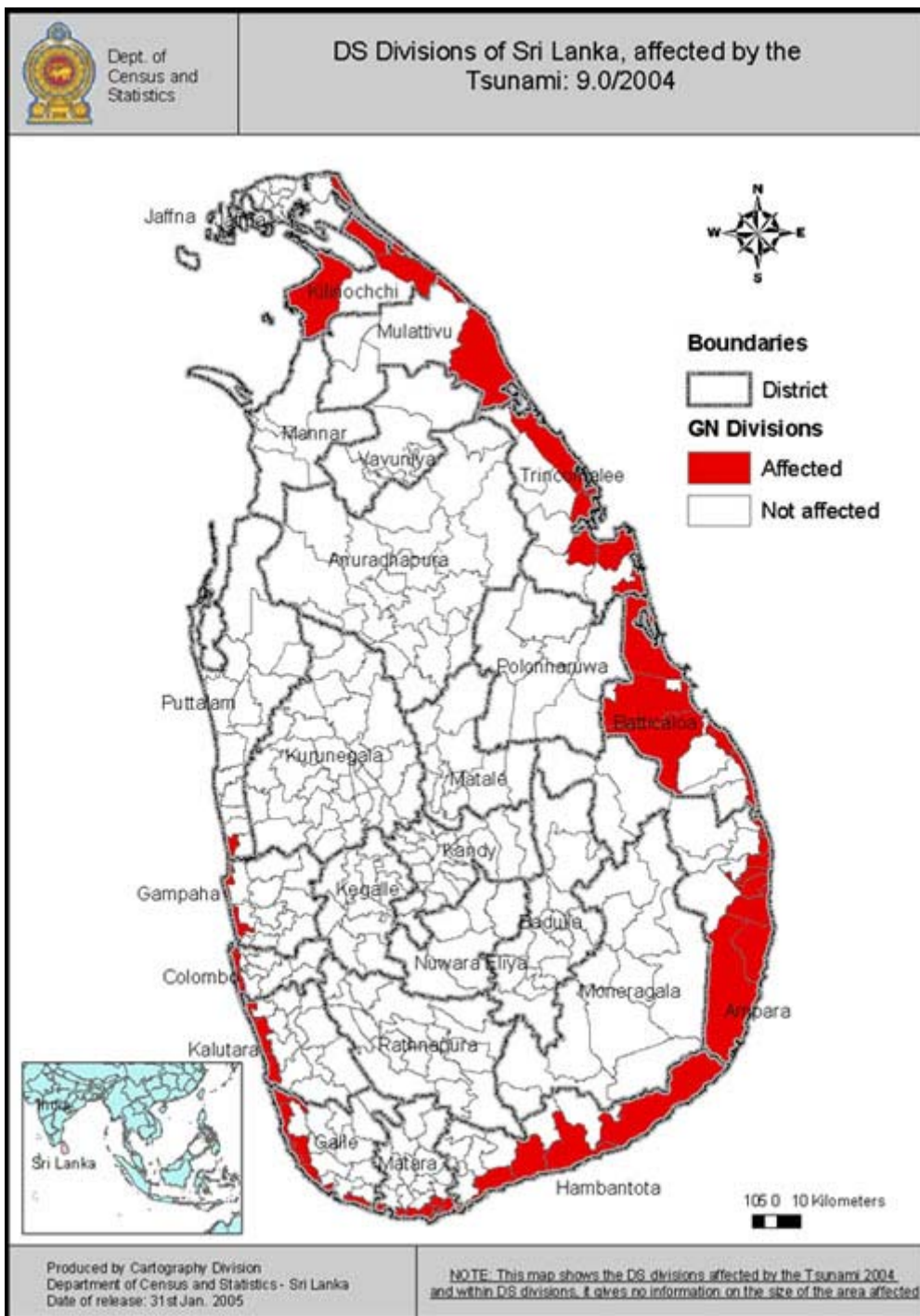
**WEIGHTS AND MEASURES**

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft <sup>2</sup> )
1 acre	=	0.405 ha
1 hectare (ha)	=	2.47 acres

**GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA****Fiscal Year**

1 January – 31 December

MAP OF THE TSUNAMI-AFFECTED AREAS



Source: Department of Census and Statistics, Sri Lanka.

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

**DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**  
**POST-TSUNAMI COASTAL REHABILITATION AND RESOURCE MANAGEMENT PROGRAMME**

**LOAN SUMMARY**

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Democratic Socialist Republic of Sri Lanka
<b>EXECUTING AGENCY:</b>	Ministry of Fisheries, Aquatic Resources and Christian Affairs
<b>TOTAL PROGRAMME COST:</b>	USD 33.5 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 9.4 million (equivalent to approximately USD 14.2 million) <sup>a</sup>
<b>TERMS OF IFAD LOAN:</b>	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum
<b>COFINANCIERS:</b>	Italy
<b>AMOUNT OF COFINANCING:</b>	USD 1.5 million
<b>TERMS OF COFINANCING:</b>	Grant
<b>CONTRIBUTION OF BORROWER:</b>	USD 3.4 million
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 211 600
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	United Nations Office for Project Services

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<sup>a</sup> A further amount, equivalent to USD 14.2 million, will be mobilized or covered from the loan allocations under the Programme of Work and Budget of IFAD for 2006.

**PROGRAMME BRIEF**

**Programme description.** The programme focuses on the restoration and development of economic activities in the artisanal fisheries and non-fisheries sectors in tsunami-affected areas. Adopting a flexible community-based approach, the programme includes components for: (a) community-based coastal resource management; (b) support to artisanal fisheries development; (c) microenterprise and financial service development; (d) social and economic infrastructure development; and (e) policy support and programme management, including gender mainstreaming and community mobilization. In coordination with other funding sources, it supports the recovery and rehabilitation of physical and financial assets of affected groups, promotes improved resource management, and provides support to fisheries development and marketing, and to microenterprise and microfinance development in non-fisheries sectors. The programme will help in the replacement and repair of housing and social infrastructure damaged by the tsunami. The target group includes poor rural women and men in tsunami-affected communities; targeting is determined by the type and size of support provided.

**Programme benefits.** Women and men in tsunami-affected areas will recover their assets, resume their economic activities and diversify into new, profitable income-generating activities. Communities will be strengthened, will manage coastal resources sustainably and will be provided with essential social and economic infrastructure. Women's participation in social and economic activities will increase.

**Programme risks.** These relate to competition for limited implementation capacity and initial delays in rehabilitation funding that may be followed by funding gluts.



**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD  
TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE  
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA  
FOR THE POST-TSUNAMI COASTAL REHABILITATION AND RESOURCE  
MANAGEMENT PROGRAMME**

I submit the following report and recommendation on a proposed loan to the Democratic Socialist Republic of Sri Lanka for SDR 9.4 million (equivalent to approximately USD 14.2 million)<sup>1</sup> on highly concessional terms to help finance the Post-Tsunami Coastal Rehabilitation and Resource Management Programme. The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum. The loan will be administered by the United Nations Office for Project Services as IFAD's cooperating institution.

