

Performance and Learning Review
Document of The World Bank Group
FOR OFFICIAL USE ONLY

Report No. 135126 - LK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY

PERFORMANCE AND LEARNING REVIEW OF THE COUNTRY PARTNERSHIP FRAMEWORK
FOR SRI LANKA FOR THE PERIOD FY17-FY21

March 7, 2019

Sri Lanka Country Management Unit
South Asia Region

The International Finance Corporation
South Asia Department

The Multilateral Investment Guarantee Agency
Asia and the Pacific Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank Group authorization.

The Country Partnership Framework FY17-20 was discussed by the Board on June 28, 2016

FISCAL YEAR

January 1 – December 31

CURRENCY EQUIVALENTS

Currency Unit = Sri Lanka Rupees (LKR)
US\$1 = LKR 179.88 (as of January 31, 2019)

ABBREVIATIONS AND ACRONYMS

ASA	Advisory Services and Analytics
Cat DDO	Catastrophe Deferred Drawdown Option
CBSL	Central Bank of Sri Lanka
CPF	Country Partnership Framework
DB	Doing Business
DLI	Disbursement-linked Indicator
DPF	Development Policy Financing
ECD	Early Childhood Development
EU	European Union
FDI	Foreign Direct Investment
FSAP	Financial Sector Assessment Program
FSMP	Financial Sector Modernization Project
FY	Fiscal Year
FY17–20	Fiscal Year 2017 to 2020
GDP	Gross Domestic Product
GoSL	Government of Sri Lanka
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion Report
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
IPF	Investment Project Financing
ISR	Implementation Status and Results Report
KM²	Square Kilometer
LKR	Sri Lankan Rupees
MIGA	Multilateral Investment Guarantee Agency
MSMEs	Micro, Small, and Medium-sized Enterprises

NCD	Noncommunicable Disease
PER	Public Expenditure Review
PFM	Public Financial Management
PLR	Performance and Learning Review
PPP	Public-Private Partnership
RE	Renewable Energy
RTI	Right to Information
SCD	Systematic Country Diagnostic
SDG	Sustainable Development Goal
SMEs	Small and Medium-sized Enterprises
SOE	State-Owned Enterprise
STEM	Science, Technology, Engineering, and Mathematics
TA	Technical Assistance
TF	Trust Fund
UN	United Nations
USD	United States Dollar
VAT	Value Added Tax
WB	World Bank
WBG	World Bank Group
WTO	World Trade Organization

	World Bank	IFC	MIGA
Vice President	Hartwig Schafer	Nena Stoiljkovic	Keiko Honda, EVP
Director	Idah Z. Pswarayi-Riddihough	Mengistu Alemayehu	Merli Baroudi
Task Team Leader	Valerie Layrol, Kishan Abeygunawardana	Pia Trivedi, Rafael Dominguez	Persephone Economou

TABLE OF CONTENTS

March 6, 2019	i
ABBREVIATIONS AND ACRONYMS	ii
I. INTRODUCTION	1
II. MAIN CHANGES IN COUNTRY CONTEXT	2
A. Key Country Developments	2
B. Recent Economic Developments and Outlook	3
C. Changes in Poverty and Shared Prosperity	5
III. SUMMARY OF PROGRAM IMPLEMENTATION	6
A. Portfolio Performance	6
B. Progress Toward Meeting CPF Objectives	8
C. Evolution of Partnerships.....	13
IV. EMERGING LESSONS	13
V. ADJUSTMENTS TO THE COUNTRY PARTNERSHIP FRAMEWORK	14
VI. RISKS TO THE CPF PROGRAM.....	16
Annex 1 Revised Results Framework for Sri Lanka CPF.....	17
Annex 2 Summary of Changes to the original CPF Results Matrix	27
Annex 3 Progress against the original results framework of the CPF	42
Annex 4 World Bank Lending Program for FY17-21.....	51
Annex 5. World Bank ASA Analysis	52
Annex 6. IFC Program	56

SRI LANKA

PERFORMANCE AND LEARNING REVIEW OF THE COUNTRY PARTNERSHIP FRAMEWORK

I. INTRODUCTION

1. **This Program and Learning Review (PLR) for the Sri Lanka Country Partnership Framework FY17-FY20 (CPF) documents progress at the midpoint of the CPF's implementation.** The three CPF program areas—(i) macro-stability and competitiveness; (ii) inclusion and opportunities for all; and (iii) green growth, environmental management, and climate change adaptation and mitigation potential—as well as the cross-cutting themes of gender and governance, remain relevant and well aligned with Sri Lanka's development strategy, which the Government articulated in its Vision 2025, launched in September 2017. The CPF was grounded in a comprehensive Systematic Country Diagnostic (SCD) (Report No. 103246), which also remains valid.

2. **There has been solid progress toward achieving the CPF objectives, though progress has fallen short in some areas.** The International Monetary Fund (IMF) program and World Bank (WB) analytic and technical support have contributed to stability in macroeconomic fundamentals. However, the country's high debt levels, with impending rollover and repayment schedules, pose challenges to the gains achieved. The Government remains strongly committed to improving the enabling environment for the private sector to participate in transformative investments by strengthening the use of public-private partnerships (PPPs). Poverty has continued to decline, education and health systems continue to deliver strong outcomes, and climate resilience has been strengthened, but there are persistent challenges in skills development, ensuring adequate social protection measures, and rural service delivery. The complex institutional setting has slowed progress in achieving the CPF objectives, particularly those aimed at improving sustainable growth and environmental management. The governance framework has been strengthened with the approval of the progressive Right-to-Information (RTI) Act and Audit Act, both of which are cornerstone reforms of the 19th Constitutional Amendment. The large gap between males and females in labor force participation remains a key gender issue.

3. **The PLR is introducing some shifts in the CPF program to respond to the World Bank Group's evolving strategic priorities and changes in the country context, and to address challenges that arose during CPF implementation.** The PLR reflects Sri Lanka's graduation from an IDA to an IBRD country, but with access to IDA transitional funds. Climate change and the resilience agenda are becoming more prominent. The PLR also integrates into the program the recently launched Human Capital Project, which is a global effort to make more and better investments in people for greater equity and economic growth. Changes in the PLR also increase the focus on the Maximizing Finance for Development agenda. Implementation of the CPF has benefited from close collaboration among the WBG institutions, and this collaboration will be scaled up during the remainder of the CPF. The PLR also proposes to extend the CPF by one year to June 2021, to reflect a more realistic pace of implementation in some key areas and better align the preparation of the next CPF with Sri Lanka's electoral cycle. The results framework has been revised to reflect all of these changes.

II. MAIN CHANGES IN COUNTRY CONTEXT

A. Key Country Developments

4. **The Sri Lankan Government's medium-term strategy, Vision 2025, launched in September 2017, reinforces the Government's original political statement, which outlined an ambitious agenda to transform Sri Lanka into a knowledge-based, internationally competitive, social market economy.** Vision 2025 foresees a key role for the private sector, and it focuses on trade and competitiveness as drivers of sustained growth and development. It also identifies key constraints, which are consistent with the SCD. Recognizing the formidable challenges of implementing Vision 2025, the authorities undertook an extensive consultation process across line ministries and agencies to develop a Vision 2025 Implementation Road Map with timeframes and agency responsibilities.

5. **Political developments have increased uncertainty.** Sri Lanka's first Unity Government, formed in 2015 by two long-standing rival parties, was constituted around a two-year coalition agreement that ended in 2017. Although the agreement had expired, the two parties remained as a coalition until October 2018. The serious disagreements between the two coalition parties have had a dampening effect on the pace of policy reforms, with reversal in some policies. Implementation that depends on good intra-government coordination has also been affected. The upcoming election cycle will further increase uncertainties.

6. **Drought and floods have had a significant and unanticipated negative impact on economic performance.** The historically significant drought of 2016-17 affected almost 2 million people across 17 districts of Sri Lanka. Rice production during 2017 was the lowest in the last 10 years; only seven months of average household consumption were covered, so that the country needed to increase its food imports. Food prices increased by almost 15 percent, contributing to the food insecurity of over 200,000 households. The drought also depleted hydropower reservoirs, necessitating a shift to more costly thermal power with an attendant increase in oil imports. Monsoon rains in May 2017 triggered devastating landslides and severe flooding in the southwestern province, resulting in the loss of 200 lives and recovery-related investment requirements estimated at 1 percent of GDP—significantly more than the 0.4 percent of GDP estimated as Sri Lanka's long-term annual loss from disasters. Research indicates that the impacts of disaster and climate change may be intensifying, and the breach of the 0.4 percent projection may become the norm. The impact of these severe weather events falls disproportionately on the poor; the poverty rate of those affected averages roughly twice the national average.

B. Recent Economic Developments and Outlook

Table 1. Macroeconomic Indicators

Macroeconomic Indicators	Actual	Estimates	Projections		
	2017	2018	2019	2020	2021
Real sector					
GDP, (current, LKR billion)	13,317	14,484	16,044	17,501	19,011
Real GDP growth (%)	3.3	3.1	3.5	3.6	3.7
CCPI inflation (year-on-year, %)	6.6	4.3	5.0	5.0	5.0
USD billion, unless otherwise indicated					
External sector					
Exports of goods	11.4	11.8	12.1	12.4	12.7
Imports of goods	21.0	22.0	21.9	22.4	22.9
Trade balance	(9.6)	(10.1)	(9.7)	(9.9)	(10.2)
Tourism receipts	3.9	4.3	4.6	4.9	5.1
Remittances	7.2	7.2	7.3	7.5	7.7
External Current Account	(2.3)	(2.5)	(2.0)	(2.1)	(2.3)
External Current Account (share of GDP, percent)	(2.6)	(2.9)	(2.4)	(2.4)	(2.5)
FDI inflows	1.4	2.0	1.2	1.0	1.1
Official reserves	8.0	6.9	7.3	7.6	8.0
Official reserves (months of imports of goods and services)	3.8	3.1	3.3	3.4	3.5
Exchange rate (end period, LKR/USD)	152.9	182.9			
Percent of GDP, unless otherwise indicated					
Fiscal accounts					
Total revenue and grants	13.8	14.5	14.6	14.6	14.7
Tax revenue	12.5	13.2	13.3	13.3	13.3
Total expenditure	19.3	19.7	19.4	19.4	19.3
Current expenditure	14.5	14.9	14.6	14.6	14.5
Capital and net lending	4.8	4.8	4.8	4.8	4.8
Primary Balance	0.0	0.8	1.0	1.1	1.3
Overall fiscal balance	-5.5	-5.2	-4.8	-4.8	-4.7
Central government debt ¹	77.4	83.0	81.4	80.2	79.2
Monetary/financial sector					
Standing deposit facility rate (December, % per annum)	7.25	8.00			
Standing lending facility rate (December, % per annum)	8.00	9.00			
Private sector credit growth (M2b ² , year-on-year, %)	14.7	15.7	14.8	15.2	14.5

¹ Central government debt number excludes debt contracted by SOEs and state agencies with or without a Treasury guarantee, and restructuring bonds issued to some SOEs.

² Includes currency, demand deposits, and time and savings deposits held by the public with commercial banks.

Sources: Central Bank of Sri Lanka, Ministry of Finance, staff estimates/projections for 2018 and beyond.

7. **Macroeconomic aggregates have performed less well than the CPF anticipated, partly masking underlying positive developments.** As Table 1 indicates, Sri Lanka’s growth since 2016 has been disappointing, with performance in 2017 a full two percentage points below CPF projections. Weather-related shocks and slower-than-anticipated structural reforms—downside risks identified at the time the CPF was prepared—have been the main causes. While exports showed signs of recovery, energy-related imports and higher interest costs on existing debt pushed the external current account deficit above CPF projections. The issuance of sovereign bonds and syndicated loans and the large infrastructure transaction of Hambantota port have added to reserves; however, capital outflows, debt repayments, and the market intervention amid currency pressures¹ have led to the deterioration of external buffers. Sri Lanka’s public debt remains high compared with that of middle-income peers,² with lumpy external debt repayments beginning in 2019, an increasing share of external non-concessional debt, and significant contingent liabilities. On the fiscal side, the primary balance edged into positive territory in 2017 and 2018, reflecting ongoing revenue efforts and stringent expenditure controls in non-emergency categories. Rating agencies downgraded the sovereign rating in the last quarter of 2018 citing relatively weak external buffers amid a political controversy. Discussions have resumed on the continuation of the IMF program in early 2019.

8. **Many important reforms have progressed.** The Inland Revenue Act was approved and became effective in April 2018, laying the groundwork for continuing progress in sustaining revenue-led fiscal consolidation, building on the VAT Amendments of 2016. Fuel price reforms passed in May 2018 will also contribute to fiscal stability by improving the financial balances of the Ceylon Petroleum Corporation, a critical non-financial state-owned enterprise (SOE). The Active Liability Management Law passed in March 2018 provides greater flexibility for effective debt management to cope with the bunching of external debt refinancing in coming years. The National Audit Act, approved in July 2018, strengthens the powers of the Auditor General, building on the reforms of the 19th Amendment. If approved, the Secured Transactions Act, which is currently being submitted to Parliament, will facilitate access to credit for a larger number of enterprises. The capacity of the Central Bank of Sri Lanka (CBSL) for risk-based supervision has been strengthened, including in the insurance sector, and the Securities and Exchange Commission and Insurance Board have improved their fining and reporting systems. The process of increasing transparency in SOE management has begun with the publishing of Statements of Corporate Intent for large SOEs. On the trade and investment side, the elimination of some 1200 para-tariffs in December 2017 is an important first step toward reducing the anti-export bias in Sri Lanka’s restrictive trade regime. Adoption of digital technologies is improving the business environment, as single web portals for investors, trade information, and simplified procedures will help streamline foreign direct investment (FDI) and trade. The blueprint for implementing the national single window for import and export processing has been adopted. Regulatory simplification along the Doing Business administrative areas has involved reforms in online business registration, property registration, construction permits, enforcing contracts, and paying taxes, following earlier process streamlining in trading across borders and resolving insolvency—all reforms that should spur private investment. Continuing implementation of the RTI Act and the new National Audit Act are important steps in strengthening good governance.

9. **Expediting reform implementation is important for Sri Lanka to achieve its development objectives.** With a domestic market of only 20 million consumers and a modest per capita income, Sri Lanka needs to look beyond its borders and increase its global competitiveness to achieve sustained growth. A challenging operating environment has contributed to delays in the implementation of reforms

¹ The Sri Lankan rupee depreciated by 19.6 percent in 2018 because of emerging market currency pressures, intensified by the political controversy at home.

² Central government debt was estimated at 83 percent of GDP as of end-2018.

requiring legislative action. Several important reform areas require expeditious implementation: further strengthening public financial management; implementing a medium-term debt management strategy through an independent debt office; rationalizing the remaining para-tariffs with accompanying trade adjustment; accelerating SOE reforms, including energy pricing; and implementing a social registry to improve the coverage and targeting of social safety nets. Capturing global economy opportunities in export-oriented sectors and in service sectors such as logistics, tourism, and IT-enabled services would enable Sri Lanka to keep a higher value-added in-country. Factor markets would improve through measures to regularize land tenure and modernize the cadaster, improve the functioning of capital markets, and encourage more women to enter the labor force. Stepping up the pace of these reforms—all aimed at enhancing competitiveness and shifting toward a private investment and tradable sector-led growth model—is critical to ensure sustainable development and continued poverty reduction.

10. **The economic outlook for Sri Lanka remains stable, as long as reforms are implemented.** Following modest growth in 2018 and given the current external environment, growth over the extended period of the CPF should remain marginally below 4 percent. As Table 1 shows, a continuation of the current reform momentum should lead to further, albeit modest, improvements in the primary and overall fiscal balance, the external balance, and the ratio of public debt to GDP.

