

PROJECT COMPONENT ANALYSIS
(Sri Lanka: Conflict-Affected Region Emergency Project)

A. Component A: Reestablishing Connectivity

1. Damage and Impact

1. Northern Province's road network includes 1,258 kilometers (km) of national highways, 1,960 km of provincial roads (classes C and D), and 5,740 km of local authority roads. All public roads in Northern Province and the bordering villages in North Central Province require rehabilitation and reconstruction. During the armed conflict, most road drainage culverts and road causeways were damaged. Some of these structures have been temporarily repaired with earth filling and are now open to traffic. However, these temporary structures have a limited load-bearing capacity and need to be replaced with more appropriate permanent structures.

2. The need for intervention stems from three problems: (i) damage due to the conflict, (ii) a deterioration of road conditions due to lack of maintenance, and (iii) stagnation in development of the road network. Riding conditions of roads are poor, vehicle operating speeds are low, and vehicle operating costs high.

3. Lack of capacity and the poor condition of roads are among the main constraints preventing ordinary people and returning internally displaced persons (IDPs) from gaining access to economic opportunities and services of an acceptable quality. Local authority and provincial council roads in particular serve communities located away from the centers of economic activity, which have high poverty levels due to the conflict, poor education attainment, and lack of available economic opportunities.

2. Project and Scope

4. The government has identified around 1,148 km of national roads, 291 km of provincial roads, and 5,000 km of municipal, urban authority, and Pradeshiya Saba¹ roads in all five districts of Northern Province for rehabilitation during 2010–2012.²

5. Based on discussions with the municipal, provincial, and national agencies and officials on the priority rehabilitation of roads, the scope of this component will be to improve the roads listed below. The most critical links to improving connectivity will be selected for financing under the project. The beneficiaries will be consulted in selecting and designing the following municipal, urban, and provincial council roads:

- (i) two national roads (65 km total length) in Northern Province (Poonarin–Paranthan road B357, and Mankulam–Vellankulam road B269);
- (ii) about 100 km of provincial council roads in Northern Province; and
- (iii) about 100 km of municipal and urban roads in Northern Province and Pradeshiya Saba roads in bordering villages in divisional secretariats of Padawiya, Kebathigollewa, Nuwaragam Palatha Central, and Madawacchchiya in North Central Province.

¹ Periurban area local authority.

² Department of National Planning. Ministry of Finance and Planning. October 2009. *Wadakkinn Wasantham: Three-Year Investment Program for the Northern Province*. Colombo.

3. Project Activities

6. This component will support rehabilitation of around 265 km of roads within existing rights of way to standards adopted by provincial or national road agencies. The road works will include improving existing roads and associated drainage structures such as culverts and bridges, reconstructing road base and sub-base, and providing double bitumen surface treatment or asphalt concrete wearing courses. The use of the existing road corridor will achieve the optimal combination of economy and desired road improvement without land acquisition.

7. **Selection criteria of roads.** National roads to be improved have already been identified by the government. The two national roads connect the western sides of Kilinochchi and Mullaitivu districts, which are the most severely affected by the conflict, to the A9 highway. For municipal, urban, and provincial council roads, long lists of candidate roads will be prepared by local authorities and district secretariats during the implementation of the project through a consultative and participatory process of stakeholders. In consultation with the beneficiaries, the project management unit will finalize the short lists of roads for each selected district based on the following criteria:

- (i) roads providing access to villages where IDP resettlement sites are situated or the government provides an IDP resettlement plan;
- (ii) roads connecting the selected villages with rural market places, banks, and other public facilities;
- (iii) roads connecting the selected villages with national or provincial council roads;
- (iv) bus routes managed by Pradeshiya Sabha, municipal, urban, and provincial councils;
- (v) roads linking remote rural agricultural areas with townships;
- (vi) roads already identified by Pradeshiya Sabha, municipal, urban, and provincial councils for upgrading; and
- (vii) roads that increase economic opportunities.

