

CONCEPT PAPERS FOR LENDING PRODUCTS

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CONCEPT PAPERS FOR LENDING PRODUCTS

**Table A4.1: Private Sector Development (Subprogram II)
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|--|--|---|--|---|--|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p style="padding-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Program loan</p> <p style="padding-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="padding-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="padding-left: 20px;"><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p style="padding-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="padding-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="padding-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="padding-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="padding-left: 40px;"><input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and Finance Subsector: Private Sector Development</p> <p>b. For project preparatory and lending, classification</p> <p style="padding-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="padding-left: 20px;"><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;"><input checked="" type="checkbox"/> Economic growth</td> <td style="padding-left: 20px;"><input type="checkbox"/> Human development</td> </tr> <tr> <td style="padding-left: 20px;"><input type="checkbox"/> Gender and development</td> <td style="padding-left: 20px;"><input type="checkbox"/> Good governance</td> </tr> <tr> <td style="padding-left: 20px;"><input type="checkbox"/> Environmental protection</td> <td style="padding-left: 20px;"><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td style="padding-left: 20px;"><input type="checkbox"/> Regional cooperation</td> <td style="padding-left: 20px;"><input type="checkbox"/> Social protection</td> </tr> <tr> <td style="padding-left: 20px;"><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Governance, Finance and Trade Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Barbara Ericsson</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The private sector in Sri Lanka has grown significantly over the past two decades as evidenced by the rising share of private investment in GDP and of the private sector in manufacturing output. However, the private sector has yet to realize its potential because of policy and institutional impediments, including the following: (i) the public sector remains dominant in commercial activities; (ii) the financial sector is underdeveloped, with small and medium enterprises (SMEs) in particular still facing problems in accessing finance; (iii) inefficiencies in critical government functions resulting in many industries being over regulated and/or having regulations which are ambiguous; (iv) the financial sector needs to be strengthened in terms of products, services, risk management and governance; (v) labor laws and regulations have created distortions in the labor market; and (vi) the social safety net does not encourage improved productivity and efficiency.</p> | | | | | | | | | | |

The Government's broad-based reforms and its commitment to fostering economic growth, expansion of employment and improvement of living standards has created the basis for evolving a suitable enabling environment for the private sector to assume a leading role in transforming Sri Lanka's economy. The Government plans to remove all barriers in order to facilitate growth and increase productivity. ADB's country strategy and program (CSP) for Sri Lanka identifies private sector development as a key area of support. The proposed private sector development program (PSDP, subprogram II) and associated preparatory TA are in line with ADB's strategy focusing on enabling private sector activities.

b. Goal and purpose: The proposed subprogram is part of the PSDP cluster approved in 2000. It focuses on further improving the environment for private sector development. The project preparatory technical assistance (PPTA) will help identify remaining constraints to private sector development and key program components such as (i) continued support for public enterprise reforms and support for privatization including restructuring of state-owned-enterprises; (ii) support for strengthening of the regulatory and institutional framework for private sector participation in infrastructure; (iii) deregulation in order to enhance private sector growth; (iv) assistance in strengthening of the labor relations framework to facilitate employment growth; and (v) continued support for strengthening of the financial sector to facilitate access of the private sector to financing

c. Components and outputs: The PPTA will review the Government's ongoing efforts to promote private sector development. The TA will specifically (i) identify the remaining critical issues that need to be addressed to enable the private sector in Sri Lanka to realize its potential; (ii) assess the institutional capacity of the Government to undertake the needed reform measures to improve the business environment; (iii) identify financial sector innovative products to facilitate access to financing by the private sector; and (iv) assess the adjustment costs of reform.

d. Expected results and deliverables: PPTA to provide overall program design, scope, draft policy matrix, implementation arrangements, and cost and financing plan; (ii) program loan to assist in removal of impediments to private sector development.

e. Social or environmental issues or concerns: The privatization program may require labor redeployment program services for retrenched public enterprise employees. Infrastructure and industrial projects transferred to the private sector may have environmental impacts.

f. Plans for disseminating results/deliverables: The TA will be implemented in close consultation with the Ministry of Finance and the Ministry of Policy Development and Implementation. The results will be discussed with the Ministry of Enterprise Development, Industrial Policy, Investment Promotion and Constitutional Affairs, and the Ministry of Labour. The policy issues will be discussed with the concerned government agencies and agreement reached on action plan and implementation timetable.

7. Proposed executing/implementing agencies: Ministry of Finance, and Ministry of Enterprise Development Industrial Policy, Investment Promotion and Constitutional Affairs.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: In designing the subprogram, ADB will work closely with the Ministry of Policy Development and Implementation, Ministry of Finance and Ministry of Labour and other concerned agencies, including the Public Enterprise Reform Commission, Board of Investment, Bureau of Infrastructure Investment, Financial Sector Reform Steering Committee, Central Bank of Sri Lanka, and the to be created Financial Services Authority. Other stakeholders, including labor unions, employers' federations, NGOs, and the academic world, will also be consulted.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2002
- b. Expected date of submission for approval
 - Lending: 2004
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2004–2007
 - Nonlending: Not applicable

10. Financing Plan

a. For lending

- Ordinary capital resources: \$60 million
- Asian Development Fund: \$10 million
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, PPTA = project preparatory technical assistance, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.2: Secondary Education Modernization II
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|---|---|--|--|---|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: Secondary Education</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | <input checked="" type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | | | | | | | | | |
| <input checked="" type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Social Sectors Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Jeoung-Keun Lee</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The project will support the Government's strategy to improve the quality and access of secondary education to meet new labor market requirements through changing educational policies, revising curricula, and improving educational environment, especially for poor and disadvantaged youths.</p> <p>b. Goal and purpose: The project will help expand educational opportunities for the poor and disadvantaged youths by introducing new incentives for schooling and improving school environment. The project will also provide information technology education to reduce digital divide and to prepare for information technology-related jobs.</p> <p>c. Components and outputs: The project will have three components: (i) application of innovative education policies and practices in secondary schools, (ii) expansion of information technology facilities and equipment, and (iii) capacity building of school administrators and teachers in innovative practices and information technology.</p> | | | | | | | | | | |

d. Expected results and deliverables: It is expected that at least 20% increase in secondary school enrolment with the successful implementation of the project. About 50% of secondary school students will be able to operate computers. Most of the school administrators and teachers will be able to use information technology in improving quality and efficiency of secondary education.

e. Social or environmental issues or concerns: Ethnic issues will be carefully reviewed to promote social integration through education.

f. Plans for disseminating results/deliverables: Additional investment plan for computerization will be drafted to expanded the project concept to rural and remote areas in collaboration with the Government and other funding agencies.