C. Changes in Poverty and Shared Prosperity

11. **A sharp decline in poverty continued, including a reduction in the number of high-incidence districts.** The household survey of 2016 reveals a further reduction in poverty in Sri Lanka. Using the official national poverty line, the headcount incidence of poverty declined from 6.7 percent in 2012/13 to 4.1 percent in 2016. However, this measure relies on an outdated consumption standard from 2002, when per capita incomes were much lower. The headcount percentage of the population living in poverty decreased from 15.4 percent in 2012/13 to 9.7 percent in 2016 if a US\$3.20 per day cutoff is applied—that is, the basic standard of living used for lower-middle-income countries. The household survey recorded a relatively large reduction in poverty in some districts. Identifying the main drivers of these declines requires further investigation. Nevertheless, preliminary analysis indicates that the expansion of the *Samurdhi*³ program in 2015 may have had a positive impact in some districts in the Northern and Eastern provinces that saw large declines in poverty. As of 2016, only two districts in these provinces have poverty rates near or above 30 percent, down from five districts in 2012. While the districts with the highest poverty incidence are in the Northern and Eastern provinces, the three districts with the largest numbers of poor people are Ratnapura, Kandy, and Badulla, which combined are home to more than a quarter of Sri Lanka’s poor population.

12. **Positive trends are also observed in shared prosperity and inequality.** The per capita consumption of the lowest two quintiles grew by 4.8 percent annually between 2012/13 and 2016, slightly below the 5.3 percent rate for the total population. This not only represents a significant improvement over the previous period (2009/10-2012/13), but it also makes Sri Lanka the best-performing country in the region. The increase in inequality, whether measured by income or consumption, also leveled off. There were significant non-monetary gains for poor households, particularly in access to electricity and

³ GoSL launched the *Samurdhi* (or Prosperity) program in 1995 as a welfare program comprising a relief component (cash transfer, nutrition, social security fund) and an empowerment component (e.g. livelihood, rural infrastructure, housing)

home sanitation in districts with significant reductions in poverty. Other characteristics of the poor remain salient: they live in larger households, have less education, and depend more on agriculture. A layer of vulnerable households immediately above the US\$3.20 per day cutoff,⁴ representing approximately 1.6 million people, also merits the focus of public policy that can channel access to jobs, markets, insurance, education, and other public goods to reduce the risk of their slipping back into poverty. Continued favorable economic trends, including the recovery of growth with moderate inflation, structural transformation, and urbanization, should contribute to job creation and improved labor incomes, which can accelerate shared prosperity and declines in poverty.

III. SUMMARY OF PROGRAM IMPLEMENTATION

A. Portfolio Performance

13. **The overall size of the WB portfolio has increased slightly.** IBRD and IDA portfolio commitments totaled US\$1,728 million in February 2019, with 14 operations under implementation, and 3 submitted to the Board in February-March 2019 (additional US\$220 million), compared with US\$1,696 million in June 2016, with 13 operations under implementation. Of these commitments, 60 percent are in the sustainable development cluster (urban, climate resilience, agriculture, environment, and water), 36 percent in human development (education, health, and social protection), and the balance in the financial sector. The total of active trust fund resources in Sri Lanka increased from US\$9.8 million to US\$27.8 million over the same period. Sri Lanka graduated from IDA at the end of IDA17 and currently receives transitional financing from IDA18 (FY18-20) amounting to US\$417 million, of which US\$100 million has been committed. Consistent with Sri Lanka's graduation, IBRD lending accounts for an increasing share of commitments—27 percent in December 2018, up from 12 percent in June 2016. In the first two and a half years of CPF implementation, a total of US\$550 million in new lending was approved through 5 new operations, of which about half—US\$267 million—was from IBRD. The WB and the Government are discussing an additional 13 investment project financing (IPF) operations totaling approximately US\$1.6 billion in proposed IDA-IBRD new commitments, including using the remaining IDA transitional funds to support tentatively local development, climate resilience, and early childhood development (see Annex 4). The actual lending volumes over the CPF period will depend on country demand, overall country performance, as well as global economic and financial developments, IBRD's financial capacity, and demand by other WB borrowers.

14. **During the CPF period thus far, IFC has delivered US\$313 million in long-term financing, across 14 projects supporting better, efficient, and sustainable growth.** IFC's committed investment portfolio increased from US\$244 million with 17 clients at the start of FY17 to US\$411 million with 19 clients at the end of FY18. The increase in the portfolio also reflects a strategic shift to address the country's biggest development gaps, especially in inclusion, infrastructure, productivity, and sustainability. In implementing the CPF, IFC is helping to create markets by diversifying into new sectors such as small and medium-sized enterprises (SMEs), gender financing, renewable energy, and climate-smart agriculture. The Financial Institutions Group accounted for 73 percent of the total portfolio; Manufacturing, Agribusiness, and Services had a 22 percent share; and Infrastructure - Telecom - Media - Technology, and Venture Capital - Funds each accounted for about 2 percent. The outstanding portfolio performed well, with no non-performing loans. IFC's advisory services portfolio stood at US\$9.3 million at end-FY18. IFC worked on 13

⁴ Simply increasing the US\$3.20 by a mere 20 percent almost doubles vulnerability from 9.7 percent to 17.4 percent.

advisory services projects during the first half of the CPF period, 9 of which are still ongoing in the financial sector and are focused on SME banking and capacity building in lagging regions. Other advisory projects are in water, gender, agribusiness, corporate governance, and PPPs (see Annex 6).

15. **MIGA has no outstanding exposure in Sri Lanka, despite active business development efforts.** MIGA remains open to supporting cross-border investments in Sri Lanka through its political risk instruments, which cover foreign investors against the risks of expropriation, transfer restrictions and inconvertibility, breach of contract, and war and civil disturbance events. These instruments could be used to de-risk foreign investments in Sri Lanka, including in infrastructure and PPPs, in support of Maximizing Finance for Development principles.

16. **Implementation challenges have increased,** as the deterioration in project ratings reflects (see Table 2).

Table 2. Portfolio Ratings at CPF Approval (May 2016) and at PLR (January 2019)

<i>Ratings</i>	<i>DO rating</i>		<i>IP Rating</i>	
	<i>05/16</i>	<i>01/19</i>	<i>05/16</i>	<i>01/19</i>
Satisfactory	9	3	6	5
Marginally Satisfactory	3	5	6	4
Marginally Unsatisfactory	0	6	0	5
	14	14	14	14

17. **The deterioration in performance cuts across both development objectives (DO) and implementation progress (IP).** Of the 14 rated projects (as of January 31, 2019), only 3 are fully Satisfactory in terms of development objectives, and 5 in terms of implementation progress. The country management unit is working actively with project teams and Government counterparts to take corrective actions. In March 2017 and May 2018, WB and Government of Sri Lanka (GoSL) teams held joint portfolio reviews that identified two main groups of issues: (i) project preparation and implementation readiness, and (ii) project management. Institutional factors have adversely affected implementation readiness. These include insufficient capacity in implementing line ministries and problems of coordination across multiple agencies in a complex administrative environment and between levels of government as reforms devolve more decision-making to local authorities. Insufficient project preparation has included a lack of procurement readiness at the time of effectiveness. In some cases, these factors have weakened stakeholder ownership of project activities or impeded timely decision-making. Technical and budget problems have also affected implementation through delays in feasibility studies, cost overruns, and shortfalls in budget allocations. Project management has suffered from the perennial issues of staffing delays, staff turnover, procurement and contract management, land acquisition, and poor contractor performance, especially at the local level. The country management unit, project teams, and Government counterparts are tackling these problems at all levels, from a portfolio-wide perspective, case by case in affected projects, and up front in the preparation of new projects. The WB and the Government have agreed to impose a readiness filter to help ensure that projects go forward with adequate preparation.

18. **The WB has undertaken a wide-ranging program of analytical work and technical cooperation to support the implementation of the CPF.** This program has closely followed the agenda laid out in the CPF, with emphasis on activities supporting renewed engagement in the fiscal, growth, and competitiveness areas under Pillar 1, and on cross-cutting gender and governance issues (Annex 5 provides a detailed review of the WB Advisory Services and Analytics—ASA—program to date). These activities included analytical work on investment policy and the business environment and technical support for public financial management, tourism strategy formulation, PPP readiness, and follow-up to the Financial Sector Assessment Program (FSAP). The Public Expenditure Review currently underway jointly with the Government initiates a long-absent dialogue on improving the quality of expenditures. Governance-related activities included support for the implementation of the RTI Act and preparation for the introduction of e-procurement. Several activities helped lay the groundwork for more effective project interventions, notably in health, water, PPPs, and tourism. The recent WBG Urban Transport InfraSAP and Energy InfraSAP laid out structured diagnostics of the sectors and provided perspectives to support the development of these sectors, including through WBG-assisted solutions. Technical support for poverty monitoring and data collection contributed to a deeper understanding of the role of social assistance in poverty alleviation, a linkage that has already had significant policy impact. A series of biannual economic updates has developed a broad audience for timely economic analysis and the forecast of potential future trends. Covering special topics in greater depth in each update has added new information and global perspectives.

B. Progress Toward Meeting CPF Objectives

19. **Progress toward meeting CPF objectives, as measured by the CPF results matrix, has been satisfactory overall.** Table 3 summarizes progress in CPF implementation as indicated by the 30 objective indicators and 29 supplementary indicators set out in the CPF Results Matrix. Annex 3 details progress under each objective in the original CPF Results Matrix. The PLR considers that 4 objective indicators and 10 supplementary indicators have been achieved, and a further 10 objective indicators and 8 supplementary indicators are on track to be achieved. However, 6 objective indicators and 6 supplementary indicators are off track to be achieved. Finally, a few indicators could not be assessed: some are linked to recent projects with no data on progress yet, and for others no targets were identified at the time of the CPF. The remainder of this section briefly summarizes major developments under each CPF pillar.

Table 3. Progress in Achieving CPF Objectives

<i>Objective indicators</i>	<i>Achieved</i>		<i>On track</i>		<i>Off track</i>		<i>Data not available</i>	
	<i>OI</i>	<i>SI</i>	<i>OI</i>	<i>SI</i>	<i>OI</i>	<i>SI</i>	<i>OI</i>	<i>SI</i>
Objective 1.1—Improving public financial management	1	2				2	2	
Objective 1.2— Improving the enabling environment for private investment and trade	1	1					3	1
Objective 1.3—Scaling up infrastructure through PPP solutions		2	1	1				
Objective 1.4— Enhancing financial inclusion and financial sector efficiency		1	1	1	1	1	1	

Objective 2.1—Strengthening education and training systems	2	1	2	1	1	1		
Objective 2.2—Improving health and social protection systems to address the challenges of the demographic transition			1	1			1	1
Objective 2.3—Improving living standards in the lagging areas			2	1	1		1	2
Objective 3.1—Greening urban development				2	2	1		
Objective 3.2—Strengthening climate resilience and disaster risk management		2	2	1			1	
Objective 3.3—Enhancing mitigation and adaption potential through renewable energy development and natural resource management		1	1		1	1	1	1

OI: Objective indicator; SI: Supplemental indicator

Pillar 1

20. **There have been notable achievements in macro-fiscal stability and trade policy, but the competitiveness and investment agendas remain work in progress.** Revenue-led fiscal consolidation and trade reforms have registered notable achievements. However, the integration of programs and reform efforts between agencies remains a challenge, contributing to delays in reform implementation. Because of the political sensitivity of potential reforms, the World Bank and the Government have agreed to set aside the anticipated series of development policy financing operations (DPFs) in favor of instruments that are more suited to the country’s short-term needs, possibly including other policy-based tools. The WB remains engaged through technical assistance to support the broad range of reforms already under implementation in the areas of macro-fiscal policy, debt management, public financial management, and private sector enabling environment, including FDI. IFC is also targeting agri-finance to expand the value chain and improve agribusiness productivity through, among other things, better farming techniques. To help enhance productivity across sectors, IFC is also working on innovative solutions and diversification.

21. **The Government’s commitment to “doing business” reforms and attracting investment through PPPs remains strong, and WBG support has helped register progress in the enabling environment for private investment, in particular through the adoption of digital technologies.** For instance, the World Bank and IFC have worked together to support the establishment of a PPP unit within the Ministry of Finance. The unit has identified potential PPP projects, such as grid-connected large-scale renewable energy (wind and solar) projects, which are now under development. MIGA would be open to supporting these PPPs through its political risk guarantee instruments. WBG teams worked on the Urban Transport InfraSAP and the Energy InfraSAP, designed to deliver structured diagnostics and joint WBG solutions and perspectives to support the development of these sectors (see Box 1). Improvements in the efficiency and inclusion of the financial sector have been slow in part due to a late start for the Financial Sector Modernization Project (FSMP), which supports careful experimentation with fintech by the banking regulator and financial companies to start integrating micro, small, and medium-sized enterprises (MSMEs) into the formal financial sector, as well as strengthening the powers of the banking regulator and updating

the institutional environment for non-bank financial institutions. The Agriculture Sector Modernization Project, which is under implementation, uses public funds to mobilize private investment in agribusiness and enable smallholder farmers to link with domestic and export market opportunities. Under FSMP and related programs, IFC is also working on increasing access to finance, especially by MSMEs and smallholder farmers.

Box 1. Urban Transport InfraSAP and Energy InfraSAP – Preliminary Findings

- The purpose of the Urban Transport InfraSAP was to advise the GoSL on how best to prioritize and leverage a broad range of financing and funding sources to modernize urban transport in the Western Province, including the Colombo metropolitan area, and to support the development of a comprehensive program of investments spanning road, rail, ferry, and bus passenger transport. The report identified the most critical issues in the sector and presented a roadmap of recommended actions to address them in three phases. Phase 1 (the Foundation Phase, 2019-2023) would address some of the primary gaps in the system by focusing on investments with the highest impacts. Phases 2 and 3 would focus on seamless integration and optimization, with additional high-capacity-corridor investments. The report identified quick wins as part of a priority list of 15 actions including to: (i) develop a bus fleet provision proposal and policy, with initial fleet acquisition; (ii) develop a low-cost bus infrastructure prioritization and upgrading program and roll out a pilot; (iii) assess existing pedestrian and road infrastructure where accidents are concentrated and take remedial actions; (iv) strengthen the National Agency for Public Private Partnership’s capacity as an institution; and (v) establish a communication strategy to explain the planned program to the public.
- The WBG undertook the Energy InfraSAP to assess the needs for investment to develop Sri Lanka’s energy sector, with a focus on clean energy. The report identified the most critical issues in the sector and presented a roadmap of recommended actions to mobilize financing for the significant investment needs. The recommendations address the need to lower power generation costs by developing renewable energy (RE); improve the enabling environment and governance; strengthen sector entities; and develop financing instruments, the banking sector, and capital markets. Consultations with the Government and sector stakeholders will help prioritize the recommendations. Recommended short-term actions include the following: (i) launching a transparent and competitive procurement program for RE, starting with the identified site in the Pooneryn peninsula; (ii) reevaluating the feasibility of the Sri Lanka-India transmission line for power exchange; (iii) strengthening financial management and contingency planning for Ceylon Electricity Board and Ceylon Petroleum Corporation; (iv) building project finance capability in domestic banks and capital markets and developing innovative financing instruments; (v) strengthening sector coordination and cooperation, e.g., through a standing committee on energy; and (vi) building Sri Lanka Sustainable Energy Authority capacity to support RE project development and identify and secure land for RE projects.

