
The Republic of Korea's Country Partnership Strategy for the Democratic Socialist Republic of Sri Lanka

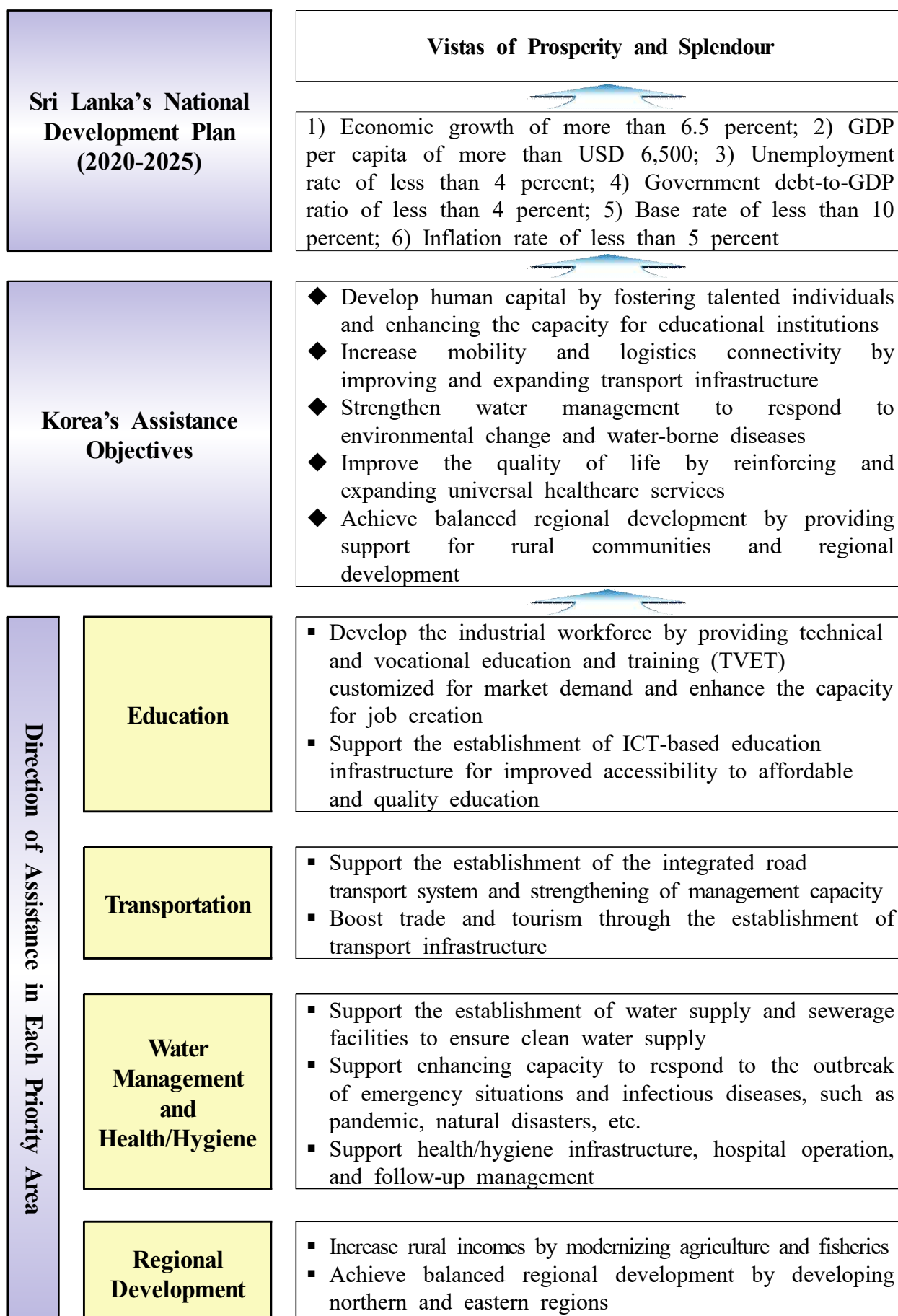
The Government of the Republic of Korea

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I. Overview



- ☐ **(Assistance Goal)** Support the establishment and implementation of plans formulated by the Sri Lankan government in order to achieve the 10 key policies for government operation* as described in **Sri Lanka's National Policy Framework (2020-2025)**.

