

National Development Policy Framework and the Millennium Development Goals in the Context of Sri Lanka

National Development Policy Framework

1. Introduction

The Government of Sri Lanka has prepared a vision document known as "Regaining Sri Lanka" (RSL) in year 2002. RSL Document has three parts Vision Document, Poverty Reduction and Strategy Paper and the Relief, Rehabilitation and Reconciliation document. The vision document provides the broader national vision and development framework for the country and identifies economic reforms and development strategies to put the economy on right track. This vision document envisages an economic growth rate of 8% - 10% in the medium term and emphasise heavily on the private sector led growth. Under the new National Development Policy Framework, the government expects the private sector to be the engine of economic growth. The PRSP spell out the strategies for pro poor growth and the RRR identifies the needs for North and East.

The Government's Economic Reform Program (ERP) was developed with over six months of intensive review carried out under the Ministry of Policy Development and Implementation (MPD&I), chaired by the Honourable Prime Minister. There were approximately 19 groups working under a Policy Development Committee that was responsible for developing plans and recommendations. The committees comprised of both government officials and private sector individuals.

Between 25 and 39 percent of the population can be classified as poor, depending on whether or not poverty is measured with a low or twenty percent higher poverty line. Poverty is predominately a rural phenomenon with nearly 90 percent of the poor residing in rural areas. The Poverty Reduction Strategy (PRS), prepared by the Government in consultation with a wide range of stakeholders, including donors, NGOs, the private sector, and civil society, is based on an assessment of the extent, causes and consequences of poverty in Sri Lanka.

Six major pillars constitute the strategic foundation for future poverty reduction efforts:

- Building a supportive macroeconomic environment
- Reducing conflict-related poverty
- Creating opportunities for the poor to participate in economic growth
- Investing in People
- Empowering the poor and strengthening governance
- Implementing an effective monitoring and evaluation system

The Relief, Rehabilitation and Reconciliation (RRR) process has been initiated to address some of the immediate challenges arising in building a lasting peace. The RRR focuses on meeting the basic needs of the people affected by the conflict; improving economic conditions; and facilitation reconciliation among all ethnic groups.

The Implementation Program is being prepared, with a strong focus on managing and monitoring the implementation of this large and complex Action Program. It proposes establishing a number of Steering Committees that will report to a Program Management Committee, which will report to the Economic Policy Committee (Annex 2). It also proposes the establishment of the National Competitiveness Council (NCC) that would provide a tri-partite body consisting of business, labor and government representatives. The NCC would focus on the implementation of microeconomic initiatives implemented by the private sector. It will also serve as a clearinghouse for a range of initiatives intended to provide assistance to the private sector in identifying ways and means of improving their productivity growth.

1.1. Accelerated Growth

At the heart of this program is a major change in the relationship between the public and private sectors. We are placing a major share of the responsibility on the private sector for accelerating economic growth, increasing jobs and incomes and providing the resources that will be needed for the reconstruction requirements that peace brings. This cannot be avoided. It is the private sector that makes the decisions, that determines productivity and it is on this basis that future growth will depend. However, the Government must provide an environment where they have the freedom to make the decisions necessary to continuously improve productivity. The government's direct role in this process should be much reduced. The government's primary responsibility will be to maintain and make clear the rules for ensuring that markets remain competitive and that the policies and regulations that are in place are efficiently implemented in ways that minimize the burdens to the economy.

Government plans to work more closely with the private sector to put in place the economic infrastructure and quality social services that the nation so badly requires. Output-based contracting and multi-sector regulation will be used to encourage greater private sector participation in the provision, operation and management of infrastructure and other services. Performance-based contracts will be entered into which link payment to the provision of infrastructure services that meet acceptable quality levels. Qualified private sector firms will be encouraged to bid for the provision of such infrastructure contracts in the areas of water supply, toll roads, railway management, and port services.

The private sector will be encouraged to work more closely with the state enterprises to improve the management and utilization of existing government assets. A tremendous amount of land and other assets used by railway stations, major bus terminals and postal centres, which are close to markets, are idling due to lack of proper management and finance. In selected areas, joint ventures will be formed to release these idle assets to the private sector to improve public services. Significant benefits will accrue to the railways and the postal services through improved efficiency.

As market conditions permit, government will continue to pursue the closure of non-viable state enterprises and the sale of the more commercially oriented enterprises. Government is committed to reduce its involvement and ownership of commercial ventures, and anticipates significant revenues from attracting greater private participation

in the next three years. The actual pace at which ownership is transferred to the private sector will also depend on market conditions and private investor sentiment.

Government will exit from loss-making commercial businesses to create scope for private initiative. Public Enterprise Reform Commission (PERC) will continue divesting the remaining Government stake in several public enterprises including two plantations, one sugar mill, Government rest houses and hotels, Sri Lanka Insurance Corporation (SLIC), the National Lottery, Ceylon Petroleum Corporation (CPC) and the remaining stake in SLT (Sri Lanka Telecom). **Divestiture** will be conducted in a professional and transparent manner. Fostering competition will be critical to the success of the **divestiture** process. Government will ensure that the industries undergoing **divestiture** are subject to competition in the market.

1.2. Economic Policy Reforms

In order to accelerate the rate of economic growth and private sector led development, the governments development policy framework identifies a number of economic reform programmes. The reforms are intended to create an enabling environment for private sector development. The following reforms have been incorporated into the RSL.

