



Technical Assistance Report

Project Number: 52203-002
Transaction Technical Assistance (TRTA)
January 2021

Democratic Socialist Republic of Sri Lanka: Supporting Secondary Education Sector Improvement Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 4 January 2021)

Currency unit	–	Sri Lanka Rupee (SLRe/SLRs)
SLRe1.00	=	\$0.005360
\$1.00	=	SLRs186.54

ABBREVIATIONS

ADB	–	Asian Development Bank
CERP	–	Contingency Emergency Response Plan
COVID-19	–	coronavirus disease
DOE	–	Department of Examinations
GDP	–	gross domestic product
JFPR	–	Japan Fund for Poverty Reduction
MOE	–	Ministry of Education
PEA	–	provincial education authority
RBL	–	results-based lending
SESIP	–	Secondary Education Sector Improvement Program
STMC	–	science, technology, mathematics, and commerce
TA	–	technical assistance

NOTE

In this report, "\$" refers to United States dollars.

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CONTENTS

	Page
TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE	
I. THE ONGOING PROJECT	1
II. THE TECHNICAL ASSISTANCE	1
A. Justification	1
B. Outputs and Activities	4
C. Cost and Financing	4
D. Implementation Arrangements	5
III. THE PRESIDENT'S DECISION	6
APPENDIXES	
1. Cost Estimates and Financing Plan	7
2. List of Linked Documents	8

TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 52203-002	
Project Name	Supporting Secondary Education Sector Improvement Program	Department/Division	SARD/SAHS
Nature of Activity Modality	Capacity Development Regular	Executing Agency	Ministry of Education
Country	Sri Lanka		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
		Total	0.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum)	0
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Low
✓ Strengthening governance and institutional capacity		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 4.1, 4.5, 4.c		Effective gender mainstreaming (EGM)	✓
SDG 5.b		Poverty Targeting	
SDG 10.2		General Intervention on Poverty	✓
4. Risk Categorization	Complex		
5. Safeguard Categorization	Safeguard Policy Statement does not apply		
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.00	
None		0.00	
Cofinancing		2.00	
Japan Fund for Poverty Reduction (Full ADB Administration)		2.00	
Counterpart		0.00	
None		0.00	
Total		2.00	
Currency of Financing: US Dollar			

I. THE ONGOING PROJECT

1. The Secondary Education Sector Improvement Program (SESIP), financed through a results-based lending (RBL), was requested by the Ministry of Education (MOE), Government of Sri Lanka (the government).¹ The program is aligned with the government's Education Sector Development Plan 2020–2025, and focuses on secondary education reforms.² The program is also an integral and vital part of the government's Contingency Emergency Response Plan (CERP) for general education.³

2. The RBL program, amounting to \$400 million, will be implemented over a period of 5 years. The expected impact will be human resource development enhanced, supporting healthy and productive citizens and a globally competitive knowledge-centered economy.⁴ The expected outcome will be secondary education system transformed and aligned with evolving labor force needs. It aims to achieve this through (i) enhanced quality and relevance of secondary science, technology, mathematics, and commerce (STMC) programs; (ii) strengthened provincial and school capacity to implement education reforms; and (iii) strengthened secondary education sector management capacity. SESIP builds on the Asian Development Bank (ADB)'s long-term engagement in the education sector in Sri Lanka, and on successes and learning from the completed Education Sector Development Program.⁵ In addition, SESIP will also address challenges faced in education as a result of the coronavirus disease (COVID-19) pandemic. The program is aligned with ADB's Strategy 2030⁶ and the country partnership strategy, 2018–2022, and is included in the country operations business plan, 2020–2022.⁷

II. THE TECHNICAL ASSISTANCE

A. Justification

3. **Background.** In 2019, Sri Lanka was classified as a lower middle-income economy with a per capita income of \$4,020,⁸ just under the upper middle-income category of \$4,046. It faces macroeconomic challenges, with growth at an 18-year low (2.3% in 2019)⁹ and a budget deficit

¹ ADB. 2020. [Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loan to the Democratic Socialist Republic of Sri Lanka for the Secondary Education Sector Improvement Program](#). Manila. The RBL was approved on 1 December 2020.