7. Proposed executing/implementing agencies: Ministry of Human Resource Development, Education and Cultural Affairs

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: During the technical assistance (TA) implementation period, consultations with the all stakeholders will be carried out.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2001

b. Expected date of submission for approval
 Lending: 2004
 Nonlending (project preparatory): Not applicable
 Nonlending (other than project preparatory): Not applicable

c. Period and duration of assistance
 Lending: October 2004 – September 2009
 Nonlending: Not applicable

10. Financing Plan

a. For lending
 Ordinary capital resources: \$
 Asian Development Fund: \$40 million
 Other: Government, \$17 million; Cofinancing, \$40 million

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds
 Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.3: TA Loan for Road Project Preparation
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|--|--|---|--|---|--|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input checked="" type="checkbox"/> Other: Technical Assistance Loan</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Road</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Transport and Communications Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Sri Widowati</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Government has, in the context of its economic reform program "Regaining Sri Lanka", issued in December 2002, emphasized the development of the country's infrastructure. Key objectives are to create economic growth and ensure an efficient transport sector capable of reducing financial contributions from the public sector and attracting private investment. Building national highways system and an integrated road network are preconditions for the achievement of the economic growth targets and are therefore priority reform initiatives. Accelerating development in the country, and in the poorer regions in particular, is given high priority by the Government and ADB and requires major infrastructure development. This requires many resources and expertise in planning, prioritizing, and preparing necessary preparatory works to ensure that the ensuing development will have optimum benefits in economic growth and poverty reduction. The ensuing investment needs to be technically feasible, economically viable, and environmentally and socially responsible. Very often, these justifications have not been in place by the time the external agencies, like ADB and others, come in to take up the investment. In addition, readiness of detailed</p> | | | | | | | | | | |

design of infrastructure projects during processing stage is very important in order to have more accurate cost estimates, proper land acquisition and resettlement, and advance procurement. This requires expertise, experience, and familiarity with ADB's related guidelines and procedures, and resources in project management. Lacking those, delay in project implementation often results, which, in turn leads to delayed and reduced development impact achievement, and payment of a greater amount of commitment fees by the Government to ADB in the case of ordinary capital resources (OCR) loans.

The Government and ADB agreed to expand ADB involvement in road sector development in the country in the medium term through sector loan modality. Ensuring appropriate funding sources for the planned network development, operational and maintenance costs are of specific importance. Increasing domestic revenues through the road maintenance fund is one important way, but expressway development financing development to a large extent will have to be met by foreign investors. The proposed TA loan will assist the Government in fulfilling the processing requirement of road projects to be ready for external and private financing. Road infrastructure to be studied and designed under the TA loan will improve the efficiency of the currently and poor conditions transport and communications network in the country.

b. Goal and purpose: The primary objective of the TA loan is to provide a fund to facilitate preparation of road projects that promote economic growth and poverty reduction, and are technically feasible, economically viable, and environmentally and socially responsible. The TA will also contribute to capacity building for selection of consulting services, procurement, and other project management capabilities of various executing agencies (EAs).

c. Components and outputs: The TA loan will enable development of (i) concession agreements, (ii) project feasibility studies, (iii) project detailed designs, and (iv) project tender documents. It will also provide for assistance to the EAs during the process of (i) consultant selection, (ii) procurement, and (iii) contract negotiations.

d. Expected results and deliverables: Preparatory works for road projects will be completed in a timely, quality, and cost-effective manners. Deliverables include reports for strategies and investment plan, feasibility studies, environmental impact assessments, resettlement plans, social assessments, poverty assessments, preliminary designs, detailed designs, concession agreements and bidding documents. Training and transfer of knowledge in consultant selection and procurement in accordance with external agencies' guidelines and procedures and negotiations with private investors will also be delivered.

e. Social or environmental issues or concerns: Social and environmental aspects will be properly addressed. The social aspect will be one of the selection criteria of the roads to be provided.

f. Plans for disseminating results/deliverables: The project will share results and lessons learned with stakeholders, development partners, and beneficiaries through appropriate media.

7. Proposed executing/implementing agencies: (1) Ministry of Transport, Highways, and Civil Aviation; (2) Ministry of Highways; (3) Ministry of Policy Development and Implementation; (4) Ministry of Home Affairs, Provincial Council and Local Governments; (5) Road Development Authority; and (6) Board of Investment/Bureau of Infrastructure Investment.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Discussions will be held involving all stakeholders including recipient states, ministries, departments, and authorities, to formulate and agree the scope of the TA project. Several workshops will be held involving EAs, communities, civil society, and the private sector, in designing future projects.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP 2003
- b. Expected date of submission for approval
 - Lending: November 2004
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2005 – 2010 (5 years)
 - Nonlending: Not applicable

10. Financing Plan

a. For lending

- Ordinary capital resources: \$
- Asian Development Fund: \$10 million
- Other: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.4: Public Sector Resource Management
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|---|--|---|---|---|---|---|--|---|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input checked="" type="checkbox"/> Sector development program loan</p> <p> <input checked="" type="checkbox"/> Other: TA loan</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Others Subsector: Others</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Macroeconomic management</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input checked="" type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input checked="" type="checkbox"/> Other: Macroeconomic management | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input checked="" type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input checked="" type="checkbox"/> Other: Macroeconomic management | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Governance, Finance and Trade Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Bruno Carrasco</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: ADB's support for improved governance in Sri Lanka, as outlined in the Country Operational Strategy (December 1998), will entail strengthening public sector resource management.</p> <p>b. Goal and purpose: To set public finances on a sustainable path through increased revenue mobilization and improved expenditure management.</p> <p>c. Components and outputs: Strengthening fiscal discipline, institutional support to the revenue authority, improving fiscal transparency, and supporting the groundwork for fiscal devolution.</p> <p>d. Expected results and deliverables: The project will help establish an autonomous and well functioning revenue authority, that will combine the existing Inland Revenue, Customs and Excise departments and will be responsible for all aspects of revenue collection. The project will also help streamline budgeting procedures and expenditure control processes within the Ministry of Finance. The project will lead to a stronger fiscal position,</p> | | | | | | | | | | |

| |
|---|
| <p>improved macroeconomic stabilization and support higher sustainable growth.</p> <p>e. Social or environmental issues or concerns: None</p> <p>f. Plans for disseminating results/deliverables: To be determined</p> |
| <p>7. Proposed executing/implementing agencies: Ministry of Finance</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government developed the tax policy framework with International Monetary Fund (IMF) assistance, which was discussed in a workshop held on 20–24 August 2001. The main tax policy measures were announced as part of the 2002 budget.</p> <p>The Government has developed the basis for improved budgeting processes with (i) ADB TA 3301-SRI: Strengthening Public Expenditure Management Systems, for \$3 million, approved on 16 November 1999. The TA included long-term advisors in budgeting and accounting working with the Ministry of Finance to improve the framework for expenditure planning and management; (ii) ADB TA 3906-SRI Public Sector Resource Management for 500,000 approved in August 2002. The TA will support the creation of a proper functioning revenue authority (RA) by defining rules and procedures for tax collection, staff profiling, and training needs under a human resource development plan and internet technology (IT) requirements to assist in the computerization of the RA.</p> <p>A revenue authority workshop was held in Ottawa on 28 April–2 May 2003, hosted by Canada Customs and Revenue Agency. Participants included the Government through the Revenue Steering Committee, IMF and ADB. The workshop led to an exchange of ideas on the concept and design of the future revenue authority and discussed next steps forward.</p> <p>A Reconnaissance Mission was fielded on 17-18 July 2003. An aide-mémoire was left behind with a draft policy matrix for discussion. Awaiting government comments before proceeding with next mission.</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2002</p> <p>b. Expected date of submission for approval Lending: 2004 Nonlending (project preparatory): Not applicable Nonlending (other than project preparatory): Not applicable</p> <p>c. Period and duration of assistance Lending: 2004 – 2009 Nonlending: Not applicable</p> |
| <p>10. Financing Plan</p> <p>a. For lending <input checked="" type="checkbox"/> Ordinary capital resources: \$20 million <input checked="" type="checkbox"/> Asian Development Fund: \$30 million <input checked="" type="checkbox"/> Other: To be determined</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: \$ <input type="checkbox"/> Grant TA funds <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> |