Pillar 2

22. **There has been solid progress in promoting inclusion and opportunities for all, especially in higher education and health systems, while skills training and social protection, and rural service delivery face challenges.** The CPF program has proceeded according to plan, with ASAs laying the groundwork for new investments and providing specialized technical support to GoSL objectives and programs. The use of disbursement-linked indicators (DLIs) continued to be a valuable way to better align operational support with inclusion and access objectives, provided the DLIs are realistic and owned by key stakeholders. WB-supported education programs at all levels, from early childhood through higher education, have increasingly focused on quality in teaching and learning; in science, technology,

engineering, and mathematics (STEM) research and innovation; and in job relevance for skills training. Progress has, however, fallen short of expectations in skills development and social protection reform. IFC's Women in Work Program is helping address the country's large gender gaps in the recruitment, retention, and promotion of employees through improving women's employment opportunities. This program, supported by Australia's Department of Foreign Affairs and Trade, is the largest single country gender program in IFC. WB-supported interventions are modernizing health and social protection systems to address the challenges of the demographic transition, focusing more on noncommunicable diseases (NCDs) and on the challenges faced by an aging population. This emphasis has given rise to management and coordination challenges. The original CPF focus on "lagging" regions for service delivery (Northern, Eastern, and Uva provinces and the estate sector) has broadened to encompass underserved populations and areas across the country, with programs in water supply and sanitation, early childhood development, agricultural modernization, and access to finance for MSME clients.

Pillar 3

23. Progress reported in seizing green growth opportunities, improving environmental management, and enhancing adaptation and mitigation potential has been mixed. There has been good progress on key aspects of building resilience to climate and disaster risk, with major efforts in developing and implementing infrastructure and in river basin management, but less success in urban development and improved natural resources management. Under the CPF, the expanding portfolio of new operations focused on urban development and natural resources management has faced implementation challenges, some of which were linked to project readiness for implementation and complex institutional arrangements. ASAs on topics such as urban transport, power optimization, and energy infrastructure have laid the groundwork for potentially more effective interventions, depending on progress in addressing the institutional complexities. An early but important benchmark in the CPF was the disbursement of a DPF with a Catastrophe Deferred Drawdown Option (Cat DDO) in FY17 following major floods in 2016. IFC has been focusing on improving the provision of cleaner and renewable energy and supporting critical last-mile infrastructure, including logistics hubs and transport. IFC has invested to build the banking sector's capacity to move into sustainable finance, including for (i) non-conventional renewable energy generation projects; (ii) energy efficiency financing (green buildings, equipment, and vehicles); and (iii) rooftop solar photovoltaic installations for households.

Gender

24. Gender issues have received broad-based attention in the implementation of the CPF. The Country Gender Action Brief, completed in FY17, has provided a solid basis for deepening engagements on gender-related activities across the portfolio. The Gender, Citizen Engagement and Poverty Platform for Sri Lanka, established in early FY18, aims at strengthening WB operations through integrated analytical work providing upstream guidance to all projects in the pipeline. Projects with a strong focus on gender-related outcomes include the Agricultural Sector Modernization Project (FY16), the FSMP (FY17), and the General Education Services Project (2018). IFC is also working with the CBSL to develop the country's first National Financial Inclusion Strategy, with a focus on women's access to finance and on consumer protection. The expansion of the portfolio in both the education and health sectors reinforces programs that have a strong gender impact, notably early childhood development, primary health care, and the quality of general and higher education. The gender focus in health and education also includes activities to address gaps in the performance of boys in general education and the high incidence of NCDs among men. Dissemination of analytical work on the low participation of Sri Lanka's women in the labor force has led to broader understanding of contributory factors—from the availability of safe public transport, the

need for child-care services, and changing norms and attitudes around women’s role as caregivers, to the need for career guidance and increased attention to employment-oriented subjects in girls’ education—and the work will feed into future investments. A campaign to #PressforProgress to improve female labor force participation in Sri Lanka has created partnerships with private and public sector institutions that are committed to the cause. This campaign helped create public awareness and policy attention to the issue and provided messaging on recommendations coming out of recent research. IFC’s Banking on Women program is working with IFC clients to develop products and services that better meet the needs of women customers. IFC launched its largest stand-alone advisory services program addressing gender equality in Sri Lanka, aiming to create greater private sector employment and business opportunities for women. A gender portfolio review provided specific recommendations which will serve to update the Country Gender Action Brief.

Governance

25. **The Government has made a strong start in implementing a transformative and comprehensive governance agenda following the 2015 passage of the 19th Constitutional Amendment, which significantly strengthens checks and balances.** Implementation of the 19th Amendment has involved a diverse set of activities.⁵ For citizens’ right to information, the focus has been on adopting a progressive RTI Act and implementing regulations; establishing the new independent RTI Commission and ensuring effective processing of information requests and handling of complaints; and strengthening capacity across the Government for proactive disclosure. To implement the mandate of the National Procurement Commission, the authorities have concentrated initially on the technical and institutional underpinnings and on new procurement guidelines. In parallel, the Government launched the modernization of its procurement systems, focusing on e-procurement. With the National Audit Act of 2017, the legal framework confirming the enhanced role of the Auditor General’s office is now in place, including an expanded mandate to cover SOEs and performance audits. The recently completed Citizen Engagement Assessment commends the improved enabling environment for citizen engagement, following the adoption of the RTI Act, membership in the Open Government Partnership (OGP) and adoption of an OGP National Action Plan under a joint Government-civil society steering committee, and formulation of the Sustainable Development Goals (SDGs) Roadmap. According to the Open Budget Survey of 2017, Sri Lanka has further opportunities to improve public participation, transparency, and oversight of budget processes. The World Bank has actively supported these activities through budget support and technical assistance, including the Public Investment Management Assessment with the IMF.

26. **Sri Lanka has also made substantive progress in terms of revenue-led fiscal consolidation and public financial management reforms.** Through the value-added tax (VAT) and income tax reforms, the Government has raised over 2 percent of GDP in additional tax revenue and brought the primary balance into positive territory for the first time in decades. Building on this, the Government has launched a reform of excise taxes, notably on tobacco and alcohol, to further strengthen revenues while improving public health. There has been good progress toward a comprehensive Public Finance Act, which, if passed, will strengthen expenditure management and oversight of SOEs, which incur major fiscal risks and costs that partially offset the painful revenue gains. While challenges remain on the expenditure side, measures to

⁵ The main provisions of the 19th Amendment reduce the powers of the executive presidency, empower the parliament and citizens through the Right to Information Act, and strengthen key accountability institutions such as the Audit Commission, the Procurement and Information Commissions, and the Civil Service Commission.

curb SOE losses from fuel subsidies through automatic pricing formulas, and to manage state liabilities more proactively, have contributed to enhancing state capacity.

C. Evolution of Partnerships

27. **In implementing the CPF, the WBG program has continued to strengthen long-standing donor partnerships while increasing engagement with new partners to leverage additional financing.** The Competitiveness DPF was completed with cofinancing from the Japan International Cooperation Agency. The Australian Department of Foreign Affairs and Trade has financed WBG technical assistance to support the Government on policy and institutional reforms to improve competitiveness. The WB continues to maintain regular dialogue with the IMF regarding macroeconomic developments. During the CPF period the WB has actively sought further partnerships to exploit synergies in developing programs and activities. The European Union has confirmed cofinancing of the local development support project. The Agence Française de Développement has confirmed cofinancing in the tourism sector and is exploring opportunities to cofinance interventions in the water and sanitation sector. The UK's Department for Environment, Food and Rural Affairs is seeking to scale up interventions under the ongoing Ecosystem Conservation and Management Project. The Asian Infrastructure Investment Bank has also actively engaged with the WB to seek cofinancing opportunities. The WB is closely coordinating possible new engagements in transport with the Millennium Challenge Corporation and is also looking to leverage additional resources through sources such as the Green Climate Fund to scale up activities under the proposed Water Resources Management Project.

28. **Coordination among development partners continues to be strong.** The WBG actively coordinates with both bilateral and multilateral development partners through the Development Partners Forum, a mechanism to coordinate development assistance in Sri Lanka that also includes sector-specific donor groups and a web-based knowledge sharing platform. The CPF is well aligned with the SDGs in Sri Lanka, and collaboration with UN agencies is very close, especially in the early childhood, disaster risk management, and health areas.

IV. EMERGING LESSONS

29. **A key lesson for the remainder of the CPF period is that managing institutional and political economy issues in a new Government requires time, flexibility, leveraging of donor partners, and a unified WBG approach.** The fragmentation of Sri Lanka's government structure (43 ministries until October 26, 2018, and 31 in the current Government, over 400 SOEs and other structures) contributes to a highly complex institutional setting with significant coordination challenges because many agencies are involved in program and project implementation. Additional complications arise from the fact that an increasing number of operations are working across different levels of government. The resulting coordination issues can be quite time-consuming to resolve. The problem is compounded by the challenging political environment.

30. **As the program expands into new areas, project teams need to work closely with Government counterparts to ensure project readiness before implementation starts; and when problems arise, teams must work with the Government to adjust project parameters, including schedules, accordingly.** As was reported above, project ratings have suffered because of generic project management shortcomings and agency and stakeholder coordination problems. Procurement and contract management, implementing units' staffing, budget allocations, and land acquisition/resettlement issues have all contributed to implementation shortcomings. Existing projects that are facing implementation challenges are being

restructured, and agencies that are underperforming will not implement any new projects. The Government and the Bank have agreed to impose readiness criteria before seeking project approval, especially in the areas of procurement, scope, and ownership by the implementing agencies. New projects will also need to reflect the lengthy land acquisition process in their timelines. In addition, in January 2018 the Government set up a US\$4 million Programmatic Project Preparation Facility with the Bank, which agencies can tap early in the preparation of projects to improve readiness for implementation.

31. **Reengagement in vital reform areas such as fiscal sustainability, investment, and trade policy and transparency requires operational flexibility and perseverance.** The CPF anticipated that the stand-alone Competitiveness DPF would be a precursor to a series of policy-based operations, but because of political uncertainties, the DPF functioned as a window of opportunity for structural reform that was more limited than expected. Reflecting one of the main lessons learned from the Competitiveness DPF work, the WB would remain engaged through a robust program of analytic and technical support to ongoing reforms as well as preparation for future reforms. The Government's demand for technical and analytic support has increased; given Sri Lanka's middle-income status, the analytic work is critical at both the sector and macro levels for bolstering evidence-based decision making, even in the absence of an operation. Further, the technical assistance builds critical capacity necessary for sustainable implementation.

32. **The Gender, Citizen Engagement and Poverty Platform is proving a useful mechanism for integrating cross-cutting themes into all pillars of the CPF, and it has potential for further development.** Since the Platform was established in early FY18, it has focused on upstream guidance to project teams, helping them deliver on corporate requirements for gender and citizen engagement. As these activities become established, there is scope for moving from mainly project-specific activities to more strategic interventions that cut across sectors and are focused on issues of relevance to Sri Lanka. The ASA work on female labor force participation suggests areas of interventions the Platform could support, such as broadening the understanding of the development consequences of gender-based violence, strengthening country systems for citizen engagement, and better capturing the geographic incidence of poverty.

33. **A key lesson with regard to IFC's program in Sri Lanka has been to take a holistic and strategic approach in implementing the CPF by addressing the key development gaps where the private sector has a crucial role to play.** Through a more proactive and targeted business development model, IFC has been able to identify and cultivate upstream opportunities in new sectors such as disruptive technology in transport, organized retail, tourism, agri-finance, and waste-to-energy solutions that have developed into greenfield projects with new clients.

V. ADJUSTMENTS TO THE COUNTRY PARTNERSHIP FRAMEWORK

34. **The PLR proposes extending the CPF by one year, to June 2021,** for two reasons. First, as was documented in Section III, implementation challenges have been greater than anticipated: readiness issues have slowed implementation of key operations, and some key policy reforms supported by the CPF have been delayed. Second, both Parliamentary and Presidential elections are expected before August 2020. Continuing the CPF until June 2021 will allow the next Government time to settle in and consider priority areas of engagement for the next CPF, as well as giving time for analysis and learning from the implementation of the current CPF.

35. **The building blocks of the CPF remain valid, with selective adjustments in the formulation of some of the content and objectives of the program to better reflect the Government's recently approved medium-term strategy and implementation experience from the past two years.** The preparation of the

CPF was based on the priorities of the Government that was elected in 2015, and on the SCD analysis. The Government's overall strategy, Vision 2025, launched in late 2017, largely confirmed the 2015 agenda but allowed for better identification of WBG support. The PLR proposes slight changes in the formulation of four objectives, turns the pillars into focus areas, and updates WBG interventions and indicators, including streamlining. The WBG is diversifying its instruments to allow for longer-term engagement, using more DLI-based investments and piloting Program-for-Results operations and multi-phased approaches, while increasing its responsiveness through just-in-time analytical work. The WB will proactively restructure problem projects, including with partial cancellations when relevant, and will grant no new investment to an underperforming implementing agency. The following paragraphs summarize adjustments under each pillar. Annex 1 shows the complete revised and updated results matrix, and Annex 2 provides details of the changes.

36. **Adjustments to Pillar 1, *Macro-Fiscal Stability and Competitiveness*, focus on refining objectives, indicators, and timeframes and broadening the competitiveness objective to include tourism and logistics.** The CPF's design recognized that the WBG's reengagement on macroeconomic and competitiveness issues under Pillar 1 implied that interventions and indicators would need to be revisited and updated at the time of the PLR. The PLR documents a greater emphasis on IPF and technical assistance to achieve Pillar 1 objectives, with a stronger focus on institution building and implementation. Nevertheless, going forward, continued reform discussions could lead to the use of reform-backed budget support instruments. Proposed operations supporting tourism and logistics will support the competitiveness agenda. The WBG's collaboration is scaling up for Maximizing Finance for Development to leverage more private financing, especially for infrastructure, and this is being reflected in the streamlined Objective 1.2. There will be continued emphasis on digital technologies, especially for digital transactions, secure online payments, digital signatures, access and authentication, and overall cybersecurity—all necessary for successful e-procurement, e-taxes, and e-trade.

37. **Adjustments to Pillar 2, *Inclusion and Opportunities for All*, primarily reflect the shift in emphasis from lagging regions to more inclusive regional development, and from extending coverage to improving quality.** The change in the formulation of Objective 2.3 to *Enhancing inclusive regional development through improved service delivery* reflects both the newly available evidence from the 2016 Household Income and Expenditure Survey that there are pockets of poverty in many regions, not just in those previously designated as "lagging" (defined in the CPF as Northern, Eastern, and Uva provinces and the estate sector) and the Government's giving priority to more inclusive service delivery. The broader formulation also recognizes that regardless of location, segments of the population may suffer from lack of access or from poor-quality public services. The WB has already incorporated these changes in emphasis in ongoing and new operations in the education, health, agriculture, road, water, sanitation and local development sectors. The shift in emphasis toward quality improvements in service delivery, including using disruptive technologies, is informed by information from the evaluation of outcomes under previous operations. Education projects from early childhood and general education through to higher education, STEM, and skills training are emphasizing quality and relevance to Sri Lanka's evolving job market—again, regardless of location. The need for better education is reflected in Sri Lanka's Human Capital Index rating of 0.58; although it is the highest in the region, quality of education is the main constraint to achieving a still higher score. The WB will undertake a study to ensure that the HC Index does not mask differences at the provincial level. To respond to the challenge of the demographic transition, health interventions are focusing on, among other things, NCD treatment and social protection for improved care for the elderly. The PLR revises objective 2.2 to *Improving primary health care systems* to reflect the Government's priority in primary health care as well as delays in social safety net reforms. Operations in the water and sanitation sector are also adjusting to evolving priorities related to access and quality. The PLR has updated the

indicators under Pillar 2 to reflect the implementation of new and ongoing operations incorporating these shifts.

38. **The PLR revises Pillar 3 to *Green Growth and Resilience* to reflect the broadening of the greening urban development objective and the stronger focus on climate resilience.** On the basis of experience with the ongoing urban and transport operations, the PLR proposes to broaden the *Greening urban development* objective to *Improving urban livability*. This formulation better reflects and acknowledges the initiatives under way and planned to upgrade roads, drainage, and sanitation, in addition to improving transport efficiency and raising building standards. The WBG activities are more clearly linked to climate resilience and disaster risk management including climate-smart agriculture in climate hotspots, watershed management and flood prevention in selected river basins. While the WBG’s commitment to RE (Objective 3.3) remains strong in support of the Government’s Intended Nationally Determined Contribution, the PLR proposes to prioritize analytical work through the energy InfraSAP, which would foster inter-institutional discussions and proposals for a pragmatic way forward to enhancing investments in the sector. IFC’s involvement in RE development will build on its investments in the commercial banking sector to promote non-conventional renewable projects and household solar installations. IFC will also continue to look for opportunities to promote PPPs in the renewables field, building on the recommendations of the energy InfraSAP. Ongoing monitoring of WBG interventions under Pillar 3 has led to the revision of some indicators and the extension of timeframes to reflect the extension of the CPF implementation period.