² Government of Sri Lanka, MOE. 2020. *Sri Lanka: General Education Sector Development Plan 2020–2025*. Colombo.

³ Government of Sri Lanka, MOE. 2020. *Contingency Emergency Response Plan for the School Education Sector in Sri Lanka to Minimize COVID-19 Pandemic Disruptions*. Colombo.

⁴ Extracted from (i) Government of Sri Lanka. 2019. [National Policy Framework: Vistas of Prosperity and Splendour](#). Colombo; and (ii) Government of Sri Lanka, MOE. 2020. *Sri Lanka: General Education Sector Development Plan 2020–2025 (revised May 2020)*. Colombo.

⁵ ADB. 2013. [Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loan to the Democratic Socialist Republic of Sri Lanka for the Education Sector Development Program](#). Manila.

⁶ The program is aligned with ADB's Strategy 2030 and three of its operational priorities: (1) addressing remaining poverty and reducing inequalities; (2) accelerating progress in gender equality; and (6) strengthening governance and institutional capacity. ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

⁷ The program contributes to pillar 1 (promoting economic diversification and productivity enhancement by upgrading human capital) in ADB's country partnership strategy for Sri Lanka. ADB. 2017. [Country Partnership Strategy: Sri Lanka, 2018–2022—Transition to Upper Middle-Income Country Status](#). Manila; and ADB. 2019. [Country Operations Business Plan: Sri Lanka, 2020–2022](#). Manila.

⁸ World Bank. [GNI per capita Atlas Method](#) (accessed on 28 January 2020).

⁹ ADB. 2020. *Aide Memoire: Consultation Mission, 20 April 2020–14 May 2020*. Manila.

of 7.9% of gross domestic product (GDP).¹⁰ Further, the COVID-19 pandemic has exacerbated these challenges. Its impact is expected to contract GDP by 3.2–4.7% in 2020, disrupt labor markets, increase the deficit to over 10% of GDP, and sharply increase poverty.¹¹ The government has so far contained the outbreak, with 46,248 confirmed cumulative cases and 219 deaths as of 7 January 2021.¹²

4. **Education sector context.** Compared with other middle-income countries, Sri Lanka ranks high in access to primary and secondary education with gender parity at both levels.¹³ Despite high access, improving quality and labor market relevance of secondary education is a key issue. There is a mismatch between the graduates that the education system is producing and the needs of the labor market. Sri Lanka faces a shortage of trained workers. The unemployment rates among youth (21%) and women (7%) are higher than the national average of 4%. The percentage of youth not in employment, education, or training is 22% (29% for females, 14% for males).

5. Secondary education should play a key role in building the pipeline for post-secondary education and the labor market, but the Sri Lankan secondary education system faces several challenges. One key challenge is the limited and inequitable access to STMC subjects in senior secondary schools. Only about a third of senior secondary students were enrolled in science and technology streams in 2018.¹⁴ This means that secondary education is not building a foundation in science and technology which form the basis of modern jobs. Inadequate quality and relevance of education also pose significant challenges. Secondary education learning outcomes are poor.¹⁵ The curricula are generally heavy on content and lack an inquiry-based approach and practical applications. Inadequate quality of teaching contributes to poor learning outcomes.¹⁶ The assessment system relies solely on high-stakes testing, associated with information recall, rather than analysis and problem-solving.¹⁷ Secondary education is not producing graduates with critical thinking, problem-solving, team work and communication skills that are needed to survive and thrive in the modern economy. The third key challenge includes the need to strengthen educational leadership and sector management capacity.

¹⁰ This is estimated by the International Monetary Fund in February 2020. ADB. 2020. [Asian Development Outlook 2020](#). Manila.

