

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Development partners play a critical role in the health sector of Sri Lanka. The major development partners active in the health sector are the World Bank, The Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), United Nations organizations like World Health Organization (WHO), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF) and official bilateral agencies from countries such as Japan and Republic of Korea, and bilateral country agreements with People's Republic of China, Netherlands, and Germany. A few large non-government organizations like Rotary Club, Sri Lanka, Sarvodaya Sri Lanka, International Federation of Red Cross and Red Crescent Societies in collaboration with Sri Lanka Red Cross also work in the sector. Health sector financing from external donors in Sri Lanka consists mostly of loans and to a lesser extent from grants. The funds from the development partners are channeled directly through the treasury or directly to the program or institution that administers the funds.

2. In response to COVID-19, the World Bank in addition to the ongoing \$200 million Primary Health Care Strengthening Project which is effective from 2018 to 2023, approved a \$128.6 million concessionary loan on 2 April 2020 to support Sri Lanka's response to COVID-19. This investment is delivered as a project and includes activities related to (i) COVID-19 emergency response by supporting the emergency operations center, improving the mobility of field health staff and training of health staff, construction of isolation facilities and intensive care unit beds and support to risk communication; (ii) strengthening the national and subnational institutions for prevention and preparedness by providing a laboratory physical facilities to the Medical Research Institute and the National Infectious Diseases Hospital; (iii) supporting multisector, national institutes for One Health by supporting emergency response systems; (iv) implementation management, monitoring and evaluation; and (v) a contingent emergency response component. In addition, in June 2020, additional financing for approximately \$87.24 million was made available to the health and social services sectors as social and financial support to households, and an additional \$56 million was reallocated from four ongoing projects for the COVID-19 response in the social sectors in September 2020. In addition, the World Bank has provided a loan for \$80.5 million (utilizing resources from unutilized allocations from ongoing projects in Sri Lanka) to support with the purchase and rollout of vaccines for COVID-19 in Sri Lanka.

3. WHO is providing strategic and policy advice to the government, while also supporting the government's coordination efforts on the implementation of the government's COVID-19 Strategic Preparedness and Response Plan and the National Deployment and Vaccination Plan for COVID-19 Vaccines. WHO, in response to the urgent emergency needs, since February and March 2020 has supported the Government of Sri Lanka with more than \$4.5 million worth of laboratory equipment, personal protective equipment, and other consumables to support the immediate outbreak response and the strengthening of the polymerase chain reaction laboratory activities and COVID-19 related medical waste disposal.

4. UNICEF is supporting a mass media risk communication campaign through electronic and print media, including social media on key prevention messages initially via UNICEF resource and currently with financial support of the World Bank. UNICEF also supported the procurement of essential supplies funded through the Asian Development Bank (ADB) regional TA-9950.¹

¹ Asian Development Bank (ADB). 2020. [Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases](#). Manila.

UNICEF is also working closely with the government to provide technical support on social protection measures and in the readiness assessment in ensuring cold chain equipment is adequately available in the country. In March 2021, UNICEF received a grant for \$1.8 million from the Government of Japan to support the cold chain related activities while another \$370,000 was received from COVID-19 Vaccines Global Access facility for supporting the vaccine rollout in Sri Lanka.

5. The Global Fund's support goes to prevention and control of Tuberculosis, maintaining elimination stage of Malaria and for HIV prevention activities continues until 2021 and reallocated approximately \$350,000 to support some equipment for enhancing testing for COVID-19 and also to support purchasing of other essential equipment. In addition, the Global Fund is expected to support the government with a grant for about \$25 million for supporting the digital health architecture in Sri Lanka which will also help to integrate the recently developed COVID-19 Immunization tracker.

6. The Government of the People's Republic of China is also a major funder in the health sector and currently supports the construction of a large outpatient department complex for the National Hospital, and a new hospital complex for chronic kidney diseases.