VI. RISKS TO THE CPF PROGRAM

39. **On balance, risks to the CPF program remain moderate.** The PLR has updated risk rankings across the eight categories covered in the CPF (see Table 4). In addition, the PLR has rated as Moderate the risk from natural disasters such as those that have affected Sri Lanka during the CPF period, while noting a significant element of uncertainty in this rating. The PLR also notes that some elements in the Moderate risk categories have affected implementation while not raising the overall rating for that category. For example, land acquisition has proved to be a problem in the application of environmental and social safeguards, and procurement capacity is a continuing fiduciary weakness.

Table 4. Summary of Risks to the Implementation of the CPF

<i>Risk Categories</i>	<i>Rating</i>
Political and governance	Substantial
Macroeconomic	Substantial
Sector strategies and policies	Substantial
Technical design of project or program	Moderate
Institutional capacity for implementation	Substantial
Fiduciary	Moderate
Environment and social	Moderate
Stakeholders	Low
Overall	Moderate

40. **Political and governance risks remain substantial.** The CPF noted the uncertainty associated with the initial two-year coalition agreement. Following the political controversy in late 2018, tensions within the executive arm could persist, complicating the policy-making processes, and possibly remaining as the next elections approach. The WBG will continue to work with key stakeholders across the political

spectrum to mitigate risks arising from uncertainty in the political cycle by engaging with the whole of Government. The extension of the CPF could also help ensure a smooth transition to the next Government.

41. **The economy faces substantial risks, especially on the external front.** The Government has made substantial progress in public financial management, with key indicators on revenue and the primary balance all improving despite the challenges posed by slowing growth and price spikes following the weather calamities of 2016 and 2017. But challenges on the external front have grown, with high and rising debt levels, large external refinancing requirements starting in 2019, and a weakened currency. The resumption of the IMF program could provide an anchor for macroeconomic management, and WB investment and analytic support are additional mitigating factors. The Active Liability Management Act also provides some flexibility to deal with refinancing risks. However, macroeconomic risks are likely to remain significant during the remainder of the CPF period.

42. **Risks linked to sector strategies and policies remain substantial.** Vision 2025, launched in September 2017, outlined the Government's medium-term strategy, but while a few sectors developed strategies, most of the sectors do not yet have strategies. The fact that most of the areas of the WBG program are not currently covered could lead to uncertainties and delays. The CPF will continue to place strong emphasis on analytical work aimed at informing the strategic thinking process.

43. **Experience during the CPF implementation has shown a higher level of risk associated with project technical designs than originally assessed, and the PLR proposes to raise that rating from Low to Moderate.** As the portfolio has expanded into new areas, operations have experienced delays stemming from inadequately designed or insufficiently detailed preparatory studies. Pre-feasibility and feasibility studies have underestimated the technical complexity and costs at the design stage, leading to delays, cost overruns, and quality issues. In some cases, weak institutional oversight of technical quality has led to further difficulties.

44. **Substantial risks associated with institutional capacity for implementation and sustainability are likely to continue.** The CPF emphasized weaknesses in public service capacity to lead and deliver transformative policy and institutional reforms. The CPF activities have supported many capacity-building efforts, which have mitigated some of this risk, but the myriad of institutions with ill-defined institutional mandates continues to be a challenge. The complex institutional set-up compounds weak coordination efforts within and between institutions. Strengthening country systems should ultimately reduce the operational-level risks associated with building project management teams, empowering them, and then disbanding them at project completion. In the interim, however, more realistic timeframes with well-prepared projects will contribute to better risk management.

Annex 1: Revised Results Framework for Sri Lanka CPF

Pillar 1—macro-fiscal stability and competitiveness		
CPF Objective 1.1—Contributing to improved public finance management		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p>1.1.1 Excise tax revenue⁶ to GDP ratio Baseline: 1.5 % GDP (2017) Target: 1.8 % GDP (2020)</p>	<p>1.1.i Public Finance Act (to strengthen preparation, execution, and oversight of the budget, including oversight of SOEs) approved by the Cabinet Baseline: No (2016) Target: Yes (2019)</p> <p>1.1.ii A Medium-term Debt Management Strategy covering both external and domestic debt is approved by the MOF and CBSL Baseline: No (2016) Target: Yes (2019)</p> <p>1.1.iii Electronic data collection occurs in pilot districts for the Household Income and Expenditure Survey 2016/17 Baseline: No (2016) Target: Yes (2018)</p>	<p><u>Ongoing</u> Macro-fiscal analysis and support advisory services and analytics Poverty monitoring and analysis Sri Lanka Public Expenditure Review (ASA) Sri Lanka Governance & SOE programmatic support (ASA) MTDS Sri Lanka (ASA) Country Economic Memorandum (ASA) (FY20) IFC investment in private-sector firms to support the competitiveness of priority sectors, such as sustainable agri-finance</p> <p><u>Proposed</u> Public Sector Efficiency Project (FY20) IFC investment in private sector firms to support the competitiveness of priority sectors, such as sustainable agri-finance</p> <p><u>Completed</u> Trust Fund (TF) for Statistical Capacity Building for Improving Poverty Estimation (TF) Catastrophe Deferred Drawdown Option (Cat DDO) Competitiveness development policy financing (DPF) (FY17) Strengthening Public Financial Management and Corporate Financial Responsibility Rules (ASA, FY 18) Supporting Right to Information in Sri Lanka (ASA, FY 18)</p>

⁶ Alcohol and tobacco excise revenue increase through rate increases and improvement in collection stemming from the Excise reform.

		eProcurement Development Support to the Government of Sri Lanka (ASA, FY 18) IFC investment in private sector firms to support the competitiveness of priority sectors, such as sustainable agri-finance
Data Sources:		
1) Implementation Completion Report (ICR) of Competitiveness DPF 2) Doing Business report 3) Minister of Finance budget speeches and Ministry of Finance Annual Reports		
CPF Objective 1.2— Improving the enabling environment for private investment and trade		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
1.2.1 Number of days taken to process FDI applications reduced Baseline: 72-116 (2016) depending on sector Target: 58-93 (2020)	1.2.i One-stop shop for FDI established Baseline: No (2016) Target: Yes (2018)	<u>Ongoing</u> Agriculture Sector Modernization Project (ASMP) IFC investment in private-sector firms to support the competitiveness of priority sectors, such as sustainable agri-finance
1.2.2 Private investment mobilized by agriculture SMEs (US\$m)⁷ Baseline: 0 (2017) Target: 100 (2021)	1.2.ii No of matching grants approved under ASMP and financing obtained from participating commercial banks Baseline: 0 (2017) Target: 300 (2021)	<u>Proposed</u> Sri Lanka Sustainable Tourism Development Project (FY20) Framework Development and Infrastructure Financing to Support Public Private Partnerships (FY19) InfraSAPs in Energy and Transport sectors (ASAs, FY19)
1.2.3 Reformulated trade policy adopted Baseline: No (2016) Target: Yes (2019)	1.2.iii Adoption of NSW roadmap Baseline: No (2016) Target: Yes (2019)	InfraSAPs in Energy and Transport sectors (ASAs, FY19)
	1.2.iv Number of PPP structures finalized and Request for Proposals (RFP) issued by GoSL/NAPPP Baseline: 0 (2016) Target: 3 (2021)	<u>Completed</u> Competitiveness development policy financing (DPF) (FY17) Agriculture and Institutional Policy Reform (ASA, FY 17) Investment policy reform (ASA, FY18) Tourism Competitiveness (ASA, FY 18) Business environment reform (ASA, FY 18) Country readiness for PPPs (ASA, FY 17)

⁷ Through ASMP and IFC interventions

Data Sources: 1) ICR of Competitiveness DPF 2) Implementation Status and Results Report (ISR) and ICR of Agriculture Sector Modernization Project 3) IFC Sri Lanka project data base 4) Publicly available information 5) ISR of the Framework Development and Infrastructure Financing to Support PPPs Project		
CPF Objective 1.3— Contributing to enhancing financial inclusion and financial sector regulation		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
1.3.1 CBSL will be the lead consolidated risk-based supervisor and prepare at least 2 reports on identified financial groups Baseline: No (2016) Target: Yes (2021)	1.3.i CBSL adopts a diversified investment strategy to provide adequate replacement income for retirees?? Baseline: No (2016) Target: Yes (2021)	<u>Ongoing</u> Sri Lanka Financial Sector Modernization Project FIRST funded Programmatic Creating an Enabling Environment for Broader Capital Market Development TA FIRST funded Legal and Regulatory reforms TA
1.3.2 National Financial Inclusion Strategy adopted with a focus on gender Baseline: No (2016) Target: Yes (2021)	1.3.ii Financial Consumer Protection Bill approved by the Cabinet Baseline: No (2016) Target: Yes (2021)	<u>Completed</u> FSAP development module (ASA, FY 17) Government Bond Market Auction Rules (ASA, FY 17) Strengthening Public Financial Management and Corporate Financial Responsibility Rules (ASA, FY 18) Financial sector development (ASA, FY 18)
1.3.3 Provide financial literacy training to at least 2,000 women Baseline: 0 (2017) Target: 2,000 women (2021)		<u>IFC-led Advisory:</u> Agriculture Insurance Secured Transactions legal reform Access to Finance and Women IFC Banking on Women Sri Lanka IFC investment and advisory services for partner financial institutions to support MSMEs and risk management IFC's GTFP support to banks and trade supplier finance IFC's advisory services to support insurance firms

		<u>Proposed</u> IFC investment and advisory services for financial institutions to support MSMEs and risk management
Data Sources:		
1) ICR of Competitiveness DPF		
2) ISR of Financial Sector Modernization Project (FY17)		
3) WBG financial data index (FINDEX)		
4) GRM of Insurance Risk-based Capital JIT TA (P157651)		
5) IFC Financial Inclusion and Women in Work program (Indicators 1.42, 1.4.iv. 1.4.4 and 1.4.5)		
Pillar 2—Inclusion and opportunities for all		
CPF Objective 2.1—Strengthening education and training systems		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p>2.1.1 Total number of trainees enrolled in public and private (technical and vocational) training institutions, along with number of females Baseline: 178,326 (74,595 female) (2015) Target: 185,363 (83,945 female) (2018)</p> <p>2.1.2 Percentage of the Program for School Improvement cycle (for primary and secondary) implemented and completed in all zones Baseline: Implemented in 70% of zones (2015) Target: Completed in 100% of zones (2017 onward)</p> <p>2.1.3 ECD centers upgraded and meeting the national quality standards Baseline: 4,400 (2018) Target 7,000 (2021)</p> <p>2.1.4 Total number of students enrolled in science, technology, engineering, and mathematics (STEM) study programs in higher education, along with number of females Baseline: 33,000 (17,000 female) (2015) Target: 59,000 (29,500 female) (2021)</p>	<p>2.1.i Content and Language Integrated Learning (CLIL) framework to be developed and established Baseline: CLIL framework for all bilingual schools has been introduced in Grades 7, 11, and 13 in the nine provinces (2015) Target: CLIL framework introduced for secondary education (2018)</p> <p>2.1.ii Number of STEM study programs in higher education developed or newly introduced Baseline: 0 (2015) Target: 45 (2021)</p> <p>2.1.iii Number of IFC’s private sector clients & partners working on recruitment, retention and promotion of women Baseline: 0 (2018) Target: Engagements with 3 corporates and peer partnerships with at least 15 (2021)</p>	<p><u>Ongoing</u> Skills Development Project Early Childhood Development Project Accelerating Higher Education Expansion and Development Operation General Education Modernization Project Sri Lanka Human Capital Development Report (ASA) IFC Women’s Employment Project (FY19)</p> <p><u>Completed</u> Transforming the School Education System as the Foundation for a Knowledge Hub Project</p>

	2.1.iv Number of new professionally qualified teachers Baseline: 0 (2018) Target: 12,000 (at least 50% of those are female) (2021)	
Data Sources: 1) ISR and ICR of Skills Development Project 2) ISR and ICR of Transforming the School Education System as the Foundation for a Knowledge Hub Project 3) ISR of Early Childhood Development Project, Accelerating Higher Education Expansion and Development Operation, and General Education Modernization Project		
CPF Objective 2.2—Improving primary health care systems		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
2.2.1 Percentage of people (over 40 years of age) screened for selected NCDs (diabetes and hypertension) at healthy lifestyle centers Baseline: 3% (2012/2013) Target: 12% (2017)	2.2.i Percentage of primary health care institutions having one month’s buffer stock for 16 selected NCD drugs Baseline: 2% (2015) Target: 60% (2021)	<u>Ongoing</u> Primary Health Care System Strengthening Project Nutrition Positive Deviance Analysis (ASA) Sri Lanka Health Programmatic TA
2.2.2 Percentage of screened adults with high risk for NCDs who are registered and actively followed-up at primary medical care institutions Baseline: 0 (2018) Target: 20% (2021)	2.2.ii Number of primary medical care institutions that have the required capabilities for providing comprehensive and quality care Baseline: 0 (2018) Target: 350 (2021)	<u>Completed</u> Sri Lanka - Second Health Sector Development Project Non-communicable disease burden in the Western Province, Sri Lanka (ASA)
Data Sources: 1) ISR and ICR for Second Health Sector Development Project 2) ISR of Primary Health Care System Strengthening Project		
CPF objective 2.3 – Enhancing inclusive regional development through improved service delivery		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
2.3.1 Number of people provided with access to improved water sources (in rural areas and estates), including percentage of females Baseline: 0 (0% female) (2015)	2.3.i Number of new piped household water connections (in estates) Baseline: 0 (2015) Target: 11,800 (2021)	<u>Ongoing</u> Water Supply and Sanitation Improvement Project Early Childhood Development Project

<p>Target: 343,900 (50% female) (2021)</p> <p>2.3.2 Number of people provided with access to improved sanitation (in rural areas and estates), including percentage of females Baseline: 0 (0% female) (2015) Target: 129,000 (50% female) (2021)</p> <p>2.3.3 Number of children enrolled in ECD centers, along with number of females (including estate sector) Baseline: 512,620 (253,900 female) (2015) Target: 661,150 (327,400 female) (2021)</p> <p>2.3.4 Number of new jobs generated through investments in agriculture SMEs Baseline: 0 (2016) Target: 4,000 (2020)</p>	<p>2.3.ii Number of people trained in improved hygiene behavior or sanitation practices (in rural areas and estates) Baseline: 0 (2015) Target: 160,000 (2021)</p> <p>2.3.iii Number of MSME value chain clients reached with financial services Baseline: 0 (2016) Target: 2,000 (2021)</p>	<p>Agriculture Modernization Project IFC Advisory Services (AS) to support District Development Program (EU- SDDP)</p> <p><u>Proposed</u> Local Development Support Project (FY19) Sri Lanka Water Resources Management Program (WARM-P) (FY20) Water Supply and Sanitation Project Additional Financing (FY20)</p> <p><u>Completed</u> Dam Safety and Water Resource Planning Project North East Local Services Improvement Project Agriculture and Institutional Policy Reform (ASA) Strategic Social Assessment of Conflict Affected North & East Region (ASA) Plantation Sector Engagement (ASA)</p>
<p>Data Sources:</p> <p>1) ISR and ICR for Water Supply and Sanitation Improvement Project, North East Local Services Improvement Project, Agriculture Modernization Project and Dam Safety and Water Resource Planning Project</p> <p>2) ISR for Early Childhood Development Project, Local Development Support Project, WARMP</p>		
<p>Pillar 3—Green growth and resilience</p>		
<p>CPF Objective 3.1—Improving urban livability</p>		
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Indicators</p>	<p>WBG Program</p>
<p>3.1.1 Reduction in square kilometers (km²) under risk of flooding (50-year return period) in the Metro Colombo area Baseline: 5.5 km² (2015) Target: 3 km² (2020)</p> <p>3.1.2 Square meters (m²) of new or rehabilitated urban public spaces in secondary city regions (Kandy, Galle, and Jaffna)</p>	<p>3.1.i No. of public space/parks upgraded and revitalized in Metro Colombo Area. Baseline: 0 (2015) Target: 3 (2020)</p> <p>3.1.ii Number of completed strategic plans/studies in public transport and traffic management, drainage, and spatial development</p>	<p><u>Ongoing</u> Metro Colombo Urban Development Project Strategic Cities Development Project Metropolitan Colombo Transformation Platform TA Infrastructure Sector Assessment Program (InfraSAP) for Urban Transport in Sri Lanka (ASA)</p>

