

## CONCEPT PAPERS FOR LENDING PRODUCTS

This appendix contains the concept papers for the following lending products.

- (i) Table A2.1: Colombo-Katunayake Expressway
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**Table A2.1: Colombo-Katunayake Expressway  
Concept Paper**

**Date:** 27 July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Transport and Communications Division/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> Lise Weidner</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The strategic thrust of ADB's assistance to the road sector in Sri Lanka focuses on (i) policy and institutional reforms of road sector institutions, (ii) identification and promotion of sustainable financing mechanisms, including formation of Public-Private Partnerships (PPPs), and (iii) financing of strategic investments in the road network. The new Government remains committed to adopting this sector approach in its road sector development. In 2003, a TA for preparing a PPP Expressway Project was provided by ADB. The purpose of the TA was to assist the Government in (i) developing a strategy to determine the potential role of the private sector in the financing, constructing, operating and maintaining of expressways through the formation of PPPs; and (ii) providing assistance to the preparation of a model PPP for the Colombo-Katunayake Expressway (CKE). The TA contains has two components: (i) a sector development component, and (ii) an investment component.</p> <p><b>b. Goal and purpose:</b> The goal of the proposed loan is to provide additional assistance to Sri Lanka to enable the Government to meet the anticipated public sector financing requirements under the proposed PPP for the CKE and is a natural continuation of the support initiated through the abovementioned TA. The terms of reference for the investment component of the TA include a requirement to explore options for how ADB can</p>								

help meet the financing requirements for the creation of a sustainable CKE PPP Project.

**c. Components and outputs:** Determination of most appropriate public sector contribution to the CKE PPP and the provision of funds from ADB to enable the Government to meet these financing requirements.

**d. Expected results and deliverables:** The creation of a sustainable CKE PPP.

**e. Social or environmental issues or concerns:** Social and environmental aspects will be properly addressed. Environmental impact mitigation measures and resettlement plan will be implemented and strictly monitored.

**f. Plans for disseminating results/deliverables:** The project will share reports and lessons learned with stakeholders, development partners, and beneficiaries through appropriate media.

**7. Proposed executing/implementing agency or agencies:** The Ministry of Finance is proposed as the executing agency. The abovementioned TA is being implemented by two agencies: the Road Development Authority (RDA) and the Bureau of Infrastructure Investment (BII). It is anticipated that an outcome of the abovementioned TA will be the establishment of a public sector agency responsible for the creation of PPPs in the road sector in Sri Lanka. It is this body that would be proposed as implementing agency for the loan.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The assistance is the result of a direct request from the Government.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSPU 2004
- b. Expected date of submission for approval
  - Lending: 2005
  - Nonlending (project preparatory): Not applicable
  - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
  - Lending: 3 years
  - Nonlending: Not applicable

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$50 million
  - Asian Development Fund: \$
  - Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	\$50 million
Government Financing	tbd
Other Financing	tbd
<b>Total Cost</b>	

Source: Staff estimates.

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
  - Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