**PART I – BACKGROUND AND CONTEXT**

**A. Impact of the Tsunami**

1. The tsunami that swept across the Indian Ocean on 26 December 2004 sent giant waves, travelling at 500 kilometres an hour, crashing into the coastlines of 15 countries,<sup>2</sup> wreaking untold devastation. Sri Lanka is among the countries that bore the brunt of the disaster. According to the most recent estimates, the tsunami caused the deaths of 31 000 persons; a further 15 000 were injured and 6 300 are still missing. Some 443 000 persons have been displaced, of whom 217 000 are sheltered in relief camps, with the remainder living with relatives and friends. Fishing communities reported approximately 7 600 deaths, 5 700 persons missing and 90 650 displaced. An estimated 7 000 women were widowed and have to face the impact as heads of households in particularly difficult circumstances. There was physical damage to 110 000 houses, of which 70 000 were completely destroyed. Approximately 150 000 vehicles were also destroyed. Coastal infrastructure such as roads, fishing ports, ice plants, tourist sites and telecommunications was severely affected. An estimated 22 940 fishing vessels of all categories, or 81% of the national fleet, were lost or damaged.

2. The Central Bank of Sri Lanka initially estimated the macroeconomic impact as a 1% reduction in GDP growth, down from the expected 6%. By mid-February, taking into account the indicated donor commitments, it revised its growth estimate upwards to 5.5%. A joint donor needs assessment indicates that about USD 1.5 billion is required for recovery and reconstruction. For the fisheries sector, total requirements have been estimated at USD 118 million, with 23% going to the north, 30% to eastern districts, 44% to the south and 3% to other parts of the country.

3. The tsunami waves struck two thirds of the coastline of Sri Lanka (more than 1 000 km) and penetrated up to 500 metres inland in many places, leaving behind few intact structures. Out of the

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<sup>1</sup> A further amount, equivalent to USD 14.2 million, will be mobilized or covered from the loan allocations under the Programme of Work and Budget of IFAD for 2006.

<sup>2</sup> Bangladesh, India, Indonesia, Kenya, Malaysia, Maldives, Mauritius, Myanmar, Seychelles, Somalia, Sri Lanka, Thailand, the United Republic of Tanzania, Yemen and the French overseas department of Reunion.

country's 25 districts, 13 have been affected.<sup>3</sup> The worst devastation was suffered by poor areas in the south and the conflict-affected north and east of the country. Roughly 40% of those affected by the tsunami live in the south-western coastal area, the main tourist destination. The conflict zone in the northern and eastern part of the country accounts for six of the 13 affected districts. Two of these – Batticaloa and Ampara – are the hardest hit by the tsunami, with 43% of the area's population suffering the affects. These areas – particularly those held by the Liberation Tigers of Tamil Eelam in the north – are considered more food insecure and have higher malnutrition rates than the rest of the country.

### **B. IFAD's Response**

4. From 2 to 23 February 2005, IFAD and the Government of Sri Lanka jointly reviewed possible IFAD assistance for medium-term post-tsunami recovery and rehabilitation. In view of the urgency of the matter, the following actions were recommended for swift follow-up:

- (a) Prepare rapidly a USD 4.7 million post-tsunami livelihoods support and partnership programme to supplement the resources of the Dry Zone Livelihood Support and Partnership Programme, approved in September 2004.<sup>4</sup> The funds under the new programme would be made available quickly through the organizational and management structures of the dry-zone programme and used to rebuild infrastructure destroyed by the tsunami in six of the 13 districts affected.
- (b) Move forwards with the design and approval of a resource management programme in the coastal zones, targeting the most isolated communities that live in a fragile ecological environment and are seriously threatened by external factors. This was proposed in the country strategic opportunities paper (COSOP)<sup>5</sup> for Sri Lanka, approved by the Executive Board in April 2003. Preparation of the programme had been scheduled to begin in 2006/2007.
- (c) Provide an IFAD financing package for a coastal zones resource management programme in the amount of USD 31.5 million, composed of a highly concessional loan of USD 30 million and a grant of USD 1.5 million. The programme would be known as the Post-Tsunami Coastal Rehabilitation and Resource Management Programme.

5. The present Report and Recommendation of the President recommends the approval of the proposed loan of USD 28.4 million for the Post-Tsunami Coastal Rehabilitation and Resource Management Programme. To allow slightly more time for the programme to start operations, a separate Report and Recommendation of the President<sup>6</sup> has been submitted for consideration by the Executive Board for a loan of USD 4.7 million for the Post-Tsunami Livelihoods Support and Partnership Programme. Approval of this separate loan will allow IFAD to provide much more rapid assistance to the victims of the tsunami than would otherwise be possible.

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<sup>3</sup> Three in the east (Batticaloa, Ampara and Trincomalee), three in the north (Mullativu, Kilinochchi and Jaffna), three in the south (Hambantota, Matara and Galle), three in the west (Kalutara, Colombo and Gampala) and one in the north-west (Putallam).

<sup>4</sup> Refer to document EB 2004/82/R.15/Rev.1.

<sup>5</sup> Refer to document EB 2003/78/R.23/Rev.1.

<sup>6</sup> Refer to document EB 2005/84/R.21.

## PART II – THE PROGRAMME

### A. Programme Area and Target Group

6. **Programme area.** Programme activities will focus on the 565 tsunami-affected *grama nilhadari* divisions<sup>7</sup> in seven districts, namely Kalutara in the west, Galle, Matara and Hambantota in the south, and Ampara, Batticaloa and Trincomalee in the east. This area accounts for 74% of the total required funding for the recovery of the fisheries sector. As agreed with the Government during the IFAD design mission in February 2005, the three affected districts in the north are sufficiently covered by other donors.

7. **Target group.** The proposed programme areas are those parts of the seven tsunami-affected districts that were generally dominated by poor squatter households and fishing communities engaged in minor economic activities. The fishing communities were particularly hard hit: two thirds of those who lost their livelihood as a result of the disaster belong to this group; after that come retail traders, of whom 53 000 now have no source of income, followed by around 45 000 people in agriculture and manufacturing, respectively. Almost all of these people – roughly 450 000 – now depend mainly on welfare and charity.

8. The estimated population of the programme area is 514 100 persons living in 141 250 households. With the exception of Galle, the poverty incidence in these seven districts in 2002 was higher than the national average of 23.9%. The loss of lives and assets caused by the tsunami has reduced many households to a destitute state.