Baseline: 0 m ² (2016) Target: 200,000 m ² (2021)	Baseline: 0 (2016) Target: 3 (2021)	
Data Sources:		
1) ISR and ICR for Metro Colombo Urban Development Project		
2) ISR and ICR for Strategic Cities Development Project		
CPF Objective 3.2— Strengthening climate resilience, natural resources and disaster risk management		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
3.2.1 Number of hectares (ha) benefitted with reduced annual crop losses from weather related events Baseline: 0 ha (2016) Target: 100,000 ha (2020)	3.2.i Percentage of detailed flood mitigation designs to address the impacts of extreme rainfall events completed Baseline: 30% (2015) Target: 100% (2020)	<u>Ongoing</u> Climate Resilience Improvement Project Agriculture Sector Modernization Project Global Facility for Disaster Reduction and Recovery financed TA Sri Lanka Integrated Water Resources Management – Technical Assistance (ASA) Nature-based Landslide Risk Management in Sri Lanka Sri Lanka and Maldives WBG Water Platform (ASA)
3.2.2 Reduction in number of people at risk to weather-related transport interruptions Baseline: 420,000 (2017) Target: 1,500,000 (2020)	3.2.ii Length of roads with transport connectivity ensured against weather related hazards Baseline: 200 kms (2017) Target: 410 kms (2020)	Ecosystem Conservation and Management Project Energy Infrastructure Sector Assessment Program (ASA) IFC investment in renewable energy sector IFC financing for installation and use of renewable energy platforms in private-sector firms KGGTF Renewable Energy Support ASA
3.2.3 Number of school children protected from reduced landslide risks in selected schools Baseline: 0 (2016) Target: 25,000 (2020)	3.2.iii Number of schools protected against landslides Baseline: 0 (2016) Target: 18 (2020)	<u>Proposed</u> Climate Resilience Multi-Phase Programmatic Approach (FY19/FY21)
3.2.4 Areas brought under enhanced biodiversity protection Baseline: 0 ha (2016) Target: 100,000 ha (2021)	3.2.iii Number of monitoring systems established to track the conservation status of protected areas Baseline: 0 (2016) Target: 1 (2021)	

		<p><u>Completed</u></p> <p>Catastrophe Deferred Drawdown Option (Cat DDO)</p> <p>Dam Safety and Water Resource Planning Project</p> <p>Agriculture and Institutional Policy Reform (FY17)</p> <p>Managing Natural Wealth for Resilient Growth and Livelihoods: Unleashing the Pot (ASA, FY17)</p> <p>Power Sector Planning Optimization Study (ASA, FY18)</p> <p>Support to the Implementation of Sri Lanka's Nationally Determined Contributions (ASA, FY18)</p>
<p>Data Sources:</p> <p>1) ISR and ICR for Catastrophe Deferred Drawdown Option, Climate Resilience Improvement Project, Agriculture Modernization Project, Dam Safety and</p> <p>2) ISR of Ecosystem Conservation and Management Project, Water Resource Management Project and Climate Resilience Multi-Phase Programmatic Approach</p>		
<p>CPF Objective 3.3— Enhancing mitigation potential through renewable energy development</p>		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p>3.3.1 Number of Renewable Energy PPP project structures finalized and Request for Proposals (RFP) issued by the GoSL</p> <p>Baseline: 0 (2017)</p> <p>Target: 2 (2021)</p>		<p><u>Ongoing</u></p> <p>IFC investment in renewable energy sector</p> <p>IFC financing for installation and use of renewable energy platforms in private-sector firms</p> <p>KGGTF Renewable Energy Support ASA</p> <p>Energy InfraSAP and related RE& LNG case studies</p> <p><u>Proposed</u></p> <p>IFC Solar and Wind Project (as follow up to InfraSAP; FY19)</p>
<p>Data Sources: IFC PPP AS data</p>		

Annex 2: Summary of Changes to the Original CPF Results Matrix

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
Pillar 1—Improving macro-fiscal stability and competitiveness	Pillar 1—Macro-fiscal stability and competitiveness	To reflect the Pillar as a focus area
CPF Objective 1.1—Improving public finance management	CPF Objective 1.2 - Contributing to improved public finance management	To align with the current program
<p>1.1.1 Two year average variance between projected and actual total revenue (as % of projected) as per the budget and the audited public accounts (respectively)* Baseline: average deviation 2013-14: 18% Target: average deviation 2018-19: 10%</p> <p>1.1.2 Number of audit reports on SOEs incorporated under the Companies Act tabled in Parliament and posted on the official website of the national audit office Baseline: 0 (2016) Target: TBD** (2020)</p> <p>1.1.3 Number of hours taken to pay taxes per year reduced Baseline: 167 (2016) Target: 100 (2020)</p> <p>1.1.i Medium-term PFM strategy adopted Baseline: No (2016) Target: Yes (2018)</p> <p>1.1.ii Public Finance Act (to strengthen preparation, execution, and oversight of the budget, including oversight of SOEs) enacted Baseline: No (2016) Target: Yes (2018)</p>	<p>Replaced by: 1.1.1 Excise tax revenue to GDP ratio Baseline: 1.5 % GDP (2017) Target: 1.8 % GDP (2020)</p> <p>Dropped</p> <p>Dropped</p> <p>Dropped</p> <p>Updated to: 1.1.i Public Finance Act (to strengthen preparation, execution, and oversight of the budget, including oversight of SOEs) approved by the Cabinet Baseline: No (2016) Target: Yes (2019)</p>	<p>The work on the Excise reform and the analytical work will increase the revenue collection in the medium-term.</p> <p>SOE oversight is covered by new indicator 1.1.i.</p> <p>The indicator is dropped and replaced with Doing Business indicator under objective 1.2</p> <p>The indicator is dropped as it is redundant with new indicator 1.1.i</p> <p>The change recognizes that Parliament is independent and the implementation of the CPF is with the Government. Also, the timeline is changed.</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>1.1.iii Debt Management Unit established Baseline: No (2016) Target: Yes (2018)</p> <p>1.1.iv Electronic data collection occurs in pilot districts for the Household Income and Expenditure Survey 2016/17 Baseline: No (2016) Target: Yes (2018)</p>	<p>Replaced by: 1.1.ii A Medium-term Debt Management Strategy covering both external and domestic debt is approved by the MOF and CBSL Baseline: No (2016) Target: Yes (2019)</p> <p>No change</p>	<p>Due to a complex political economy, establishment of the DMU is delayed. However, the government has taken steps to strengthen the debt management function in various ways including formulate a Medium-term Debt Management Strategy.</p>
<p>CPF Objective 1.2— Improving the enabling environment for private investment and trade</p>		
<p>1.2.1 Number of hours taken to process FDI applications reduced Baseline: TBD (2016) depending on sector Target: TBD (2020)</p> <p>1.2.2 Share of women-led, farmer producer organizations and agribusiness partnerships making a profit in selected districts in the lagging regions Baseline: 0% (2016) Target: 50% (2020)</p> <p>1.2.3 Reformulated trade policy adopted Baseline: No (2016) Target: Yes (2019)</p> <p>1.2.4 Revised legal framework governing investment adopted Baseline: No (2016) Target: Yes (2018)</p>	<p>Baseline: 72-116 days (2016) depending on sector Target: 58-93 days (2020)</p> <p>Replaced by: 1.2.2 Private investment mobilized by agriculture SMEs Baseline: 0 (2017) Target: \$100 million (2021)</p> <p>No change</p> <p>Dropped</p>	<p>At the time of the CPF, baseline could not be established due to lack of data. Based on available data, the baseline and the target were formulated, and the unit of measurement was changed to days.</p> <p>The change aims to measure the amount of private sector financing mobilized under the Agriculture Sector Modernization Project (ASMP) from WB and Climate Smart Agriculture/SMEs in Agriculture from IFC. It replaces the indicator 1.2.2, which does not capture the scale of investment that is required to meet the CPF objective</p> <p>The indicator was formulated in a generic manner as there was no indication at the time on the Government’s intentions on specific legal reforms and enabling business environment changes.</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>1.2.i One-stop shop for FDI established Baseline: No (2016) Target: Yes (2018)</p> <p>1.2.ii Number of female clients who adopted improved agriculture technology Baseline: 0 (2016) Target: 3,000 (2020)</p> <p>1.2.iii</p> <p>1.2.iv</p>	<p>No change</p> <p>Replaced by: 1.2.ii Number of matching grants approved under ASMP and financing obtained from participating commercial banks Baseline: 0 (2016) Target: 300 (2021)</p> <p>New indicator: 1.2.iii Adoption of NSW roadmap Baseline: No (2016) Target: Yes (2019)</p> <p>New indicator: 1.2.iv Number of PPP structures finalized and Request for Proposals (RFP) issued by GoSL/NAPPP Baseline: 0 (2016) Target: 3 (2021)</p>	<p>This indicator would measure the amount of funds mobilized by matching grant recipients and is being tracked under ASMP. This would be restricted to recipients of ASMP support.</p> <p>New indicator to reflect ongoing activities on Doing Business.</p> <p>This indicator would measure progress made in developing PPP solutions, which was measured in former Objective 1.3.</p>
<p>CPF Objective 1.3—Scaling up infrastructure through PPP solutions</p>	<p>Dropped</p>	<p>The PLR is limited to PPP development which contributes to Objective 1.2. and is measured by the new indicator 1.2.iv.</p>
<p>1.3.1 Number of PPPs awarded, and relevant contractual documentation signed between GoSL and private party Baseline: 0 (2016) Target: 2 (2021)</p> <p>1.3.i Potential PPP projects identified by GoSL Baseline: 0 (2016) Target: 10 (2017)</p>	<p>Dropped</p> <p>Dropped</p>	<p>Signing would only involve GoSL and private party and without WBG involvement.</p> <p>These two supplementary indicators have been dropped as they are already covered by the new supplementary indicator 1.2.iv.</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>1.3.ii GoSL engagement of PPP Transaction Adviser Baseline: 0 (2016) Target: 4 (2018)</p> <p>1.3.iii PPP structure finalized and Request for Proposals (RFP) issued by the GoSL Baseline: 0 (2016) Target: 3 (2019)</p>	<p>Dropped</p> <p>Updated to 1.2.iv Number of PPP structures finalized and Request for Proposals (RFP) issued by GoSL/NAPPP Baseline: 0 (2016) Target: 3 (2021)</p>	<p>Moved to Objective 1.2.</p>
<p>CPF Objective 1.4— Enhancing financial inclusion and financial sector efficiency</p>	<p>CPF Objective 1.3— Contributing to enhancing financial inclusion and financial sector regulation</p>	<p>To align with the current program</p>
<p>1.4.1 Percentage of MSMEs using the services of a financial institution that is formally regulated Baseline: 17%* (2016) Target: 25% (2020)</p> <p>1.4.2 Increase in number of bank loans with movable assets as collateral Baseline: 6,000 (2016) Target: 35,000 (2020)</p> <p>1.4.3 Online filing & reporting systems developed for the regulators (Insurance Board of Sri Lanka/ Securities and Exchange Commission) Baseline: No (2016) Target: Yes (2020)</p> <p>1.4.4</p>	<p>Replaced by: 1.3.1 CBSL will be the lead consolidated risk- based supervisor and prepare at least 2 reports on identified financial groups Baseline: No (2016) Target: Yes (2021)</p> <p>Replaced by: 1.3.2 National Financial Inclusion Strategy adopted with a focus on gender Baseline: No (2016) Target: Yes (2021)</p> <p>Dropped</p> <p>New indicator: 1.3.3 Provide financial literacy training to at least 2,000 women Baseline: 0 (2017) Target: 2,000 women (2021)</p>	<p>The Secured Transactions Registry (STR) act has been delayed in its adoption by parliament. The three STR-dependent indicators (1.3.1, 1.3.i and 1.3.2) are replaced to re-focus on related financial sector reforms:</p> <ol style="list-style-type: none"> 1) risk-based supervision (1.3.1). 2) modernization of the investment strategy for the pension funds (1.3.i) 3) a financial inclusion strategy (1.3.2). <p>To simplify the results matrix; stronger indicators are measuring progress against this objective.</p> <p>This indicator was included to reflect stronger effort in financial inclusion, especially under the IFC Banking on Women Sri Lanka which began implementation after the start of the CPF</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>1.4.i Secured Transactions Act enacted Baseline: No (2016) Target: Yes (2019)</p> <p>1.4.ii Financial Consumer Protection Act enacted Baseline: No (2016) Target: Yes (2019)</p> <p>1.4.iii Insurance risk-based capital returns first review completed Baseline: No (2016) Target: Yes (2019)</p>	<p>Replaced by: 1.3.i CBSL adopts a diversified investment strategy to provide adequate replacement income for retirees Baseline: No (2016) Target: Yes (2021)</p> <p>Changed to 1.3.ii Financial Consumer Protection Bill approved by the Cabinet Baseline: No (2016) Target: Yes (2019)</p> <p>Dropped</p>	<p>See above</p> <p>The change recognizes that Parliament is independent and the implementation of the CPF is with the Government. Target date was revised to align with ongoing operations.</p> <p>To simplify the results matrix; stronger indicators are measuring progress against this objective.</p>
<p>Pillar 2— Promoting inclusion and opportunities for all</p>	<p>Pillar 2—Inclusion and opportunities for all</p>	<p>To reflect the Pillar as a focus area</p>
<p>CPF Objective 2.1—Strengthening education and training systems</p>		
<p>2.1.1 Total number of trainees enrolled in public and private (technical and vocational) training institutions, along with number of females Baseline: 178,326 (74,595 female) (2015) Target: 185,363 (83,945 female) (2018)</p> <p>2.1.2 Percentage of the Program for School Improvement cycle (for primary and secondary) implemented and completed in all zones Baseline: Implemented in 70% of zones (2015) Target: Completed in 100% of zones (2017 onward)</p>	<p>No change</p> <p>No change</p>	

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>2.1.3 Total number of children enrolled in ECD centers, along with number of females Baseline: 512,620 (253,900 female) (2015) Target: 661,150 (327,400 female) (2020)</p>	Dropped	This indicator is being dropped and replaced by new outcome indicator 2.1.3. to better reflect the CPF focus on improving quality of service delivery.
<p>2.1.4 Total number of ECD centers meeting national quality standards, along with number of centers established for estates Baseline: 1,000 (371 estates) (2015) Target: 3,000 (515 estates) (2020)</p>	Replaced by: 2.1.3 ECD centers upgraded and meeting the national quality standards Baseline: 4,400 (2018) Target: 7,000 (2021)	See above
<p>2.1.5 Total number of students enrolled in science, technology, engineering, and mathematics (STEM) study programs in higher education, along with number of females Baseline: 33,000 (17,000 female) (2015) Target: 56,000 (29,000 female) (2020)</p>	New target: 59,000 (29,500 female) (2021)	Revised target to reflect the extension of the CPF.
<p>2.1.i Number of active registered training institutions (technical and vocational) Baseline: 1,321(2015) Target: 2,481(2018)</p>	Dropped	This indicator is being dropped as it is not attributable to WBG activities.
<p>2.1.ii Content and Language Integrated Learning (CLIL) framework to be developed and established Baseline: CLIL framework for all bilingual schools has been introduced in Grades 7, 11, and 13 in the nine provinces (2015) Target: CLIL framework introduced for secondary education (2018)</p>	No change	