1. Fiscal Policy Reforms
2. Monetary Policy Reforms
3. Trade Policy Reforms
4. Financial Sector Reforms
5. Labour Reforms
6. Public Sector Reforms

The fiscal policy reforms are aimed at reducing the fiscal deficit to a manageable limit through improved revenue collection, efficient public expenditure management and debt management. The trade reforms are aimed to promote free trade and reduce trade protections that hamper the development of trade. The labour market reforms are intended to enhance flexibility of labour market and promote mobility of labour. The financial sector reforms are aimed at promoting sound competitive banking and financial system and reduce state monopoly or state domination in the financial sector. The public sector reforms are intended to reduce the size of the public sector and provide an enabling environment for the private sector by withdrawal of state involvement in the public commercial enterprises.

2. MDGs Key Issues and Challenges

Three household consumption surveys covering the entire nation, except the North and East (i.e., the conflict areas) were undertaken during the 1990s-two by the Department of Census and Statistics (DCS), entitled **Household Income and Expenditure Surveys** (HIES), and one by the Central Bank (CB), entitled **Consumer Finance and Social-Economic Survey** (CFSES). All three defined the poverty line in terms of the estimated cost (per capital) of a minimum food and non-food consumption bundle. The DCS used a lower poverty line of Rs.791 and a 20 percent higher poverty line of Rs.950 while the

CB used a lower poverty line of Rs.860 and a 20 percent higher poverty line of Rs.1,032 per person per month, to estimate the incidence of consumption poverty.

Although in terms of national averages Sri Lanka stands high in social indicators (Annex 1) there are poverty pockets that need to be addressed. Following Table combines the consumption poverty index and the human poverty index and ranks the districts in terms of the combined score. The overall ranking shows that the five most impoverished districts are Moneragala, Ratnapura, Badulla, Kurunegala and Matale. Large pockets of poverty exist in all three zones: dry (Moneragala, Kurunegala), wet (Ratnapura) and intermediate (Matale, Badulla).

Consumption and Human Poverty Levels by District (Percent)

District	Consumption Poverty	Human Poverty	Combined Score	Rank
Colombo	19	13	32	1
Gampaha	21	12	33	2
Kalutara	38	16	54	3
Kandy	42	17	59	5
Matale	51	21	72	13
Nuwara Eliya	40	30	70	10
Galle	39	19	58	4
Matara	44	19	63	6
Hambantota	43	23	66	8
Kurunegala	53	22	75	14
Puttalam	51	19	70	10
Anuradhapura	50	21	71	12
Polonnaruwa	40	28	68	9
Badulla	48	27	75	14
Moneragala	66	29	95	17
Ratnapura	52	25	77	16
Kegalle	41	24	65	7

Source : Household Income and Expenditure Survey 1995/96, Department of Census and Statistics, Sri Lanka National Human Development.

2.1. Gender Poverty.

Unlike in many other countries, there isn't strong evidence to suggest that female-headed households are poorer than male-headed households in Sri Lanka. In terms of gender differences, the consumption poverty data are inconclusive. According to the results of the 1995/1996 Household Income and Expenditure Survey, the proportion of impoverished male-headed households is actually greater than the proportion of impoverished female-headed households.

The UNDP's Gender Development Index (GDI) for Sri Lanka is almost 70%, which is well above the average for all developing countries (56%) as well as the global average (64%). Provincial and district-wise disparities in GDI are quite limited. The UNDP's Gender Empowerment Index (GEM) measures the relative empowerment of women vis-

à-vis men in economic and political spheres. The GEM for Sri Lanka is only 31%, which is lower than the average for all developing countries (37%) as well as the World average (42%). The low empowerment measure is a reflection of the limited participation of women in politics and in the senior ranks of government and the private sector. There is also a substantial disparity in the GEM amongst different parts of the country.

2.2. Education

Education assists individuals to rise out of poverty. Education has a strong positive impact on earnings, and poverty levels decline as the schooling attainment of household heads and principal income earners rise. High earnings premia and positive rates of return to education are experienced at the GCE O/L and university degree levels. There is a close inverse correlation between higher levels of educational attainment and poverty. The poor are usually illiterate or educated up to just a primary or junior secondary level. The ability of poor children to exploit educational opportunities and improve labor market prospects is constrained by several factors. The educational reforms focuses on curriculum development, infrastructure development, vocational training and training of teaching staff.

Ambitious goals have been set for the education sector. The net enrolment rate in primary education is expected to increase from 96 percent in the year 2000 to 100 percent in 2005. Universal secondary school enrolment will be reached by the year 2010, and nearly 85 percent of the students will attend secondary school in 2005. Students will become increasingly computer literate. Nearly half of all students will be exposed to computers by 2005, compared to just 5 percent in the year 2000. To deliver these results, there will be more trained teachers, more students in tertiary education and far better equipped schools. The number of trained teachers will be increased from 59 percent of the total in 2000 to 90 percent in 2005; at least half of all schools will have libraries by 2005 and some 15 percent of the students aged 20-24 will be enrolled in tertiary education. The numbers of students enrolled in vocational training will rise from 48,500 in 2000 to 72,000 by 2005. At the same time, half of all vocational training courses will be converted into competency based training.