* ▲ People-centric economic development, ▲ corruption-free administration, ▲ productive citizenry and vibrant human resources, ▲ technology-based society, etc.

- ☐ **(Priority Areas and Reasons for Selection)** Four priority areas were selected for cooperation in consideration of Sri Lanka's national development plans, Korea's aid capacity and experience, opportunities and limitations, the size of expected funds, collaboration with other donor countries, and linkages among priority areas.

- 1) **Education** : Selected in consideration of Sri Lanka's development needs in the education sector to establish an ICT knowledge-based society and Korea's competitive advantages on vocational training and ICT education systems.
- 2) **Transportation** : Selected in consideration of Sri Lanka's high development needs in the transport sector such as highways, ports, airports, etc., and Korea's competitive advantages.
- 3) **Water Management and Health/Hygiene** : Selected in consideration of Sri Lanka's policy direction (Ensuring Water for All) and Korea's aid capacity in the water management and health/hygiene sector.
- 4) **Regional Development** : Selected in consideration of Sri Lanka's high development needs in rural areas to achieve balanced development and Korea's aid capacity accumulated through various regional development projects.

II. Analysis

[1] Education

□ Development Needs

- Sri Lanka is promoting a transition from the quantitative development of education through the provision of free education to qualitative development through TVET.
- In this regard, there are higher development needs for tertiary education on the industry-based science and technology sector in order to create more quality jobs and the Sri Lankan government is working on enhancing TVET linked to employment.
- In addition, the Sri Lankan government is expressing a higher interest in education as a means to establish an ICT knowledge-based society with the aim to transition to a digital economy.

General School Census of Sri Lanka

Category	Item	2016	2017	2018	2019	2020 ^e
Primary and Secondary Education	No. of primary and secondary schools	11,021	11,053	11,044	11,084	11,077
	National/Public	10,162	10,194	10,175	10,165	10,155
	Private	859	859	869	919	922
	No. of primary and secondary students (ppl.)	4,345,517	4,365,298	4,417,679	4,268,039	4,240,433
	National/Public	4,143,107	4,165,964	4,214,772	4,061,653	4,031,865
	Private	202,410	199,334	202,907	206,386	208,568
	No. of students per teacher (ppl.)	18	17	17	16	16
	Enrollment rate for	95.9%	93.9%	91.9%	91.1%	N/A

	primary schools					
	Enrollment rate for secondary schools	95.9%	95.8%	95.3%	94.6%	N/A
Tertiary Education	No. of national/public universities	15	15	15	15	15
	National Higher Education Technology Institutions, etc.	18	19	19	20	20
	No. of students (ppl.)	110,287	116,296	121,920	129,833	136,403
	No. of students per teacher (ppl.)	17.5	17.7	17.8	17.5	18.9
	Enrollment rate for universities (Aged between 19 and 23)	6.8%	7.1%	7.5%	7.8%	8.2%
Government expenditure on education (Rs million)		238,290	257,446	266,916	290,237	N/A
Expenditure to GDP ratio		1.99%	1.93%	1.86%	1.93%	N/A

* Source: Statistics from Annual Reports by the Central Bank of Sri Lanka (2016-2020), provisional estimates for 2020 data

□ Korea's Aid Capacity

- Korea has experience in successfully achieving industrialization through the development of human resources by incorporating technical education into school curriculums and fostering its industrial workforce.
- Consequently, many recipient countries are showing an interest and Korea is considered to have a global comparative advantage in providing vocational education and training.
- In addition, Korea has experience in nurturing and evaluating teachers to provide affordable and quality education and establishing ICT-based education systems.