## Table A2.2: National Highway Sector Development Concept Paper

**Date:** 27 July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p>		
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Poverty intervention</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Sustainable economic growth  <input type="checkbox"/> Inclusive social development  <input type="checkbox"/> Governance  <input type="checkbox"/> Gender and development         </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Environmental sustainability  <input type="checkbox"/> Regional cooperation  <input type="checkbox"/> Private sector development         </td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Governance <input type="checkbox"/> Gender and development	<input type="checkbox"/> Environmental sustainability <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development
<input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Governance <input type="checkbox"/> Gender and development	<input type="checkbox"/> Environmental sustainability <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development	
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>		
<p><b>4. Responsible division/department:</b> Transport and Communications Division/South Asia Department</p>		
<p><b>5. Responsible ADB officer:</b> Sri Widowati</p>		
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> ADB is continuing its assistance to mobilize resources to remove physical and non-physical barriers in the road network, to support efforts to improve the policy and institutional environment, and improve subsector efficiency and performance. Through its interventions in the road subsector in Sri Lanka, ADB is supporting the establishing of a policy and institutional framework to improve overall sector performance. This will be achieved through a medium-term sector roadmap approach with a series of interventions over the period 2002-2008, to support implementation of a reform program in the way in which roads services are provided, and improvement of transport services. The medium-term policy framework developed and agreed upon with the Government will serve as a roadmap for future lending to Sri Lanka's road sector. The medium-term sector roadmap approach consists of three possible project loans, intended for 2002, 2005, and 2007. The proposed National Highways Development Project will be the second in the series of interventions. In parallel, the Colombo-Katunayake Expressway is also proposed under a public-private partnership scheme.</p> <p>The Government has, in the context of its economic reform program, emphasized the development of the country's infrastructure. Key objectives are to create economic growth and ensure an efficient transport sector</p>		

capable of reducing financial contributions from the public sector and attracting private investment. Building national highways system and an integrated road network are preconditions for the achievement of the economic growth targets and are therefore priority reform initiatives.

**b. Goal and purpose:** The project aims to further improve the efficiency of the road sector institution, and increase the capacity of the national highways.

**c. Components and outputs:** The project will (i) support further reform of national roads provision; and (ii) upgrade the capacity of about 600 km of strategic national highways, including improvement of geometric alignment, pavement strengthening, and rehabilitation and/or widening of bridges as necessary.

**d. Expected results and deliverables:** The project will improve the national highway system. The policy reform component will result in an increased private sector share of domestically funded roadworks, an improved road maintenance system and funding mechanism, and deregulated bus transport services.

**e. Social or environmental issues or concerns:** Social and environmental aspects will be properly addressed. The social aspect will be one of the selection criteria of the roads to be provided. An environmental impact mitigation and resettlement plan will be implemented and strictly monitored.

**f. Plans for disseminating results/deliverables:** The project will share results and lessons learned with stakeholders, development partners, and beneficiaries through appropriate media.

**7. Proposed executing/implementing agency or agencies:** (i) Ministry of Transport, Highways, and Civil Aviation; (ii) Ministry of Highways; and (iii) Road Development Authority.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The project's programmatic approach revolves around policy dialogue on sector reforms with the Government and discussions and consensus building among various agencies. Individual projects are identified and developed under this framework. Consultations with civil society, including nongovernment organizations (NGOs), have been part of the project development process.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSP 2003
- b. Expected date of submission for approval  
 Lending: 2005  
 Nonlending (project preparatory): Not applicable  
 Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance  
 Lending: 2006-2010  
 Nonlending: Not applicable

**10. Financing Plan**

- a. For lending
- Ordinary capital resources: \$100 million
  - Asian Development Fund: \$
  - Other: Government, \$25 million

If cofinancing is required, indicate amount and sources sought: \$ \_\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	\$100 million
Government Financing	\$25 million
Other Financing	-
<b>Total Cost</b>	<b>\$125 million</b>

Source: Staff estimates.

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
  - Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, CSPU = country strategy and program update, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.3: Basic Social Infrastructure Development  
Concept Paper**

**Date:** 27 July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: To be determined</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Social Sectors Division/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> Eva Mayerhofer</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Sri Lanka's municipal sector has developed over the last decade, yet its capacity to meet investment responsibilities and respond to the increased demand for services is still at a relatively early stage of development, and needs to be reinforced. The municipalities remain fairly limited in their financial and human resources, which are delimited by local government acts and laws. Furthermore, the sector does not have an urban policy to address some of the issues that have arisen with decentralization.</p> <p><b>b. Goal and purpose:</b> The loan will look at implementing the policy recommendations from the Urban Policy Sector Framework with respect to developing decentralized management systems at provincial, municipal, urban and local levels, to establishing effective communication channels between the service providers and beneficiaries and to improving leadership and management capabilities.</p> <p><b>c. Components and outputs:</b> The proposed loan will support the Government in its initiative to formulate and implement a comprehensive urban policy in particular with respect to the strengthening and empowerment of local authorities to deliver urban infrastructure, especially basic social infrastructure such as water supply and</p>								