2.3. Health

The health care reforms are focusing on improving the quality of health services at the national as well as sub-national level. Healthcare is financed equally by the government and by households' direct out-of-pocket payments. The government has encouraged expansion of private healthcare as the public sector recognized its inability to keep pace with increasing demand for hospital-based care and higher quality services. Private health care services provide nearly half of all out-patient care but just five percent of all hospitalisation services. Recent surveys has revealed that the poor directly finance a considerable share of their own out-patient service care. In the future, Government support in the health sector will need to be concentrated more on the poor, with the public sector reducing its role in providing subsidized health services that cater to all segments of society.

There is widespread access to basic healthcare in Sri Lanka and the maternal and child health care clinics have performed extremely well in mounting immunization campaigns and educating the public regarding safe childbirth and appropriate treatment for infectious disease. Infant, child, and maternal mortality rates are low, and life expectancy is nearing the level reached in developed countries.

However, a considerable proportion of the population suffers from wasting, stunting, low-weight, iron deficiency anaemia and other micronutrient deficiencies. Recent research studies from the Medical Research Institute suggest that about one-third of small (under five years of age) children are underweight, nearly one-fifth were stunted or had inadequate height for age and about 14% of children were wasted or had inadequate weight for height.

The prevalence of under-nutrition is likely to be particularly high among poor families. There appears to be little relationship between consumption poverty and the incidence of child malnutrition. It is important to note that the proportion of children under-nourished in rural areas is far higher than in urban areas. Children's nutrition level rises rapidly with the mother's level of education.

The main goals of the health sector have been framed in a way to reflect the health concerns of the poor, including:

- Improve the nutrition levels for infants, children and pregnant women,
- To ensure that the incidence of non-communicable diseases is kept very low,
- To free the nation from Malaria and communicable diseases such as dengue hemorrhagic fever,
- To ensure that patients receive medical care of an international standard and
- To provide maximum care for disadvantaged groups.

By the year 2005, the rate of infant malnutrition should be reduced from 20 percent to 10 percent and automation will be used to modernize health management and information systems in about half of all public health facilities.

2.4. Sanitation

The provision of safe drinking water, and adequate sewage and sanitation systems, is frequently cited as the single, highest social-service priority by poor households. In some districts over half of the rural population do not have access to safe drinking water supplies. Groups that have poor access to sanitation include those living in the underdeveloped districts of Nuwara Eliya, the tea, coconut and rubber plantation estates, peri-urban slums, remote rural areas and the conflict affected areas of the North and the East.

The Government's objective is to ensure safe water to 85 percent of the population by 2010. The draft National Policy on Rural Water Supply and Sanitation Sector recognizes that water is a basic human need, but also has an economic value. Users should contribute to investments and bear the recurrent costs of drinking water and utilizing sewage and sanitation services.

2.5. Income Support to Poor

Sri Lanka has a long tradition of providing income support to poor groups. Nearly one-fifth of the Government's current expenditures are used for transfers to households. A wide range of government agencies operate transfer schemes. The Department of Social Services provides assistance to orphans, poor widows, the disabled, elderly-poor and disaster victims. The Samurdhi program provides cash grants to some 2.1 million families and separate cash grants to 82,000 families under the infant nutrition program. It also operates a range of compulsory savings programs, a Samurdhi bank society and national youth job creation and village development efforts. In the areas of social protection, the Government's aims are to (i) improve access and quality of care for the poorest groups; (ii) enhance the efficiency and impact of income transfer, public works and community development schemes; (iii) help the poor to more effectively manage catastrophic risk; and (iv) address the special poverty needs of socially excluded groups. In the future, social protection expenditures will be focused mainly on those who are unable to earn an adequate living, such as the disabled, orphans, the elderly-poor, and the socially excluded and other vulnerable groups. (Food insecurity maps)

2.6. Poverty in the North and East

A large number of displaced persons (including Tamils, Muslims and Sinhalese) have sought shelter in welfare centres, which are characterized by inadequate access to basic health and educational facilities and over-crowded, unsanitary living conditions. The prevailing conditions are worse in the uncleared than in the cleared areas. Many peripheral health institutions have suffered extensive damage due to the conflict and maternal and child health services have also deteriorated due to a variety of reasons, including shortage of qualified medical and para-medical officers, lack of field staff, transportation problems, loss of equipment, breakdown of water and sanitation facilities, and lack of electricity. Malaria is prevalent in the war zone and has the highest endemicity in the uncleared areas as control systems have broken down.

Among the worst affected groups are households that have been displaced, sometimes, repeatedly, as a result of conflict in or threats to their home villages. Displaced families have lost productive assets (agricultural equipment, livestock, shops and mills), including in some cases lands they had cultivated have been appropriated by other households. The Sri Lanka Integrated Survey (SLIS) found that nearly all households in the Northeast (97 percent) that moved due to the war suffered loss of property.

A survey of 515 households and 702 children carried out in Trincomalee district found that 27 percent of children under 5 were stunted, 26 percent were wasted, and 50 percent were underweight. All three indicators were considerably higher in the uncleared than in the cleared areas. For example, the prevalence of underweight was 69 percent in the former, compared with 51 percent in the latter. The study also found that while 48 percent of the women malnourished in Trincomalee district, the level rose to 77 percent in the uncleared areas.

