

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The main development partners active in the water and other urban infrastructure and services sector in Sri Lanka include the Asian Development Bank (ADB), the World Bank, Japan International Cooperation Agency (JICA), the European Investment Bank (EIB), and Agence Française de Développement (AFD). The EIB and AFD cofinance water and sanitation projects with ADB in Colombo. The contributions of various development partners to municipal infrastructure and basic service provision are in the table.

2. ADB supported local infrastructure improvement using a demand-driven approach under the Local Government Infrastructure Improvement Project (completed in 2013). This was followed by another initiative supporting local authorities in less developed areas through service delivery improvement coupled with local government policy reform and capacity building support under the ongoing Local Government Enhancement Sector Project (completed in 2017).¹ Through the additional financing of the Local Government Enhancement Sector Project (footnote 1), ADB supported the implementation of subprojects to provide safe water to areas affected by chronic kidney diseases, along with continuing support in service delivery improvement and reform initiatives.²

3. The World Bank's urban program focuses on three projects. In 2012, it approved a \$213 million loan to support Colombo, primarily with drainage improvements. In 2014, it approved a \$199 million loan to support the Strategic Cities Development Program under the Ministry of Megapolis and Western Development (MMWD),³ targeting Galle, Kandy, and Jaffna. It is planning a new \$70 million program to support the Ministry of Provincial Councils, Local Government, and Sports to expand its North East Local Services Improvement Project in smaller towns in areas of the Northern, Eastern, and Uva provinces.

4. AFD approved a €52 million loan in 2016 to support an integrated urban development project in Anuradhapura through the Strategic Cities Development Program of the MMWD. The project will develop the heritage and tourism potential of the Anuradhapura.

5. JICA supports environmental infrastructure, and supported capacity building of the National Solid Waste Management Support Center to help local governments improve their collection, treatment, and disposal of solid waste. JICA continues to focus its efforts in developing water and sanitation investments in Greater Colombo.

¹ ADB. [Democratic Socialist Republic of Sri Lanka: Local Government Enhancement Sector Project](#).

² ADB. [Democratic Socialist Republic of Sri Lanka: Additional Financing: Local Government Enhancement Sector Project](#).

³ The Strategic Cities Development Program now supports four cities: Anuradhapura, Galle, Kandy, and Jaffna. The ADB-supported Urban Project Preparatory Facility will support Dambulla, Kurnegala, Ratnapura, and Trincomalee.

Table: Major Development Partners

Development Partner	Project Name	Duration	Amount (million)
Water and Other Urban Infrastructure and Services Sector			
ADB	Dry Zone Urban Water and Sanitation Project	2009–2016	\$113.00
	Secondary Towns and Rural Community-based Water Supply and Sanitation Project	2003–2014	\$259.00
	Greater Colombo Wastewater Management Project	2009–2017	\$100.00
	Jaffna and Kilinochchi Water Supply and Sanitation Project	2011–2017	\$164.00
	Local Government Infrastructure Improvement Project	2007–2013	\$41.00
	Local Government Enhancement Sector Project	2011–2017	\$52.20
	Local Government Enhancement Sector Project – Additional Financing	2016–2020	\$60.00
	Greater Colombo Water, Wastewater Management Improvement Investment Program (MFF)	2013–2017	\$84.00
AFD	Anuradhapura Integrated Urban Development Project	2016-2021	Euro 52.00
Export–Import Bank of Korea	Construction of Solid Waste Disposal Facilities Project (Hikkaduwa, Anuradhapura, Panadura, Kandy)	2013–2018	\$38.20
Government of Australia	Eastern Coastal Towns of Ampara District, Phase II	2011–2015	\$90.00
Government of the United States	Badulla–Haliela, Ella Water Supply Project	2011–2016	\$65.00
JICA	Greater Colombo Water, Wastewater Management Improvement Investment Program (MFF)	2008–2016	¥8,300.90
	Greater Kandy Water Supply, Phase 2, Greater Colombo Water Rehabilitation Project, Towns North of Colombo Water Supply Stage 2	2007–2015	¥13,200.30
	Anuradhapura North Water Supply Project Phase 1	2013–2017	¥5,100.70
	Greater Kandy Wastewater Management Project	2007–2018	¥14,000.90
	Eastern Province Water supply development project	2010–2016	¥4,900.00
	Formulation of Greater Kandy Urban Plan (development study, 2017–2018)		
	Anuradhapura North Water Supply Project Phase 1	2013–2018	\$65.10
	Anuradhapura North Water Supply Project Phase 2	2016–2021	\$212.110
	Kalu Ganga Water Supply Expansion Project	2017–2024	\$280.960
	Enhancement of Operational Efficiency and Asset Management Capacity of Regional Support Center-Western South of National Water Supply and Drainage Board in Sri Lanka	2018–2021	Not available
KOICA	Installation of small-scale waste incinerator plant in Kotikawaththa, Mulleriyawa Pradeshiya Sabhas	2014–2017	\$6.00
World Bank	Emergency Northern Recovery	2009–2012	\$65.00
	North East Local Services Improvement Project (funded by World Bank and Australian Government)	2011–2016	World Bank \$70.0, Australia \$20.00
	Development of Rural Urban Linkages and Regional Industries	2016–2020	Not available
	Strategic Cities Development Project (with municipal councils; Colombo, Kandy, Galle, Jaffna)	2015–2018	\$331.50
	Community Livelihoods in Conflict-Affected Areas	2009–2014	\$117.00

