

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Major development partners active in the water supply and other municipal infrastructure and services sector in Sri Lanka include the Asian Development Bank (ADB), World Bank, and Government of Japan through the Japan International Cooperation Agency (JICA). The contributions of various development partners to municipal infrastructure and basic service provision are discussed below.

2. While the World Bank's involvement includes larger growth-related activities with regard to local governments, the World Bank is involved in the Northern and Eastern provinces supporting investment, reforms, and enhancing local capacity in financial management and communications through its North East Local Services Improvement Project (NELSIP).

3. JICA is playing a major role with regard to environmental infrastructure support and supported building the capacity of the National Solid Waste Management Support Center (NSWMS) to help local governments improve their collection, treatment, and disposal of solid waste. While JICA's support was completed NSWMS is continuing its mission.

4. ADB is one of the largest partners in supporting local government infrastructure and reform. Besides two large city-specific investments in Colombo and Jaffna, ADB's involvement through the Local Government Infrastructure Improvement Project¹ supports local infrastructure improvement through a demand-driven approach. The project also promotes local fiscal improvement and governance reforms.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Water Supply and Other Municipal Infrastructure and Services			
Water Supply and Sanitation			
ADB	Dry Zone Urban Water and Sanitation Project	2009–2014	59.8
	Secondary Towns and Rural Community-based Water Supply and Sanitation Project	2002–2012	120.1
	Greater Colombo Wastewater Management Project	2009–2015	100.0
	Jaffna and Kilinochi Water Supply and Sanitation Project	2010–2016	90.0
JICA	Kalu Ganga Water Supply Project, Phase 1, Stage 2 and Nonrevenue Water Reduction in Colombo City	2008–2012	109.0
	Greater Kandy Water Supply, Phase 2	2007–2012	40.0
	Towns North of Colombo Water Supply, Stage 2	2007–2012	64.0
World Bank	Emergency Northern Recovery	2009–2012	65.0
Waste Management			
EDCF	Construction of Solid Waste Disposal Facilities Project	2011–2016	33.5
KOICA	Establishment of Integrated Waste Management System in Dompe Area	2008–2011	4.5
JICA	Capacity Upgrading Project for the National Solid Waste Management Support Center	2007–2011

¹ ADB. 2005. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Democratic Socialist Republic of Sri Lanka for the Local Government Infrastructure Improvement Project*. Manila (Loan 2201-SRI).

Development Partner	Project Name	Duration	Amount (\$ million)
Other municipal services			
ADB	Local Government Infrastructure Improvement Project	2007–2012	50.0
World Bank	North East Local Services Improvement Project	2010–2015	50.0

... = not available, ADB = Asian Development Bank, EDCF = Economic Development Cooperation Fund (Government of the Republic of Korea), JICA = Japan International Cooperation Agency, KOICA = Korean International Cooperation Agency.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

5. ADB has been collaborating closely with multilateral and bilateral development partners on a regular basis at the country, program, and project levels. The modalities for cooperation include regular consultations, joint missions, joint sector strategies, cofinancing, and knowledge sharing through joint assessments. Monthly development partner coordination meetings, of which ADB is one of the rotating co-chairs, provides the opportunity for ADB to liaise and coordinate with other development partners' programs. These meetings are in addition to coordination meetings organized by the External Resources Department and the Ministry of Local Government and Provincial Councils.

6. Discussions were held with the World Bank, JICA, and the Australian Agency for International Development during project preparation specifically to harmonize the approaches and interventions of development partners and ensure that activities supported under ADB's interventions do not overlap with other development assistance. The proposed approach centered on local authorities is also being adopted in the NELSIP of the World Bank. The project excludes the Northern and Eastern provinces to avoid any duplication with the NELSIP. Essentially, the focus is on a streamlined approach in addressing local demands. The Australian Agency for International Development indicated interest in collaborating with the project, including the possibility of cofinancing.

7. The implementation structure of the project supports coordination in the field, especially through the provincial steering committee in each province where implementing agencies such as the National Water Supply and Drainage Board and the Central Environmental Authority are the members of the committee.

8. The Ministry of Finance and Planning coordinates development assistance nationally. The Ministry of Local Government and Provincial Councils oversees the projects related to provincial councils and local governments. A national steering committee for the project provides a forum to strengthen coordination among development partners and line agencies.

C. Achievements and Issues

9. ADB's Sri Lanka Resident Mission has worked closely with other development partners, particularly in the aftermath of the 2004 tsunami and on previous and ongoing projects in the Northern and Eastern provinces. Further, ADB successfully obtained cofinancing from several development partners for project preparation and investments, indicating strong coordination among partners. Agence Française de Développement is cofinancing investments and technical

assistance as part of the Jaffna and Kilinochchi Water Supply and Sanitation Project.² Views are often exchanged with JICA regarding the issues of solid waste management to learn lessons from its recently completed assistance to the NSWMSC.

D. Summary and Recommendations

10. By strengthening forums for development partner coordination, including making meetings and consultations more frequent, and by improving coordination during implementation by, for instance, holding regular national coordination committee meetings, ADB can ensure that overlaps are minimized and synergies are pursued. Close coordination will enable future development assistance to address gaps and/or complement the activities of ongoing projects.

11. Although support may be limited in financial terms, given the scale of investment requirements, value addition also exists in bringing best practices, enabling institutional changes, advancing the reform agenda, and assisting in addressing key infrastructure financing and capacity constraints, to help achieve balanced regional development, as set out by the National Development Policy Framework.

² ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loans and Technical Assistance Grant to the Democratic Socialist Republic of Sri Lanka for the Jaffna and Kilinochchi Water Supply and Sanitation Project*. Manila.