

**The Republic of Korea's Country
Partnership Strategy for
the Democratic Socialist Republic
of Sri Lanka
2016-2020**

The Government of the Republic of Korea

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The Republic of Korea's Country Partnership Strategy for the Democratic Socialist Republic of Sri Lanka

I. Summary

Poverty Alleviation Program and 1,500 Day Economic Development Plan
<ul style="list-style-type: none"> ▪ Create one million jobs by enhancing job-oriented vocational/technical training, improving the quality of higher education, and developing female resources ▪ Construct highways and ports to boost trade and international exchange ▪ Improve water supply and drainage infrastructure to provide clean water ▪ Modernize agriculture & fishery industry to promote trade and supply a half million housing for balanced regional development



Objectives of the Republic of Korea's Development Cooperation for the Democratic Socialist Republic of Sri Lanka
<p>The Korean Government will support the Government of Sri Lanka to realize the Poverty Alleviation Program and the 1,500 Day Economic Development Plan focusing on the following objectives</p> <ul style="list-style-type: none"> ▪ Capacity building of educational institutions and human resource development ▪ Enhancement of transport infrastructure to improve connectivity and quality of life ▪ Building water management capacity to prevent chronic kidney diseases and respond to environmental changes ▪ Rural development for balanced national development



Priority Cooperation Areas and Support Plan	Education
	<ul style="list-style-type: none"> ▪ Support technical and vocational training based on market demand ▪ Support right to education for adolescent females based on Better Life for Girls initiative ▪ Support science and technology in higher education by improving education system and capacity
	Transport
	<ul style="list-style-type: none"> ▪ Support integration of transport management system and management capacity building ▪ Support building of transport infrastructure to promote trade and boost tourism
	Water Management and Sanitation
<ul style="list-style-type: none"> ▪ Support capacity building for water resources and drinking water management ▪ Support supply of clean water in water-scarce areas for disease prevention 	
Rural Development	
<ul style="list-style-type: none"> ▪ Support modernization of agriculture and fishery sectors to increase income in rural households ▪ Support rural development in Northern and Eastern Provinces for balanced regional development ▪ Support building of integrative waste management capacity to improve living environment 	

1. **(Vision)** Based on Sri Lanka's national development plans, the Government of the Republic of Korea will support the Sri Lankan government's efforts to achieve sustainable development.

2. **(Priority Cooperation Areas)** The priority cooperation areas are selected based on Sri Lanka's development needs, Korea's capacities, and experience in development cooperation. Seventy percent of the total bilateral assistance will be allocated to the following priority areas:
 - ① **(Education)** including expansion of job-oriented vocational and technical training and quality improvement of education in science and technology
 - ② **(Transport)** including establishment of transport infrastructure and capacity building for national connectivity
 - ③ **(Water Management and Sanitation)** including comprehensive water management system, improved water supply and sewerage systems, and water quality management
 - ④ **(Rural Development)** including balanced regional development, improvement of agriculture and fishery industry, and integrated waste management capacity in rural areas

3. **(Implementation Strategy) Efficiency, sustainability, and harmonization** will be the three values emphasized to improve the effectiveness of official development assistance (ODA) projects in Sri Lanka.
 - **Efficiency**: Coordinate among development cooperation projects to create greater synergy and promote efficiency
 - **Sustainability**: Strengthen alignment of development cooperation projects to the Sri Lankan government's strategies and projects and support its operational and management capacity
 - **Harmonization**: Promote information sharing, cooperation, and coordination with the Sri Lankan government and other donors on field-level

4. **(Strategic Foundation)** The Korean government will comply with the principles of OECD/DAC Paris Declaration, Busan Global Partnership Implementation Strategies, UN's Sustainable Development Goals (SDGs), DAC's recommendations, and other international standards on development cooperation.

II. Priority Cooperation Areas and Implementation Measures

A. Education

1. Needs Assessment

Along with Sri Lanka's economic growth, there is a need to bridge the gap between the skills demanded by industries and the labor supply. In this regard, the Sri Lankan government aims to move away from educational development in quantitative terms, such as expansion of free education based on grants, to qualitative improvements including technical and vocational education and science and technology.

In accordance with the 1,500 Day Economic Development Plan, the Sri Lankan government plans to expand the physical infrastructure of the vocational training institutes and improve the quality of technical and vocational education and teaching capacity. The national plan has set targets to generate one million job opportunities.

Sri Lanka is also highly keen on ICT education to build a knowledge-based society and realize the digital economy.

2. Implementation Strategy

Korea's support strategy for Sri Lanka will be based on the Poverty Alleviation Program and the 1,500 Day Economic Development Plan's education sector plan with a particular focus on technical and vocational education.

Korea has hands-on experience in successful industrialization by introducing technical education as a regular curriculum which led to the building of a skilled workforce for industries.

With Korea's advantage in technical and vocational education, the Korean government has supported related potential projects¹ and will continue to take an integrated approach.

- Korea will support Sri Lanka's efforts for the training and retraining of technical and vocational teachers; establishment of an ocean university and institute of science and technology; provision of teaching equipment and materials; curricula development; invitational capacity building for educators; and dispatch of experts.
- Korea will carry out development cooperation projects to improve the rights of female adolescents and children to education, including technical and vocational education and health.