Korea's Major Assistance Projects for Education in Sri Lanka (Since 2010)

Category	Specific Area	Project Name	Approved Year
EDCF	Vocational training	Establishment of Colombo Vocational Training Center and Gampaha Technical College	2011
	Secondary education (ICT)	Establishment of ICT Hubs for Secondary Education Project*	2018
KOICA	Vocational training	Project for Modernization and Upgrade of Automobile Centers in the College of Technology and Technical College	2013
	Tertiary education	Technical Teacher Fostering and Retraining Project	2015
	Tertiary education	Establishment of the Master Plan and Capacity Building for the Ocean University of Sri Lanka	2017
	Vocational training	Capacity Building for Technology University and Construction Department in High Schools of Sri Lanka	2021
KSP	Secondary education (ICT)	Support for the Establishment of ICT Hubs for Secondary Education in Sri Lanka (Joint Consultation with Asian Development Bank (ADB))*	2016

* Collaborative project between KSP (technological support) and EDCF (infrastructure construction)

[2] Transportation

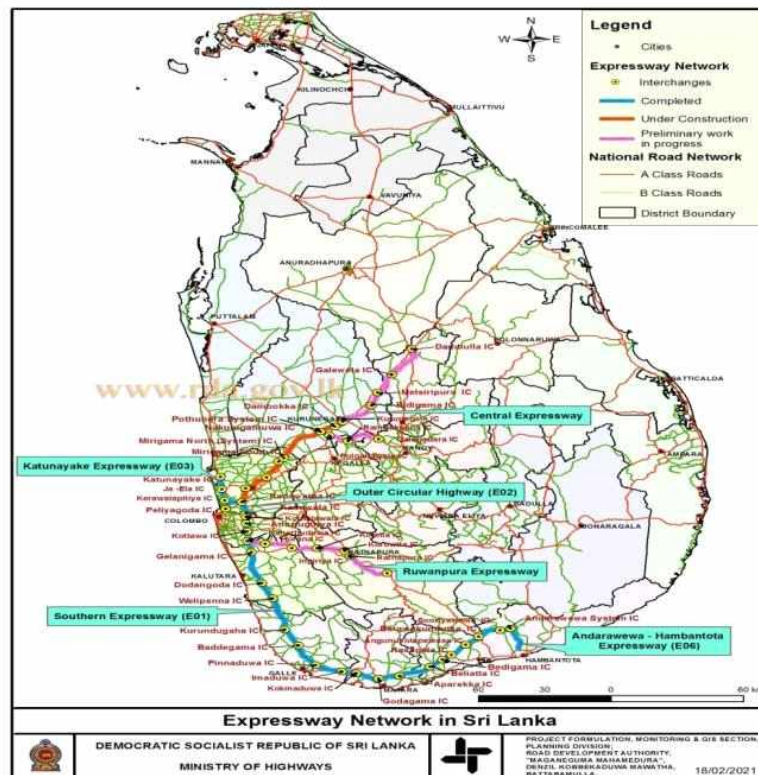
☐ Development Needs

- The Sri Lankan government is planning to develop the transport sector by largely dividing the country into the two corridors of South-Western and North-Eastern regions. Along these two corridors, the government is seeking to boost logistics and international trade by constructing and expanding highways, ports, international airports, etc.
- To date, the development of Sri Lanka's transport infrastructure, including highway construction, has been mainly focused on the Western Province where its capital city of Colombo is located, and the Southern and Central Provinces with major tourist destinations.

- * Road construction and improvement are promoted in major tourist destinations such as Nuwara Eliya in order to boost tourism as one of the country's major sources of foreign currency.
- Meanwhile, the Northern and Eastern Provinces, which were occupied by rebel forces during the three decades of domestic conflict, have a relatively low level of social and economic infrastructure, and in particular, a lack of transport infrastructure.
- The Sri Lankan government plans to accelerate industrial development and create jobs in the Northern and Eastern Provinces by improving the transport network such as airports and highways in Jaffna and Trincomalee, which are central cities in the Northern and Eastern Provinces.
- The Ministry of Transport of Sri Lanka is establishing a master plan on the railway sector through technological assistance from the ADB, expecting an increase in demand for short- and long-term infrastructure projects related to the railway sector.
- * ADB, Sri Lanka Railway Master Plan (Expected to be completed by 2021, total project scale of USD 1.5 million)