**Table 1: Cost Estimates and Financing Plan for
Component A: Reestablishing Connectivity**
(\$ million)

Item	Northern Province			Northern Central Province Pradeshiya Sabha Roads	Total
	National Roads	Provincial Roads	Municipa l Roads		
A. Investment Cost					
1. Civil works	30.00	15.50	12.00	1.50	59.00
2. Equipment and furniture	0.00	0.50	0.00	0.00	0.50
3. Consultants					
Design and supervision	2.00	3.00			5.00
Subtotal (A)	32.00	19.00	12.00	1.50	64.50
B. Recurrent Cost					
Incremental	0.30	0.50		0.20	1.00
Subtotal (B)	0.30	0.50		0.20	1.00
Base Cost (A + B)	32.30	19.50	12.00	1.70	65.50
Physical contingencies	3.23	1.95	1.20	0.17	6.55
Price contingencies	1.62	0.98	0.60	0.09	3.28
C. Financing Charges During Implementation	0.93	0.56	0.35	0.05	1.89
Total (A + B + C)	38.08	22.99	14.15	2.00	77.21

Sources: Northern Road Development Authority, Road Development Authority.

B. Component B: Restoring Utilities (Power Component)

1. Damage and Impact

8. The Vavuniya–Kilinochchi–Chunnakam transmission line connected Ceylon Electricity Board's national grid to Northern Province. The line was destroyed around 1995, depriving the majority of the province of reliable and cheap electricity. Since this delinking, power to the Jaffna Peninsula has had to rely on a generation plant built in 1996, while the northern mainland beyond Vavuniya was deprived of any grid electricity. The disruption of electricity deprived the province's economic activities and livelihood and increased people's insecurity.

9. The impact of the project will be to (i) reconnect Northern Province to the national power grid, and (ii) cater to the growing electricity demand of Jaffna and recently liberated areas of Northern Province.

2. Project and Scope

10. The project outputs will be

- (i) the construction of Chunnakam 132/33 kilovolt (kV) grid substation; and
- (ii) the construction of the Kilinochchi–Chunnakam 132 kV transmission line

3. Project Selection

11. Development and strengthening of the transmission and associated grid substation facilities are essential to meet the growing electricity demand of the country. The CEB identifies necessary transmission system reinforcements through its long-term transmission system expansion planning process.

12. A master plan study for the development of the transmission system in Sri Lanka was completed by the CEB with technical assistance from the Japan International Cooperation Agency in January 2006. Long-term transmission development studies are carried out regularly, based mainly on the latest available national load forecast, long-term generation expansion plan, and medium-voltage distribution development studies. The latest long-term transmission development studies (2008–2016) emphasized the necessity for the project. These two subprojects were earlier identified as part of the assessment of needs in the conflict-affected areas, jointly conducted by ADB, the United Nations, and the World Bank in May 2003. However, the CEB could not start construction due to the prevailing security situation.

13. In line with these planning processes, the CEB carried out a demand forecast for 2009–2016 for the Chunnakam grid substation (Table 2). With the construction of the new grid substation under the project, the CEB will be able to cater to the demand requirement forecast by 2015. The CEB will have commissioned new generation plants by the time the two project outputs are complete which, along with the project outputs, will ensure adequate supply of electricity to the project area.

Table 2: Demand forecast for Chunnakam grid substation

Grid Substation	Proposed Capacity (MVA)	Proposed	Forecast Loading (MW)							
			2009	2010	2011	2012	2013	2014	2015	2016
Chunnakam	2 x 31.5	2012	26.4	30.6	35.5	41.0	47.5	54.4	62.8	71.6

MVA = megavolt ampere, MW = megawatt.

14. The government has identified the project in the Wadakkinn Wasantham plan for Northern Province development. The construction of the transmission line is regarded as a prerequisite for accelerated economic development and for raising the living conditions of the people in Northern Province. The project proposal also took into consideration the funds availability from the Japan International Cooperation Agency for the reconstruction of the Vavuniya–Kilinochchi 132 kV transmission line and Kilinochchi grid substation.

15. The CEB expects to expand the generation capacity for the main grid by the time the two projects are complete and the new transmission line is commissioned. Given the current limited scale of energy consumption in Northern Province compared with other provinces, the CEB expects to extend the grid in line with the government's policy of increasing the grid electrification ratio to 98% by 2016.