9. The programme will target rural poor women and men in these areas. Self-targeting will be achieved by the type of support provided (for instance, size of housing, amenities and type of construction). Community investments will benefit all households. Special efforts will be made to reach poor artisanal fishers and fishing communities. The programme will target tsunami-affected households that: meet a monthly income criterion of LKR 2 500; are officially permitted to build or repair their house; and are confirmed residents of the area. The Government has already put in place a system for conducting a housing damage and social verification survey, which is jointly carried out by a team consisting of a village representative, a government technical officer and a locally selected NGO. The programme will use this survey in the selection of beneficiaries. In all cases, financial assistance will be provided on the basis of progress achieved by beneficiaries. Each district will target the allocated housing units on a rolling plan arrangement.

### B. Objectives and Scope

10. **Goal and objectives.** The programme goal is to restore the assets of women and men directly or indirectly affected by the tsunami and to re-establish the foundation of their previous economic activities while helping them diversify into new, profitable income-generating activities. The immediate objectives of the activities are that (a) tsunami-affected families are provided with essential social and economic infrastructure, particularly housing; (b) tsunami-affected communities are strengthened and are sustainably managing coastal resources; and (c) women's participation in social and economic activities increases.

11. **Implementation strategy.** Programming and financial management of programme resources will be decentralized to the level of the district and the *grama nilhadari* division and will be fully coordinated with other donor and government activities. Participatory community approaches will be applied. Flexibility will be essential within the programme in order to adjust to the country's rapidly

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<sup>7</sup> A *grama nilhadari* division is the lowest administrative level and on average comprises 250 households.

changing socio-economic environment, the possibility of further natural calamities and the availability of other sources of funding.

12. During the first two years of programme implementation, the focus will be on recovering physical and financial assets in an environment where there is a multitude of financial commitments but an uncertain level of actual disbursements in the field. Programme planning and disbursement thus needs to be continuously coordinated at the district level, taking into account actual disbursements from other sources at the time programme funds are committed. It is expected that, after two years, the situation will have normalized, most assets will have been recovered and a three-year development phase can be initiated. An in-depth review at the end of the second year of the programme will allow adjustments to be made in programme design and management.

13. The Asian Development Bank had recently initiated a coastal resource management project in the eastern districts. After the tsunami, it decided to increase the loan amount and expand the project area into the northern districts. The activities of the Post-Tsunami Coastal Rehabilitation and Resource Management Programme in the eastern districts will be programmed jointly with the Asian Development Bank and implemented through the bank project's management structure.

14. **Gender considerations.** Fisheries, the main economic activity in the affected areas, are dominated by men: women's involvement is limited to providing services such as net mending. However, women in fishing communities are active in a range of non-fisheries occupations as well as in non-marine fisheries (e.g. in mangroves and lagoons). The programme approach is to improve women's access to financial resources, technologies and markets in order to raise the return on their activities or to diversify them into more remunerative ones. The programme will support the setting up of women's groups for the purpose of microfinance, social activities and empowerment. By improving newly built houses and providing social infrastructure, the programme will help ease women's workload and improve their living conditions. All programme stakeholders will receive training in gender sensitization and in participatory approaches.

### C. Components

15. The programme has five components: (a) community-based coastal resource management; (b) support to artisanal fisheries development; (c) microenterprise and financial service development; (d) social and economic infrastructure development; and (e) policy support and programme management. The components are presented below.

#### Community-Based Coastal Resource Management

16. **Stock assessment and fisheries management plans.** The programme will assist the Department of Fisheries and Aquatic Resources in implementing an improved fish-catch assessment survey and support the National Aquatic Resources Research and Development Agency in the continuation of its stock assessment programme. It will also assist in the preparation and implementation of community-based management plans for several specialized areas, such as lobster, chank and holothurian.

17. **Coastal habitats and resource management.** An awareness programme on the need for resource conservation and the avoidance of resource-destructive fishing will be designed and implemented. Coastal habitats had been deteriorating and were further damaged by the tsunami. Programmes will be undertaken for community-based replanting of mangroves, repopulation of coral reefs, conservation of salt marshes, restoration of dunes, establishment of dune protection committees and use of natural vegetation for stabilization.

18. **Global Environment Facility subcomponent.**<sup>8</sup> A project concept is being developed for a Project Development Facility Block B grant proposal under the Global Environment Facility. This will focus on issues related to land degradation and coastal management (rehabilitation and conservation of coral reefs, mangroves, salt marshes, sand dunes, lagoons and estuarine habitats) to restore and conserve the ecosystem. This initiative will complement ongoing government and other donor-supported actions.

19. **Rebuilding artisanal fisheries infrastructure.** Several infrastructure facilities in landing centres have been damaged and need rebuilding to ensure the speedy recovery of fishing in these locations. In the process, the service level will be improved. The programme will help in repairing damaged offices, equipment, vehicles and facilities of the Department of Fisheries and Aquatic Resources. Artisanal fishers depend to a great extent on the services provided by small boatyards and engine repair workshops, a considerable number of which were destroyed. The programme will assist these service providers in restoring their vital services.

20. **Asset recovery.** In terms of loss of assets, the tsunami was particularly damaging to artisanal fishers who are now without fishing vessels, engines and gear. The programme, in coordination with all other donor funding for this purpose, will assist them in replacing their damaged or lost assets. Widows of boat owners will receive particular attention. Due account will be taken of the need to balance improvements to enhance fishers' production capacities (in the form of replaced assets) with the risk of overexploitation of resources.

### **Support to Artisanal Fisheries Development**

21. **Fisheries development.** Further development of artisanal fisheries will be promoted by the construction of storage facilities for engines, nets and other gear at the beachhead, now that residential areas are to be located at a reasonable distance from the seafont. The programme will also support the development of an existing anchorage. Pilot activities to diversify fishing activities will be undertaken in collaboration with the research agency.

22. **Post-harvest handling and marketing of fisheries products.** The effects of the tsunami on the marketing chain are mostly felt in terms of the damage done to post-harvest-handling infrastructure, which will be rebuilt by the programme. Commercial partnerships between fishers and private-sector operators engaged in fish marketing for the local market and for export will be promoted to improve fish quality and help fishers to obtain premium prices. Market studies and trials for export and local niche markets will be undertaken.

### **Microenterprise and Financial Service Development**

23. In view of women's limited involvement in marine fisheries, microenterprise development and financial services will meet their needs by promoting economic activities in other sectors.

24. **Microenterprise development.** Loss of microenterprise assets as a result of the tsunami will be compensated by grants to the affected families. Subsequently, the programme will strengthen existing microenterprises and support new, viable economic activities. A rapid appraisal at the community level will assess demand for microenterprise support in existing and new markets. Basic business and skills training will be provided, and further training and business advisory services will be funded on a matching-grant basis, with the beneficiary contributing 20% of costs.

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<sup>8</sup> A grant of at least USD 6.5 million is being sought.

