ADB ASIAN DEVELOPMENT BANK

Sri Lanka: Aquatic Resource Development and Quality Improvement

Project Name	Aquatic Resource Development and Quality Improvement
Project Number	34318-013
Country	Sri Lanka
Project Status	Closed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	**Loan 1910-SRI: Aquatic Resource Development and Quality Improvement** Ordinary capital resources — US$ 6.20 million **Loan 1911-SRI: Aquatic Resource Development and Quality Improvement** Asian Development Fund — US$ 13.80 million **Loan: Aquatic Resource Development and Quality Improvement** National Development Trust Fund — US$ 1.60 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Private sector development
Sector / Subsector	**Agriculture, natural resources and rural development** - Agricultural policy, institutional and capacity development - Fishery **Finance** - Inclusive finance
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The Project will promote market-driven and sustainable management of inland fisheries and aquaculture through resource development and quality improvement. It will initially be implemented in nine districts in six provinces in the dry zone. Model aquaculture and fish processing enterprises will be developed, which may be replicated in other parts of the country, including the north and east, where the water resources exist. The Project is organized in five parts: inland fisheries and aquaculture development, fish quality improvement and marketing, facilitation of access to credit, institutional strengthening, and project management. The successful implementation of these is expected to result in the following outcomes: (i) increased production of freshwater fish and other aquatic products for the rural, urban, and export markets; (ii) improved quality and increased consumption of inland fish; (iii) improved access to credit for use in inland fisheries and aquaculture; and (iv) strengthened capacity of NAQDA and other sector institutions. Increased investment by small- and medium-scale private entrepreneurs will be encouraged, and community-based fisheries management will be strengthened.

Project Rationale and Linkage to Country/Regional Strategy	Fish are the principal source of protein for Sri Lanka?s population, and play a vital role in meeting basic nutritional and livelihood needs. Extensive water bodies constitute a potentially rich source of food and income for the rural population living in their proximity. However, in 2000, only 12% of the country?s fish production came from inland fisheries and aquaculture. The production potential of the freshwater and brackish water resources has not been optimally utilized due to several factors, including lack of (i) fish seed for stocking, (ii) trained extension staff and outreach, and (iii) medium-term credit to finance increased production. An analysis of consumption trends shows a growing demand for fish in both rural and urban markets. Significant opportunities are also emerging for sale of freshwater fish and aquatic products beyond traditional local markets. Both community-based and private sector initiatives and interest exist to avail of these opportunities, given appropriate support to invest in developing inland fisheries and aquaculture production and marketing. Fish are the principal source of protein for Sri Lanka's population, and play a vital role in meeting basic nutritional and livelihood needs. Extensive water bodies constitute a potentially rich source of food and income for the rural population living in their proximity. However, in 2000, only 12% of the country?s fish production came from inland fisheries and aquaculture. The production potential of the freshwater and brackish water resources has not been optimally utilized due to several factors, including lack of (i) fish seed for stocking, (ii) trained extension staff and outreach, and (iii) medium-term credit to finance increased production. An analysis of consumption trends shows a growing demand for fish in both rural and urban markets. Significant opportunities are also emerging for sale of freshwater fish and aquatic products beyond traditional local markets. Both community-based and private sector initiatives and interest exist to avail of these opportunities, given appropriate support to invest in developing inland fisheries and aquaculture production and marketing. ADB?s strategy in Sri Lanka focuses on assisting the country's poverty reduction efforts through improved efficiency, more sustainable pro-poor growth, and better development opportunities for the poor. ADB's support for aquatic resource development and quality improvement will boost generation of productive employment opportunities and increase rural incomes. The intervention recognizes that both investment, and policy and institutional development are required to enhance productivity and increase employment opportunities for the poor. The Project is in line with the operations of ADB in the fisheries sector, which are steered by the objectives of resource sustainability, equity in balancing interests of various resource users, and efficiency in developing and managing aquatic resources.
Impact	Improved food security and reduced poverty, especially in rural areas.

Project Outcome	
Description of Outcome	Sustainable management of market-driven inland fisheries and acquaculture. [Taken from the Project Framework.]
Progress Toward Outcome	The Review Mission in February 2010 noted continued good progress made and the management, planning and organization by the Project Director and his team will hope to complete the project as scheduled by 30 June 2010.
Implementation Progress	
Description of Project Outputs	1. Inland Fisheries and Aquaculture Development 1.1 Fish Production Enhancement 1.2 Community-based fisheries management 1.3 Enterprise Development 1.4 Applied Research 2. Fish Quality Improvement and Marketing 3. Facilitating Access to Credit 4. Institutional Strengthening 5. Project Management