**Table 3: Cost Estimates and Financing Plan for
Component B: Restoring Utilities (Power Component)**

(\$ million)			
Item	Chunnakam Grid Substation	Chunnakam Transmission Line	Total
A. Investment Cost			
1. Civil works	7.54	18.55	26.08
2. Equipment and furniture	0.00	0.00	0.00
3. Consultants			
Design and supervision			
Subtotal (A)	7.54	18.55	26.08
B. Recurrent Cost			
Incremental	0.19	0.42	0.61
Subtotal (B)	0.19	0.42	0.61
Base Cost (A + B)			
Physical contingencies	0.77	1.90	2.67
Price contingencies	0.77	1.90	2.67
C. Financing Charges During Implementation			
Total (A + B + C)	9.50	23.31	32.81

Source: Ceylon Electricity Board.

C. Component B: Restoring Utilities (Water Supply Component)

1. Damage and Impact

16. Most of the water supply schemes in small towns in the conflict-affected areas are dilapidated and need urgent rehabilitation in order to provide safe drinking water to residents of the area. The dilapidated condition is mainly due to the conflict and consequent abandonment. The constrained development activities due to the conflict have meant that the extension of water supply services which would have been carried out could not be done. At present, the population uses water mainly from dug and tube wells, which are not safe or convenient to use. Water obtained from some of these wells is not fit to drink. Moreover, development activities that will take place in the area in the near future will create a greater demand for water supply facilities.

17. The two water schemes chosen for funding under this project are ones which are at an advanced stage of preparedness and can be implemented in a relatively short period of time.

18. **Eachchalampattu.** Eachchalampattu is located south of Trincomalee district and has a population of nearly 10,500. The population currently depends on groundwater as a drinking source, which is hard and saline. The project (along with the Pulmudai water supply scheme) was initially included under the Agence Française de Développement (AFD)-assisted Trincomalee Integrated Infrastructure Project. Although the design for the water supply system was completed with AFD assistance, due to cost overruns this water supply scheme was dropped from the project. Given that Eachchalampattu was affected during the 2006 resurgence of conflict in Eastern Province, and will serve a population of resettled IDPs, this subproject has been included for funding under this project.

19. **Point Pedro.** Point Pedro is located in the northern coastal part of the Jaffna Peninsula. The population covered will be about 25,000. The existing scheme supplies about 25 cubic meters per day for a population of about 1,400 in the Velvettithurai division area along the coast. The source is from shallow wells at Thondamanaru. Other people are supplied with drinking water periodically from water tankers. For other daily needs people depend on groundwater, which is polluted and has become saline since the 2004 tsunami. Post-tsunami investigations and design of the scheme was carried out with development partner assistance. Due to the resurgence of the conflict the construction could not be carried out.

2. Project and Scope

20. The project will support restoring two small water supply schemes in Echchalampattu (Trincomalee district) and Point Pedro (Jaffna district), covering about 35,000 people.

3. Project Activities

21. This component will support rehabilitating two schemes and include investigations and final detailed design of the schemes, construction of the intakes, raw water transmission, treatment works as appropriate, underground and overhead storage, and distribution lines. The existing utility corridor (existing road cross section and provision for utilities) will be used to minimize the need for any land acquisition.

**Table 4: Cost Estimates and Financing Plan for
Component B: Restoring Utilities (Water Supply Component)**
(\$ million)

Item	Echchlampattu	Point Pedro	Total
A. Investment Cost			
1. Civil works	1.68	2.24	3.92
2. Equipment and furniture	0.56	1.12	1.68
3. Consultants			
Design and supervision	0.13	0.17	0.30
Subtotal (A)	2.37	3.53	5.90
B. Recurrent Cost			
Incremental	0.13	0.17	0.30
Subtotal (B)	0.13	0.17	0.30
Base Cost (A + B)	2.50	3.70	6.20
Physical contingencies	0.25	0.37	0.62
Price contingencies	0.12	0.19	0.31
C. Financing Charges During Implementation			
	0.07	0.11	0.18
Total (A + B + C)	2.94	4.36	7.31

Source: National Water Supply and Drainage Board.

D. Component C: Improving Basic Social Services

1. Damage and Impact

22. Most of the district and divisional administration buildings have been damaged; in Kilinochchi and Mullaitivu, almost all district and divisional secretariats and local authority

buildings have been destroyed. However, some of the offices constructed between 2002 and 2006 have suffered minor damage and are being repaired under the 180-day program.³ These institutions have also lost most of the office furniture, equipment, machinery, and vehicles.