25. **Financial services.** Access to financing will be restored through reinforcing existing community-based savings and credit schemes. Not only do these schemes now lack physical infrastructure but loans granted before the tsunami can no longer be recovered, because members have lost their source of livelihood. As a result, these schemes have mostly lost their financial assets and savings. The programme will restore both physical and financial assets, the latter by way of grants to members in the form of a savings deposit or participation in group capital. Capacity-building of groups and microbanks is also included. Sensitization and training of commercial bank managers and staff in lending to the fisheries sector will be undertaken, and the pre-tsunami bank linkages of fishers' savings and credit societies for individual loans will be promoted through a credit line.

26. The programme will support women's savings and credit groups, both new and existing ones, by initially mobilizing their own resources and subsequently linking them with microfinance institutions and commercial banks. For this, sensitization, training and follow-up support will be provided. In response to demand, women's groups will be supported in social and community activities and will be provided with training for adult literacy, leadership and legal issues, among other areas.

27. **Vocational training** will be financed to help members of fishing communities access gainful employment in other sectors.

### **Social and Economic Infrastructure Development**

28. **Housing.** In close coordination with other donor funding, the programme will support the Government's housing rehabilitation programme through cash grants and through the Urban Development Authority's resettlement schemes. It will also promote the installation of solar panels and rainwater-harvesting devices on roofs and the construction of improved kitchens to increase fuel efficiency and reduce the risk of smoke-induced bronchitis in women and girls. The programme will support the installation of piped water and household latrines in as many of the new houses as possible.

29. **Settlement infrastructure.** The programme will assist in the removal and proper disposal of rubble and in solid waste management. It will support the provision of water supply schemes in rural/fishing areas and the repair of access roads and drainage systems for settlement areas.

30. **Social infrastructure and roads in fishing communities.** Social infrastructure, such as community centres, day-care facilities, local clinics and Ayurvedic centres will be rehabilitated. The programme will also cover road repair in rural and fishing communities.

### **Policy Support and Programme Management**

31. **Policy support.** The tsunami disaster has raised a number of policy issues, notably in land tenure. The programme, together with other donors, will provide resources for the development of policy alternatives in fisheries, in view of local overexploitation of marine resources and unsustainable use of coastal resources. Policy studies will be undertaken by the Food and Agriculture Organization of the United Nations and other qualified institutions, and results will be disseminated through workshops. These will form the basis for policy dialogue with the relevant government ministries.

32. **Programme management.** The Department of Fisheries and Aquatic Resources (part of the Ministry of Fisheries, Aquatic Resources and Christian Affairs) will be responsible for programme management. As practically all implementation work will be contracted out, only small management structures will be put in place, manned by incremental contract staff recruited from the open market and staff seconded from the ministry. A national programme coordination unit will be set up in

Colombo and a district programme management unit will be established in each district. The units will be responsible for programming, contracting, financial management and monitoring.

33. **Gender mainstreaming.** Where appropriate, the gender aspects of programming and implementation will be addressed by priority-setting and planning in all components. Regular training in participatory approaches and gender issues will be provided to all programme and implementing agency staff. The recruitment of programme staff will be gender-sensitive.

#### **D. Costs and Financing**

34. Total programme costs over a five-year period have been estimated at USD 33.5 million, including 5% physical contingencies on selected costs and an allocation for local inflation of 12% for the first year, 8% for the second year, and 6% thereafter, and foreign inflation of 2.1% per year throughout. The foreign exchange content amounts to 16% of total costs. Estimates are based on a constant purchase parity exchange rate of USD 1.00 = LKR 99.50 in the initial year, depreciating to USD 1.00 = LKR 136.70 in the seventh year.

35. The IFAD loan, estimated at a total of USD 28.4 million<sup>9</sup> (84.7% of the total costs) will be used to fund the Post-Tsunami Coastal Rehabilitation and Resource Management Programme. Approval will also be sought for an Italian supplementary fund grant of around USD 1.5 million (4.5%) to be used for some of the capacity-building and asset/financial recovery activities. Beneficiaries and the Government will, together, contribute USD 3.6 million (10.7% of total programme costs).

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<sup>9</sup> USD 14.2 million will be provided from the Programme of Work and Budget of IFAD for 2005. The balance will be mobilized or covered from the loan allocations under the Programme of Work and Budget of IFAD for 2006.

**TABLE 1: SUMMARY OF PROGRAMME COSTS<sup>a</sup>**  
(USD '000)

Component	Local	Foreign	Total	% of Foreign Exchange	% of Base Costs
Community-based coastal resource management	1 191.2	346.0	1 537.2	23	6
Support to artisanal fisheries development	10 405.5	2 515.2	12 920.7	19	48
Microenterprise and financial service development	4 748.2	1 022.6	5 770.8	18	22
Social and economic infrastructure development	2 905.8	322.9	3 228.6	10	12
Policy support and programme management	2 622.8	626.0	3 248.8	19	12
<b>Total base costs</b>	<b>21 873.4</b>	<b>4 832.7</b>	<b>26 706.1</b>	<b>18</b>	<b>100</b>
Physical contingencies	1 479.9	292.9	1 772.9	17	7
Price contingencies	4 789.3	216.3	5 005.6	4	19
<b>Total programme costs</b>	<b>28 142.6</b>	<b>5 341.9</b>	<b>33 484.6</b>	<b>16</b>	<b>125</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

**TABLE 2: FINANCING PLAN<sup>a</sup>**  
(USD '000)

	Government		IFAD Loan		Italian Grant		Beneficiaries		Total		Foreign Exchange	Local (Excl. Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
<b>Community-based coastal resource management</b>	<b>162.0</b>	<b>7.6</b>	<b>1 849.4</b>	<b>87.1</b>	-	-	<b>111.8</b>	<b>5.3</b>	<b>2 123.3</b>	<b>6.3</b>	<b>391.5</b>	<b>1 569.7</b>	<b>162.0</b>
<b>Support to artisanal fisheries development</b>													
– Post-tsunami recovery	658.8	15.1	3 708.1	84.9	-	-	-	-	4 367.0	13.0	1 517.4	2 190.7	658.8
– Fisheries development	1 519.9	14.7	8 713.1	84.3	-	-	99.8	1.0	10 332.8	30.9	1 085.2	7 727.7	1 519.9
– Post-harvest handling and marketing of fisheries products	24.3	1.3	1 908.8	98.7	-	-	-	-	1 933.2	5.8	173.6	1 735.3	24.3
<b>Subtotal</b>	<b>2 203.0</b>	<b>13.2</b>	<b>14 330.1</b>	<b>86.2</b>	-	-	<b>99.8</b>	<b>0.6</b>	<b>16 632.9</b>	<b>49.7</b>	<b>2 776.2</b>	<b>11 653.7</b>	<b>2 203.0</b>
<b>Microenterprise and financial service development</b>													
– Post-tsunami recovery	69.4	4.1	338.9	19.9	1 298.9	76.1	-	-	1 707.2	5.1	414.8	1 223.1	69.4
– Microenterprise and financial service development	65.5	1.3	4 907.9	98.7	-	-	-	-	4 973.4	14.9	705.2	4 202.7	65.5
<b>Subtotal</b>	<b>134.9</b>	<b>2.0</b>	<b>5 246.8</b>	<b>78.5</b>	<b>1 298.9</b>	<b>19.4</b>	-	-	<b>6 680.5</b>	<b>20.0</b>	<b>1 119.9</b>	<b>5 425.7</b>	<b>134.9</b>
<b>Social and economic infrastructure development</b>	<b>498.6</b>	<b>13.0</b>	<b>3 336.0</b>	<b>87.0</b>	-	-	-	-	<b>3 835.2</b>	<b>11.5</b>	<b>360.9</b>	<b>2 975.7</b>	<b>498.6</b>
<b>Policy support and programme management</b>	<b>397.4</b>	<b>9.4</b>	<b>3 610.8</b>	<b>85.7</b>	<b>204.6</b>	<b>4.9</b>	-	-	<b>4 212.7</b>	<b>12.6</b>	<b>693.4</b>	<b>3 121.9</b>	<b>397.4</b>
<b>Total programme costs</b>	<b>3 395.8</b>	<b>10.1</b>	<b>28 373.6</b>	<b>84.7</b>	<b>1 503.5</b>	<b>4.5</b>	<b>211.6</b>	<b>0.6</b>	<b>33 484.6</b>	<b>100.0</b>	<b>5 341.9</b>	<b>24 746.8</b>	<b>3 395.8</b>