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.5: North East Community Restoration and Development II
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|---|---|--|--|---|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Others Subsector: Multisector</p> <p>b. For project preparatory and lending, classification</p> <p> <input checked="" type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | <input checked="" type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | | | | | | | | | |
| <input checked="" type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Sri Lanka Resident Mission/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: John Cooney</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Recovery from conflict.</p> <p>b. Goal and purpose: Restore livelihood/basic infrastructure in conflict-affected areas.</p> <p>c. Components and outputs: To be determined.</p> <p>d. Expected results and deliverables: Restored access, growth.</p> <p>e. Social or environmental issues or concerns: None</p> <p>f. Plans for disseminating results/deliverables: Not applicable.</p> | | | | | | | | | | |

| |
|---|
| <p>7. Proposed executing/implementing agencies: North East province/to be determined.</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Project to be based on post-conflict needs assessment, which was developed based on inputs from a wide range of stakeholders.</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP 2003</p> <p>b. Expected date of submission for approval Lending: 2004 Nonlending (project preparatory): Not applicable Nonlending (other than project preparatory): Not applicable</p> <p>c. Period and duration of assistance Lending: 2004 – 2006 Nonlending: Not applicable</p> |
| <p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$40 million</p> <p><input checked="" type="checkbox"/> Other: Cofinancing, to be determined</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget: \$</p> <p><input type="checkbox"/> Grant TA funds</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> |

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.6: Human Resource Investment
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|---|--|---|--|---|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: Vocational Training</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Social Sectors Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Jeoung-Keun Lee</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Poor skills training has been a major cause of mismatch between educated youth and labor markets. The high unemployment rate of the country's youth and, especially, women must be addressed urgently. Improvement of the quality and relevance of skills training programs, including those for information technology, is critical to build a high-quality workforce, with particular focus on rural youth. Private sector participation in vocational training will be promoted. A sector review was carried out in 1999 to identify development constraints and issues.</p> <p>b. Goal and purpose: ADB has been involved in a number of projects in the sector in Sri Lanka, including through Loan 1707-SRI: Skills Development Project. The project will open up skills training and job opportunities for both urban and rural youth from low-income families either through paid employment or from self-employment, and integrate large numbers of women into the economy. In the long run, unemployment for the youth will be reduced.</p> | | | | | | | | | | |

c. Components and outputs: ADB will support reforms and investments to (i) develop employable skills for private sector employment, (ii) provide career guidance for students, (iii) partially recover costs and regulate private education to improve its quality and sustainability, (iv) expand tertiary education, and (v) improve administration and management of sector institutions.

d. Expected results and deliverables: Improvement of the quality and relevance of skills training to the requirements of the labor market.

e. Social or environmental issues or concerns: The project will open up skills training and job opportunities for low-income urban and rural youth, either through paid employment or self-employment, and integrate large numbers of women into the economy. In the long run, youth unemployment will be reduced.

f. Plans for disseminating results/deliverables: Consultation and participation of relevant stakeholders including policy makers, potential employers, trainers, and trainees.

7. Proposed executing/implementing agencies: Ministry of Tertiary Education and Training

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Develop a mechanism for market-driven skills training through consultation and participation of relevant stakeholders in formulation of skills development.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2001

b. Expected date of submission for approval
 Lending: 2005
 Nonlending (project preparatory): Not applicable
 Nonlending (other than project preparatory): Not applicable

c. Period and duration of assistance
 Lending: March 2005 –February 2009
 Nonlending: Not applicable

10. Financing Plan

a. For lending
 Ordinary capital resources: \$
 Asian Development Fund: \$20 million
 Other: to be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.7: Basic Social Infrastructure Development
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|---|---|---|--|--|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p> Sector: Social Infrastructure</p> <p> Subsector: Urban Development</p> <p>b. For project preparatory and lending, classification</p> <p> <input checked="" type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input checked="" type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input checked="" type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Social Sectors Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Eva Maria Mayerhofer</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Sri Lanka's municipal sector has developed over the last decade, yet its capacity to meet investment responsibilities and respond to the increased demand for services is still at a relatively early stage of development, and needs to be reinforced. The municipalities remain fairly limited in their financial and human resources, which are delimited by the local government acts and laws. Furthermore, the sector does not have an urban policy to address some of the issues that have arisen with decentralization.</p> <p>b. Goal and purpose: The loan will look at implementing the policy recommendations from the Urban Policy Sector Framework with respect to developing decentralized management systems at provincial, municipal, urban and local levels, to establishing effective communication channels between the service providers and beneficiaries and to improving leadership and management capabilities.</p> <p>c. Components and outputs: The proposed loan will support the Government in its initiative to formulate and implement a comprehensive urban policy in particular with respect to the strengthening and empowerment of local authorities to deliver urban infrastructure, especially basic social infrastructure such as water supply and</p> | | | | | | | | | | |

sanitation, drainage, solid waste management, and roads falling under the responsibility of the local authorities. In doing so the loan is consistent with the Government's goals as set out in "Regaining Sri Lanka", namely of (i) strengthening public policies and implementation capabilities, (ii) improving the country's infrastructure and facilitating growth, and (iii) alleviating poverty and upgrading basic social services. The achievement of the objectives requires a multipronged approach including (i) redefining urban areas; (ii) strengthening the role of municipal administrations in local development; (iii) continuing decentralization reforms; (iv) quantitative and qualitative improvement in urban services to accompany national efforts to strengthen Sri Lanka's economic competitiveness; (v) increasing citizen participation in urban planning and management; and (iv) improving mobilization and utilization of municipal revenues through a combination of transfers, better cost recovery, and collection of local taxes and fees.

d. Expected results and deliverables: The final output of the loan will be the preparation of an investment project that will be a catalyst in improving delivery of basic social services to the population. The accompanying policy reform agenda will promote lean, competent, and motivated local government and agencies responsive and accountable to their constituencies.