23. Agriculture is the key economic activity employing a majority of the population in Northern Province. There are 62 major and medium-sized irrigation schemes servicing about 41,000 hectares (ha), and 2,524 small and minor irrigation schemes servicing about 75,000 ha in the province. Of these, nine major and medium-sized schemes are interprovincial schemes servicing about 15,500 ha. The province is in the dry zone, and rains from the southwest monsoon are limited and irregular. The cropping intensity in most of these schemes in the province remains low due to shortage of water. There are also no major perennial rivers that can be tapped to provide irrigation for cultivation in the Mullaitivu and Jaffna districts. Rainwater and lift irrigation are the major sources of irrigation available in the province. The majority of tanks and canals are dilapidated due to limited or no investment since the early 1980s. Following the 2004 tsunami, most of the coastal areas were affected by saltwater intrusion and the resultant salinity. Some of the minor tanks have been abandoned due to the displacement of people.

24. There are 16 technical education and vocational training centers in the province. Some of these centers, such as the vocational training authority center at Kilinochchi and the national apprentice and industrial training authority center at Manipai, have been closed because of the conflict. The youth in the province have had no opportunity to acquire new skills, and they are therefore less employable than youths elsewhere in the country. Lack of training opportunities will create a severe shortage of skilled persons required for development projects planned for the medium term. In these circumstances, the establishment of the proposed centers in Mannar, Kilinochchi, and Mullaitivu is essential.

25. Some of the vocational training activities, including training and rehabilitating some of the former combatants with vocational skills, are also being financed by other development partners including the World Bank, the Japan International Cooperation Agency, the Government of India, and other bilateral agencies.

2. Project and Scope

26. The scope of this component will include

- (i) rebuilding 10 administrative offices;
- (ii) rehabilitating about 10 small and medium-sized irrigation schemes in Northern Province and bordering villages in North Central Province; and
- (iii) rebuilding and refurbishing three vocational training centers (Kilinochchi, Mannar, and Mullaitivu).

3. Project Activities

27. This component will include reconstruction of damaged and dilapidated civil structures and buildings and provision of operation and maintenance equipment; training material and equipment; facilities for extension services, staff, and student accommodation as required; and mobility for operation and maintenance. The use of the existing land for the reconstruction of facilities will be ensured to avoid the need for any land acquisition. Also, no

³ The 180-day program is concentrating on repairing the most urgently needed partially damaged community and administrative infrastructure, while the medium-term program will focus on rebuilding the destroyed larger infrastructure needed to support medium- to longer-term development and livelihood needs.

increase of command and inundation area of the irrigation facilities will be allowed under the project.

28. **Selection criteria.** Specific selection criteria for the each of the subprojects are detailed below. During implementation the subprojects will be developed and checked against these criteria before construction.

29. For the administrative facilities, specific criteria include the following:

- (i) Preference will be given to district facilities destroyed by the conflict.
- (ii) The building should be constructed at the same site.
- (iii) Land ownership is clearly defined.
- (iv) Least-cost designs should be used in the construction.
- (v) No asbestos roofing sheets shall be used in the construction.
- (vi) It should not be included in another development partner's projects or programs.
- (vii) It should be confirmed that the vehicles will remain in service for which they are intended.

30. Specific criteria for irrigation include the following:

- (i) The schemes should be those where a significant proportion of IDPs are now returning to their land, and require the rehabilitation work to proceed to restore their previous livelihoods.
- (ii) There must be a clear benefit, in economic terms, arising from the rehabilitation work.
- (iii) Preference will be given to schemes managed by the provincial council.
- (iv) Land ownership is clearly defined.
- (v) There should be no increase from the originally designed inundation and command areas.
- (vi) Due to the rehabilitation, no new settlements are made.
- (vii) Preference will be given to schemes where relatively low-cost labor-intensive works on downstream canals and farm access works are required.
- (viii) It should not be included in another development partner's projects or programs.

