

# Democratic Republic of Sri Lanka

## Sri Lanka at a glance

Population  21.44 million (2017)Rural population  81.6% (2017)GDP growth  3.31% (2017)Per capita GNI  \$3.840 (2017)Poverty headcount ratio  4.1% (2016)

Colombo

## IFAD country strategies

Strategy report  
**1993**Country strategic opportunities  
programme (COSOP)  
**2003**  **2015**

## Evaluation Coverage

Time frame: **2004 - 2017** IFAD financing (CSPE period): **\$192.3** millionCovers the **2003** and **2015** COSOP

## IFAD operations

**18** projects:  
IFAD-supported loans  
since 1977**\$560.6**  
million:  
cost of 18 projects**\$317.1**  
million:  
Fund lent by IFAD**2** ongoing projects

## Main areas

IFAD has been a major development partner in

Agriculture Plantation crops (tea & rubber) Rural and micro finance Rural and microenterprises Rural livelihoods Irrigation Costal resource management Post-tsunami reconstruction 

## Storyline

Sri Lanka has  
made good progress  
in reducing poverty but  
disparities persist.Contextual  
factors affected the  
coherence of the IFAD  
portfolio.Urge to respond to the needs  
after the tsunami (2004) and the  
end of the war (2009).Now with more  
streamlined portfolio,  
the country programme  
offers opportunities for  
consolidation and influence.



# Main evaluation findings

## Areas of strength



The establishment of tea and rubber small holdings and irrigation development improved agricultural production and productivity.



Progress has been made in partnerships with agribusinesses.



Credit facility reached about 35,000 borrowers. Some projects also introduced new clients to the banks, in particular, the youth.



Women's participation in projects and leadership in community-level institutions has been high, especially in savings and credit and income-generating activities.



Institutions and policies related to coastal resource management.

## Areas for improvement



Climate change deserved more attention. Improved technologies to promote resource use efficiency (e.g. water) and to strengthen climate resilience are needed.



"Additionality" of project support for agribusiness partnerships was not always clear.



There was limited reflection on how to leverage systemic change in rural finance service deliveries.



Poverty targeting has generally been weak.

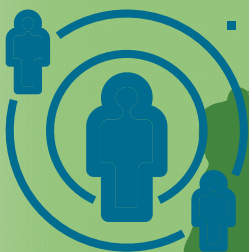


Non-lending activities were given a low priority.

## Recommendations

1

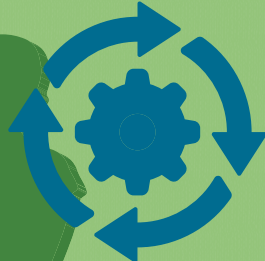
Sharpen the strategic focus and coherence of the country programme for stronger and more sustainable impact.



More reflection is needed to address the geographic disparities and to better mainstream priority issues such as climate resilience, nutrition and youth.

2

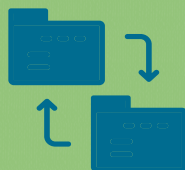
Strengthen the poverty orientation and develop a strategy for inclusive - but sufficiently discriminating - targeting.



The strategy should be based on a good poverty analysis with measures to facilitate the participation of the poor and to safeguard against elite capture.

3

Focus on steering the country strategy and programme to play a more catalytic role for rural transformation with enhanced partnerships.



IFAD should invest more in analytical work, knowledge management and policy engagement at the country programme level. These may be supported through investment projects, grants and/or working with other like-minded partners.

4

Strengthen the strategy and operational frameworks to enhance and ensure additionality of partnerships with the private sector.



IFAD and the Government should explore opportunities for project support for cost/risk sharing. More rigorous and transparent mechanisms to assess additionality are necessary.

5

Revisit the approach to rural finance support, sharpen the focus and explore opportunities to innovate.



In collaboration with partners, IFAD should identify opportunities to leverage more systemic improvement in rural finance sector.