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>2.1.iii Number of STEM study programs in higher education developed or newly introduced Baseline: 0 (2015) Target: 40 (2020)</p> <p>2.1.iv</p> <p>2.1.v</p>	<p>New target: 45 (2021)</p> <p>New indicator: 2.1.iv Number of IFC’s private sector clients & partners working on recruitment, retention and promotion of women Baseline: 0 (2018) Target: Engagements with 3 corporates and peer partnerships with at least 15 (2021)</p> <p>New indicator: 2.1.v Number of new professionally qualified teachers Baseline: 0 (2018) Target: 12,000 (at least 50% of those are female) (2021)</p>	<p>Revised target to reflect the extension of the CPF.</p> <p>This new indicator reflects expected results from the IFC Women’s Employment Project</p> <p>This new indicator reflects the CPF focus on improving quality of education.</p>
<p>CPF Objective 2.2—Improving health and social protection systems to address the challenges of the demographic transition</p>	<p>CPF Objective 2.2—Improving primary health care systems</p>	<p>To align with the current program</p>
<p>2.2.1 Percentage of people (over 40 years of age) screened for selected NCDs (diabetes and hypertension) at healthy lifestyle centers Baseline: 19% (2015) Target: 35% (2020)</p>	<p>Revised the baseline and target 2.2.1 Percentage of people (over 40 years of age) screened for selected NCDs (diabetes and hypertension) at healthy lifestyle centers Baseline: 3% (2012/13) Target: 12% (2017)</p> <p>New Indicator: 2.2.2 Percentage of screened adults with high risk for NCDs who are registered and actively followed-up at primary medical care institutions Baseline: 0 (2018) Target: 20% (2021)</p>	<p>The original outcome indicator, which is directly reported in the Second Health Sector Development Project, will end with 2017 data. In the new Primary Health Care Development Project, information will be collected on percentage of people screened for selected NCDs, but not necessarily only at “heathy lifestyle centers”.</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>2.2.2 Coverage of the poorest 20% by the Welfare Benefit Scheme Baseline: 36% (2016) Target: 50% (2020)</p> <p>2.2.i Percentage of primary health care institutions having one month's buffer stock for 16 selected NCD drugs Baseline: 60% (2016) Target: 70% (2020)</p> <p>2.2.iii Welfare Benefit Scheme beneficiaries qualifying under the revised eligibility criteria Baseline: 50% (2016) Target: 70% (2020)</p>	<p>Dropped</p> <p>Revised the baseline and target 2.2.i Percentage of primary health care institutions having one month's buffer stock for 16 selected NCD drugs Baseline: 2% (2012/2013) Target: 60% (2017)</p> <p>New indicator: 2.2.ii Number of primary medical care institutions that have the required capabilities for providing comprehensive and quality care Baseline: 0 (2018) Target: 350 (2021)</p> <p>Dropped</p>	<p>To align with the current program.</p> <p>Indicator 2.2.i will be split into two supplementary indicators as it will not be continued in the new Primary Healthcare Development Project and will be complemented by an indicator tracking primary medical care institutions that have a full set of inputs necessary for more comprehensive primary health care.</p> <p>To align with the current program.</p>
<p>CPF Objective 2.3—Improving living standards in the lagging areas</p>	<p>Changed to: CPF objective 2.3 – Enhancing inclusive regional development through improved service delivery</p>	<p>Pockets of poverty exist in many regions not just those previously designated as “lagging” (defined originally in the CPF as Northern, Eastern, Uva provinces and estate sector). This broader formulation also recognizes that segments of the population may suffer from lack of access or from poor quality public services regardless of their province.</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>2.3.1 Number of people provided with access to improved water sources (in rural areas and estates), including percentage of females Baseline: 0 (0% female) (2015) Target: 343,900 (% female TBD) (2020)</p>	<p>Target: 343,900 (50% female) (2020)</p>	<p>Target added for female beneficiaries</p>
<p>2.3.2 Number of people provided with access to improved sanitation (in rural areas and estates), including percentage of females Baseline: 0 (0% female) (2015) Target: 129,000 (% female TBD) (2020)</p>	<p>Target: 129,000 (50% female) (2020)</p>	<p>Target added for female beneficiaries</p>
<p>2.3.3 Number of ECD centers established in unserved and underserved areas (includes rural and estate sectors) Baseline: 0 (2015) Target: 150 (2020)</p>	<p>Replaced by: 2.3.3 Number of children enrolled in ECD centers, along with number of females (including estate sector) Baseline: 512,620 (253,900 female) (2015) Target: 661,150 (327,400 female) (2021)</p>	<p>The indicator has been revised to better reflect the CPF focus on expanded access to ECD service</p>
<p>2.3.4 Number of new jobs generated through investments in agriculture SMEs Baseline: 0 (2016) Target: 4,000 (2020)</p>	<p>Revised to: 2.3.4 Number of new jobs generated through investments in agriculture SMEs Baseline: 0 (2016) Target: 4,000 (2020)</p>	<p>Editorial change for more clarity</p>
<p>2.3.i Number of new piped household water connections (in estates) Baseline: 0 (2015) Target: 11,800 (2020)</p>	<p>No change</p>	
<p>2.3.ii Number of people trained in improved hygiene behavior or sanitation practices (in rural areas and estates) Baseline: 0 (2015)</p>	<p>No change</p>	

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>Target: 160,000 (2020)</p> <p>2.3.iii Number of MSME value chain clients reached in lagging regions</p> <p>Baseline: 0 (2016)</p> <p>Target: 2,000 (2020)</p>	<p>Revised to: 2.3.iii Number of MSME value chain clients reached with financial services</p> <p>Baseline: 0 (2016)</p> <p>Target: 2,000 (2021)</p>	<p>The indicator has been revised to better reflect the new geographic coverage.</p>
<p>Pillar 3—Seizing green growth opportunities, improving environmental management, and enhancing adaptation and mitigation potential</p>	<p>Pillar 3—Green growth and resilience</p>	<p>To reflect the Pillar as a focus area</p>
<p>CPF Objective 3.1—Greening urban development</p>	<p>Changed to CPF Objective 3.1—Improving urban livability</p>	<p>To align with the current program</p>
<p>3.1.1 Reduction in square kilometers (km²) under risk of flooding (25-year return period) in the Metro Colombo area</p> <p>Baseline: 5.5 km² (2015)</p> <p>Target: 3 km² (2019)</p> <p>3.1.2 Square miles (m²) of new or rehabilitated urban public spaces in secondary city regions (Kandy, Galle, and Jaffna)</p> <p>Baseline: 0 m² (2016)</p> <p>Target: 250,000 m² (2021)</p> <p>3.1.i Metropolitan Colombo City Development Strategy and Integrated Master Plan delivered and endorsed by the Ministry of Megapolis and Western Province</p> <p>Baseline: No (2015)</p> <p>Target: Yes (2020)</p>	<p>Changed to: 3.1.1 Reduction in square kilometers (km²) under risk of flooding (50-year return period) in the Metro Colombo area</p> <p>Baseline: 5.5 km² (2015)</p> <p>Target: 3 km² (2020)</p> <p>Square miles corrected to square meters and target revised to 200,000 m² (2021)</p> <p>Replaced by: 3.1.i No. of public space/parks upgraded and revitalized in Metro Colombo Area.</p> <p>Baseline: 0 (2015)</p> <p>Target: 3 (2020)</p> <p>Dropped</p>	<p>The 25-year return period should have read 50-year return period in the CPF.</p> <p>The target was revised to reflect actual operations.</p> <p>The indicator on the Master Plan was dropped at the restructuring of the Metro Colombo Urban Development Project (MCUDP). A new indicator is being proposed to better measure achievement of objective 3.1.</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>3.1.ii Asset management system with maintenance program for municipal infrastructure developed and adopted in the Kandy City Region (second city) Baseline: No (2016) Target: Yes (2020)</p> <p>3.1.iii Number of completed strategic plans/studies in public transport and traffic management, drainage, and spatial development Baseline: 0 (2016) Target: 3 (2021)</p>	No change	This indicator is being dropped to simplify the results matrix.
<p>CPF Objective 3.2—Strengthening climate resilience and disaster risk management</p>	<p>Changed to CPF Objective 3.2— Strengthening climate resilience, natural resources and disaster risk management</p>	Natural resources management is being moved from Objective 3.3 to Objective 3.2. as it is more clearly linked to climate resilience and disaster risk management
<p>3.2.1 Number of hectares (ha) benefitted with reduced annual crop losses from weather related events Baseline: 0 ha (2016) Target: 149,000 ha (2019)</p>	Target revised to 100,000 ha and target year revised to 2020	The target was revised to reflect WBG support.
<p>3.2.2 Reduction in number of people at risk to weather-related transport interruptions Baseline: 420,000 (2017) Target: 1,000,000 (2019)</p>	Target revised to 1,500,000 (2020)	The target was revised to reflect WBG support.
<p>3.2.3 Number of government agencies using improved water database for flood forecasting, dam operations, and water allocations Baseline: 0 (2016) Target: 25 (2019)</p>	<p>Dropped New indicator: 3.2.3 Number of school children protected from reduced landslide risks in selected schools Baseline: 0 (2016) Target: 25,000 (2020)</p>	This indicator lacks clarity and is being replaced by a new indicator that better measures progress towards achieving objective 3.2. and reflects WBG support.

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>3.2.i Percentage of detailed flood mitigation designs to address the impacts of extreme rainfall events completed Baseline: 30% (2015) Target: 100% (2019)</p> <p>3.2.ii Length of roads with transport connectivity ensured Baseline: 200 kms (2017) Target: 410 kms (2020)</p> <p>3.2.iii Hydrology and meteorology databases developed and accessible to different users Baseline: No (2016) Target: Yes (2019)</p>	<p>Baseline: 30% (2015) Target: 100% (2020)</p> <p>Revised as: 3.2.ii Length of roads with transport connectivity ensured against weather related hazards Baseline: 200 kms (2017) Target: 410 km (2020)</p> <p>Dropped New indicator: 3.2.iii Number of schools protected against landslides Baseline: 0 (2016) Target: 18 (2020)</p>	<p>Target year has been revised to 2020</p> <p>This indicator was reformulated for better clarity.</p> <p>Additional indicator that better measures progress towards achieving objective 3.2. and reflects WBG support.</p>
<p>CPF Objective 3.3—Enhancing mitigation and adaption potential through renewable energy development and natural resource management</p>	<p>Changed to: CPF Objective 3.3— Enhancing mitigation potential through renewable energy development</p>	<p>Natural resources management is being moved from Objective 3.3 to Objective 3.2. as it is more clearly linked to climate resilience and disaster risk management</p>
<p>3.3.1 Number of people living adjacent to targeted protected areas who receive improved access to income generating activities (includes benefits derived within the protected areas and from unprotected/multiple use ecosystems) of which female (percentage) Baseline: 0 (0% female) (2016) Target: 4,500 (10% female) (2020)</p>	<p>Dropped</p>	<p>Objective 3.2. is better measured by the below indicator 3.3.2.</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
<p>3.3.2 Areas brought under enhanced biodiversity protection Baseline: 0 ha (2016) Target: 100,000 ha (2019)</p>	<p>Baseline: 0 ha (2016) Target: 100,000 ha (2021)</p>	<p>The indicator was moved under revised Objective 3.2 and target year was changed to 2021 to reflect the extension of the CPF.</p>
<p>3.3.3 Metric tons of reduced carbon dioxide (CO2) greenhouse gas emissions) associated with wind development Baseline: 0 tons (2016) Target: 400,000 tons (2020)</p>	<p>Dropped</p>	<p>This indicator is being dropped as it was reflecting support to a wind project which did not move forward.</p>
<p>3.3.1.</p>	<p>New indicator 3.3.1 Number of Renewable Energy PPP project structures finalized and Request for Proposals (RFP) issued by the GoSL Baseline: 0 (2017) Target: 2 (2021)</p>	<p>This indicator is being added to measure achievement of objective 3.3. and reflect IFC support to promote PPPs in the renewables field.</p>
<p>3.3.i Percentage of beneficiaries feeling that their properties and crops have increased protection and livelihoods have been enhanced owing to implementation of community action plans that reflect community preferences and human-elephant co-existence actions Baseline: 0% (2016) Target: 50% (2020)</p>	<p>Dropped</p>	<p>Objective 3.2. is better measured by the below indicator 3.3.ii.</p>
<p>3.3.ii Number of monitoring systems established to track the conservation status of protected areas Baseline: 0 (2016) Target: 1 (2020)</p>	<p>Baseline: 0 (2016) Target: 1 (2021)</p>	<p>The indicator was moved under revised Objective 3.2 and target year was changed to 2021 to reflect the extension of the CPF.</p>

Current CPF Objective/Supplementary Progress Indicators	Proposed Changes to CPF Objective/Supplementary Progress Indicators	Comments on Changes
3.3.iii Wind-generated electricity in gigawatt-hours (GWh) increased Baseline: 0 GWh per year (2016) Target: 324 GWh per year (2019)	Dropped	This indicator is being dropped as it was reflecting support to a wind project which did not move forward.

Annex 3: Progress against Original Results Framework

Pillar 1—Improving macro-fiscal stability and competitiveness	
CPF Objective 1.1—Improving public finance management	
CPF Objective Indicators	Supplementary Progress Indicators
<p>1.1.1 Two year average variance between projected and actual total revenue (as % of projected) as per the budget and the audited public accounts (respectively)* Baseline: average deviation 2013-14: 18 percent Target: average deviation 2018-19: 10 percent Achieved Ratio is 8.2 as of 2016/2017</p> <p>1.1.2 Number of audit reports on SOEs incorporated under the Companies Act tabled in Parliament and posted on the official website of the national audit office Baseline: 0 (2016) Target: TBD** (2020) Data not available Target was not provided but is established during PLR. Legal framework for oversight and accountability mechanisms of State-Owned Enterprises has been developed.</p> <p>1.1.3 Number of hours taken to pay taxes per year reduced Baseline: 167 (2016) Target: 100 (2020) Data not available Time reduced to 129 hours by 2019. The use of RAMIS for on-line filing/payment of CIT, VAT and ETF have all contributed to the reduction.</p>	<p>1.1.i Medium-term PFM strategy adopted Baseline: No (2016) Target: Yes (2018) Achieved The preparation of the PFM strategy informed the development of a modern Public Finance Bill, which has been sent to Cabinet for approval.</p> <p>1.1.ii Public Finance Act (to strengthen preparation, execution, and oversight of the budget, including oversight of SOEs) enacted Baseline: No (2016) Target: Yes (2018) Off track</p> <p>1.1.iii Debt Management Unit established Baseline: No (2016) Target: Yes (2018) Off track Due to a complex political economy the establishment of the DMU is delayed. Instead, the debt management reform agenda has been strengthened through the introduction of the Liability Management Act, a new external debt management and the recently prepared MTDS with the support of WB and IMF. Those constitute a full set of basic building blocks for debt management, with the short-coming that they are not integrated.</p> <p>1.1.iv Electronic data collection occurs in pilot districts for the Household Income and Expenditure Survey 2016/17 Baseline: No (2016) Target: Yes (2018) Achieved This result was achieved in November 2016, as electronic data collection was piloted for 32 households. The system that was piloted is ready to be rolled out for the 2019 household income and expenditure survey.</p>