Sri Lanka's Highway Construction Status

(As of February 2021, data from the Ministry of Highways of Sri Lanka)



☐ Korea's Aid Capacity

- Korea has experience and technological capacity in successfully achieving regional industrial development by expanding nationwide road transport networks in accordance with the National Comprehensive Territorial Plan.
- In particular, Korea possesses cutting-edge technologies and robust construction experience in the transport sector, including not only the construction of general roads, but also highways, tunnels, railways, high-speed railways, and subways.
- In addition, based on its own experience of successfully developing and operating intelligent transport systems and road transport systems, Korea is equipped with competitive advantages in the ICT-based transport sector while making in roads into other countries.

Korea's Major Assistance Projects for Transportation in Sri Lanka (Since 2010)

Category	Specific Area	Project Name	Approved Year
EDCF	General road	Padeniya-Anuradhapura Road Improvement Project (supplementary loan)	2012
	General road	Hatton-Nuwara Eliya Road Improvement Project (supplementary loan)	2014
	Tunnel	Construction of Kandy Tunnel Project*	2017
KOICA	Transportation (ICT)	Technical Assistance for Advanced Traffic Management System (ATMS) in Colombo Metropolitan Region	2013
	Transportation (ICT)	Enhancement of National Traffic Database and Capacity Building Project in Sri Lanka	2021
KSP	Transport network	Establishment of Basic Plan to Strengthen the Connectivity of the Traffic Network of Kandy	2016

* Sri Lanka's first long tunnel project (total tunnel length exceeding 1 km based on blueprints)

[3] Water Management and Health/Hygiene

☐ Development Needs

- Each year, approximately 1,000 people die of chronic kidney disease (CKD) in Sri Lanka and the contamination of drinking water is assumed as the main cause of CKD.
- The current government of Sri Lanka is striving to increase the supply of clean drinking water by selecting the expansion of water supply facilities as the country's main policy goal for the National Development Plan between 2020 and 2025 (Ensuring Water for All).

Financial Requirement and Supply Plan for New Water Supply Facility Projects in Sri Lanka

(Unit: USD million, accumulated data of supply rates)

Category		2020	2021	2022	2023	2024	2025	계
National Water Supply and Drainage Board	Financial Requirement	N/A	617	1,349	1,062	675	N/A	3,703
	Waterworks penetration rate	41.3%	45.8%	51.3%	59.8%	69.7%	78.8%	-
Waterworks penetration rate in local communities		13.3%	-				21.2%	-
Total penetration rate		54.6%	-				100.0%	-

* Source: Medium-term operation plan (Corporate Plan 2020-2025) by the National Water Supply and Drainage Board of Sri Lanka

** The dollar-rupee exchange rate is based on the annual average exchange rate of the Central Bank of Sri Lanka in 2020 at 185.52 LKR/USD.

- In the healthcare sector, the Sri Lankan government is operating approximately 74 percent of local hospitals* free of charge in order to provide universal medical services.

* As of 2020, the Sri Lankan government is operating 609 hospitals out of 826 hospitals, while the remaining 217 hospitals are privately operated. (Statistics from the Ministry of Health of Sri Lanka)

- The efforts of the Ministry of Health of Sri Lanka resulted in outstanding outcomes* despite the relatively tight budget expenditure (1.63 percent of GDP as of 2019).

* Average life expectancy of 76.9 years, 7 infant deaths per 1,000 live births, and 36 maternal deaths per 100,000 pregnancies (compared with 32 infant deaths per 1,000 live births and 152 maternal deaths per 100,000 pregnancies across South and East Asia according to 2019 WHO statistics).

- However, due to an increase in the number of patients with communicable diseases driven by the widespread outbreak of COVID-19 between 2020 and 2021 and the shortage of intensive care units (ICUs) and medical equipment and supplies, the demand in the healthcare sector is rising even further.