¹¹ The \$5.50 poverty headcount ratio is estimated to rise from 36.5% in 2019 to 43.5% in 2020. World Bank and ADB. 2020. *Sri Lanka—COVID-19 Recovery Plan. Presentation to the Government of Sri Lanka. 18 May 2020*. Manila.

¹² Worldometer. [COVID-19 Coronavirus Pandemic](#) (accessed 7 January 2021).

¹³ Net enrollment rates were 92% for primary education, 99% for lower secondary education (2018), and 81% for upper secondary level (2017). (Government of Sri Lanka, MOE. 2020. *Sri Lanka: General Education Sector Development Plan 2020–2025*. Colombo). Gender parity has been achieved at primary and lower secondary levels but at upper secondary level, 109 girls are enrolled for every 100 boys. ([United Nations Educational, Scientific and Cultural Organization Institute for Statistics](#)). The school structure consists of primary (grades 1–5), junior secondary (grades 6–9), and senior secondary (grades 10–13).

¹⁴ Of national enrolments by General Certificate of Education Advanced Level stream, 23% were in the science stream and 11% in the technology stream in 2018. ADB. 2020. [Completion Report: Sri Lanka—Education Sector Development Program](#). Manila.

¹⁵ In 2019, 26% of students did not pass the grade 11 ordinary level examination, while 38% of first time candidates did not pass the advanced level (General Certificate of Education Advanced Level) examination, failing to qualify for university. Government of Sri Lanka, Department of Examinations (DOE). 2019. [Statistics and School Performance Indices](#). Colombo (accessed 13 June 2020).

¹⁶ Teacher training and professional development currently emphasize content knowledge as a means of improving pass rates in national examinations. Thus, teachers often teach to the test. Teachers are not sufficiently trained in inquiry-based teaching-learning practices that support students to think critically and apply what they have learned.

¹⁷ Classroom assessments need to be integrated into daily teaching practice to support student learning and guide teachers.

6. **COVID-19 impact and lessons.** The COVID-19 outbreak has disrupted education delivery.¹⁸ Over 5.57 million learners have been affected by school and university closures across the country, of which 2.73 million are at secondary level (footnote 18). To minimize learning disruptions, the government has prepared a CERP for general education and employed e-learning platforms and/or classes through television (footnote 3). However, not all children and teachers have access to the devices, digital-based learning platforms, and connectivity required for distance education.¹⁹ Only 34.1% of Sri Lanka's population (ages 5–69 years) are able to use the internet.²⁰ Many teachers lack practical experience in using such approaches effectively. Thus, the pandemic has exacerbated pre-existing challenges in education, including low learning outcomes and rural-urban inequity. The loss of learning will delay children's attainment of age-appropriate learning competencies, and as children are unable to keep pace with learning, more dropouts are likely.

7. The COVID-19 pandemic underscores the need for making the education system more resilient against shocks, which means: (i) integrating multiple online and distance learning approaches; (ii) building teacher capacity in digital skills and distance modes of teaching-learning; (iii) developing and implementing e-learning resources; and (iv) supporting remedial lessons for students left behind during school closures. Overall, the pandemic has highlighted the urgent need to strengthen the equity and use of digital education and blended learning strategies,²¹ which must be addressed to mitigate inequalities. Recovery planning must also ensure that context-specific support to provincial and rural schools lays a sustainable foundation for the educational reforms. SESIP cannot afford a delay, as it is also a crucial part of the CERP, which the government has started implementing last year.

8. The proposed technical assistance (TA) for SESIP will provide capacity building and implementation support for smooth implementation of the government's systemic and transformational reform agenda. It will also support medium- to long-term efforts in building the capacity in the education sector to respond quickly and flexibly to similar emergencies in the future, similar to the COVID-19 pandemic. The RBL program supports systemwide reforms in the education sector and will focus on 750 schools, of which 80% are provincial schools. By 2026, reforms supported by the program will benefit about 953,000 students (503,000 females and 450,000 males) annually. The program will also have equipped 47,853 teachers (31,583 women and 16,270 men) with skills that will benefit successive generations of students. Given the ambitious reforms targeted by the RBL, the government requested for dedicated resources to finance critical technical inputs to support reform initiatives. The TA will address quality and equity issues and will provide the much-needed expertise to adequately respond to the current education sector challenges. The TA will ensure prioritization of the key reforms and achievement of the program's intended results areas in a smooth and timely manner. As program systems are used to implement the RBL program, and reforms are implemented by government staff, the TA will be used to strengthen RBL program systems and capacity, enhance sustainability, and