ADB = Asian Development Bank, AFD = Agence Française de Développement, JICA = Japan International Cooperation Agency, KOICA = Korean International Cooperation Agency, MFF = multitranché financing facility.
Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

6. The External Resources Department and National Planning Department coordinate development assistance nationally. The MMWD and Ministry of Provincial Councils, Local Government and Sports are the two nodal government agencies tasked with formulating and implementing urban projects in the country and for coordinating among development partners. National project steering committees chaired by the respective secretaries coordinate with other government and external agencies. The main modalities for cooperation include regular consultations, joint missions, joint sector strategies, cofinancing, and knowledge sharing through joint assessments.

C. Achievements and Issues

7. ADB's Sri Lanka Resident Mission works closely with other development partners, particularly in coordinating project pipelines and sector strategies. ADB regularly communicates with AFD and the EIB on cofinanced projects from several development partners for project preparation and investment, including the Greater Colombo Water and Wastewater Improvement Management Investment Program.⁴ Regular coordination meetings with JICA are held regarding water supply and sanitation program planning and sector issues. Overall, the urban sector programs supported by development partners are aligned with the government's sector development plans.⁵

8. The project team held discussions with the World Bank and AFD during project preparation to harmonize interventions related to the Strategic Cities Development Program to ensure that activities supported under ADB interventions do not overlap with their development assistance. The project team will continue to build on these relationships to ensure synergy with ongoing and future project activities supported by development partners. Key lessons learned from past development partner experience and incorporated into the project design include (i) developing high project readiness for timely implementation and on-time delivery of outcomes to beneficiaries, (ii) establishing strong project management units with qualified staff, (iii) strong emphasis on community consultation and participation at local level, and (iv) institutional capacity building for smoother implementation.

D. Summary and Recommendations

9. The urban sector in Sri Lanka requires strong development partner coordination to ensure the effective use of resources and to achieve development effectiveness. ADB will continue to coordinate closely with development partners to support sustainable urban development programs and ensure synergies in development assistance.

⁴ ADB. 2012. [Democratic Socialist Republic of Sri Lanka: Greater Colombo Water and Wastewater Management Improvement Investment Program](#).

⁵ Independent Evaluation Department. 2017. *Experience with Donor Coordination: The Case of Water Supply and Sanitation in Sri Lanka*. Manila: ADB; and Japan International Cooperation Agency. 2016. *News from Sri Lanka*. JICA To Help Plan Kandy Development. July–September.