□ Korea's Aid Capacity

- Water supply projects comprise one of the primary development projects that are actively promoted by the Korean government in many recipient countries, demonstrating Korea's aid capacity through the experience and knowhow accumulated in various water supply projects.
- In particular, Korean companies that have entered the Sri Lankan market to implement water supply projects continue to win follow-up projects funded by the Japan International Cooperation Agency (JICA), the ADB, and the Sri Lankan government in recognition of their high quality and technical capability.
- By utilizing the experience accumulated while responding to the COVID-19 pandemic, Korea is capable of providing comprehensive package support, such as the establishment of a response system to cope with infectious diseases in recipient countries, establishment of disease management systems related to improving the medical environment, construction of hospitals, and provision of medical equipment and supplies.
- In case an emergency situation occurs in a recipient country, such incident can be handled in a timely manner by allocating the emergency response loan such as Sector Development Loan for emergency response.

Korea's Major Assistance Projects for Water Management and Health/Hygiene in Sri Lanka (Since 2010)

Category	Specific Area	Project Name	Approved Yea
EDCF	Water supply	Deduru Oya Water Supply Project	2013
	Water supply	Ruwanwella Water Supply Project	2013
	Health	Medical Equipment Sector Development Loan*	2019
KOICA	Water management	Feasibility Study and Detailed Design of Digilioya Multi-purpose Dam	2013
	Health	Matara Maternal and Newborn Health Care Strengthening Project	2016

* Collaborative Project between Korea Foundation for International Healthcare (project feasibility study) and EDCF (sector development loan)

[4] Regional Development

☐ Development Needs

- The Sri Lankan government has a keen interest in modernization and the establishment of infrastructure related to agricultural and fishery technologies, which are the main pillars of regional industries, and based on such advancements, it plans to create new jobs and increase income levels in relevant regions.
- Since the three-decades-long domestic conflict was ended in 2009, Sri Lanka has achieved continued economic growth, but regional economic inequality remains a problem that the Sri Lankan economy must overcome.
- In particular, as roads and urban infrastructure are relatively underdeveloped in Northern and Eastern Provinces, which had been occupied by the Liberation Tigers of Tamil Eelam (LTTE), there are higher interest and development demand for balanced regional development through development in these regions.

Major Projects Implemented for the Regional Development of Sri Lanka

Category	Donor Organization	Project Name	Project Size (USD)
Agriculture	ADB	Mahaweli Water Security Investment Program	360 million
	WB	Agriculture Sector Modernization Project	125 million
	WB	Climate Smart Irrigated Agriculture Project	110 million
Regional Development	JICA	Rural Infrastructure Development Project (to reduce regional disparity)	115 million
	ADB	First and Second Integrated Road Investment Program	707 million
	ADB	Northern Road Connectivity Project (supplementary loan)	98 million

* Source: Data from the Foreign Procurement Bureau of the Ministry of Finance of Sri Lanka (As of 2020)

- The Sri Lankan government plans to continue its efforts for regional development through the selection of action plans for the National Development Plan including projects such as Agricultural Development Through Technological Innovation, Improvement of Existing Fishing Ports and Construction of New Fishing Ports, and Preparation of a Support Program for Households Affected by the Domestic Conflict to Participate in Economic Activities.
- In addition, as waste caused by urbanization are on the rise*, there is a higher demand for the establishment of a waste management system and support for waste collection.

* Volume of electronic waste (Central Environmental Authority of Sri Lanka, 2016): 10,000 metric tons (2010) → 20,000 metric tons (2016) → 43,000 metric tons (2030°)

☐ Korea's Aid Capacity

- Korea has experience and knowhow in the modernization of farming and fishing communities to increase productivity and income levels in the agricultural and fishery sectors.

- Furthermore, Korea can share its development experience based on numerous successful cases of balanced regional development and new town development, including the National Comprehensive Territorial Plan.