7. Recognizing the need for health systems strengthening especially in the primary health care sector, and convergent approaches in the sector, ADB supports the Government of Sri Lanka with \$50 million (\$37.5 million loan and \$12.5 million grant) for the Health System Enhancement Project (HSEP) for Sri Lanka from 2018 to 2023. Given the urgent needs to respond to COVID-19, \$15 million was restructured to accommodate the urgent medical equipment, civil works, and other related items to the government to address the emergency health needs. Currently, the proposed ADB \$150 million Responsive COVID-19 Vaccines for Recovery (RECOVER) Project under the Asia Pacific Vaccine Access Facility will support the government's COVID-19 vaccination rollout. Details of the major development partners' support to Sri Lanka are summarized in the Appendix.

B. Institutional Arrangements and Processes for Development Coordination

8. To enhance the aid effectiveness, the Government of Sri Lanka coordinates all assistance via the Department of External Resources (ERD) of the Ministry of Finance (MOF). In addition, many development partners in Sri Lanka have also come together to set-up and maintain an informal information-sharing and coordination mechanisms in the form of a Development Partners Secretariat.² The objectives of the secretariat are to share information among the development partners/foreign aid missions, enhancing coordination and harmonization, advancing aid effectiveness principles, and enhancing collaboration among the development partners, the government, civil society, and other stakeholders.

9. Thematically, the Development Partners Secretariat covers a broad range of sectors. There is an active Health and Nutrition working group under the Development Partners Secretariat which includes participation from World Bank, European Union, ADB, Japan International

² The Development Partners Secretariat is a small office established in 2005 in Colombo with the objectives of: (i) sharing information among development partners and foreign aid missions; (ii) enhancing coordination and harmonization; (iii) advancing aid effectiveness principles; and (iv) enhancing collaboration among the development partners, the Government of Sri Lanka, civil society, and other stakeholders. It is funded by the partners themselves and informally works across 6 thematic groups: education and training, health and nutrition, agriculture, private sector, gender and reconciliation.

Cooperation Agency, UNFPA, UNICEF, and WHO. Coordination meetings were held with some irregularity in the past, but from 2018, the coordination meetings are held bimonthly and are co-chaired by the World Bank and WHO. For the health sector, the National Planning Department of the MOF and the Management Development and Planning Unit of the Ministry of Health (MOH) coordinate and work closely with all health sector related donors to prevent duplication of effort within the health sector. A formal development coordination mechanism was also established by the Presidential Task Force for COVID-19 vaccination program. ERD of MOF, where the role of ADB is recognized as one of the primary financing partners in Sri Lanka, established a development partners' coordination mechanism for COVID-19 vaccination.

10. All current development partners in the health sector are aligned with the national health policy, strategy, and the National Policy Framework "Vistas of Prosperity and Splendour" (2019) document. For interventions in the health sector, including interventions on COVID-19, the Development Partner Secretariat via the Health and Nutrition working group, works closely with the ERD of the MOF and the Management Development and Planning Unit of the MOH and the Presidential Task Force for COVID-19 to ensure development partner harmonization and collaboration.

C. Achievements and Issues

11. With the successful implementation of the ongoing HSEP financed by ADB since 2018, ADB does not anticipate hurdles in implementing this proposed new project within the health sector as it is designed similar to the HSEP. Furthermore, as the proposed project will utilize existing project management arrangements, it is expected that project implementation initiation will be much more streamlined and faster so that the proposed project will get implemented immediately following project effectiveness.

D. Summary and Recommendations

12. The proposed project provides an opportunity to further deepen ADB's relationship with the government in the health care sector. This project will help strengthen sustainable health systems by addressing the ongoing COVID-19 interventions including the vaccination rollout using its existing health institutional arrangements. It aligns with the government's priorities and agenda identified in the strategy and the National Policy Framework "Vistas of Prosperity and Splendour" (2019) and the Health Sector Master Plan's National Strategic Framework for Development of Health Services (2016–2025).

13. The project will strengthen the health system to comprehensively and timely manage prevention, control and surveillance of the COVID-19 pandemic and will be better prepared to manage health emergencies that Sri Lanka could face in the future as well. With the implementation of the project, necessity of working in close collaboration with all partners, it is expected that development partner collaboration via the existing development partner coordination mechanisms both within the Government of Sri Lanka and via the Development Partners Secretariat will also get further institutionalized.