f. Social or environmental issues or concerns: No major negative social or environmental issues expected

g. Plans for disseminating results/deliverables: Project evaluation workshop

7. Proposed executing/implementing agencies:

The Ministry of Policy Development and Implementation will be the EA for the loan. The Urban Policy Sector Framework recommends the establishment of an Urban Policy Facilitation and Coordination Unit. The implementing agency will be this particular unit.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

Ministry of Policy Development and Implementation (MPDI/ERD), the Ministry of Finance (MoF), the Ministry of Housing and Plantation Infrastructure (MH&PI), the Ministry of Home Affairs, Provincial Councils and Local Government, the Chairpersons of the National Urban Task Force and representatives from UN-Habitat, Japan International Cooperation Agency, Japan Bank for International Cooperation, among others.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2001
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2005 – 2006
 - Nonlending: Not applicable

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$50 million
 - Other: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance

**Table A4.8: Colombo Port South Harbor Development
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|--|--|--|---|--|---|--|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Port</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Transport and Communications Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Prodyut Dutt</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: ADB is continuing its assistance to mobilize resources to increase port capacity through operational improvements and physical expansion parallel with efforts to improve the policy and institutional environment. This assistance will improve subsector efficiency and performance as well as increase the involvement of the private sector in port infrastructure provision and operation to make up for government resource constraints. A more efficient and higher-capacity port will help capitalize Colombo's geographical potential to be a major hub port for South Asia and thus bring about economic spin-off benefits to the country.</p> <p>b. Goal and purpose: In 2004–2006, the project aims to expand the capacity of Colombo port as a public-private partnership while continuing to reform the legislative and regulatory framework and improve the efficiency of the existing container terminals. This is the second stage of implementation of institutional and policy reform to improve port efficiency and governance, increase private sector participation in port infrastructure provision works and operations, and make Colombo port a major hub for South Asia.</p> | | | | | | | | | | |

c. Components and outputs: The project will (i) support updating the Sri Lanka Port Authority Act; (ii) set up a credible port regulator; (iii) increase efficiency of existing container terminals; (iv) implement an electronic data interchange network linking port operators and other key government agencies (e.g., customs and ancillary service providers such as banks, shipping agents, and forwarding agents) to increase efficiency of cargo clearance and reform of national and provincial road provision; and (v) partly finance the development of the South Harbor Development Project (SHDP) as a public-private partnership. Private sector participation in the first phase of the SHDP is expected to be 33% and will progressively increase in the second and third phases of the project.

d. Expected results and deliverables:

- (i) The private sector share of civil works will be at least \$100 million for the first phase of the SHDP.
- (ii) The private sector share of civil works under SLRs2.5 million will be at least 33% of the total for the first phase.
- (iii) The capacity of Colombo port will double to 5 million 20-foot equivalent units.
- (iv) Colombo port will continue to implement its labor rationalization plan.
- (v) A credible port regulator will be established.
- (vi) A new port act more conducive to private sector involvement in the port subsector will be passed.

e. Social or environmental issues or concerns: Labor redundancy should be tackled with sensitivity. The approved Environmental Mitigation Plan should be strictly monitored so that adverse impacts during the construction of the south harbor are minimized.

f. Plans for disseminating results/deliverables: To be determined

7. Proposed executing/implementing agencies: Sri Lanka Ports Authority

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Several workshops were held involving all stakeholders to formulate and agree the scope of the project.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CAP 2000
- b. Expected date of submission for approval
 - Lending: November 2005
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: March 2005 – February 2010 (10 years)
 - Nonlending: Not applicable

10. Financing Plan

- a. For lending
 - Ordinary capital resources: \$100 million
 - Asian Development Fund: \$
 - Other: World Bank, \$50 million; Japan Bank for International Cooperation, \$50 million; Government, \$90 million; private sector, \$100 million; cofinancing, \$250 million

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.9: National Highway Sector Development Project
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|--|--|---|--|---|--|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Road</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Transport and Communications Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Sri Widowati</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: ADB is continuing its assistance to mobilize resources to remove physical and nonphysical barriers in the road network, to support efforts to improve the policy and institutional environment, and to improve subsector efficiency and performance. Through its interventions in the road subsector in Sri Lanka, ADB is supporting the establishment of a policy and institutional framework to improve overall sector performance. This will be achieved through a medium-term sector roadmap approach with a series of interventions over the period 2002–2008, to support implementation of a reform program for the way in which road services are provided, and for improvement of transport services. The medium-term policy framework that was developed and agreed with the Government will serve as a roadmap for future lending to Sri Lanka's road sector. The medium-term sector roadmap approach consists of three possible project loans, intended for 2002, 2004, and 2006. The proposed National Highways Development Project will be the second in the series of interventions.</p> | | | | | | | | | | |

The Government has, in the context of its economic reform program "Regaining Sri Lanka" issued in December 2002, emphasized the development of the country's infrastructure. Key objectives are to create economic growth and to ensure an efficient transport sector capable of reducing financial contributions from the public sector and attracting private investment. Building a national highways system and an integrated road network is a precondition for the achievement of the economic growth targets and therefore represents priority reform initiatives. Ensuring appropriate funding sources for the planned network development as well as for operational and maintenance costs are of specific importance. Increasing domestic revenues through the road maintenance fund is one important way, but expressway development financing development to a large extent will have to be met by foreign investors.

b. Goal and purpose: The project aims to further improve the efficiency of the road sector institution, improve bus transport services, and increase the capacity of the national roads. The project will also promote private sector participation in developing the road network. Efficient road transport will contribute to the expansion of economic opportunities and the reduction of poverty. Private sector participation in the financing of expressways will help free up public resources, which can be redirected at social spending.

c. Components and outputs: The project will (i) support further reform of the provision of national and provincial roads, (ii) implement reforms of provision of bus services, and (iii) implement the strategy to promote public-private partnership in financing, constructing, operating, and maintaining expressways. The investment component will consist of (i) upgrading and expanding the capacity of about 400 km of strategic national highways, including improvement of geometric alignment, pavement strengthening, and rehabilitation and/or widening of bridges as necessary; and (ii) building and operating about 40 km of expressway to be primarily financed by the private sector through public-private partnership scheme.

d. Expected results and deliverables: The project will improve national highway system. The expressway will be operated as toll roads that will reduce reliance on public financing to allow use of these funds for other critical sectors. The policy reform component will result in increased private sector share of domestically funded road works, improved road maintenance system and funding mechanism, and deregulated bus transport services.

e. Social or environmental issues or concerns: Social and environmental aspects will be properly addressed. Social aspect will be one of selection criteria of the roads to be provided. Environmental impact mitigation and the resettlement plan will be implemented and strictly monitored.

f. Plans for disseminating results/deliverables: The project will share results and lessons learned with stakeholders, development partners, and beneficiaries through appropriate media.