* Due to the number of revenue deviations, the average of 2 years is taken. Total revenue consists of tax and non-tax revenue, excluding grants	
**Values to be identified after PFM law enacted and PFM strategy issued.	
CPF Objective 1.2— Improving the enabling environment for private investment and trade	
CPF Objective Indicators	Supplementary Progress Indicators
<p>1.2.1 Number of hours taken to process FDI applications reduced Baseline: TBD* (2016) Target: TBD* (2020) Data not available – no baseline / target</p> <p>1.2.2 Share of women-led, farmer producer organizations and agribusiness partnerships making a profit in selected districts in the lagging regions Baseline: 0% (2016) Target: 50% (2020) Data not available – data not yet available</p> <p>1.2.3 Reformulated trade policy adopted Baseline: No (2016) Target: Yes (2019) Achieved New National Trade Policy approved by cabinet in Aug. 2017.</p> <p>1.2.4 Revised legal framework governing investment adopted Baseline: No (2016) Target: Yes (2018) Data not available</p>	<p>1.2.i One-stop shop (OSS) for FDI established Baseline: No (2016) Target: Yes (2018) Achieved. OSS established – achieved as of Sep 2017.</p> <p>1.2.ii Number of female clients who adopted improved agriculture technology Baseline: 0 (2016) Target: 3,000 (2020) Data not available – data not yet available</p>
*The establishment of the one-stop shop is required to compute the reduction in time taken for application processing.	
CPF Objective 1.3— Scaling up infrastructure through PPP solutions	
CPF Objective Indicators	Supplementary Progress Indicators
<p>1.3.1 Number of PPPs awarded and relevant contractual documentation signed between GoSL and private party Baseline: 0 (2016) Target: 2 (2020) On track 1 RFP issued (Bulk Water)</p>	<p>1.3.i Potential PPP projects identified by GoSL Baseline: 0 (2016) Target: 10 (2017) Achieved At least 10 PPP projects identified based on publicly available info, e.g., http://www.infrappworld.com/pipeline-html/projects-in-sri-lanka</p>

	<p>1.3.ii GoSL engagement of PPP Transaction Adviser Baseline: 0 (2016) Target: 4 (2018) Achieved 5 transactions in which government has appointed adviser (1 Bulk Water PPP, 1 renewable energy (solar and wind), 3 solid waste management)</p> <p>1.3.iii PPP structure finalized and Request for Proposals (RFP) issued by the GoSL Baseline: 0 (2016) Target: 3 (2019) On track Achievement: 1 RFP issued (bulk water PPP).</p>
CPF Objective 1.4— Enhancing financial inclusion and financial sector efficiency	
CPF Objective Indicators	Supplementary Progress Indicators
<p>1.4.1 Percentage of MSMEs using the services of a financial institution that is formally regulated Baseline: 17%* (2016) Target: 25% (2020) Data not available Actual current value will be reported once Findex 2018 data is made available for public</p> <p>1.4.2 Increase in number of bank loans with movable assets as collateral Baseline: 6,000 (2016) Target: 35,000 (2020) Off track This depends on the enactment of Secured Transaction Act law. Baseline of 6,000 was given without the enforceable Secured Transaction Act in place. The target is given assuming once the Act is enacted and enforceable. The law has not been passed and movable collateral registry is yet to be established.</p> <p>1.4.3 Online filing & reporting systems developed for the regulator (Insurance Board of Sri Lanka/ Securities and Exchange Commission) Baseline: No (2016) Target: Yes (2020)</p>	<p>1.4.i Secured Transactions Act enacted Baseline: No (2016) Target: Yes (2019) Off track</p> <p>1.4.ii Financial Consumer Protection Act enacted Baseline: No (2016) Target: Yes (2019) On track Expected by 2019</p> <p>1.4.iii Insurance risk-based capital returns first review completed Baseline: No (2016) Target: Yes (2019) Achieved Review was completed in 2018</p>

<p>On track Currently, both regulators Insurance commission of Sri Lanka and SEC do not have online reporting systems. Since both these systems are planned, the SEC one may be in place by early 2019 and Insurance system by early 2020.</p>	
<p>*Value represents borrowing from a formal financial institution. Source: FINDEX (2016)</p>	
<p>Pillar 2—Promoting inclusion and opportunities for all</p>	
<p>CPF Objective 2.1—Strengthening education and training systems</p>	
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Indicators</p>
<p>2.1.1 Total number of trainees enrolled in public and private (technical and vocational) training institutions, along with number of females Baseline: 178,326 (74,595 female) (2015) Target: 185,363 (83,945 female) (2018) Achieved Progress in 2016: 188,764 (77,629 female)</p> <p>2.1.2 Percentage of the Program for School Improvement cycle (for primary and secondary) implemented and completed in all zones Baseline: Implemented in 70% of zones (2015) Target: Completed in 100% of zones (2017 onward) Achieved The PSI program has been completed in 100% of education zones</p> <p>2.1.3 Total number of children enrolled in ECD centers, along with number of females Baseline: 512,620 (253,900 female) (2015) Target: 661,150 (327,400 female) (2020) On track As of April 2018, total number of children enrolled in ECD centers is 578,160 (Girls: 289,080).</p> <p>2.1.4 Total number of ECD centers meeting national quality standards, along with number of centers established for estates Baseline: 1,000 (371 estates) (2015) Target: 3,000 (515 estates) (2020) Off track Currently 2,378. However, it is unlikely to achieve the target by 2020.</p>	<p>2.1.i Number of active registered training institutions (technical and vocational) Baseline: 1,321(2015) Target: 2,481(2018) Off track. The indicator is not attributable to WBG activities. The number of registered training institutions went down to 819 in 2017.</p> <p>2.1.ii Content and Language Integrated Learning (CLIL) framework to be developed and established Baseline: CLIL framework for all bilingual schools has been introduced in Grades 7, 11, and 13 in the nine provinces (2015) Target: CLIL framework introduced for secondary education (2018) Achieved The CLIL framework has been introduced for grades 6-11 (all secondary education grades) in all nine provinces.</p> <p>2.1.iii Number of STEM study programs in higher education developed or newly introduced Baseline: 0 (2015) Target: 40 (2020) On Track 26 STEM Faculties are currently being developed with AHEAD assistance.</p>

<p>2.1.5 Total number of students enrolled in science, technology, engineering, and mathematics (STEM) study programs in higher education, along with number of females Baseline: 33,000 (17,000 female) (2015) Target: 56,000 (29,000 female) (2020) On Track About 47,900 students are enrolled in STEM faculties. Approximately 23,500 of these students are female.</p>	
<p>CPF Objective 2.2—Improving health and social protection systems to address the challenges of the demographic transition</p>	
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Indicators</p>
<p>2.2.1 Percentage of people (over 40 years of age) screened for selected NCDs (diabetes and hypertension) at healthy lifestyle centers Baseline: 19% (2015) Target: 35% (2020) On Track 22.8% (2016) 27% (2017)</p> <p>2.2.2 Coverage of the poorest 20% by the Welfare Benefit Scheme Baseline: 36% (2016) Target: 50% (2020) Data not available Indicator is measured by household surveys that happen every 3 years. The latest data are from 2016.</p>	<p>2.2.i Percentage of primary health care institutions having one month’s buffer stock for 16 selected NCD drugs Baseline: 60% (2015) Target: 70% (2020) On Track 74.4% (2016) 81.2% (2017)</p> <p>2.2.ii Welfare Benefit Scheme beneficiaries qualifying under the revised eligibility criteria Baseline: 50% (2016) Target: 70% (2020) Data not available Indicator is measured by household surveys that happen every 3 years. The latest data are from 2016.</p>
<p>CPF Objective 2.3—Improving living standards in the lagging areas</p>	
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Indicators</p>
<p>2.3.1 Number of people provided with access to improved water sources (in rural areas and estates), including percentage of females Baseline: 0 (0% female) (2015) Target: 343,900 (% female TBD) (2020) On track While 7,078 people (50.36% female) got access till Jan 2018, with current progress it is forecasted that 81,939; 337,722; and 563,290 people will get access by end of 2018, 2019 and 2020 respectively.</p>	<p>2.3.i Number of new piped household water connections (in estates) Baseline: 4,000 (2015) Target: 11,800 (2020) On track Baseline should be corrected to 0 (2015). It is forecasted that 1,562; 4,968; and 9,996 connections will be made by the end of 2018, 2019 and 2020 respectively with the current progress.</p>

<p>2.3.2 Number of people provided with access to improved sanitation (in rural areas and estates), including percentage of females Baseline: 0 (0% female) (2015) Target: 129,000 (% female TBD) (2020) Off track 21,356 people (50% female) got access till November 2018. Key issues affecting the achievement of sanitation targets include increased construction costs and constraints experienced by some beneficiary groups to construct their own toilets.</p> <p>2.3.3 Number of ECD centers established in unserved and underserved areas (includes rural and estate sectors) Baseline: 0 (2015) Target: 150 (2020) On track 62 (as of April 2018)</p> <p>2.3.4 Number of new jobs generated through investments in agriculture SMEs Baseline: 0 (2016) Target: 4,000 (2020) Data not available</p>	<p>2.3.ii Number of people trained in improved hygiene behavior or sanitation practices (in rural areas and estates) Baseline: 0 (2015) Target: 160,000 (2020) Data not available</p> <p>2.3.iii Number of MSME value chain clients reached in lagging regions Baseline: 0 (2016) Target: 2,000 (2020) Data not available</p>
Pillar 3—Seizing green growth opportunities, improving environmental management, and enhancing adaptation and mitigation potential	
CPF Objective 3.1—Greening urban development	
CPF Objective Indicators	Supplementary Progress Indicators
<p>3.1.1 Reduction in square kilometers (km²) under risk of flooding (25-year return period) in the Metro Colombo area Baseline: 5.5 km² (2015) Target: 3 km² (2019) Off track There are implementation delays and this indicator can be achieved only by 2020. Major interventions directly contributing to enhance outflow capacity and thereby reducing the flood extent are Pumping stations, Tunnels and Kolonnawa diversion and part completion of them cannot reduce the flood extent.</p>	<p>3.1.i Metropolitan Colombo City Development Strategy and Integrated Master Plan delivered and endorsed by the Ministry of Megapolis and Western Province Baseline: No (2015) Target: Yes (2019) Off track The activity was dropped</p>

<p>3.1.2 Square miles (m2) of new or rehabilitated urban public spaces in secondary city regions (Kandy, Galle, and Jaffna) Baseline: 0 m2 (2016) Target: 250,000 m2 (2020) Off track There are implementation delays; so far only 6,200 m2 are under rehabilitation.</p>	<p>3.1.ii Asset management system with maintenance program for municipal infrastructure developed and adopted in the Kandy City Region (second city) Baseline: No (2016) Target: Yes (2020) On track Asset management has been done for equipment and is being done for the infrastructure.</p> <p>3.1.iii Number of completed strategic plans/studies in public transport and traffic management, drainage, and spatial development Baseline: 0 (2016) Target: 3 (2020) On track Completed: Kandy: Public Transport and Traffic Management Plan - Condition Survey of Drainage Tunnel Network in Kandy - Hydraulic Modeling of Moda Ela & Upstream of Kandy Lake Jaffna: Public Transport Management Plan</p>
CPF Objective 3.2—Strengthening climate resilience and disaster risk management	
CPF Objective Indicators	Supplementary Progress Indicators
<p>3.2.1 Number of hectares (ha) benefitted with reduced annual crop losses from weather related events Baseline: 0 ha (2016) Target: 149,000 ha (2019) On track 47,000 ha (at the end of June 2018) All the contracts have been awarded and work is progressing satisfactorily.</p> <p>3.2.2 Reduction in number of people at risk to weather-related transport interruptions Baseline: 0 (2016) Target: 1,000,000 (2019) On track 750,000 (at the end of June 2018) All the contracts are awarded and work is ongoing.</p>	<p>3.2.i Percentage of detailed flood mitigation designs to address the impacts of extreme rainfall events completed Baseline: 30% (2015) Target: 100% (2019) Achieved 100% (2017) All the designs were completed in early 2017 and the designs of key investments were reviewed for climate resilience.</p> <p>3.2.ii Length of roads with transport connectivity ensured Baseline: 0 kms (2016) Target: 410 kms (2020) On track 200 kms (2017) All the contracts are awarded and work is ongoing.</p>

<p>3.2.3 Number of government agencies using improved water database for flood forecasting, dam operations, and water allocations Baseline: 0 (2016) Target: 25 (2019) Data not available This indicator lacks clarity and could not be measured.</p>	<p>3.2.iii Hydrology and meteorology databases developed and accessible to different users Baseline: No (2016) Target: Yes (2019) Achieved Web Portal has been set up and started to function to monitor HMIS data. Implementing agencies (Irrigation Department, Mahaweli Authority of Sri Lanka, Ceylon Electricity Board, Northern Provincial Council) can access the portal.</p>
CPF Objective 3.3—Enhancing mitigation and adaption potential through renewable energy development and natural resource management	
CPF Objective Indicators	Supplementary Progress Indicators
<p>3.3.1 Number of people living adjacent to targeted protected areas who receive improved access to income generating activities (includes benefits derived within the protected areas and from unprotected/multiple use ecosystems) of which female (percentage) Baseline: 0 (0% female) (2016) Target: 4,500 (10% female) (2020) Data not available</p> <p>3.3.2 Areas brought under enhanced biodiversity protection Baseline: 0 ha (2016) Target: 100,000 ha (2019) On track As of June 2018, 191,128 ha.</p> <p>3.3.3 Metric tons of reduced carbon dioxide (CO2) greenhouse gas emissions) associated with wind development Baseline: 0 tons (2016) Target: 400,000 tons (2020) * Off track Wind project dropped</p>	<p>3.3.i Percentage of beneficiaries feeling that their properties and crops have increased protection and livelihoods have been enhanced owing to implementation of community action plans that reflect community preferences and human-elephant co-existence actions Baseline: 0% (2016) Target: 50% (2020) Data not available The first perception survey is planned by mid-2019.</p> <p>3.3.ii Number of monitoring systems established to track the conservation status of protected areas Baseline: 0 (2016) Target: 1 (2020) Achieved SMART system is in place as of June 1, 2018.</p> <p>3.3.iii Wind-generated electricity in gigawatt-hours (GWh) increased Baseline: 0 GWh per year (2016) Target: 324 GWh per year (2019) Off track Wind project dropped</p>
<p>*Approximately 4.6 million tons of CO2 reduction over the 20-year life cycle of the first 100-MW wind project (20192038), and 18.4 million tons of CO2 reductions through subsequent 400-MW wind development (2020–2039) will occur.</p>	

Annex 4 - World Bank Tentative Lending Program for Fiscal Years 2017–21

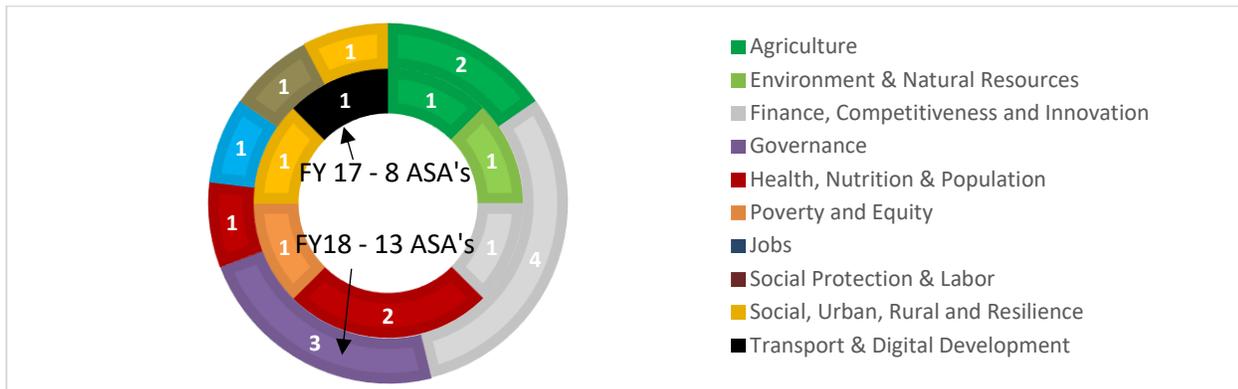
PROJECT	IDA Value ⁸ (US\$ Mn)	IBRD Value (US\$ Mn)	Trust Fund Value (US\$ Mn)
FY 17 (approved)			
DPF	100.00		
Accelerating Higher Education Expansion and Development Operation	33.00	67.00	
Sri Lanka Financial Sector Modernization Project	75.00		
Social Safety Nets Project	75.00		
Total	283.00	67.00	0.00
FY 18 (approved)			
General Education Modernization Project	100.00		
Sri Lanka: Primary Health Care System Strengthening Project		200.00	
Total	100.00	200.00	0.00
FY 19 (approved/tentative)			
Framework Development and Infrastructure Financing to Support Public Private Partnerships (approved)		25.00	
Climate Smart Irrigated Agriculture Project (approved)	125.00		
Local Development Support Project	70.00		
Climate Resilience Multi-Phase Programmatic Approach – Phase 1		310.00	
Ecosystem Conservation and Management Project - Additional Financing			22.55
Sri Lanka Water Resources Management Program (WARM-P)		170.00	
Anticipated total	195.00	505.00	22.55
FY 20/21 (tentative)			
Elder Care Improvement Project	72.00	28.00	
Early childhood Development- Additional Financing	50.00		
Public Sector Efficiency Project		50.00	
Sri Lanka Sustainable Tourism Development Project		75.00	
Sri Lanka Logistics Project		200.00	
Water Supply Additional Financing		100.00	
Sanitation Project		100.00	
Urban Efficiency Transport Project		200.00	
Provincial Roads Development Project		100.00	
Climate Resilience Multi-Phase Programmatic Approach – Phase 2		169.00	
Anticipated total	122.00	1,022.00	0.00