¹⁸ Schools have been closed nationwide since 13 March 2020. United Nations Educational, Scientific and Cultural Organization. COVID-19. [Education: From disruption to recovery](#) (accessed 5 May 2020).

¹⁹ The CERP underscores the widening inequality in education because of disparities in access to digital devices, poor internet connectivity, and untrained teachers. While 86.3% of households own television (86.1% in rural), only 34% of urban households, 18.2% of rural households, and 5.4% of estate households have personal computers. One-third of rural households do not possess mobile phones. Government of Sri Lanka, Department of Census and Statistics. 2016. *Household Income and Expenditure Survey 2016*. Colombo.

²⁰ International Telecommunication Union. [Statistics \(2017\)](#).

²¹ Blended learning strategy refers to a combination of online learning, educational television/radio programs, remote learning, and classroom-based, face-to-face approaches.

institutionalize good practices. The TA is included in the country operations business plan, 2021–2023.²²

B. Outputs and Activities²³

9. **Output 1: Quality and relevance of secondary science, technology, mathematics, and commerce programs enhanced by 2025.** Technical expertise and capacity building support will be provided to executing and implementing agencies to undertake integrated reforms in curriculum, pedagogy, and assessment systems. Output 1 will provide expert guidance and inputs in the following areas, among others: (i) preparation of the national student assessment framework and building the capacity of the Department of Examinations (DOE) and key agencies to improve assessment; (ii) capacity strengthening of the National Institute of Education to reform curricula and incorporate inquiry-based blended learning approaches;²⁴ (iii) development of teacher training modules on blended learning and training of a pool of trainers to use innovative modalities, such as use of Applied Resource Hubs (centers for practical and blended teacher training), use of teacher clusters as learning communities, and online and offline training; and (iv) capacity development to support remedial learning to address learning gaps due to school closures. The detailed Terms of Reference for Consultants is accessible from the list of linked documents in Appendix 2.

10. **Output 2: Provincial and school capacity to implement education reforms strengthened by 2025.** This output will provide cutting edge technical inputs to review and improve the current system of monetary and non-monetary incentives for teachers. It will also strengthen the capacity of principals and provincial education authorities (PEAs) to support improved practices and outcomes based on blended learning approaches and context-appropriate technologies (currently available and planned). Principals and PEAs will be supported to develop a blended learning plan, including short-, medium-, and long-term measures for strengthening classroom, online, and remote learning. The output will also provide support to principals in developing context-specific and need-based school development plans to support strategies to attract more students, especially girls, to take up STMC subjects and reduce dropouts among boys, among others.

C. Cost and Financing

11. The TA is estimated to cost \$2,050,000, of which \$2,000,000 will be financed on a grant basis by the Japan Fund for Poverty Reduction (JFPR). The key expenditure items are listed in Appendix 1. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, and other in-kind contributions.

²² ADB. 2020. [Country Operations Business Plan: Sri Lanka, 2021–2023](#). Manila.

²³ The TA will support outputs 1 and 2 of the program's design and monitoring framework.

²⁴ Inquiry-based means students investigate problems and issues, and build their understanding from the evidence they gather. Interactive teaching means that students collaborate, discuss, and evaluate knowledge and arguments to derive understanding. The new curriculum will incorporate blended learning approaches which refer to a combination of online learning, educational television or radio programs, remote learning, and classroom-based, face-to-face approaches. Inquiry-based blended teaching and learning approaches help students to think critically, adapt, and apply what they have learnt, which are key traits to survive and thrive in the modern economy.