sanitation, drainage, solid waste management, and roads falling under the responsibility of the local authorities. In doing so the loan is consistent with the Government's goals as set out in "Regaining Sri Lanka", namely of (i) strengthening public policies and implementation capabilities, (ii) improving the country's infrastructure and facilitating growth, and (iii) reducing poverty and upgrading basic social services. The achievement of the objectives requires a multipronged approach including (i) redefining urban areas, (ii) strengthening the role of municipal administrations in local development, (iii) continuing decentralization reforms, (iv) quantitative and qualitative improvement in urban services to accompany national efforts to strengthen Sri Lanka's economic competitiveness, (v) increasing citizen participation in urban planning and management, and (iv) improving mobilization and utilization of municipal revenues through a combination of transfers, better cost recovery, and collection of local taxes and fees.

**d. Expected results and deliverables:** The final output of the loan will be the preparation of an investment project that will be a catalyst in improving delivery of basic social services to the population. The accompanying policy reform agenda will promote lean, competent, and motivated local government and agencies responsive and accountable to their constituencies.

**e. Social or environmental issues or concerns:** No major negative social or environmental issues expected.

**f. Plans for disseminating results/deliverables:** Project evaluation workshop.

**7. Proposed executing/implementing agency or agencies:** With the change of government, the executing agency (EA) has to be determined. The Urban Policy Sector Framework recommends the establishment of an Urban Policy Facilitation and Coordination Unit. The implementing agency will be this particular unit.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The new EA, the Ministry of Finance (MoF), the Ministry of Housing and Plantation Infrastructure (MH&PI), the Ministry of Home Affairs, Provincial Councils and Local Government, the Chairpersons of the National Urban Task Force, and representatives from UN-Habitat, Japan International Cooperation Agency (JICA), Japan Bank for International Cooperation (JBIC), among others.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSPU 2001
- b. Expected date of submission for approval
  - Lending: 2005
  - Nonlending (project preparatory): Not applicable
  - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
  - Lending: 2005-2006
  - Nonlending: Not applicable

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$
  - Asian Development Fund: \$50 million
  - Other: Government, \$

If cofinancing is required, indicate amount and sources sought: \$ \_\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	\$50 million
Government Financing	tbd
Other Financing	
<b>Total Cost</b>	tbd

Source: Staff estimates.

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
  - Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, CSPU = country strategy and program update, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.4: North East Community Restoration and Development II (NECORD II)  
Concept Paper**

**Date:** 27 July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input checked="" type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Others Subsector: Multisector</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Sri Lanka Resident Mission/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> Robert Rinker</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Recovery from conflict is one key element of ADB's and the government's strategy. The needs assessment completed in 2003, identified over \$700 million of immediate needs for rehabilitation of the conflict-affected area. The needs assessment guides ADB interventions in the conflict-affected areas.</p> <p><b>b. Goal and purpose:</b> The proposed loan will restore basic livelihoods, social infrastructure, and institutional development in conflict-affected areas, and also build on previous projects NECORD I and NECORD Extension projects. It would continue to contribute to the Government's overall relief and rehabilitation program, support the peace building process, and importantly provide peace dividend to the people in the conflict-affected area.</p> <p><b>c. Components and outputs:</b> The proposed loan will (a) assist improve institutional development especially at the provincial level for planning, implementation, monitoring, and operating and managing the assets and infrastructure, (b) increase access to education and health facilities, (d) community development, village development, and income generation, and (e) livelihood restoration including improved agricultural, livestock, fisheries production.</p>								

**d. Expected results and deliverables:** Development of planning and implementation documents and guidelines, well trained government staff, increase in school enrolment, improved access to health facilities, increase in agriculture, fisheries and livestock production and production, improved villages with basis infrastructure.