Although numerous qualitative studies have been undertaken in the conflict areas, there is no official estimate of the extent of poverty in the Northeast as it has been excluded

from national consumption survey during the past two decades. Considerable efforts have been made to conduct sample surveys in the Northeast, but these have not been representative or accurate. Nonetheless, there is ample evidence from small-scale surveys and local government reports, that poverty conditions in the Northeast are as bad as in any other part of the country. For this reasons, the Government's operating assumption is that poverty incidence in the Northeast is roughly the same as in Uva, the poorest Province in the South. This would imply that nearly half of the population, or some one million persons in the Northeast, could be considered poor. Moreover, it is well-recognized by Government that poverty in the Northeast is experienced in dimensions such as fear, voicelessness, ethnic polarization, violence-related grievances that are incomparable to those in other parts of the nation.

2.7. Internally Displaced People (IDPs)

At the beginning of 2002, there were some 800,000 internally displaced people in Sri Lanka. Up to 1,000,000 people left the country altogether, and the majority of them in the early and mid-eighties. Approximately 100,000 Sri Lankan refugees were in India, with around 64,000 of them in camps. In addition to the 271,000 IDPs returning to their places of origin, more than 1,000 refugees from Tamil Nadu in Southern India spontaneously returned. There is also anecdotal evidence that a small number of people who had been living abroad in places other than India have also returned.

It is expected that the movement of persons to and within the conflict affected areas will continue throughout 2003. Of the 613,220 officially registered in the country, 66% indicated that the solution to their displacement will be to return home or move to a new place. (IDP Survey 2003). The vast majority of these (391,560) gave the North East as their destination. It is assumed that most of the remaining 64,000 refugees in southern India also wish to return to the North East. While conditions are not yet conducive to large-scale, organised and resettlement of IDPs and refugees, the situation is evolving rapidly.

In addition to IDPs, there are categories of the population such as single-headed households, separated children, elderly, the disabled and children engaged in child labour, who have specific vulnerabilities requiring special attention and support. They have also suffered some of the heaviest and most direct consequences of the protracted conflict (i.e. loss of relatives, physical and psychological violence, poverty, deprivation of basic services, etc.) and also, as a result of their vulnerability, many of them continue to be exposed to grave forms of neglect, abuse and violation.

3. Institutional Arrangements for Monitoring & Evaluation

A Monitoring Team, headed by the National Operations Room (NOR) of the Ministry of Policy Development and Implementation (MPDI), with officials drawn from the Department of National Planning (NPD), the External Resources Department (ERD), the Department of Census and Statistics (DCS) and the Central Bank of Sri Lanka (CBSL), as well as representatives from academic/research institutions, NGOs, the private sector and donor agencies, will be established to design reporting formats and procedures and to work together in collectively implementing the monitoring system. The Peace

Secretariat and the Ministry of Rehabilitation, Resettlement and Refugees (MRRR) will also be represented in the Monitoring Team so as coordinate the Poverty Reduction Strategy (PRS) and RRR Framework monitoring efforts.

The National Operations Room (NOR) will be coordinating the Monitoring and Evaluation (M&E) component of the poverty reduction strategy, the PRS Monitoring Team will be chaired by the NOR. The NOR will be responsible for overall coordination and policy monitoring. It will be required to report to the Secretary of Policy Development on a regular basis and to seek his assistance in addressing implementation lags/drawbacks faced by line ministries. The NOR may require a budget to fund special studies, clear the backlog of indicators (such as infant and maternal mortality rates), service the Monitoring Team, and prepare the PRS progress reports (with the assistance of technical advisory services, if necessary).

The line ministries and agencies will collect and analyse data, identify constraints and problems, and forward this information to the NOR. That Division will collate the inputs from the line Ministries, coordinate the performance monitoring of Government programs, and report to the PRS Monitoring Team.

Independent academic and research institutions, including Centre for Poverty Analysis (CEPA), the Institute for Policy Studies (IPS) and Universities, will be invited to conduct special surveys/studies in order to support the PRS monitoring efforts with a professional poverty analysis that goes into the root causes, trends and dynamics of poverty in Sri Lanka.

NGO representatives are invited to bring in their wealth of experiences in reporting on micro-level poverty interventions and their impacts. Last but not least, the private sector, being a crucial partner in poverty reduction, will be invited to support the PRS process by monitoring poverty related economic policies.

The poor will also be invited to participate in the M&E process. A qualitative survey designed to collect perceptions of poverty reduction progress and the performance of key strategic anti-poverty measures will be included in the M&E system. An appropriate donor or research organization will be identified to collect and report on this information.

The Monitoring Team (see organizational chart below) will meet regularly to assess progress in implementing the PRS and report regularly to the Secretary of Policy Development. A poverty reduction progress report (PRPR) will be prepared on an annual basis by the NOR. This report will be critical for determining whether the poverty reduction effort is on track and what action needs to be taken to address implementation lags/drawbacks.

3.1. MDG Working Arrangements and Monitoring Plan

The MPRD has drawn up a set of proposed working arrangements for monitoring MDGs within the overall framework of the NOR. This plan provides for broad consultation among stakeholders, including government, non-government, and international organizations, especially United Nations agencies. (Annex 2)

In particular, the plan envisages close working cooperation with the Department of Census and Statistics (DCS) regarding the utilization of the Household Income and Expenditure Survey (HIES), the Demographic and Health Survey (DHS), as well as databases and reports of the Central Bank regarding MDG-related macroeconomic indicators. Discussions have been initiated among key stakeholders regarding common formats, definitions, geographical demarcations, and so forth. Notably the Central Bank and the DCS have agreed to stagger their five-year surveys, so as provide better interim coverage on key indicators.