Status of Implementation Progress (Outputs, Activities, and Issues)	Construction completed at Anuradhapura, Monaragala,Polonnaruwa and Kurunegala RAEO. Construction work for Ampara office is also complete Stockings completed in 3129ha seasonal tanks (283 tanks) identified under 2008/09 programme 97 tanks covering 10,075 ha utilized under 2008/09 programme.(cumulative). About 7 million fish fingerlings stocked during 2009. 25 mini hatcheries established and fully operational and reared about 8 fingerlings during 2009. A consignment of GIFT Tilapia, brought with the help of WorldFish Center. Negotiating with Chinese Govt. for import of Grass carp. A total of 10 fish species/varieties/stock supplied. 50 tanks selected for the introduction of community based fisheries under 2009 programme. CBOs strethened. Representives of CBO's trained in CBO's trained in CBO management and leader (50 tanks cumulative) NGOs completed services in respect of 4 districts. NAQDA has signed agreements with the private partner. Construction of Tissue culture laboratory is complete and equipment supplied. production is in progress. NAQDA has signed agreements with the private partner. Broodstocks are being raised and reared and fish are maturing. NAQDA has signed agreement with the private partner. Production of Artemia in progress. Post harvest processing and canning successful and production is introduced to the market and farming operations are continuing. (d) Private partner identified. Agreement signed. Construction of ponds and other facilities at Pelwehera, Dambulla completed. (e) Very poor response for the EOI. (f) Very poor response for the EOI. Construction of the laboratory building completed. Scientific equipment supplied; The center is in operation. Construction of the laboratory building has been completed at battuluoya and is in operation Two model drying/smoking units operational. Three sites for establishment of solar drier units identified and construction at Hakwatunawa is in progress. 32 fisheries organization (cumulative) have been registered as partner organization, Rs.10.13m (cumulative) of loans disbursed. 121 loans approved amounting to Rs.72 million and Rs.67 million disbursed The contract was awarded in 2008 and completed the construction and the building is occupied Construction is complete and in operation Information system handedover to NAQDA. Frame survey data analysis completed. Field officers trained on samling based on catch assesment is completed. 5 double cabs; 6 crew cabs; 50 motor bicycles; 1 tractor; 3 hand tractors procured and supplied.1 truck supplied. Submersible/sledge pumps netting materials, office equipment, Generators, computers, scientific equipment etc. procured and supplied; 9 contracts awarded for the supply of scientific equipment. training of fisheremen is completed.. cumulative 25 persons (9 p/m) cumulative 3,585 offices (6,982.5 p/d) cumulative 3050 farmers (4864 p/d) 2.89 p/m (cumulative 49.65 p/m) International and 14.08 p/m (cumulative 1540 p/m) inputs provided. Total inputs are provided. Consultants contracted for design/construction supervision of 10 civil works contracts which was completed as of 30 June 2010.
Geographical Location	The Project will initially be implemented in nine districts in six provinces in the Dry Zone of the country. Sites have also been identified in other districts, including Vavuniya, Ampara, and Batticaloa in the northeast, which can be developed.

Safeguard Categories	
Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects
Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Business Opportunities

Consulting Services	A team of consultants will be engaged by Ministry of Fisheries and Aquatic Resources Development (MFOR) to support PMO in Project management and provided technical advice and assistance in the implementation of specific interventions. The consultants will be engaged through an international consulting firm in accordance with ADB Guidelines on Consultant Selection. Consulting services requirement is estimated at a total of 197 person-months, comprising 51 person-months of international; and 146 person-months of domestic consultants. The Project Management Support Specialists will assist and support PMO and the PIUs in project implementation. The Technical Support Specialists will provide technical advice and guidance to PMO and the PIUs in the following areas: (i) inland fisheries and aquaculture; (ii) mariculture; (iii) fish health management; (iv) fish processing and quality improvement; (v) marketing; (vi) community development; (vii) institutional development and training; (viii) fisheries information systems; and (ix) policy and legislation. Advance action for recruitment of consultants will be taken.
Procurement	All procurement under the Project will be done in accordance with ADB?s Guidelines for Procurement. Major items to be procured through international competitive bidding will be equipment and a small number of vehicles. Civil works will comprise many small contracts for establishing small-scale infrastructure and facilities, which will be contracted through local competitive bidding. Nongovernment organizations and other service providers will also be contracted through local competitive bidding.

Responsible ADB Officer	Nissanka Salgado
Responsible ADB Department	South Asia Department
Responsible ADB Division	Sri Lanka Resident Mission
Executing Agencies	*National Aquaculture Development Authority11 Mahawella Lane* *Dematagoda, Colombo 09* *Sri Lanka* *Ministry of Fisheries and Ocean ResourcesFSDP@SLT.LK108/4, Rosmead Place* *Colombo 07* *Sri Lanka*

Timetable	
Concept Clearance	08 Mar 2002
Fact Finding	05 Mar 2002 to 15 Mar 2002
MRM	30 Apr 2002
Approval	05 Sep 2002
Last Review Mission	-
PDS Creation Date	02 Feb 2007
Last PDS Update	03 Jun 2011

Loan 1910-SRI

Milestones					
Approval	**Signing Date**	**Effectivity Date**	**Closing**		
			Original	**Revised**	**Actual**
05 Sep 2002	08 Jul 2003	03 Nov 2003	30 Jun 2010	-	16 Jul 2012

Financing Plan		**Loan Utilization**			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	16.20	Cumulative Contract Awards			
ADB	6.20	05 Sep 2002	0.65	0.00	100%
Counterpart	8.40	Cumulative Disbursements			
Cofinancing	1.60	05 Sep 2002	0.65	0.00	100%

Loan 1911-SRI

Milestones					
Approval	**Signing Date**	**Effectivity Date**	**Closing**		
			Original	**Revised**	**Actual**
05 Sep 2002	08 Nov 2002	07 May 2003	30 Jun 2010	-	26 Nov 2010

Financing Plan		Loan Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	13.80	Cumulative Contract Awards			
ADB	13.80	05 Sep 2002	14.96	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	05 Sep 2002	14.96	0.00	100%

Project Page	http://www.adb.org/projects/34318-013/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=34318-013
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