**e. Social or environmental issues or concerns:** The proposed project will involve full stakeholder participation during the subproject selection and implementation. The subprojects will be based on "do no harm" concept by ensuring community and regional balances. The subprojects development will incorporate environment assessment and mitigation during preparation and implementation respectively. However, the subprojects will be mainly rehabilitation of the damaged infrastructure and will have minimum impact on the environment.

**f. Plans for disseminating results/deliverables:** Through consultation workshops, donor coordination, seminars, and publications.

**7. Proposed executing/implementing agency or agencies:** North East Provincial Council/To be determined

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The Government and LTTE participated needs assessment in the conflict-affected area. Project to be based on needs assessment, will involve full stakeholder participation during the subproject selection and implementation.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSPU 2003
- b. Expected date of submission for approval  
 Lending: 2005  
 Nonlending (project preparatory): Not applicable  
 Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance  
 Lending: 2005-2007  
 Nonlending: Not applicable

**10. Financing Plan**

- a. For lending
- Ordinary capital resources: \$
- Asian Development Fund: \$40 million
- Other: Government, \$

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	\$40 million
Government Financing	tbd
Other Financing	
<b>Total Cost</b>	tbd

Source: Staff estimates.

- b. For nonlending
- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds
- Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, CSPU = country strategy and program update, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.5: Technical Education Development Project<sup>1</sup>  
Concept Paper**

**Date:** 30 June 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Education Subsector: Technical education</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
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<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Social Sectors Division/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> Leah C. Gutierrez</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The proposed project is designed to address through technical education and vocational training (TEVT) some nationally identified problems of the economy, particularly in relation to employment. As such, the project broadly accords with the vision underlying the declared government policy on the role of capable and flexible human resources as the critical factor for socioeconomic development in the face of the challenges of the 21<sup>st</sup> century. The Government economic policy centers on the need to create about 2 million job opportunities in the medium term. The proposed project will enhance human resource development by developing human resources to achieve skills-based competitiveness on which future growth heavily depends. The project will be implemented in different regions of the country and contribute to equitable regional development.</p> <p><b>b. Goal and purpose:</b> The proposed project aims to support the Government's vision and strategy for accelerated growth, easing unemployment and reducing poverty through a relevant, accessible, unified, globally competitive, and sustainable TEVT system. The objectives of the project are to: (i) make operational the Human Resource Endowment Fund (HREF) as a springboard for changing TEVT into a public-private partnership-based, sustainable system; (ii) strengthen the Ministry of Skills Development, Vocational Training and Technical</p>								

Education (MSDVTTE) to support a demand-driven and public-private partnership based technician education system; and (iii) strengthen the capacity of selected public sector TEVT institutions to become demand-driven and partnership-based.

**c. Components and outputs:** The proposed project comprises three components: (i) operationalizing the HREF for a National Technology Awards Scheme in technician education, corporate training of employed graduates and workers, training partnerships and for TEVT provider expansion and quality enhancement programmes; (ii) strengthening MSDVTTE to support a demand-driven, employer-responsive and public-private partnership TEVT system; and (iii) strengthening the capacity of selected public sector TEVT institutions to become demand-driven and partnership-based colleges of technology.

**d. Expected results and deliverables:** The expected outputs of the proposed project includes: (i) an operational human resources endowment fund for a national technology awards scheme for skills upgrading and pre-employment training; (ii) strengthened MSDVTTE that facilitates more demand-driven and relevant training programs; and (iii) selected public sector TEVT institutions strengthened towards demand-driven and partnership-based system of delivering training.