Following the RSL model, broad-based MDG sectoral working committees¹, supported by a MDG secretariat in Monitoring and Progress Review Division (MPRD) of the MPDI, will review issues, indicators, and approaches to monitoring the MDGs. These working committees will report to a small MDG steering committee, linked to relevant RSL steering committees such as the Central Data Committee and the as yet to be formed Human Development Committee. The MDG Steering Committee will report directly to the Economic Policy Committee (EPC) to assure that MDG issues and goals are included in policy decisions.

3.2. Baseline Data and Data Disaggregation

There are number of key issues that will be encountered in the implementation and monitoring of MDGs. It is obvious that, in the absence of relevant data and information, particularly consistent time series data, the progress of the implementation of MDGs cannot be measured. If some data are available but not reliable or comparable, definite conclusions cannot be drawn. Moreover, non availability or limited availability of data for the benchmark year 1990 poses yet another set of problem. Some data's are not comparable due to different sets of definitions and methodology. As part of a broader South Asian Research Project on MDGs, the World Bank has to establish a baseline (1990), trends future requirements to meet MDG targets. Further national averages may not reveal the real problems. Mostly national averages tend to conceal issues and problems. Disaggregated data by regions, gender and income group is necessary to identify specific poverty pockets. It is also necessary to capture regions lagging behind. Furthermore, in the aggregate, Sri Lanka still scores quite high in meeting most human development targets, in comparison to many other nations. However, poverty related indicators vary widely throughout the country, and no matter how respectable the average is, there are may places where conditions are unacceptable within Sri Lanka's famous commitment to social development. Furthermore, if Sri Lanka is to achieve the required improvements in the relative indicators, areas of low performance must be located and their dynamics better understood and addressed. The challenges and opportunities for the MDG effort in Sri Lanka will be at the sub-national levels. Number of ministries and agencies have their own geographical boundary which are neither comparable nor consistent with one another. For example the Household Income and Expenditure Survey (HIES) and Demographic and Health Survey (DHS) are conducted by the Department of Census and Statistics once in five years. Hence surveys and reporting system are inadequate to meet the annual reporting requirements of MDGs and needs to be strengthened.

¹ The three proposed MDG working committees are: *Poverty, Employment, and Hunger*; Gender, Health, and Education; and Environment and Global Development Partnership.

3.3. Awareness Creation

As part of the efforts to build up national ownership, it is necessary to strengthen the national co-ordination mechanism to monitor MDGs and mobilize support from private sector and civil society organizations. At the grassroots level many agencies and institutions are still not aware of the MDGs. Hence, it is necessary to create sensitisation workshops to create awareness among national and sub-national level stakeholders. It is necessary to harness the media to give wide publicity on MDGs to the general public. Moreover, MDG concept documents need to be translated into local languages so that grassroots level people would get a clear picture on the concept.

3.4. Feedback into the Policy Process

Quarterly Progress Report on MDGs will be submitted to the Steering Committees. Bi-annual Progress Report on MDGs would be submitted to the Economic Policy Committee chaired by the Hon. Prime Minister. Direction on strategies to ministries and agencies is to be provided by the MPDI. Re-prioritisations of public expenditure and adjustment of programme to meet the MDG targets need to be initiated by the MPDI.

The Working Committees on MDGs will report to the Steering Committee chaired by the Secretary of MPDI, which in turn will report back to Economic Policy Committee (EPC) chaired by Hon. Prime Minister. The Economic Policy Committee is the sub-committee of the cabinet. Hence, the MDGs reports are integrated into the highest level policy making body. The working arrangement itself strengthens the national ownership for monitoring MDGs. Moreover, co-ordination of the MDGs by the Ministry of Policy Development and Implementation which is under the Hon. Prime Minister enables to give directions on public expenditure and even prioritise public expenditure among the various human development sub-sectors. The analysis of public expenditure on health, education and other social services is essential, for poverty alleviation related decision-making. The working committees comprise representatives from public sector, private sector and C.S.Os.

4. Major Conclusions

The peace process has raised hopes throughout the country that a genuine and lasting peace may be within reach. The hopes and expectations of the people extend beyond peace to better jobs, greater educational opportunities and more secured and satisfactory life. It is clear that there is a direct relationship between building lasting peace and improving economic conditions.