¹ Upgrading the Niyagama National Vocational Training Center Project ('06, EDCF), The Project for Modernization and Upgrading of Automobile Centers in the College of Technology and Technical College in Sri Lanka ('13, KOICA), Technical Teacher Training and Re-Education Project ('15, KOICA), Establishing the ICT Education Center Project ('14, KSP-ADB Joint Consultation), Korea-UNICEF Education Improvement Project ('12, KOICA)

Korea also has a competitive advantage in building a knowledge-based society which can support the establishment of a digital economy in Sri Lanka.

- Korea will expand ICT infrastructure including IT content development centers and ICT education centers, and enhance quality of ICT education by training teachers.

B. Transport

1. Needs Assessment

The government of Sri Lanka is planning to develop the transport sector focused on two corridors: the South-Western and North-Eastern corridors. Along these two corridors which are backbones of economic development, Sri Lanka intends to construct and expand highways, ports, and airports to boost economic activities and international trade.

The Northern and Eastern provinces are challenged by the low level of social and economic infrastructures due to almost three decades of domestic conflict between the Liberation Tigers of Tamil Eelam (LTTE) and the Sri Lankan government. To address the challenge, the Sri Lankan government plans to improve roads between Jaffna and Trincomalee, central cities in Northern and Eastern provinces, as measures to develop industries and support job creation in the two provinces.

High demand for road construction and improvement exists in main tourist sites such as Nuwara Eliya to boost tourism. Improved roads are expected to contribute to the economy as it is one of the most important foreign exchange earners in Sri Lanka.

2. Implementation Strategy

The Korean government has experience in developing regional industrial bases in a short duration through the expansion of transport networks according to the government's national comprehensive land development plan.

Equipped with a global competitive advantage in intelligent transport systems and IT-based transport management systems, the Korean government is making a foray abroad.²

With Korea's own experience in the transport sector, the Korean government has implemented transport projects in Sri Lanka³. The Korean government will continue

² Technical Assistance for establishing the Advanced Traffic Management System (ATMS) in Colombo, Sri Lanka ('13, KOICA)

³ Colombo-Galle Road (94km) Rehabilitation Project ('90, EDCF), Ratnapura-Bandarawela Road (43km) Rehabilitation Project ('96, EDCF), Balangoda-Bandarawela Road (57km) Rehabilitation Project ('02, EDCF), Padeniya-Anuradhapura Road (81km) Rehabilitation Project ('08, EDCF), Hatton-Nuwara Eliya Road (36km) Rehabilitation Project ('09, EDCF), Feasibility Study for the Hatton-Nuwara Eliya Road

to support Sri Lanka's efforts on improving its transport network for the expansion of trade between regions, balanced land development, and boosting tourism.

- The Korean government will make efforts for the construction of transport infrastructure; establishment of a master plan on transportation, and sharing operation and maintenance (O&M) skills in cooperation with relevant organizations in Sri Lanka.
- The Korean government will support joint research on a transport development agenda including urban transport management with the Sri Lankan authorities.

C. Water Management and Sanitation

1. Needs Assessment

Almost 1,000 deaths annually are caused by Chronic Kidney Disease (CKD) in Sri Lanka. The main cause of CKD in Sri Lanka is recognized as the contamination of drinking water.

Forty thousand to seventy thousand patients are estimated to be suffering from CKD in the Northern and Eastern provinces due to the challenges in accessing clean water. In this regard, the President of Sri Lanka has held a special meeting with ambassadors and donor organizations in July 2015 to discuss assistance for construction of water treatment facilities and water supply systems for CKD-stricken areas.

The demand for clean water is further increasing in regions with notable tourist sites where the number of hotels, resorts, and workers are growing in line with the rapid increase of foreign tourists.

2. Implementation Strategy

Water management and sanitation is one of the priority sectors where Korea has been implementing many projects in partner countries. The Korean government has placed a top priority on this sector and has implemented a number of projects⁴.

- For the improvement of water management capacity, the Korean government will support development of water supply infrastructures to contribute to the national-level water management system. The Korean government will also support transfer O&M skills and relevant advanced systems.

Rehabilitation Project ('00, KOICA), Feasibility Study for the Rehabilitation of Puttalam-Trincomalee Road in Sri Lanka ('03, KOICA), Detailed Engineering Design for the Padeniya-Anuradhapura Road ('05, KOICA)

⁴ Galle Water Supply Development Project (Phase I) ('00, EDCF), Galle Water Supply Development Project (Phase II) ('04, EDCF), Ruhunupura Water Supply Development Project ('08, EDCF)

- The Korean government will support provision of compact water treatment facilities for the Northern and Eastern Provinces where CKD is prevalent and water shortage is severe. Furthermore, Korea will support the building of water supply infrastructures for areas where the demand for water has been growing rapidly.

D. Rural Development

1. Needs Assessment

The government of Sri Lanka is placing great emphasis on achieving sustainable growth in rural areas through modernization of the agriculture and fishery industry and infrastructure development which can increase jobs opportunities and income levels of rural households.