<sup>a</sup> Discrepancies in totals are due to rounding.



### E. Procurement, Disbursement, Accounts and Audit

36. **Procurement.** All procurement of goods and services will be in accordance with IFAD's procurement guidelines. Programme implementation will be contracted out to experienced and qualified agencies in the public, private and NGO sectors. This will be done on the basis of performance-based contracts for private and NGO agencies, and memoranda of understanding for public agencies. Civil works and infrastructure contracts will be awarded to specialized public agencies (e.g. the Urban Development Authority and the Harbour Corporation) on a force-account basis, but other entities may also be engaged as appropriate (in the case of housing, for instance, the individual home-owning beneficiaries themselves). NGOs or private-sector parties will be selected on the basis of local competitive procedures. The provision of settlement infrastructure and roads, rural/fisheries roads, drinking water facilities, drainage structures and rubble removal will be implemented directly by the concerned *pradeshiya sabhas* (rural councils), with the help of their provincial council, where appropriate.

37. All contracts equivalent to USD 50 000 or more will be awarded following local competitive bidding. Contracts below USD 50 000 but more than USD 10 000 will be awarded through local shopping. Contracts worth less than USD 10 000 will be concluded under the direct purchase procedure. Prior approval by the cooperating institution will be required for all contracts valued in excess of USD 100 000 (or the equivalent thereof).

38. **Disbursement.** The proposed flow of funds reflects the decentralized management structure, with funds being managed at the district level by each district programme manager. A special account denominated in United States dollars will be established in the Central Bank. The Government's representative authorized to sign withdrawal applications for IFAD funds will also be in charge of managing this central account. The initial deposit from IFAD into the special account will correspond to the projected six-month disbursements during an average programme year in the respective districts and for the national programme coordination unit; this is estimated at USD 2.0 million. Direct payments to suppliers may be requested from IFAD for all contracts exceeding USD 20 000. Eligible expenditure made by the Government from the date of approval by the Executive Board will be reimbursed up to a total of USD 1.9 million for infrastructure and asset recovery under the support to artisanal fisheries development component and USD 1.3 million for asset recovery under the microenterprise and financial service development component.

39. **Audit.** The accounts of the programme and those of the implementing agencies will be audited annually by the Auditor General's Office in line with government procedures acceptable to IFAD. Certified audit reports will be transmitted to IFAD not later than six months after the end of the fiscal year. The auditor will give a specific opinion on the implementing agencies' funding mechanisms, the use they make of programme resources, and the accountability of partners and financial reporting by them.

### F. Organization and Management

40. The programme will be implemented under the responsibility of the Ministry of Fisheries, Aquatic Resources and Christian Affairs, the executing agency. The Department of Fisheries and Aquatic Resources will act as the implementing agency for the programme.

41. The programme management structure will include a **national steering committee**, chaired by the Secretary of the Ministry of Fisheries, Aquatic Resources and Christian Affairs and responsible for programme coordination with donors, approval of work programmes and budgets, and implementation policy issues. A **national programme coordination unit** will consolidate programmes and budgets, and monitor implementation, while managing the special account. In each of the seven districts, a **district programme management unit**, attached to the district office of the

Ministry of Fisheries, Aquatic Resources and Christian Affairs and reporting to the programme coordinator, will be responsible for programming, financial management, contracting and monitoring. **District coordination committees**, chaired by the district secretary, will ensure coordination. Implementing agencies in the private, public and NGO sectors will carry out programme activities jointly with communities on the basis of performance-based contracts and agreements.

42. **Implementation modalities.** The programme will be implemented in a rapidly changing environment with the involvement of a multitude of donor agencies, many of which may be non-traditional donors. Coordination of these flows of funds is a major challenge. While commitments have been made, actual disbursements are difficult to foresee with certainty due to each institution's approval and disbursement procedures and, at present, funding of recovery activities is far below expected levels. Therefore, the actual approach of the programme vis-à-vis recovery activities during the first two years is to finance the planned activities, unless disbursements from other sources are confirmed within the next two months. In that case, programme funds will be reallocated to other programme activities. Consequently, programming and implementation needs to be very flexible – with a rolling-programme approach and short, swift lines of authority – and must allow for adjustments in current, approved work programmes and budgets.

43. The Asian Development Bank (AsDB) is financing a coastal resource management project in the eastern coastal districts. Coordination between the present programme and the AsDB project will be ensured by common programming of activities at the district level and by contracting the implementation of programme activities to the AsDB project under an agreement between the Ministry of Fisheries, Aquatic Resources and Christian Affairs and the Ministry of Provincial Councils and Local Government. Monitoring of implementation by the AsDB will be ensured by the district fisheries inspectorates.

### G. Economic Justification

44. The programme will benefit an estimated 50 000 persons in as many households, or about 42% of the population of the programme area. Of these, 2 000 persons may be involved in coastal resource management, 25 800 in support to artisanal fisheries development, 16 500 in microenterprise and financial service development, and 5 600 in social and economic infrastructure development. The latter includes 1 000 households who will receive support in the building and repair of houses. The total programme cost per beneficiary amounts to USD 139.

45. The main programme benefit will initially be the restoration of household economic activities both in artisanal fisheries and in non-fisheries sectors. Subsequently, benefits will include the sustainable development of diversified sources of income. Marketing support will help improve fishers' incomes through more effective access to local markets and the exploitation of niche export markets. Microenterprise and microfinance activities will focus on women and will help them improve their productivity and social status.