Appendix: Major Development Partners' Support to Sri Lanka's Health Sector Including COVID-19 Pandemic Response and COVID-19 Vaccination Program

Development Partner	Project Name	Duration	Amount
World Bank	• Sri Lanka - COVID-19 Emergency Response and Health Systems Preparedness Project	2020–2023	\$128.6 million
	• Sri Lanka - COVID-19 Emergency Response and Health Systems Preparedness Project, Additional Financing	2020–2023	\$87.24 million
	• Pandemic Emergency Financing Facility Fund (Grant No: TF0B3017)	2020–2023	\$1.72 million (Grant)
	• Sri Lanka - COVID-19 Emergency Response and Health Systems Preparedness Project, Additional Financing	2021–2023	\$80.5 million
	• Primary Health Care System Strengthening Project	2018–2023	\$200 million
ADB	• Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases	2020	\$1 million (Grant)
	• Asia Pacific Disaster Response Facility	2020	\$3 million (Grant)
	• Health System Enhancement Project (including reallocation of proceeds for COVID-19 response)	2018–2023	\$50 million
	• Responsive COVID-19 Vaccines for Recovery Project under the Asia Pacific Vaccine Access Facility	2021–2024	\$150 million
WHO	• COVID-19: Contribution to various pillars of Sri Lanka Preparedness and Response Plan	2020–2022	\$4.83 million (Grant)
	• Non-COVID-19 support: Universal Health Coverage, health emergencies, healthy populations, and research.	2020–2022	\$2.68 million (Grant)
UNICEF	• To support cold chain strengthening	2021–2023	\$1.8 million (Grant)
	• To support the cold chain strengthening via COVAX facility	2020–2022	\$370,000 (Grant)
Global Fund	• Addressing low prevalence of HIV, maintaining malaria-free status and control of tuberculosis	2019–2021	\$6.5 million
	• Debt-to-health project for Sri Lanka	2022–2025	\$25 million (approximately) (Grant)
European Union	• Assisting Communities in Creating Environmental and Nutritional Development via Adventist Development and Relief Agency UK	2017–2021	Euro 5.8 (Grant)
	• Reaching the Unreached Estates and Surrounding Communities for improved health and nutrition via Stichting Solidaridad	2017–2021	Euro 6.3 (Grant)

Development Partner	Project Name	Duration	Amount
Netherlands	<ul style="list-style-type: none"> Hospital Development and Rehabilitation Program 	2019–2022	Euro 60 million
People's Republic of China	<ul style="list-style-type: none"> Hospital Development (13 hospitals) for all nine provinces 	2019–2023	\$85 million
	<ul style="list-style-type: none"> Construction of a new laboratory and a hospital for chronic kidney diseases in Polonnaruwa 	2017–2021	Yuan 14,500 million
	<ul style="list-style-type: none"> Construction of outpatient department of National Hospital of Sri Lanka 	2017–2021	Yuan 10,600 million
	<ul style="list-style-type: none"> Supply of eight mobile screening Laboratories for the chronic kidney diseases in North Central Province 	2019–2021	\$2.3 million
Germany	<ul style="list-style-type: none"> Development of the Helmut Kohl Maternity Hospital 	End in 2021	\$29 million (Grant and Loan)
Republic of Korea	<ul style="list-style-type: none"> Supply of medical equipment (provide biomedical equipment to nine provincial hospitals under the Credit Line of EDCF – Republic of Korea). 	2019–2022	\$80 million
Japan	<ul style="list-style-type: none"> Support to purchase medical equipment 	2021	880 million Yen
Malaysia	<ul style="list-style-type: none"> Purchase PACX system in selected 20 secondary and tertiary care hospitals 	2019–2022	\$32.5 million

ADB = Asian Development Bank, COVID-19 = coronavirus disease, COVAX = COVID-19 Vaccines Global Access, EDCF = Economic Development Cooperation Fund, PACX = Picture Archiving and Communication System, PEF = Pandemic Emergency Financing Facility, UHC = Universal Health Coverage.
Source: Asian Development Bank.