7. Proposed executing/implementing agencies: (1) Ministry of Transport, Highways, and Civil Aviation; (2) Ministry of Highways; (3) Ministry of Policy Development and Implementation; (4) Road Development Authority; and (5) Board of Investment.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The project's programmatic approach revolves around policy dialogue on sector reforms with the Government and discussions and consensus building among various agencies. Individual projects are identified and developed under this framework. Consultations with civil society including NGOs have been part of the project development process.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2001
- b. Expected date of submission for approval
 - Lending: November 2005
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2006 – 2011 (5 years)
 - Nonlending: Not applicable

10. Financing Plan

a. For lending

- Ordinary capital resources: \$
- Asian Development Fund: \$60 million
- Other: Cofinancing, \$10 million; Government, \$40 million

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.10: Commercialization of Agriculture
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|--|--|--|---|--|---|--|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input checked="" type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Subsector: Agriculture</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Agriculture, Environment and Natural Resources Division/ South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Paul Heytens</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Agriculture continues to be the main contributor to the livelihoods of Sri Lanka's poor, the vast majority of whom reside in rural areas. While Sri Lankan agriculture has gradually become more diversified over the past two decades, the Government recognizes that more rapid commercialization through greater private sector participation is the key to raising productivity and accelerating growth in the sector. Higher sector growth, in turn, will have a strong impact on reducing poverty and serve as a catalyst for improved economic performance more generally through linkages with and spillover effects to the broader rural nonfarm economy. The project will therefore contribute directly to the achievement of the "Regaining Sri Lanka/Poverty Reduction Strategy Program development objectives and, as such, is fully consistent with ADB's country strategy in Sri Lanka.</p> | | | | | | | | | | |

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| <p>b. Goal and purpose: The main goal of the project is to raise Sri Lankan agriculture's growth rate to 6% per annum over the next several years, while the main purposes are to diversify and increase value addition in the agriculture sector through increased private sector participation and greater commercialization of agriculture.</p> <p>c. Components and outputs: The project component will seek to foster greater commercialization of Sri Lankan agriculture by increasing private sector involvement in the following areas: (i) provision of agricultural extension services; (ii) management of land and water resources; (iii) research and development of agricultural technology; (iv) procurement, processing, and marketing of agricultural produce; and (v) investment in agricultural infrastructure, particularly market centers. The program component will seek to improve the enabling environment for private activity in agriculture by removing policy/regulatory constraints, including rationalization of the trade regime for agricultural outputs, inputs, and technology. Specific outputs will be determined as the project is prepared, but will include programs/interventions to increase private sector involvement in the five areas noted above.</p> <p>d. Expected results and deliverables: Further diversification and increased value addition in the agriculture sector through greater commercialization should raise farm and rural nonfarm incomes and employment, thereby reducing poverty in Sri Lanka. At the same time, greater participation of the private sector in agriculture and rural development should reduce budgetary outlays, thereby contributing to medium-term fiscal consolidation and the sustainability of Sri Lanka's fiscal position.</p> <p>e. Social or environmental issues or concerns: By generating employment and raising farm and rural nonfarm incomes, the project will contribute directly to poverty reduction and lead to an improvement in a range of other social and economic indicators. Commercially oriented diversification of agricultural production should also improve land quality, conserve water, and make farming more sustainable in the long run. The possible social and environmental benefits and costs will be assessed during project preparation. Appropriate mitigation measures will be designed where adverse impacts are anticipated.</p> <p>f. Plans for disseminating results/deliverables: The project areas and scope of interventions will be determined during the PPTA in consultation with the various stakeholders. The project will seek to provide models for sustainable, private sector-led, and commercial agriculture that can be replicated elsewhere in the country. Project supervision, monitoring, and reporting systems will seek to ensure that knowledge of the project is disseminated widely in Sri Lanka.</p> |
| <p>7. Proposed executing/implementing agencies: The EAs for the PPTA will be determined following completion of a sector review to be undertaken later in 2003. The executing/implementing agencies for the loan project will be determined during the PPTA.</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Extensive consultations will be undertaken during project preparation and implementation with farmers, concerned government agencies (Ministries of Policy and Development Implementation, Finance, Agriculture and Livestock, Plantation Industries, Irrigation and Water Resources Development, Land and Regional Development), industry associations and the private sector (e.g., the National Agribusiness Council and The Ceylon Chambers of Commerce).</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <ul style="list-style-type: none">a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2001b. Expected date of submission for approval<ul style="list-style-type: none">Lending: 2006Nonlending (project preparatory): 2004Nonlending (other than project preparatory): 2006c. Period and duration of assistance<ul style="list-style-type: none">Lending: 2006–2011Nonlending: 2004 |

10. Financing Plan

- a. For lending
- Ordinary capital resources: \$30 million
 - Asian Development Fund: \$20 million
 - Other: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds - \$800,000 for PPTA; \$500,000 for the attached TA
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.11: Rural Electrification Project
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|--|---|--|--|--|--|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Power</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input checked="" type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input checked="" type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input checked="" type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input checked="" type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Energy Division, South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Rune Stroem</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: ADB's 2004–2006 country strategy and program is directly supporting the objectives and goals established in <i>Regaining Sri Lanka</i>, of which increased economic growth is one of the cornerstones. A prerequisite to sustainable economic growth is urban and rural infrastructure. The proposed rural electrification directly supports this element of <i>Regaining Sri Lanka</i>, and would enhance the economic opportunities in the rural areas, leading to less pressure on the urban areas in Sri Lanka.</p> <p>b. Goal and purpose: To ensure even distribution of economic growth in Sri Lanka by providing electricity to rural areas currently not covered by the national grid, and ensuring the opportunity for increased economic activity in the rural areas. In addition, to ensure opportunities for the poorer segments of the population to get connected in order to alleviate stress on human and financial resources by providing opportunities for additional income, better health conditions, and enhanced education opportunities.</p> | | | | | | | | | | |

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| <p>c. Components and outputs: The proposed assistance will focus on augmenting the distribution network and bringing the network to rural areas currently not supplied with electricity.</p> <p>d. Expected results and deliverables: Bringing the electrification ratio of Sri Lanka from the expected 72% in 2005 to about 80% by 2010. Physical delivery of electricity to about 600 additional villages and 12,000 households.</p> <p>e. Social or environmental issues or concerns: The proposed assistance will make an effort to ensure that the poorer population within each electrified village has the opportunity to get connected to the power supply.</p> <p>f. Plans for disseminating results/deliverables: Through workshops, seminars, and publications of the data gathered in the socioeconomic survey (see below).</p> |
| <p>7. Proposed executing/implementing agencies: Ministry of Power and Energy/power distribution entities</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: During the PPTA, a socioeconomic survey will be carried out to ensure adequate knowledge at the village level. During this data collection period and later project design stages, public meetings and consultations will take place among the villages electrified during previous and current rounds of installing facilities, and the villages scheduled for electrification during the proposed loan.</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2001</p> <p>b. Expected date of submission for approval Lending: 2006 Nonlending (project preparatory): 2004 Nonlending (other than project preparatory): Not applicable</p> <p>c. Period and duration of assistance Lending: 2006 – 2010 Nonlending: 2004 - 2005</p> |
| <p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources: \$</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$50 million</p> <p><input checked="" type="checkbox"/> Other: To be determined</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget: \$</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$600,000</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing)</p> |