**e. Social or environmental issues or concerns:** Outputs of the proposed project are not expected to cause displacement. Selected technical institutes may undertake some refurbishment. A gender strategy will be proposed. Technical institutes to be refurbished will be in various regions of the country. Strengthening and expansion of the TEVT system will increase opportunities for enhancing technical and vocational skills and the employability of educated youth on both sides of the ethnic divide. While state sector employment opportunities are decreasing, private sector and foreign labor market demand provide expanding opportunities for the employment of technically competent persons, especially high-quality technicians. The project should result in improved employability, higher income levels, and better living standards for technician-graduates in Sri Lanka. Other issues that may arise later will be addressed accordingly through the proposed project design and/or loan covenants.

**f. Plans for disseminating results/deliverables:** Social marketing will be undertaken as a proposed project activity. Stakeholder workshops will be a project activity.

**7. Proposed executing/implementing agency or agencies:** Ministry of Skills Development, Vocational Training and Technical Education

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Project preparation had adopted a participatory and consultative approach. Government (including the Technical and Vocational Education Commission), private (including the chambers of commerce) and nongovernment stakeholders in technical education were consulted through workshops, interviews, focus groups, and field visits.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSPU 2002
- b. Expected date of submission for approval
  - Lending: 2005 (Standby), 2006 (Firm)
  - Nonlending (project preparatory): Not applicable
  - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
  - Lending: 2006-2011 (5 years)
  - Nonlending: Not applicable

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$
  - Asian Development Fund: \$20 million
  - Other: Government, \$

If cofinancing is required, indicate amount and sources sought: \$ \_\_\_\_\_, from \_\_\_\_\_.  
If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	\$20 million
Government Financing	tbd
Other Financing	
<b>Total Cost</b>	tbd

Source: Staff estimates.

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds

Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

<sup>1</sup> Formerly human resources investment project.

ADB = Asian Development Bank, CSP = country strategy and program, CSPU = country strategy and program update, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.6: Colombo Port South Harbor Development  
Concept Paper**

**Date:** 27 July June 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Communication Subsector: Ports</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input checked="" type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Transport and Communications/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> Prodyut Dutt</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> An efficient port system is a key factor in improving the country's competitiveness and attracting foreign direct investment. Colombo Port is the dominant port in Sri Lanka and as it is ideally located to be the hub port for the South Asian region, it can potentially attract other value added industries such as distribution centers to the country.</p> <p><b>b. Goal and purpose:</b> The project aims to increase the capacity of Colombo Port to ensure it can continue to be a hub port for the South Asian region. This is essential as the current container handling capacity of Colombo Port is nearing its capacity and if there is no capacity enhancement, major shipping lines will shift away from Colombo Port.</p> <p><b>c. Components and outputs:</b> The Project will include building (i) breakwater to protect the new terminals to be constructed in South Harbor; (ii) dredging of the approach channels and inner harbor basin; (iii) provision of navigational aids; (iv) improving the policy, regulatory and institutional environment to maximize private sector involvement in the development of South harbor. The development of the terminals themselves will be done by the private sector.</p>								

**d. Expected results and deliverables:** (i) Private sector will develop container terminals and purchase moveable assets to operate the terminal under lease from the Port Authority; (ii) The capacity of Colombo Port will double to 5 million twenty-foot equivalent units

**e. Social or environmental issues or concerns:** No social issues are foreseen as Colombo Port has in place a well established and well- accepted voluntary retirement scheme. The approved Environmental Mitigation Plan should be strictly monitored so that adverse impacts during the development of South harbor are minimized.

**f. Plans for disseminating results/deliverables:** Workshops and seminars will be held.

**7. Proposed executing/implementing agency or agencies:** Sri Lanka Ports Authority

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Several workshops were held involving key stakeholders to formulate and agree on the scope of the project.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CAP 2000
- b. Expected date of submission for approval  
 Lending: June 2006  
 Nonlending (project preparatory): Not applicable  
 Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance  
 Lending: January 2007-December 2010  
 Nonlending: Not applicable

**10. Financing Plan**

- a. For lending
- Ordinary capital resources: \$100 million
- Asian Development Fund: \$
- Other: Government, \$

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	\$100 million
Government Financing	tbd
Other Financing	
<b>Total Cost</b>	tbd

Source: Staff estimates.

