CASE STUDY: SRI LANKA

AID FOR TRADE EXPERT DIALOGUE

BANGKOK, 18th Nov. 2013
Outline

1. Preparation Stage
2. Implementation Stage
3. Preliminary Results
4. Verdict
I. Preparation stage

Research Team

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I. Preparation stage

1. Literature Review
   - Performance Reviews
   - Foreign Aid Reviews
   - Logical Frameworks
   - Budgets
   - OECD QWIDS Database
   - Environmental Monitoring Reports
   - Debt Statistics
1. Preparation stage

**Stakeholder Mapping**

- **Delegation of the European Union**
  - Joint Apparel Association Forum
  - Export Manufacturing Firms
  - Ceylon Chamber of Commerce
  - Department of Commerce
  - Attendees of Workshops and Trainings
- **Asian Development Bank**
  - Sri Lanka Ports Authority
  - Export Manufacturing Firms
  - Logistics Providers
  - Department of External Resources
2. Implementation stage

Overview of AfT in Sri Lanka

Figure 1: Aid-for-Trade Flows into Sri Lanka, 2006 – 2011

2. Implementation stage

Overview of AfT in Sri Lanka

Figure 2: Contribution of Top AfT Donors (2008-09 average)

2. Implementation stage

Project Selection: Average Scores

- Colombo Port Expansion Project (ADB): 86%
- Sri Lanka Trade Development Project (EU): 77%
- Sri Lanka Port Management and Maritime Safety Training (KOICA): 76%
- SME Regional Development Project (ADB): 71%
- Increased Competitiveness in the Global Marketplace (USAID): 63%
- Trade Negotiation Workshop in Agriculture (FAO): 40%
- Small and Micro Industries Promotion Project (JBIC): 34%

Source: Authors’ own calculations based on evaluation criteria given in Adhikari and Bajracharya (2013).
2. Implementation stage

Project Selection: Sri Lanka Trade Development Project

Avg. Score: 77%
2. Implementation stage

Project Selection: Colombo Port Expansion Project

Score: 86%
2. Implementation stage

Data Gathering Method

Qualitative Approach

- Face-to-face Interviews
- Phone Interviews
- Email Questionnaires
3. Preliminary Results

Five Pillars of Evaluation

- Relevance
- Efficiency
- Effectiveness
- Impact
- Sustainability
3. Preliminary Results

PROJECT 1:

SRI LANKA TRADE DEVELOPMENT PROJECT
3. Preliminary Results

Sri Lanka Trade Development Project

- Strengthen Capacity for WTO Negotiations
- Increase Export Potential in Garments and Gems & Jewelry Sectors
3. Preliminary Results

Sri Lanka Trade Development Project

Relevance

- Stimulating trade and investment flows
- Integrating into the world economy
- Strengthening institutional capacity
3. Preliminary Results

Sri Lanka Trade Development Project

Efficiency

- Consultations with stakeholders
- Needs assessment analysis
- Monitoring visits
3. Preliminary Results

Sri Lanka Trade Development Project

Effectiveness

Capacity enhanced in DOC, CCC, and EDB

Training of 50 national WTO experts
3. Preliminary Results

Sri Lanka Trade Development Project

Figure 3: Sri Lanka’s Exports, 2005-2012

Source: Central Bank of Sri Lanka, Annual Report, Various Issues
3. Preliminary Results

Sri Lanka Trade Development Project

Figure 4: FDI Inflows to Sri Lanka, 2005-2012

Source: Board of Investment of Sri Lanka, 2013
3. Preliminary Results

Sri Lanka Trade Development Project

**Impact**

- Increased competence in WTO negotiations
- Significant knowledge and experience gained
- Minimal negative impact on social environment
3. Preliminary Results

Sri Lanka Trade Development Project

Sustainability

Lack of institutional memory

Need to redevelop WIC
3. Preliminary Results

Sri Lanka Trade Development Project

Verdict

- Regular monitoring
- Strengthened institutional capacity
- Problem of sustainability
3. Preliminary Results

PROJECT 2:

COLOMBO PORT EXPANSION PROJECT
3. Preliminary Results

Colombo Port Expansion Project

Relevance

Primary transshipment hub port

Increase competitiveness

Strengthen container-handling capacity
3. Preliminary Results

Colombo Port Expansion Project

Efficiency

Stringent monitoring and evaluation

Project Implementation Unit
3. Preliminary Results

Colombo Port Expansion Project

Impact

- Lower freight costs
- Increased container-handling capacity
- Increased transshipment traffic
3. Preliminary Results

Colombo Port Expansion Project

- Sustainability
  - Significant role for private sector
  - Increased demand for port facilities
3. Preliminary Results

Colombo Port Expansion Project

Figure 11: Projected Annual Income and Expenditure Streams for Sri Lanka Ports Authority

3. Preliminary Results

Colombo Port Expansion Project

Verdict

Strict monitoring and evaluation framework

Potential to be highly successful
THANK YOU