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.12: Small and Medium Enterprise Development II
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|--|--|---|--|---|--|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input checked="" type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and Finance Subsector: Governance, Finance and Trade</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Governance, Finance and Trade Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Barbara Ericsson</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Government's policy focus on accelerated economic growth, expansion of employment, and improvement of living standards has created a suitable enabling environment for the private sector to assume a leading role in transforming the Sri Lankan economy. SMEs are an important source of employment for low-income, rural and urban households. SMEs account for nearly 90% of industrial establishments and 70% of employment in the manufacturing sector. SME growth and development are restricted by the presence of regulatory and other constraints, a weak skills base, high transaction costs, an underdeveloped business development service sector, and limited access to finance. The project recognizes SME development as a means to create jobs for the poor and affirms ADB's commitment to promote an enabling environment for private sector development, particularly for SMEs.</p> <p>b. Goal and purpose: The proposed SME development project is a follow-up to the SME Sector Development Program (SMESDP) approved in 2001. The goal of the new project is to further promote the growth and sustainability of SMEs in Sri Lanka. The PPTA will help the Government prepare an SME</p> | | | | | | | | | | |

development project through an integrated approach that addresses the various dimensions of SME support systems (financial, technical, marketing, and supply-chain linkages), and related policy and institutional issues.

c. Components and outputs: (i) Review the Government's ongoing efforts to improve the business environment and identify remaining constraints; (ii) assess the institutional capacity of the SME Policy Unit in the Ministry of Enterprise Development, Industrial Policy and Investment Promotion (MEDIPIP); (iii) review financial sector policies as they relate to SMEs and develop options for financial service products targeting SMEs; (iv) assess the performance of the Business Services Support Facility set up under the SMESDP; and (v) identify capacity-building measures needed to develop the financial, technical, marketing, and supply-chain linkage dimensions of SME support systems.

d. Expected results and deliverables: Overall project design, scope, implementation arrangements, institutional support program, and cost and financing plan.

e. Social or environmental issues or concerns: None.

f. Plans for disseminating results/deliverables: The PPTA will be prepared in close consultation with MEDIPIP, the Ministry of Policy Development and Implementation and the Ministry of Finance.

7. Proposed executing/implementing agencies: MEDIPIP

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: In designing the PPTA, ADB will work closely with MEDIPIP and with other concerned agencies. Other stakeholders, including business associations, NGOs, and academia will also be consulted.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP 2003

b. Expected date of submission for approval
 Lending: 2006
 Nonlending (project preparatory): 2005
 Nonlending (other than project preparatory): Not applicable

c. Period and duration of assistance
 Lending: 2006–2010
 Nonlending: 2005–2006

10. Financing Plan

a. For lending
 Ordinary capital resources: \$60.0 million
 Asian Development Fund: \$
 Other: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: \$500,000
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A4.13: Greater Colombo Waste Water Management Concept Paper

Date: 30 June 2003

| | | |
|---|---|--|
| <p>1. Type/modality of assistance</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Lending <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other: | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: Urban Development</p> <p>b. For project preparatory and lending, classification</p> <ul style="list-style-type: none"> <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention <p>c. Key thematic areas</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <input type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input checked="" type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection </td> </tr> </table> | <ul style="list-style-type: none"> <input type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input checked="" type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection |
| <ul style="list-style-type: none"> <input type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input checked="" type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | |
| <p>4. Responsible division/department: Social Sectors Division/South Asia Department</p> | | |
| <p>5. Responsible ADB officer: Maria Paniagua-Pascual</p> | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: As the Government states in its policy framework "Vision 2010", the existing sewerage and waste infrastructure is grossly inadequate for the optimal expansion of urban areas and the concentration of economic activities around urban centers. The sewerage network is limited to a small area serving only about 25% of the Colombo urban region and a large section of it is in need of a complete overhaul and augmentation. Effective sewerage disposal is a necessary condition not only to for growth but to protect the environment from increasing levels of pollution resulting from economic activities.</p> <p>The Government is currently in the process of considering a model for the participation of the private sector in the provision of water supply in Greater Colombo and has stated that public investment will focus on improving sewerage networks while the private sector participates in operation and maintenance. By 2004 the following sector reforms should be in place: (i) implementation of a model of private sector participation for water supply in Greater Colombo; (ii) introduction of a sewerage tariff based on volumetric usage; and (iii) consolidation of responsibility for all public owned sewerage systems in Greater Colombo in one institution. Within the given framework, the TA will prepare a project to rehabilitate the Greater Colombo Sewerage System and support further progress in sector reforms.</p> | | |

b. Goal and purpose: The TA will prepare a project to assist the Government to improve the living conditions of the urban population in Greater Colombo, and to minimize negative environmental impacts caused by increasing levels of domestic and industrial waste.

c. Components and outputs: The TA will (i) provide institutional strengthening to improve the capacity of institutions responsible for wastewater management in Greater Colombo; (ii) identify physical and institutional areas that need improvement, including institutional and financial scenarios and the policy framework; (iii) identify an investment to improve wastewater management including rehabilitation of existing sewage and improvement of on-site sanitation facilities in Greater Colombo, within the objectives and policies of both ADB and the Government; and (iv) provide all the necessary information for the preparation of a loan project in accordance with ADB operational guidelines.

d. Expected results and deliverables: The TA will (i) increase the capacity of the Greater Colombo institutions to manage wastewater; (ii) provide all necessary information to prepare a project to undertake the physical rehabilitation of Greater Colombo Sewerage System and the improvement of on-site sanitation; and (iii) implement the necessary institutional and policy reforms to ensure financially and institutionally sustainable solutions for the Greater Colombo Sewerage System. The TA will prepare a project to support and advance current policy reforms in the sector.

e. Social or environmental issues or concerns: No environmental issues are expected during TA implementation. The TA will prepare a project to mitigate current negative environmental impacts due to inappropriate management of domestic and industrial waste.

f. Plans for disseminating results/deliverables: Project final report and project evaluation workshop.