### H. Risks

46. During the initial two-year recovery phase, the programme will be implemented in an environment where many donors, including non-traditional donors, will have to make use of existing implementation capacity in the public, private and NGO sectors. Inevitably, a degree of competition for this finite capacity will develop, unless an appropriate, strong coordination mechanism is in place.

47. The lead time to mobilize the funds required by different financing sources varies greatly. Furthermore, it seems that pledges are not being followed by actual disbursements, although these funds are urgently needed to initiate recovery. As a consequence, there is the risk that immediate

funding needs cannot be met and that, at a later stage, excess funding will develop. Flexibility in programming and disbursements for programme activities will address this risk.

### **I. Environmental Impact**

48. The programme is expected to have a positive impact on the environment through its contribution to rubble removal and disposal, its use of renewable energy and collection of rainwater resources, and its community-based approach to sustainable coastal resource management. An assessment of marine fish resources will be undertaken to determine the degree of (over)exploitation and the required policies for fisheries development.

### **PART III – LEGAL INSTRUMENTS AND AUTHORITY**

49. A loan agreement between the Democratic Socialist Republic of Sri Lanka and IFAD constitutes the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement will be presented to the Executive Board following negotiations.

50. The Democratic Socialist Republic of Sri Lanka is empowered under its laws to borrow from IFAD.

51. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

### **PART IV – RECOMMENDATION**

52. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Democratic Socialist Republic of Sri Lanka in various currencies in an amount equivalent to nine million four hundred thousand special drawing rights (SDR 9 400 000) to mature on or prior to 15 April 2045 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President

**SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES  
INCLUDED IN THE NEGOTIATED LOAN AGREEMENT**

(Loan negotiations concluded on 22 July 2005)

1. **Programme accounts.** The district programme manager of each programme district will open and thereafter maintain in a commercial bank, proposed by the Government and accepted by IFAD, a current account denominated in LKR to receive loan and other funding for programme operations (the “DPMU programme account”). The relevant district programme manager and the accountant/finance manager of the district programme management unit (DPMU) will be authorized to carry out transactions relating to the DPMU programme account. The programme coordinator will open and thereafter maintain in a commercial bank proposed by the Government and accepted by IFAD, a current account denominated in LKR to receive loan and other funding for programme operations (the “PCU programme account”). The programme coordinator and the accountant/finance manager of the programme coordination unit (PCU) will be authorized to carry out transactions relating to the PCU programme account. The financing institution agreed between the Government and IFAD will open and thereafter maintain, in a bank proposed by the Government and accepted by IFAD, an account denominated in LKR to receive loan and other funding relating to the credit activities (the “credit activities programme account”). The Government will advise IFAD which financing institution personnel will be authorized to carry out transactions relating to the credit activities programme account.
2. **In-depth reviews.** The lead programme agency, IFAD and the cooperating institution will jointly carry out a first in-depth review no later than the end of the 24th month following the effective date, and the second in-depth review no later than the 48th month following the effective date, to consider the achievement of programme objectives and the constraints experienced, and recommend reorientation as may be required to achieve objectives and remove constraints. The Government will ensure that review recommendations are implemented within a reasonable time and to the satisfaction of IFAD.
3. **Counterpart funds.** During the programme implementation period, the Government will make available to the lead programme agency counterpart funds from its own resources in accordance with the annual workplans and budgets (AWPBs) and its customary national procedures for development assistance. For this purpose, the Government will take all reasonable steps to obtain budgetary allocations for each fiscal year equal to the counterpart funds called for in the AWPB for the relevant programme year and make such allocations available to the lead programme agency annually in advance as required to carry out the programme in accordance with the loan agreement.
4. **Insurance of programme personnel.** The Government will insure programme personnel against health and accident risks to the extent consistent with its customary practice in respect of its national public service.
5. **Gender focus – implementation.** The Government will ensure that implementation modalities are gender-sensitive and that women beneficiaries are equally and fully represented. It will also ensure that at least 75% of the beneficiaries under the microenterprise and financial service development component are women.
6. **Gender focus – programme staffing and management.** Equal participation of women will be sought in the national steering committee and the district coordination committees. The selection and appointment of key programme staff (the programme coordinator and district programme managers) will be conducted in a gender-sensitive manner. In the recruitment of programme staff, all things being equal, preference will be given to women candidates.

7. **Monitoring.** To evaluate programme implementation properly, the programme will establish its own monitoring system by or before 12 months after the programme's effective date. The Government will ensure that the indicators to be monitored by the programme are specified in each service provider agreement, and that they include, as far as feasible, data on the impact of the activities of each contracted service provider.

8. **Progress reports.** (a) Quarterly progress reports will be submitted by each programme party. They will address technical and physical progress made during the period and contain financial statements relating to that quarter's expenditures.

(b) Annual progress reports will be based on the quarterly progress reports. They will be prepared, processed and consolidated in the same manner as the quarterly progress reports.

9. **Business advisory services.** The provision of basic business advisory services and skills training under the microenterprise and financial services development component will be provided under the loan on a matching grant basis, with the beneficiaries contributing 20% of the relevant costs.

10. **Creation of an autonomous coastal zone development institute.** The programme anticipates the establishment of an autonomous institute or body for coastal zone development. This matter will be critically reviewed during the second in-depth review to ascertain what the conditions and legal requirements for its establishment are. A decision will then be taken and the Government will take the necessary steps to create this institution or body before the programme completion date.

11. **Suspension.** In addition to the events specified in section 12.01 of the General Conditions for Agricultural Development Financing, IFAD:

- (a) May suspend, in whole or in part, the right of the Government to request withdrawals from the loan account upon the occurrence of any of the events set forth therein or any of the following events:
  - (i) the credit by-laws, or any provision thereof, have been waived, suspended, terminated, amended or otherwise modified without the prior consent of IFAD, and IFAD has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the programme's credit activities;
  - (ii) the programme implementation manual, or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior consent of IFAD, and IFAD has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the programme;
  - (iii) any competent authority has taken any action for the dissolution of the financial institution or the suspension of its operations, or any action or proceeding has been commenced for the distribution of any assets of the financial institution, which action, in the reasonable opinion of IFAD, may adversely affect programme implementation;
  - (iv) IFAD has given notice to the Government that credible allegations of corrupt or fraudulent practices in connection with the programme have come to the attention of IFAD, and the Government has failed to investigate the matter fully and promptly to the Fund's satisfaction; or thereafter, based on the conclusions of the

## ANNEX

aforesaid investigation and any other information available to it, IFAD, in consultation with the Government, determines that such practices have occurred, and the Government has failed to take timely and appropriate action to remedy the matter to the Fund's satisfaction.

- (b) IFAD will suspend, in whole or in part, the right of the Government to request withdrawals from the loan account if the audit report required by the loan agreement has not been satisfactorily completed within 12 months after the financial reporting period set forth therein.