For balanced regional development, Sri Lanka recognizes the high demand for rural development in areas such as Northern and Eastern provinces where urban infrastructures are severely underdeveloped.

As solid waste volume and environmental pollution are rapidly increasing due to the low quality of waste treatment in Sri Lanka, integrated waste management and technical assistance to build waste management capacity is in high demand.

2. Implementation Strategy

The Korean government has sufficient experience and technologies in developing rural areas (agriculture and fishery) through the increase of productivity and income levels of rural households.

With its extensive experience and technologies in developing new towns and rural regions, the Korean government has implemented new town development cooperation projects with other partner countries.

- The Korean government will support the Sri Lankan government's efforts to create jobs and increase income levels. Support will be targeted to modernizing the fishery industry through the development of fishery harbors in the Northern and Eastern provinces, constructing seafood factories, building distribution channel, and providing dredgers.
- To increase the income level of agricultural households, the Korean government will provide technical assistance for agricultural food processing productivity improvements and technology transfer, and infrastructure development for distribution and storage of agricultural products.
- The Korean government will contribute to balanced regional development in Sri Lanka by supporting a new administrative town development project in the Northern Province which includes construction of a provincial complex and water supply infrastructures.

- The Korean government will support integrated solid waste management projects ranging from waste collection, waste disposal, waste separate collection scheme, composting and recycling facilities, and sanitary landfills.

III. Country Partnership Strategy (CPS) Evaluation Framework

Sri Lanka's National Development Plan Create one million jobs and expand the middle-class through human capital and economic infrastructure development				
CPS Strategic Goals				
Priority Areas	Goals	Expected Challenges	Achievements	Evaluation Index
Education	<ul style="list-style-type: none"> - To provide improved technical and vocational training for market needs - To strengthen the education system for female adolescents and children - To improve the quality of higher education system for science and skills development 	<ul style="list-style-type: none"> - Shortage of teaching equipment and materials - Shortage of skilled teachers and experts - Low level of manufacturing industry 	<ul style="list-style-type: none"> - Jobs created by expansion of education linked to employment 	<p>CPS Conformity (whether a project has been appropriately identified and developed in accordance with CPS goals)</p> <p>Project Implementation Status (whether projects have been implemented in alignment with CPS)</p>
Transport	<ul style="list-style-type: none"> - To establish an integrated transport system and strengthen management capacity - To encourage tourism and trade by construction of transport infrastructure 	<ul style="list-style-type: none"> - Poor road conditions and shortage of road lanes (limited to one - two lanes) 	<ul style="list-style-type: none"> - Expanded interregional economic exchanges - Promotion of export trade and increased revenue from tourism 	
Water Management and Sanitation	<ul style="list-style-type: none"> - To enhance management capacity of drinking water and water resources - To prevent water borne diseases by supplying clean water for water-scarce areas 	<ul style="list-style-type: none"> - Low level of water resource infrastructure development in Northern and Eastern Province - Rapidly growing water demand in tourist attractions and commercial areas 	<ul style="list-style-type: none"> - Improved water resource infrastructures - Prevention of disease (chronic kidney failure) 	
Rural Development	<ul style="list-style-type: none"> - To modernize fisheries and agriculture - To support northern-eastern regional development - To enhance capacity of integrated waste management 	<ul style="list-style-type: none"> - Poor production, processing, and storage technology - Unbalanced production infrastructures between regions - Low level of capacity on solid waste management 	<ul style="list-style-type: none"> - Jobs created and improved income level in rural households - Support to balanced development between regions - Support sustainable development 	
Critical Assumptions		a. Shortage of government budget and governance vulnerability b. Natural disasters and impact of climate change		

IV. Mid-Term Allocation Plan

At least 70% of Korea's ODA will be concentrated on the priority areas of bilateral cooperation, while some flexibility will be applied in order to respond to urgent humanitarian demands and socio-economic changes in Sri Lanka.

However, policy plans and projects shall be adjusted based on program mission, policy dialogue, interim monitoring, delays in projects, and other possible changes in circumstances.

Budget allocation could also be adjusted during the budget discussions and project planning stages, and is subject to parliamentary decision.

V. Partnership Plans

1. Partnership with the private sectors

The Korean government intends to link export financing to large-scale infrastructure projects and develop PPP projects where a combination of financing tools is utilized for large-scale projects.

The Korean government will also seek to collaborate with NGOs and private corporations⁵ in joint projects to improve development effectiveness and sustainability.

2. Balance in assistance

The Korean government aims to develop promising projects by participating in consultative groups and cooperating with other donors such as Multilateral Development Banks (MDBs), bilateral partners, and international organizations. The Korean government will participate in donors' consultative groups on priority sectors to avoid project overlap and improve the interlinkage between projects.

⁵ KOICA has signed two Memorandums of Understanding with KIA Motors Ltd and MICRO Holdings (Pvt) Ltd in Sri Lanka to establish the academic-industry cooperation system in the "Modernization and Upgrading of Technical Colleges and Colleges of Technology in Sri Lanka Project."