7. Proposed executing/implementing agencies: To be determined

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government has expressed in writing to different ADB officers and management the need to rehabilitate the Greater Colombo Sewerage System and has discussed the assistance during discussions regarding participation of the private sector in Greater Colombo's water supply. In its Vision 2010, the Government identifies as a priority area the rehabilitation of the Greater Colombo Sewerage System.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP update 2001
- b. Expected date of submission for approval
 - Lending: 2006
 - Nonlending (project preparatory): 2004
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2005 - 2009
 - Nonlending: 2004 - 2005

10. Financing Plan

- a. For lending
 - Ordinary capital resources: \$20 million
 - Asian Development Fund: \$
 - Other: Government, to be determined; Cofinancing, \$130 million

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.14: Road Network Sector Development Project
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|--|--|---|--|---|--|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Road</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Transport and Communications Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Sri Widowati</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: ADB is continuing its assistance to mobilize resources to (i) remove physical and nonphysical barriers in the road network, (ii) support efforts to improve the policy and institutional environment, and (iii) improve subsector efficiency and performance. More efficient transport will contribute to poverty reduction by increasing economic growth and improving access to economic opportunities. Through its interventions in the road subsector in Sri Lanka, ADB is supporting the establishing of a policy and institutional framework to improve overall sector performance. This will be achieved through a medium-term sector roadmap approach with a series of interventions over the period 2002–2008, to support implementation of a reform program to improve road and transport services. The medium-term policy framework developed and agreed with the Government will serve as a roadmap for future lending to Sri Lanka's road sector. The project will be the third in the series of interventions.</p> | | | | | | | | | | |

The Government has, in the context of its economic reform program "Regaining Sri Lanka", issued in December 2002, emphasized the development of the country's infrastructure. Key objectives are to create economic growth and to ensure an efficient transport sector capable of reducing financial contributions from the public sector and attracting private investment. Building a national highways system and an integrated road network are preconditions for the achievement of the economic growth targets and are therefore priority reform initiatives.

b. Goal and purpose: Efficient transport and improved access, in particular, is one of the keys to economic development leading to reduction of poverty. Investment in roads is part of a continuing program to support the development of an integrated and balanced road network in the country. The project aims to improve the efficiency of road sector institutions, and increase the capacity and efficiency of the road network to promote economic growth, rural development, better access to employment opportunities and social facilities, and domestic and regional trade.

c. Components and outputs: The TA is to help the Government identify and prepare a project of about **[xx something gone walkabouts here ...]** The project will (i) support further reform of road sector institutions, and (ii) upgrade and expand the capacity of about 1,000 km of the road network (classes A, B, C, and D), including improvement of geometric alignment, pavement strengthening, and rehabilitation and/or widening of bridges as necessary.

d. Expected results and deliverables: The project will improve the country road network. The policy reform component will complete the institutional development program under the medium-term framework of road sector development. It will result in separation of the regulatory and service-provider functions within the government agency, a strong private sector in the road sector, and a sustainable road-financing mechanism.

e. Social or environmental issues or concerns: Social and environmental aspects will be properly addressed. Social aspect will be one of selection criteria of the roads to be provided. Environmental impact mitigation and resettlement plan will be implemented and strictly monitored.

f. Plans for disseminating results/deliverables: The project will share results and lessons learned with stakeholders, development partners, and beneficiaries through appropriate media.

7. Proposed executing/implementing agencies: (1) Ministry of Transport, Highways, and Civil Aviation;(2) Ministry of Highways; (3) Ministry of Home Affairs, Provincial Council and Local Government; and (4) Road Development Authority.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The project's programmatic approach revolves around policy dialogue on sector reforms with the Government and discussions and consensus building among various agencies. Individual projects are identified and developed under this framework. Consultations with civil society including NGOs have been part of the project development process.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP 2003
- b. Expected date of submission for approval
 - Lending: 2006
 - Nonlending (project preparatory): 2005
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2007 – 2012
 - Nonlending:

10. Financing Plan

- a. For lending
 - Ordinary capital resources: \$
 - Asian Development Fund: \$60 million
 - Other: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \${amount}
- Grant TA funds
- Other: {specify}

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.15: Pilot Service Delivery and TA Loan
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|---|--|---|---|---|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input checked="" type="checkbox"/> Other: TA Loan</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and Finance Subsector: Governance, Pro-poor Service Delivery</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input checked="" type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input checked="" type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Governance, Finance and Trade Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Asha Newsum</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Following almost two decades of civil conflict, in 2002 the newly elected government declared a ceasefire and renewed peace negotiations with the Liberation Tigers of Tamil Eelam (LTTE). In mid-2002, the Government published a Relief, Rehabilitation, and Reconciliation (RRR) Framework, which sets out a framework of policies and strategies concerned with the overriding need for peace and recovery. Restoration of public services and coordination through effective institutional mechanisms at national, provincial and district, division, and village levels will be critical to the attainment of peace.</p> <p>In December 2002, the Government announced a strategy for comprehensive economic and structural reforms to achieve higher and sustainable economic growth and accelerated poverty reduction. This strategy is described in <i>Regaining Sri Lanka</i> and is set out in three parts: part one represents the framework for economic development; part two presents the poverty reduction strategy (PRS); and part three includes an action plan for parts one and two. Key components of the strategy include fostering macroeconomic stability through appropriate monetary, fiscal, and external policies; and structural adjustment including deregulation to enhance resource allocation, and raise productivity. The strategy also envisages changing the role of government from</p> | | | | | | | | | | |

being a leading provider of goods and services to being a facilitator of private sector economic activity; ensuring that public sector operations are conducted efficiently and cost effective; focusing on results and the need to put systems and processes in place to track performance, including stakeholder consultations and feedback on public service delivery, accessibility, and quality; shifting the focus of authority from central to local government as a means of empowering the poor; raising transparency and information flow including through implementing legislation on the right to information; and balancing available resources and service demands and making effective utilization of resources allocated in the provision of public services.

ADB's governance approach in Sri Lanka is being reflected in the governance review as part of the preparation of the CSP. While taking into account the fluid situation, the approach is geared toward contributing to the attainment of lasting peace and poverty reduction through initiatives that will improve accountability and transparency of government and bring government closer to the people. The approach will be operationalized as core governance initiatives and mainstreamed in ADB's sector related investments.

b. Goal and purpose: To improve the access, equity, efficiency, and sustainability of public services in Sri Lanka. The purpose is (i) to produce a national roadmap including one for the North and East supported by appropriate institutional arrangements that is concerned with the development and implementation of a policy framework for making public services delivered by the central, provincial, and local tiers of government work for the poor and people affected by the conflict; and (ii) to implement the preliminary phase of the roadmap through the implementation of specific tools and techniques concerned with improving service delivery through pilot schemes in a selected and manageable number of high-priority public services. The proposed loan/TA loan component will support the upscaling of service delivery pilot projects (see below).

c. Components and outputs:

1. Institutional frameworks including frameworks that are suitable for the North and East established for:
 - (i) Implementing service delivery improvement reforms in central, provincial and local governments;
 - (ii) Building capacity in government, civil society, and local communities;
 - (iii) Advising on performance areas and performance monitoring;
 - (iv) Establishing appropriate incentive systems for bringing about behavioral change.
2. Establishing service provider links with 1–2 international agencies for capacity building in improving delivery of public services;
3. Feasibility study for integrated services using e-governance in rural and/or urban areas;
4. Study on intergovernment accountability framework for 3–5 pilot priority services in two geographical areas, including a service in the North and East;
5. Using a selection of the following tools (the list is not conclusive) in 3–5 pilot priority services with a view to determining components for incorporation in the service delivery policy framework:
 - (i) service delivery policies, planning and budgeting by policy makers;
 - (ii) service delivery planning by service providers involving citizens;
 - (iii) public expenditure tracking surveys;
 - (iv) quantitative service delivery surveys;
 - (v) costing of public services;
 - (vi) policies on user charges and policies on subsidies for the poor and marginalized;
 - (vii) social audit of public services by citizens;
 - (viii) service standards;
 - (ix) access to and availability of service delivery related information;
 - (x) citizen redressal;
 - (xi) performance monitoring and benchmarks; and
 - (xii) assessment of service delivery constraints.
6. Upscaling of the pilot priority services to cover broader geographic area and to enable mainstreaming of institutional and service delivery frameworks

d. Expected results and deliverables:

- (i) Service delivery policy framework adopted and implemented on a pilot basis by 3–5 service providers;
- (ii) Constraints identified and improvements realized in pilot services;
- (iii) Approved and costed service delivery improvements plans for scaling up on the basis of the work undertaken in the pilots;
- (iv) Operationalization of service delivery policy frameworks across government;
- (v) Investment plan for the establishment of integrated services in rural and/or urban areas using e-governance and by bridging the digital divide;
- (vi) Approved modalities for learning and sharing good practices in service delivery;

- (vii) Challenge fund operational for innovations in service delivery that are pro-poor and/or contributing to conflict resolutions and attainment of lasting peace;
- (viii) Improved capacity in public sector for improving public services; and
- (ix) Service providers identified and contracts in place for building capacity in the planning, delivery, regulation, monitoring, and evaluation of public services.

The proposed assistance will be provided through cluster TA for institutional development, and subsequent project loan/TA loan for upscaling pilot service delivery mechanism.

e. Social or environmental issues or concerns: The initiative is designed to address the constraints in the delivery of public services and particularly social and infrastructure services. An integral part of the approach will be to consider the gender dimensions in the provision of public services and the requirements of displaced persons.

f. Plans for disseminating results/deliverables: The Government will establish institutional mechanisms for disseminating information concerning the processes, outputs, and outcomes of the TA through institutional arrangements that are capable of reaching out to all tiers of government, civil society, and the citizens in a meaningful way. Information generated from the project will be required for a variety of purposes including ensuring citizen participation, development of policies, gearing up implementation of service delivery improvement plans, and improving transparency and accountability of the Government.

7. Proposed executing/implementing agencies: The EA will be the Ministry of Policy Development and Implementation and the implementing agencies will be (i) the line ministries responsible for improving the priority services on a pilot basis; (ii) relevant provincial governments, district, and divisional offices and local governments; and (iii) civil society. The implementation arrangements will take into account the evolving political and structural arrangements that are being evolved under the ongoing peace process. In addition, the Sri Lanka Institute of Development Administration (SLIDA) will be responsible for leading on the development of appropriate capacity building programs and the Sri Lanka Center for Poverty Analysis will be responsible for leading the nongovernment components of the service delivery policy reforms.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: During the course of preparation of the governance review for the CSP, meetings to discuss the approach outlined above have taken place with central government, provincial governments, and local governments. In addition, consultative workshops have taken place with groups from government, nongovernment organizations, and community-based organizations, as well as business and funding agencies.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP 2003
- b. Expected date of submission for approval
 - Lending: January 2006
 - Nonlending (project preparatory): 2005
 - Nonlending (other than project preparatory): 2004
- c. Period and duration of assistance
 - Lending: 2006 onwards
 - Nonlending: I – IV Quarter 2005 for Cluster TA

10. Financing Plan

- a. For lending
 - Ordinary capital resources: \$10 million
 - Asian Development Fund: \$10 million
 - Other: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds: \$500,000
- Other: to be determined, \$1.1 million

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A4.16: Distance Education Public-Private Partnership
Concept Paper**

Date: 30 June 2003

| | | | | | | | | | | |
|---|---|---|---|--|---|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: Education</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: Social Sectors Division/South Asia Department</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: To be determined</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Government emphasizes moving from a public sector employment system to private sector employment system for value-added occupations required by Sri Lanka to enter the global economy. The Government is diversifying the economy, and has developed an employment strategy that emphasizes less restrictive labor laws, support for SMEs, and the shedding of parastatal operations. The strategy is pro-poor because the generation of more and better jobs will allow income to filter down across a wide geographical region and across a wide segment of society. Since the public postsecondary education system is shrinking and the private sector is expanding, the Government also needs to plan its strategy to allow private providers to operate.</p> <p>b. Goal and purpose: The TA will assist the Government to reorient the postsecondary system of education—Open University, technical institutes, and the myriad private sector institutions granting diplomas and degrees—to harmonize services for the majority of secondary school graduates who qualify for higher education but are not admitted due to limited capacity of universities. The TA will prepare a project that moves the subsector to private sector dominance with government monitoring, standard setting, and policy making</p> | | | | | | | | | | |

designed to ensure quality, veracity in advertising, and a closer supply-demand job match.

c. Components and outputs: The TA will prepare a project that addresses technical needs of the subsector, including distance education technologies designed to overcome critical bottlenecks in teaching competencies and wider application of course offerings nationwide through the Internet and a wide set of institutions.

d. Expected results and deliverables: The TA is expected to deliver a feasibility study that takes account of current initiatives, both local and foreign, in the support for learning online throughout Sri Lanka to increase opportunities for students living outside urban areas. The new system is expected to be more competitive and hence more efficiently run and more closely tied to labor market requirements.

e. Social or environmental issues or concerns: Social issues include the need to provide services nationwide across poor plantation areas and former war-torn areas. Most of the educated poor in rural areas have little opportunity to locally upgrade skills for advancement. A distance education system already under way is needed at the local level to allow access to learning on demand with back-up tutorials. Such a system would also allow private nonprofit organizations that specialize in information and communications technology, business, accounting, and languages to grow in small towns across the country.

f. Plans for disseminating results/deliverables: The feasibility study will be prepared in close cooperation with the public and private school systems so that inputs from each can be included and common ground reached. This will be done through regional workshops, field visits, and face-to-face interviews with stakeholders.

7. Proposed executing/implementing agencies: Ministry of Higher Education and Training

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government is actively pursuing reforms in higher education to reduce the role of the public sector while expanding private sector involvement. The process will take time and the project will follow up existing ADB and World Bank support in the subsector and help ensure the long-term success of the reforms. The TA will work closely with the ongoing reform process and benefit from the lessons learned regarding stakeholder involvement, especially between the newly emerging private and public sector institutional cooperation and sharing.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: CSP 2003
- b. Expected date of submission for approval
 - Lending: 2006
 - Nonlending (project preparatory): 2005
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2006–2010 (5 years)
 - Nonlending: 2005–2006 (9 months)

10. Financing Plan

- a. For lending
 - Ordinary capital resources: \$
 - Asian Development Fund: \$50 million
 - Other: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds: \$600,000
 - Other:

If cofinancing is required indicate sources, and amount sought: TBD

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.