D. Implementation Arrangements

12. The MOE will be the executing agency. Various MOE entities (including the National Institute of Education and DOE) and the nine PEAs will be the implementing agencies.²⁵ A high-level National Program Steering Committee will provide program oversight and policy guidance, and facilitate coordination. The steering committee will be headed by Secretary, MOE. A sector monitoring and technical support unit will be established within MOE to coordinate and monitor the disbursement-linked indicators achievement progress as well as TA support. The MOE and related agencies were briefed on ADB's Anticorruption Policy²⁶ and ADB's Integrity Principles and Guidelines;²⁷ and have access to ADB's complete sanction list before engaging contractors, consultants, or suppliers.²⁸ The TA will be implemented over 3 years, from January 2021 to October 2023.

13. ADB will administer the TA. The Human and Social Development Division in ADB's South Asia Department will select, supervise, and evaluate the consultants. A firm will be selected using quality- and cost-based selection method with a quality–cost ratio of 90:10 because of the highly specialized expertise required and simplified technical proposals. The firm will be under lump-sum and performance-based contract.

14. The implementation arrangements are summarized in the table below.

Implementation Arrangements			
Aspects	Arrangements		
Indicative implementation period	January 2021–October 2023		
Executing agency	Ministry of Education		
Implementing agencies	Ministry of Education and provincial education authorities		
Consultants	To be selected and engaged by Asian Development Bank		
	Firm: quality-and cost-based selection	235 person-months (international 126 person-months and national 109 person-months)	\$1,748,560
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		

TA = technical assistance.

Source: Asian Development Bank.

15. **Consulting services.** ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.²⁹

16. **Cofinancier requirements.** The TA's monitoring and reporting requirements and any changes in implementation arrangements will follow ADB's applicable project administration and staff instructions, and will comply with the JFPR's guidelines. Major changes in the TA scope and objectives will be discussed with the MOE and JFPR, and the TA completion report will be shared with the Government of Japan.

²⁵ The nine PEAs are: (i) Western Province, (ii) Southern Province, (iii) Central Province, (iv) Sabaragamuwa Province, (v) North Central Province, (vi) Uva Province, (vii) North Western Province, (viii) Eastern Province, and (ix) Northern Province.

²⁶ ADB. 2018. [Anticorruption Policy](#). Manila.

²⁷ ADB. 2015. [Integrity Principles and Guidelines](#). Manila.

²⁸ ADB. Anticorruption and Integrity. [Anticorruption Sanctions List](#).

²⁹ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).

III. THE PRESIDENT'S DECISION

17. The President, acting under the authority delegated by the Board, has approved the Asian Development Bank administering technical assistance not exceeding the equivalent of \$2,000,000 to the Democratic Socialist Republic of Sri Lanka to be financed on a grant basis by the Japan Fund for Poverty Reduction for Supporting Secondary Education Sector Improvement Program, and hereby reports this action to the Board.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Japan Fund for Poverty Reduction^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	1,341.12
ii. National consultants	466.84
b. Out-of-pocket expenditures	
i. International and local travel	69.00
ii. Surveys	5.00
iii. Training, seminars, and conferences	5.00
iv. Reports and communications	3.60
2. Miscellaneous administration and support costs ^b	9.00
3. Contingencies	100.44
Total	2,000.00

Note: The technical assistance (TA) is estimated to cost \$2.05 million, of which contributions from the Asian Development Bank are presented in the table above. The government will provide an estimated amount of \$50,000 of counterpart support in the form of counterpart staff, office space, office supplies, secretarial and coordination assistance, and other in-kind contributions. The value of government contribution is estimated to account for 2.44% of the total TA cost.

^a Administered by the Asian Development Bank.

^b The amount includes report preparation, communications, translation, and consultation with key stakeholders related to the Secondary Education Sector Improvement Program for Sri Lanka.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=52203-002-TARreport>

1. Terms of Reference for Consultants
2. Approved Report and Recommendation of the President: Secondary Education Sector Improvement Program