12. **Conditions of effectiveness.** The following are specified as conditions precedent to the effectiveness of the loan agreement:

- (a) the programme coordinator will have been duly appointed by the lead programme agency and approved by IFAD;
- (b) the Government will have duly opened the special account and the programme coordinator will have opened the PCU programme account;
- (c) the Government will have duly established the programme steering committee and the seven district coordination committees and the PCU;
- (d) the programme coordinator and the PCU accountant/finance manager will have been given any necessary authority and powers to operate the special account and the PCU programme account;
- (e) the loan agreement will have been duly signed, and the signature and performance thereof by the Government will have been duly authorized and ratified by all necessary administrative and governmental action; and
- (f) a favourable legal opinion, issued by the attorney general or other legal counsel acceptable to IFAD in form and substance acceptable to IFAD, will have been delivered by the Government to IFAD.

APPENDIX I

COUNTRY DATA

SRI LANKA

<b>Land area (km<sup>2</sup> thousand) 2002 1/</b>	64.6	<b>GNI per capita (USD) 2002 1/</b>	850
<b>Total population (million) 2002 1/</b>	18.97	<b>GDP per capita growth (annual %) 2002 1/</b>	2.7
<b>Population density (people per km<sup>2</sup>) 2002 1/</b>	294	<b>Inflation, consumer prices (annual %) 2002 1/</b>	10
<b>Local currency</b>	Sri Lanka Rupee (LKR)	<b>Exchange rate: USD 1 =</b>	LKR 99.85
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (average annual population growth rate) 1996-2002 1/	1.4	GDP (USD million) 2002 1/	16 567
Crude birth rate (per thousand people) 2002 1/	18	Average annual rate of growth of GDP 1/ 1982-1992	3.9
Crude death rate (per thousand people) 2002 1/	6	1992-2002	4.6
Infant mortality rate (per thousand live births) 2002 1/	16	Sectoral distribution of GDP 2002 1/	
Life expectancy at birth (years) 2002 1/	74	% agriculture	20
Number of rural poor (million) (approximate)	n/a	% industry	26
Poor as % of total rural population	n/a	% manufacturing	16
Total labour force (million) 2002 1/	8.41	% services	54
Female labour force as % of total 2002 1/	37	Consumption 2002 1/	
<b>Education</b>		General government final consumption expenditure (as % of GDP)	9
School enrolment, primary (% gross) 2002 1/	110 a/	Household final consumption expenditure, etc. (as % of GDP)	77
Adult illiteracy rate (% age 15 and above) 2002 1/	8	Gross domestic savings (as % of GDP)	14
<b>Nutrition</b>		<b>Balance of Payments (USD million)</b>	
Daily calorie supply per capita	n/a	Merchandise exports 2002 1/	4 699
Malnutrition prevalence, height for age (% of children under 5) 2002 3/	14 a/	Merchandise imports 2002 1/	6 104
Malnutrition prevalence, weight for age (% of children under 5) 2002 3/	29 a/	Balance of merchandise trade	-1 405
<b>Health</b>		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2002 1/	4 a/	before official transfers 2002 1/	-1 577
Physicians (per thousand people) 2002 1/	1 a/	after official transfers 2002 1/	-264
Population using improved water sources (%) 2000 3/	77	Foreign direct investment, net 2002 1/	242
Population with access to essential drugs (%) 1999 3/	95-100	<b>Government Finance</b>	
Population using adequate sanitation facilities (%) 2000 3/	94	Overall budget deficit (including grants) (as % of GDP) 2002 1/	-10 a/
<b>Agriculture and Food</b>		Total expenditure (% of GDP) 2002 1/	26 a/
Food imports (% of merchandise imports) 2002 1/	14	Total external debt (USD million) 2002 1/	9 611
Fertilizer consumption (hundreds of grams per ha of arable land) 2002 1/	2 617 a/	Present value of debt (as % of GNI) 2002 1/	47
Food production index (1989-91=100) 2002 1/	116	Total debt service (% of exports of goods and services) 2002 1/	10
Cereal yield (kg per ha) 2002 1/	3 410	Lending interest rate (%) 2002 1/	13
<b>Land Use</b>		Deposit interest rate (%) 2002 1/	9
Arable land as % of land area 2002 1/	14 a/		
Forest area as % of total land area 2002 1/	30 a/		
Irrigated land as % of cropland 2002 1/	31 a/		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2004

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2004

PREVIOUS IFAD FINANCING IN SRI LANKA

Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loan/Grant Acronym	Denominated Currency	Approved Loan/Grant Amount	Disbursement (as % of approved amount)
Kirindi Oya Irrigation and Settlement Project	AsDB	AsDB	HC	12 Apr 78	03 Jul 78	30 Jun 86	L - I - 1 - SI	USD	12000000	100%
Kirindi Oya Irrigation and Settlement Project	AsDB	AsDB	HC	12 Apr 78	03 Jul 78	30 Jun 86	L - I - 109 - SR	SDR	5500000	64%
Anuradhapura Dry Zone Agriculture Project	AsDB	AsDB	HC	05 Dec 80	29 Jun 81	30 Jun 89	L - I - 58 - SR	SDR	11350000	33%
Coconut Development Project	AsDB	AsDB	HC	17 Dec 81	13 Oct 82	30 Jun 88	L - I - 85 - SR	SDR	7100000	43%
Badulla Rural Development Project	IFAD	World Bank: IBRD	HC	09 Dec 82	18 Jul 83	30 Nov 93	L - I - 111 - SR	SDR	12950000	81%
Kegalle Rural Development Project	IFAD	World Bank: IBRD	HC	05 Dec 85	08 Jul 86	30 Jun 96	L - I - 179 - SR	SDR	7500000	83%
Small Farmers and Landless Credit Project	IFAD	UNOPS	HC	26 Apr 88	28 Mar 89	31 Dec 97	L - I - 219 - SR	SDR	4850000	86%
Second Badulla Integrated Rural Development Project	IFAD	UNOPS	HC	04 Apr 91	12 Aug 92	31 Mar 03	L - I - 283 - SR	SDR	9900000	91%
North-western Province Dry Zone Participatory Development Project	IFAD	AsDB	HC	09 Sep 92	22 Feb 93	30 Jun 01	L - I - 309 - SR	SDR	6150000	74%
North-Central Province Participatory Rural Development Project	IFAD	UNOPS	HC	13 Sep 95	09 Jan 96	30 Jun 04	L - I - 384 - LK	SDR	5450000	99%
Matale Regional Economic Advancement Project	IFAD	UNOPS	HC	03 Dec 98	15 Dec 99	30 Jun 06	L - I - 493 - LK	SDR	8350000	52%
Dry Zone Livelihood Support and Partnership Programme	IFAD	World Bank: IDA	HC	09 Sep 04			L - I - 636 - LK	SDR	15100000	