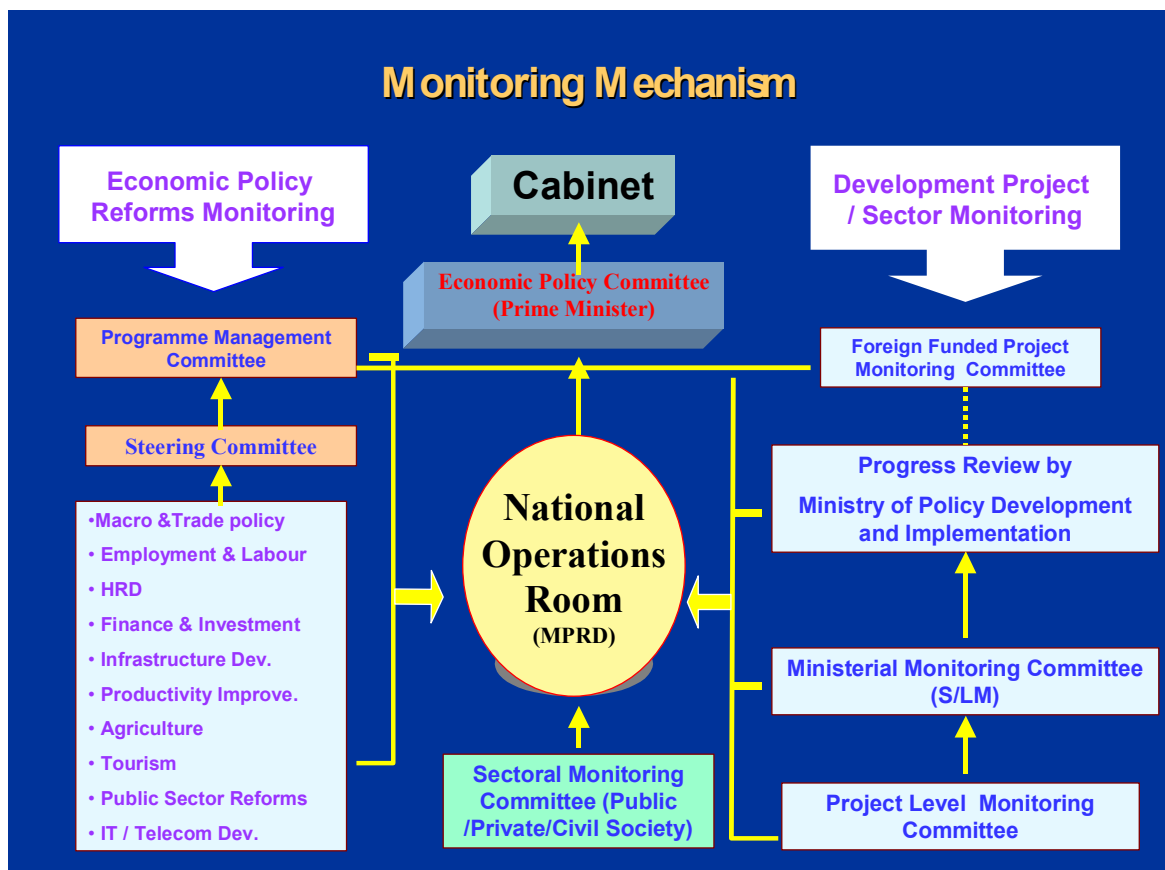
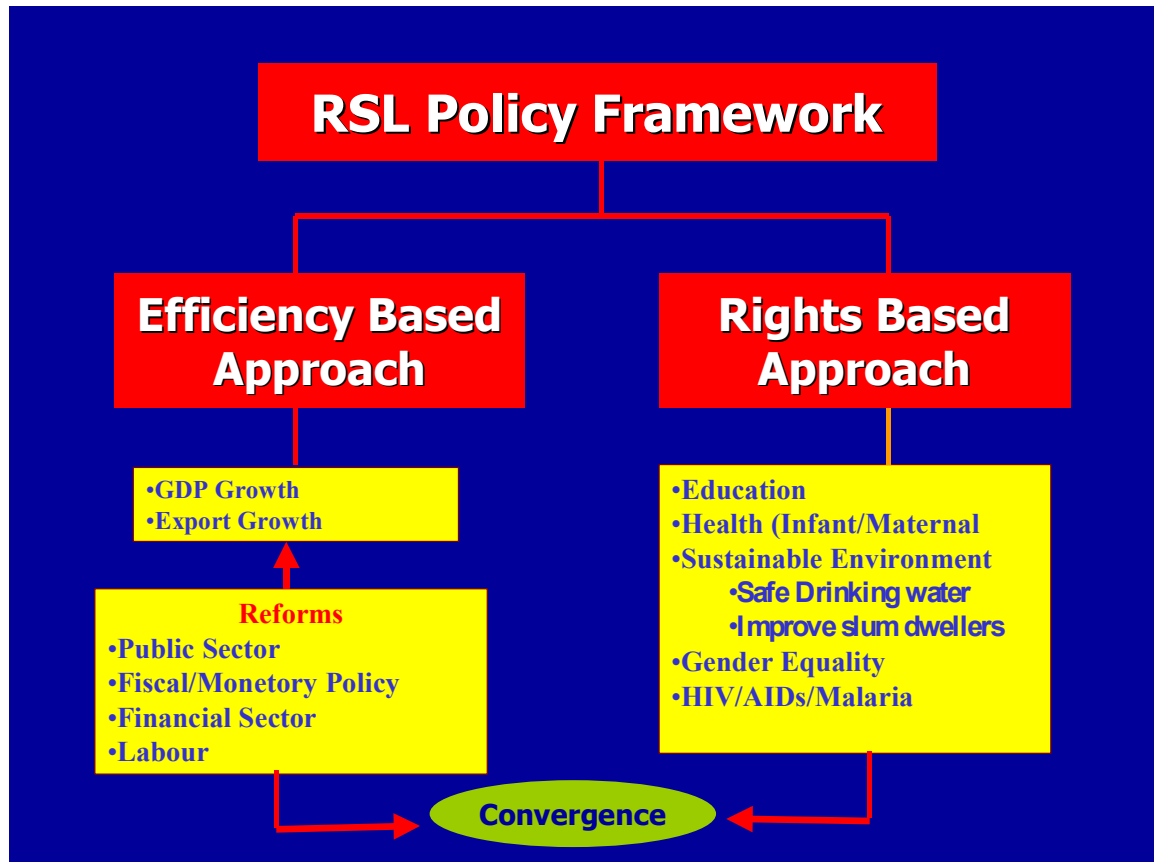
The experience of Peoples Republic of China has shown that there is strong link between high rate of growth and reduction of poverty. However the experience of majority of developing countries including Sri Lanka has shown that the success of the strategy to a great extent depends on the approach adopted to link the rural people to the mainstream of development. The regional disparities we have seen in terms of food security and basic services such as education, health, sanitation, and safe drinking water etc pose major