- b. For nonlending
- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds
- Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

ADB = Asian Development Bank, CAP = country assistance plan, CSP = country strategy and program, CSPU = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.7: Jaffna Water Supply and Waste Water Management  
Concept Paper**

**Date:** 27 July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: Urban Development</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Social Sectors/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> Shakeel Khan</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Governments' Poverty Reduction Strategy states that "the provision of safe drinking water, and adequate sewage and sanitation systems, is frequently cited as the single, highest social service priority by poor households" and it identifies access to safe water and appropriate sanitation as one of its priorities and has set as a target providing adequate water supply and sanitation to whole population by 2010. Improving basic services is one of the strategic priorities of the Government in the North and East.</p> <p><b>b. Goal and purpose:</b> The Loan will implement a project to provide safe drinking water to the population of the city of Jaffna and its surrounding urban and rural area, estimated to be 250,000 people and sanitation facilities to approximately 50,000 people.</p> <p><b>c. Components and outputs:</b> The proposed loan will (a) provide peace dividend to the people in the Jaffna peninsula (b) access safe drinking water to the urban and rural population in the peninsula (c) improved sanitation to approximately 50,000 people, (d) improved institutional arrangement for operation and management of water supply systems, (e) improvement for water resources management.</p>								

<p><b>d. Expected results and deliverables:</b> infrastructure to provide safe drinking water to the population of the city of Jaffna and its surrounding urban area, estimated to be 250,000 people and appropriate sanitation facilities to approximately 50,000 people.</p> <p><b>e. Social or environmental issues or concerns:</b> Any potential negative environmental and social impacts due to construction of the construction and water resource development identified during the project preparation will be addressed during implementation. Also, all mitigation measures suggested will be incorporated into construction contracts.</p> <p><b>f. Plans for disseminating results/deliverables:</b> Through consultation workshops, seminars, and publications.</p>																				
<p><b>7. Proposed executing/implementing agency or agencies:</b> Ministry of Urban Development and Water Supply/ National Water Supply and Drainage Board</p>																				
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> The Government and LTTE participated Needs Assessment in the North and East identified Jaffna water supply as the main priority activity for the district and the sector.</p>																				
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSP 2003</p> <p>b. Expected date of submission for approval Lending: Standby 2005 and confirmed 2006 Nonlending (project preparatory): Not applicable Nonlending (other than project preparatory): Not applicable</p> <p>c. Period and duration of assistance Lending: 2005-2011 (6 years) Nonlending: Not applicable</p>																				
<p><b>10. Financing Plan</b></p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources: \$</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$30 million</p> <p><input type="checkbox"/> Other: Government, \$</p> <p>If cofinancing is required, indicate amount and sources sought: \$50 million, source to be determined. If known, provide cost estimates and financing arrangements.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td>\$30 million</td> </tr> <tr> <td>Government Financing</td> <td>tbd</td> </tr> <tr> <td>Other Financing</td> <td>tbd</td> </tr> <tr> <td><b>Total Cost</b></td> <td><b>tbd</b></td> </tr> </tbody> </table> <p>Source: Staff estimates.</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input type="checkbox"/> Grant TA funds</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required, indicate amount and sources sought: \$____, from _____. If known, provide cost estimates and financing arrangements.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td></td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing</td> <td></td> </tr> <tr> <td><b>Total Cost</b></td> <td></td> </tr> </tbody> </table> <p>Source:</p>	Source	Amount (\$)	ADB Financing	\$30 million	Government Financing	tbd	Other Financing	tbd	<b>Total Cost</b>	<b>tbd</b>	Source	Amount (\$)	ADB Financing		Government Financing		Other Financing		<b>Total Cost</b>	
Source	Amount (\$)																			
ADB Financing	\$30 million																			
Government Financing	tbd																			
Other Financing	tbd																			
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Source	Amount (\$)																			
ADB Financing																				
Government Financing																				
Other Financing																				
<b>Total Cost</b>																				