## APPENDIX III

## LOGICAL FRAMEWORK

Goal	Indicators	Monitoring mechanism and info sources	Assumptions
Social and economic conditions in tsunami-affected areas have been re-established and improved over pre-tsunami levels, economic activities are growing, poverty incidence has declined and development is gender-positive	<ul style="list-style-type: none"> <li>- Poverty incidence</li> <li>- Gender development indicators</li> <li>- Social indicators in health, education, pre- and post-tsunami</li> <li>- Economic indicators by sectors</li> </ul>	<ul style="list-style-type: none"> <li>- Sample household surveys</li> <li>- Government statistics</li> <li>- Participatory analysis and impact monitoring</li> <li>- Implementing agency reports</li> <li>- Supervision reports</li> <li>- Programme reports</li> </ul>	<ul style="list-style-type: none"> <li>- Macroeconomic and social policy environment remains favourable for the development of coastal areas and sectors</li> <li>- Natural and climatic calamities have a limited impact</li> </ul>
	<b>Indicators</b>	<b>Monitoring mechanism and info sources</b>	<b>Assumptions</b>
Women and men in tsunami-affected areas will have recovered their assets, have re-established their usual economic activities while diversifying them in other and new profitable income-generating activities. Income levels per household member have are rising above poverty levels. Communities have been strengthened and are managing coastal resources and have been provided with essential social and economic infrastructure. The participation of women in social and economic activities has improved.	<ul style="list-style-type: none"> <li>- Asset level per household, assets held by women</li> <li>- Nbr of economic activities by household and by gender, distribution by sector</li> <li>- Amount of incomes of household members by sources and by gender exceeding the poverty line</li> <li>- Type of coastal activities by gender, returns to economic activities</li> <li>- Nbr of communities and members by gender managing coastal resources</li> <li>- Nbr and type of infrastructure available by community.</li> <li>- Participation rate of women in social and economic activities, in local governance</li> </ul>	<ul style="list-style-type: none"> <li>- Government statistics</li> <li>- Participatory analysis and household surveys</li> <li>- Field observations</li> <li>- Monitoring reports</li> <li>- Implementing agency reports</li> <li>- Programme reports</li> </ul>	<ul style="list-style-type: none"> <li>- Recovered assets and rising household incomes are used to improve the living standard of the household members rather than for conspicuous consumption.</li> </ul>
<b>Output Community Coastal Resources Management</b>	<b>Indicators</b>	<b>Monitoring mechanism and info sources</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>- Formation and strengthening of community organizations</li> <li>- Rehabilitation and management of coastal natural resources, habitats</li> <li>- Lagoon and mangrove fisheries activities</li> </ul>	<ul style="list-style-type: none"> <li>- Nbr. of community organizations formed, strengthened</li> <li>- Nbr. of women and men trained in group management, resource management, non-marine fisheries</li> <li>- Nbr. of organizations involved in resources management</li> <li>- Type and quantity of resources maintained or improved</li> <li>- Fisheries activities in lagoons and mangroves undertaken</li> </ul>	<ul style="list-style-type: none"> <li>- Supervision reports</li> <li>- Monitoring reports</li> <li>- Implementing agency reports</li> <li>- Programme reports</li> <li>- Case studies</li> </ul>	

## APPENDIX III

<b>Output Fisheries Development</b>	<b>Indicators</b>	<b>Monitoring mechanism and info source</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>- Recovery of productive assets of rural women and men</li> <li>- Landing infrastructure, community centres, markets, etc., rehabilitated, constructed</li> <li>- Improved fishing practices</li> <li>- Improved fish quality</li> <li>- Fisheries management plan;</li> <li>- Resources assessment</li> <li>- Marketing pilot schemes</li> </ul>	<ul style="list-style-type: none"> <li>- Value of recovered assets by gender</li> <li>- Type and quantity of fisheries infrastructure rehabilitated or constructed</li> <li>- Nbr. of fishermen sensitized and trained in fishing practices</li> <li>- Fisheries management plan completed</li> <li>- Resources assessment completed</li> <li>- Amount and value of fish marketed in pilot scheme, increased incomes earned by gender</li> <li>- Price differentials earned through improved quality</li> </ul>	<ul style="list-style-type: none"> <li>- Household surveys</li> <li>- Monitoring reports</li> <li>- Implementing agency reports</li> <li>- Supervision reports</li> <li>- Programme reports</li> </ul>	
<b>Output Financial Services, Micro-Enterprise and Empowerment</b>	<b>Indicators</b>	<b>Monitoring mechanism and info source</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>- Bank infrastructure recovered, rehabilitated</li> <li>- Local banks, societies, saving groups recapitalized</li> <li>- Microfinance systems re-established, expanded</li> <li>- Societies bank linkages re-established and expanded</li> <li>- Microenterprise business support services available</li> <li>- Vocational training provided to women and men</li> <li>- Women's empowerment improved through adult literacy and legal training</li> </ul>	<ul style="list-style-type: none"> <li>- Type and quantity of financial infrastructure recovered, rehabilitated</li> <li>- Amounts of shares distributed by gender</li> <li>- Number of microfinance groups formed, trained and operating</li> <li>- Amounts of savings accumulated by gender</li> <li>- Amounts of loans disbursed by gender</li> <li>- Repayment rates by gender</li> <li>- Nbr. of microenterprises re-established or formed</li> <li>- Financial results of microenterprises by gender</li> <li>- Nbr. of trainees in vocational training by gender and employment created</li> <li>- Nbr. of women trained in literacy, and successfully applying</li> <li>- Nbr. of women participating in local governance</li> </ul>	<ul style="list-style-type: none"> <li>- Financial statements of MFIs, NGOs, banks</li> <li>- Household surveys</li> <li>- Monitoring reports</li> <li>- Implementing agency reports</li> <li>- Supervision reports</li> <li>- Programme reports</li> </ul>	
<b>Output Social and Economic Infrastructure</b>	<b>Indicators</b>	<b>Monitoring mechanism and info source</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>- Fisheries roads repaired, reconstructed</li> <li>- Resettlement access roads, drainage, sanitation infrastructure completed;</li> <li>- Community drinking water rehabilitated, constructed;</li> <li>- Irrigation rehabilitation;</li> <li>- Housing;</li> <li>- Sanitation;</li> <li>- Renewable energy and rainwater harvesting devices installed.</li> </ul>	<ul style="list-style-type: none"> <li>- Km of roads repaired</li> <li>- Length of access roads, number of drainage and sanitation facilities</li> <li>- Units of community drinking water investments</li> <li>- Units of ponds rehabilitated</li> <li>- Units of houses completed</li> <li>- Sanitation infrastructures constructed</li> <li>- Number of solar panels, rainwater harvesting devices installed</li> <li>- Biogas digesters installed and operating</li> </ul>	<ul style="list-style-type: none"> <li>- Household surveys</li> <li>- Monitoring reports</li> <li>- Implementing agency reports</li> <li>- Supervision reports</li> <li>- Programme reports</li> </ul>	