problems in addressing poverty issues in Sri Lanka. The necessary resources especially financial and more importantly human resources would be the major constraints standing on the way to achieve MDGs.

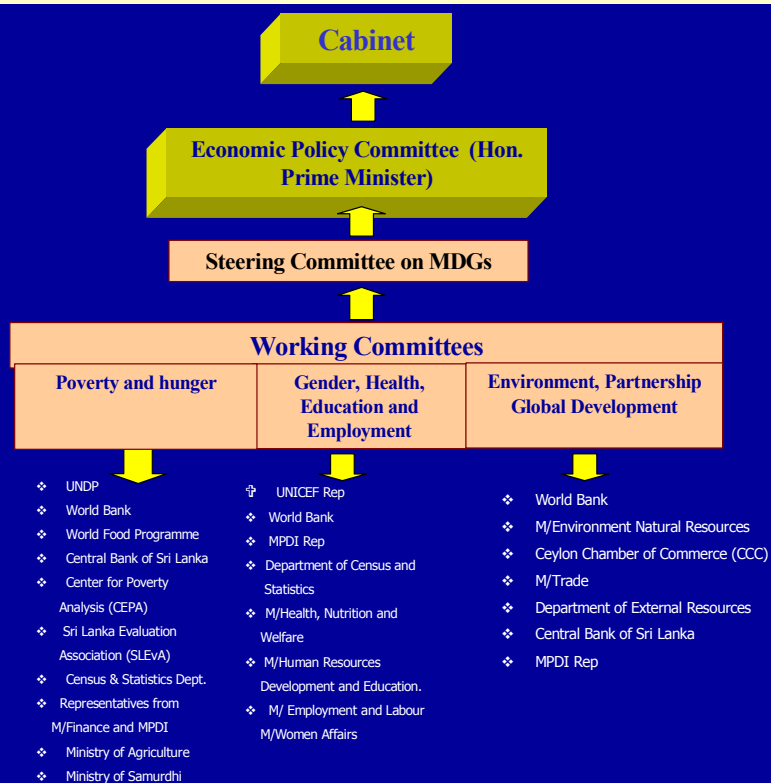
The commitment of sub-national level politicians and bureaucrats towards achieving the MDGs is vital. The past experience of Sri Lanka has shown that poverty alleviation programmes have been always left to the centre and the participation of sub-national level stakeholders are somewhat weak. Taking NGOs, CSOs and private sector on board is going to be a big challenge.

Another area of concern is that the attitude of the public sector officials at present is not very conducive to Private Sector led growth. Changing mindset of the public servants and reorienting public sector organizations to suit new requirements is not going to be an easy task.

Experience shows that those institutions that are well governed are far more likely to be effective in poverty reduction than those that are not. The poor bear a disproportionate share of the cost of substandard governance not only in terms of opportunities stifled, but also in terms of bearing the ever increasing cost of financing a poorly performing public service. Government is committed to transform the public service to achieve high standards of good governance, improved accountability, transparency, predictability and popular participation in public affairs.



Proposed Framework for Monitoring MDGs



Annex 1

Status of Sri Lanka on MDGs in Relation to Selected Countries in the Region

Indicators	Sri Lanka	Bangladesh	India	Nepal	Malaysia	Philippines	Pakistan	China
Goal 1 : Poverty and Hunger								
1. Proportion of population below one dollar a day								
1990	3.8	--	46.6	--	0.5	19.1	47.8	31.3
1995	6.6	--	--	37.7	--	--	--	--
1996	--	29.1	46.2	--	--	--	--	--
2. Poverty Gap Ratio (Richest 20% to poorest 20%)								
1995	5.3	4.9	5.7	5.9	12.4	9.8	4.3	8
3. Share of Poorest quintile in national consumption								
4. Prevalence of underweight children (under 5 years of age) as a percentage								
1995 - 2000	33	48	47	47	18	28	38	10
5. Proportion of population below minimum level of dietary energy consumption (under nourished people as a % of total population)								
1997 - 1999	23	33	23	23	--	24	18	9
Goal 2 : Achieve Universal Primary Education								
6. Net enrolment ratio in primary education (as a %)								
1998	100	100	--	--	98	--	--	91
7. Proportion of pupils starting grade 1 who reach grade 5								
1995 - 1997								
1990 - 1991	83	--	--	--	--	--	--	94
	94	--	59	52	98	--	--	86
8. Literacy rate of 15 - 24 years olds (Youth literacy rate %)								
2000	96.8	50.7	72.6	60.5	97.6	98.7	57	97.8

