Sri Lanka: Human Capital Development Capacity and Implementation Support

Project Name: Human Capital Development Capacity and Implementation Support

Project Number: 39293-035

Country: Sri Lanka

Project Status: Active

Project Type / Modality of Assistance: Technical Assistance

Source of Funding / Amount:
- TA 8235-SRI: Human Capital Development Capacity and Implementation Support
  - Technical Assistance Special Fund: US$ 1.50 million
- TA 8235-SRI: Human Capital Development Capacity and Implementation Support (Supplementary)
  - Technical Assistance Special Fund: US$ 850,000.00
- TA 8235-SRI: Human Capital Development Capacity and Implementation Support (Supplementary)
  - Technical Assistance Special Fund: US$ 1.00 million
- TA 8235-SRI: Human Capital Development Capacity and Implementation Support (Supplementary)
  - Technical Assistance Special Fund: US$ 1.00 million

Strategic Agendas: Inclusive economic growth

Drivers of Change: Governance and capacity development, Knowledge solutions, Partnerships, Private sector development

Sector / Subsector: Education - Secondary - Technical and vocational education and training - Tertiary

Gender Equity and Mainstreaming: Effective gender mainstreaming

Description:
The development of human capital is critical and a key priority for positioning Sri Lanka as a competitive economy and society based on knowledge and innovation. It sees inclusive and equitable growth possible if based on strong education, skills development and research. During the country programming discussions held during May-August 2012, and special consultation missions for human development, the government indicated that the Asian Development Bank (ADB) should support a coordinated effort to improve planning and implementation of various human development programs in the education sector. Accordingly, a proposed Multitranche Financing Facility for Human Capital Development Investment Program (MFF-HCDIP) is being prepared to increase human capital and by enhancing employability of school leavers and graduates and strengthening research and innovation for productivity. To support and strengthen country capacity to implement this long term investment, this $1.5 million capacity development technical assistance (CDTA) for Human Capital Development Capacity and Implementation Support was included in the 2012 non-lending program for Sri Lanka. The proposed CDTA aims to improve results-oriented planning based on medium term expenditure frameworks which would lead to increased and rational investments in human development in Sri Lanka. While this long term approach will enable ADB to support and strengthen policy frameworks pivoted on sound strategic context and backed by government financing, it also challenges the capacity of the various implementing agencies to develop, plan, implement and systemically monitor their medium term sector (expenditure) frameworks and result achievements; and tests the capacity of country systems for public financial management and procurement. The proposed CDTA will augment these capacities, to support and work closely with the line ministries sector programs.
To address the bottleneck of insufficiently prepared graduates and students for entering the labor workforce, and by building upon the gains in basic education, Sri Lanka aims at equitable access to quality and relevant secondary education and demand-driven skills training. It also emphasizes science and technology as a key driver for socioeconomic transformation which starts with solid foundation of science education in the school sector. Guided by the long term vision, Government of Sri Lanka has developed several policy frameworks and strategies to address the human capital development challenge including (i) National Human Resources and Employment Policy; (ii) Education Sector Development Framework and Program (ESDFP) 2012-2016; (iii) A Road Map for Technical & Vocational Education and Training (TVET); and (iv) Science, Technology & Innovation Strategy for Sri Lanka 2011-2015 (2010). Implementing these policies and strategies requires coordinated effort and solid technical capacities to better plan, design and implement a wide range of initiatives and government programs for secondary and post-secondary education, including skills. While government agencies have led efforts to prepare medium term expenditure program frameworks (in education, skills), a much stronger effort to link sectoral programs with national planning is necessary in order to ensure that individual sector results contribute to the overall outcome of a stronger workforce that supports national economic goals. Further, public financial management and procurement capacities need to be strengthened to improve the efficiency of programs, and monitoring systems need improvement in order to track results. Focus on quality, implementation and results, together with expanded private sector participation to ensure relevance, synergy among different sectors, will be the underpinning drivers of a paradigm shift in human capital development (HCD). This paradigm shift will be stimulated by a coordinated effort that enables sector-specific achievements to be linked more closely to the growth agenda, and could help propel Sri Lanka into a competitive knowledge-based economy.

Responding to the government, ADB will take a longer term approach to support in HCD to make education more competitive and responsive, and creating space and financing for knowledge economy and innovation that includes modernized secondary education and skills training that is responsive to industry and economic needs, with greater focus on research and education for knowledge economy. The government has a strong vision, and it requires ADB’s value addition in knowledge, know-how, innovative approaches, strategic planning and selected implementation support.

Given the long term nature of achieving HCD outcomes, ADB will adopt a phased results-based approach over longer period. To this end, a proposed MFF HCDIP will provide results-based financing to support government’s programs in education, skills development and research and innovation. While a long term investment will enable ADB to support and strengthen policy frameworks pivoted on sound strategic context and backed by government financing, it also challenges the capacity of the various implementing agencies to develop, plan, implement and systemically monitor their medium term sector (expenditure) frameworks and result achievements; and tests the capacity of country systems for public financial management and procurement. The CDTA will augment these capacities to support and work closely with the line ministries sector programs. The CDTA will be aligned to the MFF HCDIP and support the country’s HCD needs, encompassing secondary education, post secondary including TVET, and an innovation system, with an aim to promote socially and gender inclusive growth. The CDTA will also respond to the government’s demand for ADB support to be longer-term, more flexible, and lower in transaction cost. It will also entail efficiency gains by reducing staff resources in processing and administration and sharing consultant inputs across subsectors.

**Impact**

Enhanced human capital in Sri Lanka for a productive knowledge-based economy

**Project Outcome**

**Description of Outcome**

Enhanced government capacity for planning, coordinating, and implementing results-oriented HCD with greater synergies across subsectors

**Progress Toward Outcome**

In 2014, the Skills Sector Development Program 2014-2020 approved by MOFP including indicative expenditure estimates.

For 2015, 3-year rolling medium term expenditure frameworks for (i) education and (ii) skills development were developed and approved by the government.

**Implementation Progress**

**Description of Project Outputs**

Improved policy and technical capacity for planning HCD programs

Strengthened institutional and fiduciary capacity for planning, coordinating, and implementing HCD sector programs

Research on HCD programs to guide better design conducted
The TA design was informed by extensive consultations conducted under the PPTAs for the Education Sector Development Program and Skills Human and Social Development Division, SARD Ministry of Finance and Planning. During the TA implementation, ADB will maintain close communication with the executing agencies of ADB supported human capital development programs (education and skills development) as well as the National Planning Department and other relevant government agencies and other stakeholders to ensure relevant and quality technical inputs and assistance.

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

The TA design was informed by extensive consultations conducted under the PPTAs for the Education Sector Development Program and Skills Human and Social Development Division, SARD Ministry of Finance and Planning. During the TA implementation, ADB will maintain close communication with the executing agencies of ADB supported human capital development programs (education and skills development) as well as the National Planning Department and other relevant government agencies and other stakeholders to ensure relevant and quality technical inputs and assistance.

During Project Implementation

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Responsible ADB Officer

Uzma S. Haque

Responsible ADB Department

South Asia Department

Responsible ADB Division

Human and Social Development Division, SARD

Executing Agencies

Ministry of Finance and Planning

P.O. Box 277

The Secretariat Building, Colombo 01, Sri Lanka

National Planning Department

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Timetable

Concept Clearance

12 Oct 2012
Fact Finding - 
MRM - 
Approval 03 Dec 2012 
Last Review Mission - 
Last PDS Update 02 Aug 2019 

TA 8235-SRI

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