⁸ IDA Transitional for FY18-20

Annex 5 – WB Advisory Services and Analytics - Analysis

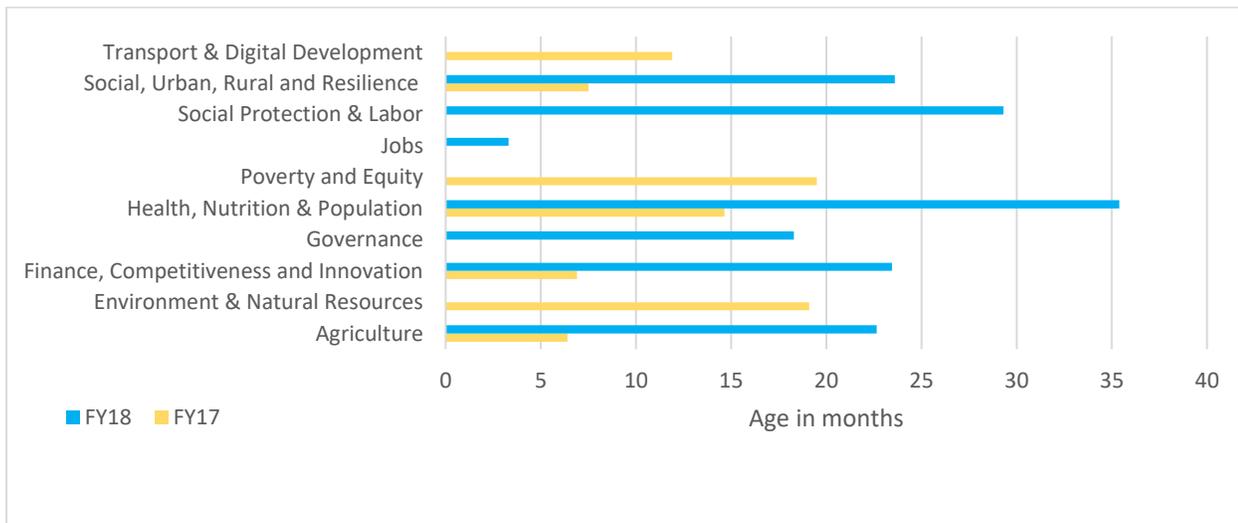
1) **During FY17 and FY18 ASAs have contributed to evidence-based policies, pipeline development, knowledge transfer, and implementation support.** Eight ASAs were delivered in FY17 while thirteen were delivered in FY18. The eight ASAs delivered in FY17 were spread across 7 global practices while the thirteen ASAs delivered in FY18 were spread across 7 global practices (see Figure 1). Three ASAs in FY17 and four in FY18 were technical assistance. Three in FY17 and 5 in in FY18 carried out a diagnostic and made policy recommendations. A further 5 ASAs were diagnostic pieces (two just in time urgent diagnostics were also carried out on Government request but are not reflected as part of the overall ASAs carried out by GPs). Eight ASAs (two in FY17 and 6 in FY18) have directly contributed to project preparation.

Figure 1: ASA’s by Global Practice



2) **On average ASAs in FY17 and FY18 took 18.4 months to complete.** The average number of months to complete ASAs increased from approximately 13 months in FY17 to 22 months in FY18. In FY18 there was 5 ASAs that took longer than 24 months to complete. Across all GP’s (with ASAs in the Sri-Lanka Portfolio), ASAs in FY18 took considerably longer to complete than in FY17 (see Figure 3 below). IN FY 17 100% of ASA’s were delivered in Q4 while in FY18 this reduced to 70%.

Figure 3: ASA delivery time



3) **The ASA portfolio delivered/ongoing in FY19 will cover macro, energy, transport, nutrition and human capital.** It includes in particular two flagship InfraSAPs that seek to inform government policy and pipeline development in urban transport and energy.

Table 1: Updated Key ASA Activities (Completed, Ongoing & Indicative) for the PLR of the CPF, FY17-20

ASA Task	Pillar 1 Improving Macro Fiscal Stability and Competitiveness	Pillar 2 Promoting Inclusion and Opportunities for all	Pillar 3 Seizing Green Growth Opportunities, Improving Environmental Management, and Enhancing Adaptation & Mitigation Potential
FY17 (Completed)			
Health Sector Programmatic Review		✓	
Estate Sector Nutrition Communication		✓	
Managing Natural Wealth for Resilient Growth and Livelihoods: Unleashing the Potential of the Blue Economy			✓
Poverty Monitoring and Analysis	✓	✓	
Gender and Citizen Engagement Platform	✓	✓	✓
Country readiness for PPPs	✓		✓
Government Bond Market Auction Rules	✓		
Agriculture and Institutional Policy Reform	✓	✓	
FY18 (Completed)			
Sri Lanka Tourism Competitiveness	✓		
Sri Lanka: Strengthening Public Financial Management and Corporate Financial Reporting	✓		
Non-communicable disease burden in the Western Province, Sri Lanka		✓	
Supporting Right to Information in Sri Lanka	✓		
Sri Lanka Financial Sector Development	✓		
Strategic Social Assessment of Conflict Affected North & East Region		✓	
Plantation Sector Engagement	✓	✓	✓
eProcurement Development Support to the Government of Sri Lanka	✓		
Sri Lanka: Strengthening Social Protection Systems TA		✓	
Sri Lanka Business Environment Reform	✓		
Sri Lanka Investment Policy Reform	✓		
Perspectives on Sri Lanka's Labor Market	✓	✓	
Support to the Implementation of Sri Lanka's Nationally Determined Contributions			✓

ASA Task	Pillar 1 Improving Macro Fiscal Stability and Competitiveness	Pillar 2 Promoting Inclusion and Opportunities for all	Pillar 3 Seizing Green Growth Opportunities, Improving Environmental Management, and Enhancing Adaptation & Mitigation Potential
FY19 (Indicative/Ongoing)			
Energy Infrastructure Sector Assessment Program	✓		✓
Infrastructure Sector Assessment Program (InfraSAP) for Urban Transport in Sri Lanka	✓		✓
Nutrition Positive Deviance Analysis		✓	
Sri Lanka Human Capital Development Report		✓	
Power Sector Optimization & Enhancement	✓		✓
FY20 (Indicative)			
Support for dialogue around Sri Lanka's key labor market challenges		✓	
PER for Nutrition in Sri Lanka		✓	
Sri Lanka Country Economic Memorandum	✓		
Sri Lanka Public Expenditure Review	✓		
Adaptive Social Protection Systems		✓	

Annex 6 – IFC Program

Annex 6. IFC Investments and Advisory Services

Committed and Disbursed Outstanding Investment Portfolio

As of 9/30/2018
(in USD Millions)

Commitment Fiscal Year	Institution Short Name	Committed						Disbursed Outstanding					
		LN Cmtd - IFC	ET Cmtd - IFC	QL + QE Cmtd - IFC	GT Cmtd - IFC	RM Cmtd - IFC	Participant	LN Out - IFC	ET Out - IFC	QL + QE Out - IFC	GT Out - IFC	RM Out - IFC	Participant
2009	CBCSL	0	0	0	0.09	0	0	0	0	0	0.09	0	0
2009/2010/2013/2018/ 2014/2017/2011/2016/ 2008/2012	NTB SriLanka	44.44	0	0	0	0	0	44.44	0	0	0	0	0
2009/2010/2013/2018/ 2014/2017/2019/2007/ 2011/2015/2016/2012	NDB Sri Lanka	28.08	0	0	2.00	0.16	0	28.08	0	0	2.00	0.16	0
2009/2010/2013/2018/ 2017/2014/2019/2007/ 2011/2003/2004/2015/ 2016/2008/2012	CBC	106.50	11.10	0	13.67	1.30	0	106.50	11.10	0	13.67	0.23	0
2011	Senok WindEnergy	0	1.61	0	0	0	0	0	1.61	0	0	0	0
2013	NDB	12.00	0	0	0	0	0	12.00	0	0	0	0	0
2014	MAS Capital	11.94	0	0	0	0	0	11.94	0	0	0	0	0
2015	Cargills Foods	0	19.26	0	0	0	0	0	19.26	0	0	0	0
2015	Emerald SriLanka	0	8.50	0	0	0	0	0	2.96	0	0	0	0
2016	RP Distributors	7.50	0	0	0	0	0	7.50	0	0	0	0	0
2018	Agrex Dubai	0	24.50	0	0	0	0	0	0	0	0	0	0
2018	Alliance Finance	7.81	0	0	0	0.10	0	2.81	0	0	0	0.06	0
2018	Central Finance	11.22	0	0	0	0.15	0	11.22	0	0	0	0.09	0
2018	Fairway Waste Management	0	0	6.70	0	0	0	0	0	0	0	0	0
2018	Melwa Hotels	27.00	0	0	0	0	0	0	0	0	0	0	0
2018	PickMe	0	2.44	0	0	0	0	0	2.44	0	0	0	0
2018/2014	Senkadagala Fina	14.53	0	0	0	0	0	14.53	0	0	0	0	0
2018/2017/2012	SANASA Development Bank PLC	13.78	4.12	0	0	0	0	13.78	4.12	0	0	0	0
2018/2017/2016	Sampath Bank	0	0	0	5.00	0	0	0	0	0	5.00	0	0
Total Portfolio		284.80	71.52	6.70	20.76	1.71	0	252.80	41.49	0	20.76	0.53	0

IFC Advisory Services: FY17-19

Project Name	Project Description	Status	Expected End Date
Financial Institutions Group			
SME Banking Sri Lanka	The objective of the project is to work with partner FIs to expand access to finance focusing mainly Micro and SME segments in Sri Lanka. The project will work with at least two PFIs to improve their SME reach through specific engagements through various initiatives ranging from bank wide transformation advisory to specific engagements. Currently, the project is working with two Banks on bank transformation and climate finance.	Active Portfolio	June 30, 2019
Sustainable Economic Development – post conflict Sri Lanka	The goal of this project was to facilitate inclusive growth by integrating post-conflict districts in North and East Sri Lanka with the rest of the country and support development in other districts. The project had facilitated incremental revenue for clients; by reducing constraints in the agricultural value chain and in sectors dominated by MSMEs; by supporting tourism destination development and promoting investment generation.	Completed	May 31, 2018
Sanasa Development Bank Advisory Services Project (SDBL)	The project intends to provide advisory services assistance to SDBL to sustainably transform itself into an MSME bank from its current microfinance business. This will also help the bank to meet the new capital adequacy requirement and to substantially grow its assets as prescribed by the Central Bank of Sri Lanka. This will involve building significant internal capacity, fine tuning the strategy and re-engineering the business model.	Active Portfolio	Dec 31, 2019
SANASA Insurance Company Limited (SICL) SME Insurance	The overall objective of the project is to support SICL to develop a life / health insurance product targeting employees and employers in the SME space. In addition, the project will also support SICL in developing insurance product(s) to insure the risks faced by SMEs including property insurance, business interruption, keyman insurance etc. IFC will assist SICL scale up its product offering by designing customized insurance products targeting the specific requirements of the SME segment at affordable premiums and design and introduce an efficient distribution channel for sales and claim settlements. The project also seeks to enhance Insurance awareness among the target community.	Active Portfolio	Dec 31, 2018
Tokyo Cement Retailer Development	IFC at the request of Tokyo Cement had partnered with the firm to build the capacity of their retailers to improve business skills such as inventory control, planning, customer care and financial management. This in turn would assist them in increasing their sales revenue, simultaneously increasing the company revenue, which would help sustain and strengthen existing jobs.	Completed	Mar 31, 2018
JKH Cinnamon Hotels Tourism & SME	The objective of the project was to develop tourism in the post-conflict areas of Sri Lanka by engaging in activities such as Marketing, Promotion and Awareness Raising Events, New Product Development Support and Skills Development.	Completed	Apr 30, 2017
Equitable Growth, Finance and Institutions (EFI)			
Secured Transaction Registry Sri Lanka	The objective of the project is to increase access to credit for businesses in Sri Lanka where IFC would: 1) assist in drafting the amendments of the STR Act, 2) assist in modifying the secured transactions registry in line with the amended Act.	Active Portfolio	Jun 30, 2018

Improving Access to Finance with Focus on Women in Sri Lanka	The objective of the project is to empower Sri Lankan women by contributing to improved opportunities for access to finance (a2f) for at least 30,000 females (age 15+). The project aims to achieve this through a cascade approach (a) MACRO level policy advocacy for the financial sector (such as via development of a National Financial Inclusion Strategy, promoting financial consumer protection (FCP)), with a clear vision & commitment to gender equality; (b) MESO level interventions to improve understanding & commitment of providers of finance to be more sensitive to the unique needs of women, and (c) MICRO level interventions to ensure last mile delivery of financial capability.	Active Portfolio	Jun 30, 2021
Agri Finance Sectoral SL	At the request of the Ministry of Agriculture (MoA) and the Insurance Regulator (Insurance Board of Sri Lanka), the project will work with relevant public and private sector partners to develop the Agriculture Insurance Sector in Sri Lanka.	Active Portfolio	Dec 31, 2020
Public Private Partnership-Cross Cutting Advisory			
Sri Lanka Solar	The project aims to assist the Ministry of Power and Renewable Energy (MoPRE) to facilitate development of solar power, to structure and implement 50 MW Solar power projects through private sector participation via PPP mode.	Active Portfolio	Dec 31, 2019
Sri Lanka Water	The project aims to assist National Water Supply and Drainage Board, (NWSDB) to facilitate development of capacity for 180 MLD treated water by structuring and implementing the raw water intake, raw water transmission, water treatment and treated water storage infrastructure through private sector participation via PPP mode.	Active Portfolio	Mar 31, 2019
Environment, Social and Governance			
Corporate Governance Project for Women in Sri Lanka	The objective of the project is to increase the participation of women on board and in senior management in Sri Lanka through promoting the adoption of corporate governance best practices and standards which would further enhance the ability of firms and markets to improve performance and attract and retain investment.	Active Portfolio	Jun 30, 2022
Economics & Private Sector Development			
Supporting Clients to Strengthen Results Measurement	The objective of the project is to develop and deliver a Results Measurement (RM) offering for Dialog, to help the company improve business planning and performance. Further, the project shared knowledge with the wider telecom community drawing from the Dialog experience and helped assess the viability of an IFC offering in Results Measurement.	Completed	Dec 31, 2016