Goal 3 : Promote Gender Equality and Empower Women								
9. Ratio of girls to boys in primary, secondary and tertiary education :								
(a) Primary Education								
- 1996 - 1998	--	--	82	74	100	98	48	100
- 1990 - 1991	98	86	76	61	100	96	--	92
(b) Secondary Education -								
1996 - 1998	108	--	67	66	116	101	--	90
1990 - 1991	108	52	60	43	105	99	50	--
(c) Tertiary Education -								
1996 - 1998	--	--	63	--	--	130	--	53
1990 - 1991	66	19	55	30	88	137	61	51
10. Ratio of Literacy females to males among 15-to-24-year-olds								
1990	98	59	74	41	99	100	51	94
1999	99	65	81	54	100	100	64	97
11. Share of women in wage employment in the non-agricultural sector								
12. Proportion of seats held by women in national Parliament (Percentage of total)								
2000	05	09	09	06	12	13	--	22
Goal 4 : Reduce Child Mortality								
13. Under 5 mortality rate per 1000 live birth								
1990	35	--	--	--	--	--	--	--
2000	19	82	96	100	09	40	110	40
2015	17.5	--	--	--	--	--	--	--
14. Infant Mortality rate (Deaths per 1000 life birth)								
1990	26	--	--	--	--	--	--	--
2000	17	54	69	72	08	30	85	32
2015	13	--	--	--	--	--	--	--
15. Proportion of 1 year old children immunized against measles (%)								
1990	83	--	--	--	--	--	--	--
1999	95	71	50	73	88	79	54	90
Goal 5 : Improve Maternal Health								

16. Maternal Mortality Ratio(Death per 100,000 lives birth) 1985 - 1999	60	350	540	540	41	170	--	55
17. Proportion of birth attended by skilled health personnel (%) 1995 - 2000	94	13	--	09	96	56	--	67
Goal 6 : COMBAT HIV/AIDS, Malaria and other diseases								
18. HIV prevalence among 15-to-24- year-old pregnant women (Adults 15-49 age people living with HIV/AIDS %) 2001	0.1	0.1	0.79	0.49	0.3	0.1	0.11	0.11
19. Contraceptive prevalence rate								
20. Number of children orphaned by HIV/AIDS (0-14 age) 2001	2000	2100	--	13000	--	-	--	--
21. Prevalence and death rates associated with Malaria (Proxy indicator - Malaria cases per 100,000 people) 2000	1111	40	193	33	57	15	58	1
22. Proportion of population in Malaria risk areas using effective malaria prevention and treatment measures								
23. Prevalence and death rates associated with tuberculosis (Proxy indicator -tuberculosis cases per 100,000 people) 1999	38	62	123	117	68	196	14	36
24. Proportion of tuberculosis cases detected and cured under directly observed short course of treatment								
Goal 7 : Ensure environmental sustainability								
25. Proportion of land area covered by forest								
26. Land area protected to maintain biological diversity								
27. GDP per unit of energy use ² (as proxy for energy efficiency) 1999	8.1	10.8	4.7	3.5	4.3	6.9	4.2	4.2

28. Carbon dioxide emissions (per capita) (Carbon dioxide emissions (per capita (UNFCCC, UNSD) and consumption of ozone depleting CFCs (ODP tons) (UNEP-Ozone Secretariat) 1998	0.4	0.2	1.1	0.1	5.7	1.0	0.7	2.5
29. Proportion of population with sustainable access to an improved water source (%) 2000	83	97	88	81	--	87	88	75
30. Proportion of people with access to improved sanitation (%) 2000	83	53	31	27	--	83	61	38
31. Proportion of people with access to secure tenure.								
Goal 8 : Develop a global partnership for development								
Official Development Assistant								
32. Net ODA as percentage of OECD/Development Assistance Committee donors' gross national product. 1990 - as % of GNP 0.33 2000 - as % of GNP 0.22								
33. Proportion of ODA that is untied								
34. Proportion of ODA that is untied								
36. Proportion of ODA for transport sector in and locked countries								
Market Access								
37. Proportion of exports (by value and excluding arms) admitted free of duties and quotas								
38. Average tariffs and quotas on agricultural products and textiles and clothing								
39. Domestic and export agricultural subsidies in OECD countries								

40. Proportion of ODA provided to help to build trade capacity								
Debt Sustainability								
41. Proportion of official bilateral HIPC debt cancelled								
42. Debt service as a percentage of exports of goods and services ² 2000	9.6	9.1	12.8	6.5	5.3	13.6	26.8	7.4
43. Proportion of ODA provided as debt relief								
44. Number of countries reaching HIPC decision and completion points.								
45. Unemployment rate of 15-to-24								
46. Proportion of population with ² access to affordable essential drugs on a sustainable basis (%) 1999	95-100	50-79	0-49	0-49	50-79	50-79	50-79	80-94
47. Telephone lines per 1,000 people Telephone 1990 2000 Cellular Mobile Subscribers per 1000 people 1990 2000	7 40 0 23	2 4 0 1	6 32 0 4	3 12 0 0	89 199 5 213	10 40 0 84	8 22 0 2	6 112 0 66
48. Personal computers per 1,000 people (Proxy indicator - Internet hosts per 1000 people) 1990 2000	-- 0.1	-- --	-- --	-- --	0.2 3.1	-- 0.3	-- --	-- 0.1

Source :

- 1. Socio Economic Survey, Asia and Pacific - 2002**
- 2. UNDP Human Development Report – 2002**

Sri Lanka Provincial Boundaries