ADB = Asian Development Bank, CSP = country strategy and program, CSPU = country strategy and program update, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.8: Greater Colombo Waste Water Management  
Concept Paper**

**Date:** 27 July 2004

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Infrastructure Subsector: Urban Development</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Social Sectors/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> M. Teresa Kho</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The sewerage network is limited to a small area serving only about 25% of the Colombo urban region and a large section of it is in need of a complete overhaul and augmentation. Effective sewerage disposal is a necessary condition not only for growth but to protect the environment from increasing levels of pollution resulting from economic activities.</p> <p>The Government is currently in the process of considering a model for the participation of the private sector in the provision of water supply in Greater Colombo and has stated that public investment will focus on improving sewerage networks while the private sector participates in operation and maintenance. By 2004 the following sector reforms should be in place: (i) introduction of a sewerage tariff based on volumetric usage, and (ii) passage of Water Services Reform Bill. Within the given framework, the TA will prepare a project to rehabilitate the Greater Colombo Sewerage System and support further progress in sector reforms.</p> <p><b>b. Goal and purpose:</b> The TA will prepare a project to assist the Government to improve the living conditions of the urban population in Greater Colombo, and to minimize negative environmental impacts caused by increasing levels of domestic waste.</p>								

**c. Components and outputs:** The TA will: (i) provide institutional strengthening to improve the capacity of institutions responsible for wastewater management in Greater Colombo, (ii) identify physical and institutional areas that need improvement, including financial scenarios and the policy framework, (iii) identify an investment to improve wastewater management including rehabilitation of existing sewerage systems and improvement of on-site sanitation facilities in Greater Colombo, within the objectives and policies of both ADB and the Government, and (iv) provide all the necessary information for the preparation of a loan project in accordance with ADB operational guidelines.

**d. Expected results and deliverables:** The TA will (i) increase the capacity of the Greater Colombo institutions to manage wastewater, (ii) provide all necessary information to prepare a project to undertake the physical rehabilitation of the Greater Colombo Sewerage System and the improvement of on-site sanitation, and (iii) implement the necessary institutional and policy reforms to ensure financially and institutionally sustainable solutions for the Greater Colombo Sewerage System. The TA will prepare a project to support and advance current policy reforms in the sector.

**e. Social or environmental issues or concerns:** No environmental issues are expected during TA implementation. The TA will prepare a project to mitigate current negative environmental impacts due to inappropriate management of domestic and industrial waste.

**f. Plans for disseminating results/deliverables:** Project final report and project evaluation workshop.

**7. Proposed executing/implementing agency or agencies:** Ministry of Urban Development and Water Supply

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The Government has expressed in writing to different ADB officers and management the need to rehabilitate the Greater Colombo Sewerage System and has discussed the assistance during discussion regarding participation of the private sector in Greater Colombo's water supply. In its "Vision 2010", the Government identifies as a priority area the rehabilitation of the Greater Colombo Sewerage System.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSPU 2001
- b. Expected date of submission for approval
  - Lending: 2006
  - Nonlending (project preparatory): 2004
  - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
  - Lending: 2006-2009
  - Nonlending: 2004-2005

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$20 million
  - Asian Development Fund: \$
  - Other: Government: to be determined

If cofinancing is required, indicate amount and sources sought: \$40 million, source to be determined.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	\$20 million
Government Financing	tbd
Other Financing	tbd
<b>Total Cost</b>	<b>tbd</b>

Source: Staff estimates.

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
  - Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, CSPU = country strategy and program update, RCSP = regional cooperation strategy and program, TA = technical assistance.