Korea's Major Assistance Projects for Regional Development in Sri Lanka (Since 2010)

Category	Specific Area	Project Name	Approved Year
KOICA	Environment	Waste Incineration Plant Construction Project	2016
	Education	Educational Environment Improvement Project in Kilinochchi District	2018
	Regional Development	Regional Development Project for Adaptation to Climate Change Based on Five Provinces of WFP	2019
	Agriculture	Improvement Project for Exported and Imported Agricultural Produce Quarantine System	2019
KSP	Environment	Sri Lanka Green Urban Infrastructure Development: Focusing on Solid Waste Management	2014
	Regional Development	Support for Development of the Colombo-Trincomalee Economic Corridor in Sri Lanka (Joint Consultation with the ADB)	2016

III. Proposed Assistance

[1] Education

☐ Basic Direction

- In terms of job creation, provide expanded support for TVET systems linked to employment and foster technological specialists by establishing industry-affiliated higher education institutions.
- In order to establish a knowledge-based society and expand access to affordable and quality education in Sri Lanka, provide support for establishing ICT-based education infrastructure and capacity building.

☐ Korea's Contributions and Implementation Plan

- (Linkage with Employment) Expand vocational training opportunities through the establishment of vocational training centers and the fostering and retraining of technology-related teachers, and provide opportunities for career development that leads to youth employment.
- (Linkage with Industry) Provide support for establishing specialized higher education institutions that can be linked to industrial development, such as maritime universities and universities for science and technology.
- (ICT) Improve education systems by supporting ICT-related equipment and supplies and infrastructure for junior and senior secondary education and enhance the quality of education by fostering teachers specialized in ICT.

[2] Transportation

☐ Basic Direction

- Support the establishment of a comprehensive transport management system for Sri Lanka and enhance the related capacity by transferring Korea's experience and technology in relation to the expansion of national road networks and the establishment of the transport management system.
- Contribute to sustainable economic growth including the expansion of inter-regional economic exchanges in Sri Lanka, acceleration of exports, and vitalization of tourism through the establishment of transport infrastructure.

☐ Korea's Contributions and Implementation Plan

- (Enhancement of Transport Infrastructure and its Capacity) Strengthen the capacity in the transport sector by constructing large-scale transport infrastructure, including tunnels and railways, establishing subsidiary facilities, and sharing operational and managerial experience in enhancing the efficiency and safety of road transportation.
- (Enhancement of Cooperation) Promote linkages between loan and grant programs by connecting technological cooperation in preparation for business projects to infrastructure projects, and consider the large-scale transport infrastructure projects to promote such projects as collaborative projects with other donor organizations if necessary.

[3] Water Management and Health/Hygiene

☐ Basic Direction

- Support the establishment of water supply and sewerage infrastructure in connection with Sri Lanka's national water management development plan and contribute to the consequent improvement of the clean water supply and water management.
- Strengthen the capacity for responding to infectious diseases in order for Sri Lanka to effectively cope with the outbreak of emergency situations, such as a pandemic or a natural disaster.
- Provide support for the operation and follow-up management of health/hygiene infrastructure and hospitals in order to ensure better access to regional health facilities and increase the quality of medical services.

☐ Korea's Contributions and Implementation Plan

- (Water Management) Strengthen the capacity for water management by supporting water supply projects and passing on the operating methods and procedures for the water management system.
- (Health/Hygiene) Provide support for the establishment of an infectious disease response system based on Korea's experience in responding to the COVID-19 pandemic, construction of new hospitals, supply of medical equipment and supplies, and improvement of the medical environment.

- Promote the identification of potential cooperative projects in the hygiene sector that reflect the needs of the Sri Lankan government, such as the development and utilization of eco-friendly materials.
- (Strengthening of Linkage) Prepare for projects in cooperation with organizations that provide loan and grant programs in the health/hygiene sector.
- Support medical facilities, equipment, and supplies.
- Promote interconnected support for medical worker training and follow-up management.

(4) Regional Management

☐ Basic Direction

- Contribute to job creation and income growth in rural communities through the development of farming and fishing communities, such as the improvement of agriculture and fisheries productivity and the enhancement of food-processing technologies.
- Contribute to recovery from damages caused by domestic conflicts and balanced regional development by supporting the development of the socio-economic infrastructure in the underdeveloped Northern and Eastern Provinces.

□ Korea's Contributions and Implementation Plan

- (Development of Farming and Fishing Communities) Support the modernization of agriculture, such as technical assistance to increase farming and fishing productivity, technical transfer of agricultural produce processing, support for the establishment and operation of distribution and storage systems for agricultural and fishery products, and improved access to fresh water in farming communities.
- (Balanced Development) Contribute to Sri Lanka's sustainable growth through the construction of roads in the underdeveloped Northern and Eastern Provinces, policy consultation on the development of economic blocs in such regions, and support for infrastructure.
- (Improvement of Regional Environment) Provide active support for the improvement of the regional environment and the response to climate change by assisting the operation of waste treatment infrastructure and resource management.

IV. Performance Monitoring Guidelines

Recipient Country's Development Goal (Sri Lanka's National Development Plan)

: Vistas of Prosperity and Splendour

CPS Goal

: To contribute to the balanced development, reduced poverty, and social integration of Sri Lanka, and to promote mutual friendship and exchange

Priority Areas	Goal(s)	Limitation(s)	Outcome(s)	Evaluation Indicator(s)
Education	<ul style="list-style-type: none"> - To develop human capital by fostering talented individuals and enhancing the capacity for educational institutions (SDGs 4.3, 4.4, 8.5) 	<ul style="list-style-type: none"> - Need to actively reflect market demand on job training - Shortage of teaching equipment and materials and teachers - Insufficient manufacturing infrastructure 	<ul style="list-style-type: none"> - Creation of jobs through the expansion of employment-linked education - Establishment of ICT-based teaching infrastructure and systems - Guarantee of equal access to education 	<ul style="list-style-type: none"> - Increased rate of graduates from TVET institutions and employment - Number of newly-established ICT-based education infrastructure and systems - Completion rate of higher education
Transportation	<ul style="list-style-type: none"> - To increase mobility and logistics connectivity by improving and expanding transport infrastructure (SDGs 9.1, 11.2) 	<ul style="list-style-type: none"> - Underdeveloped transport infrastructure, mainly consisting of one- or two-lane roads 	<ul style="list-style-type: none"> - Increase in inter-regional economic exchanges - Increase in export volume and tourism income - Establishment of a safe and highly accessible transport environment 	<ul style="list-style-type: none"> - Increased inter-regional traffic volume - Decreased inter-regional travel time on average - Number of newly-established transport laws/institutions/policies/plans - Satisfaction level towards transport services
Water Management and Health/Hygiene	<ul style="list-style-type: none"> - To strengthen water management to respond to environmental change and water-borne diseases (SDGs 6.1, 6.4, 6.5) - To improve the quality of life by reinforcing and expanding universal health care services 	<ul style="list-style-type: none"> - Shortage of water resource infrastructure in the Northern and Eastern Provinces - Sudden surge in water demand in tourist destinations and commercial districts - Insufficient medical infrastructure in 	<ul style="list-style-type: none"> - Improvement of the water resource infrastructure - Prevention of diseases such as CKD - Increase in the satisfaction level of medical workers and patients for medical facilities and 	<ul style="list-style-type: none"> - Increased number of water supply and sewerage facilities - Decreased number of CKD patients - Increased number of wards per 1,000 people - Decreased mortality rate caused by infectious diseases

	(SDGs 3.3, 3.8)	<p>rural communities</p> <ul style="list-style-type: none"> - Insufficient capacity to cope with infectious diseases 	<p>systems</p> <ul style="list-style-type: none"> - Establishment of a response system to control infectious diseases 	
Regional Development	<ul style="list-style-type: none"> - To achieve balanced regional development by providing support for rural communities and regional development (SDGs 2.a, 11.a) 	<ul style="list-style-type: none"> - Outdated production, processing, and storage technologies - Regional imbalance in infrastructure 	<ul style="list-style-type: none"> - Creation of jobs and increase in income levels in farming and fishing communities - Contribution to balanced regional development - Provision of support for sustainable growth 	<ul style="list-style-type: none"> - Increased income levels per farm household - Decreased population below the poverty line in farming communities - Number of people with better access to basic services
Major Assumption(s)		<ol style="list-style-type: none"> 1. Prepare for delays in projects caused by the government's budget constraints and governance-related weaknesses 2. Predict and prepare for changes in the project environment caused by vulnerability to climate change and natural disasters 		