31. The indicative list of irrigation facilities identified during the project preparation is given in Table 5.

Table 5: Indicative List of Possible Schemes

Possible Scheme	Hectares Covered	Farmer Families Benefited
Jaffna District		
Salt Water Exclusion schemes in 5 areas	TBD	TBD
Kilinochchi District		
Salt Water Exclusion schemes in 2 areas	TBD	TBD
Mullaitivu District		
Vavunikulam scheme	2,452	3,020
Visvamaradu scheme	327	415
Udayarkaddu scheme	518	722
Maruthamaradu scheme	202	
Madawalasingam scheme	161	132
Kanukerny scheme	734	
Thannimurippu scheme	957	828
Subtotal	5,351	5,117
Vavuniya District		
Chemamaradu scheme	243	200
Malikai scheme	121	68
Kombuvaithakulam scheme	89	40
Velankulam scheme	91	35
Aliyamaruthamaradu scheme	92	40
Periyathampanai scheme	148	114
Subtotal	784	497
Mannar District		
Kurai Tank scheme	304	250
North Central Province		
Minor-to-medium sized irrigation schemes	TBD	TBD

TBD = to be determined.

Source: Provincial Irrigation Departments in North Central and Northern Province.

**Table 6: Cost Estimates and Financing Plan for
Component C: Improving Basic Social Services**

(\$ million)

Item	Irrigation		Administrative Infrastructure	Vocational Training	Total
	Northern Province	Adjoining Districts			
A. Investment Cost					
1. Civil works	15.12	2.24	6.72	3.81	27.89
2. Equipment and furniture	0.45		1.12	3.36	4.93
3. Consultants					
Design and supervision	0.10		0.25	0.20	0.55
Subtotal (A)	15.67	2.24	8.09	7.37	33.37
B. Recurrent Cost					
Incremental	0.40	0.10	0.30	0.20	1.00
Subtotal (B)	0.40	0.10	0.30	0.20	1.00
Base Cost (A + B)	16.07	2.34	8.39	7.57	34.37
Physical contingencies	1.61	0.23	0.84	0.76	3.44
Price contingencies	0.80	0.12	0.42	0.38	1.72
C. Financing Charges During Implementation	0.46	0.07	0.24	0.22	0.99
Total (A + B + C)	18.94	2.76	9.89	8.92	40.51

Sources: Ministry of Public Administration and Home Affairs, Ministry of Vocational Training and Technical Education, Provincial Irrigation Departments in North Central and Northern Province.

E. Component D: Legal Infrastructure

1. Damage and Impact

32. The prolonged conflict prevented the institutions responsible for civil and judicial administration in Northern Province from functioning effectively. This is particularly acute in areas that were subject to heightened levels of conflict. The complete or partial destruction of the judicial and administrative infrastructure in these areas affected delivery of services to the communities. The judicial infrastructure in particular did not receive high priority in the several reconstruction efforts that were carried out during short spells of relative peace. The absence of fully functioning judicial administration with sufficient physical coverage impacted the rule of law and made communities more vulnerable. Limited access to justice, both physically and otherwise, was acutely felt in most areas. The courts that functioned did so under extreme conditions.

33. The conflict environment coupled with the resettlement of communities means that disputes—especially in areas such as land ownership, inheritance, family, and marriage—need to be dealt with in a formal, fair, and transparent manner, acceptable to all parties. Absence of adequate judicial infrastructure will negatively impact the personal and communal security of the communities and IDPs, which will make dispute resolution difficult and cause tension among resettled communities. The government has requested emergency assistance for rebuilding judicial infrastructure and public administration institutions in Northern Province.

2. Project Scope

34. In consultation with ADB, the Ministry of Justice and Law Reforms (MOJ) has proposed rehabilitation and reconstruction of court infrastructure in up to nine strategic locations: (i) Chavakachcheri, (ii) Kytes, (iii) Kilinochchi, (iv) Mallakam, (v) Mankulam, (vi) Mannar, (vii) Mullaitivu, (viii) Point Pedro and (ix) Velani. The project will provide for the construction of courthouses and related facilities.

35. Having functioning courthouses will impact the rest of the civil service administration in influencing a swift gravitation toward rule-of-law-based governance. In addition, having a fully operational governance system, particularly in the justice sector, is essential to support early recovery efforts and sustain rehabilitation and rebuilding initiatives. Reconstruction of court infrastructure will rapidly establish functioning judicial centers; this is critical from the point of view of the returning IDPs. It will give them a sense of security, a legitimate outlet for their grievances, and an acceptable mechanism to deal with disputes that may arise between the IDPs or resettled communities and between the IDPs and the state authorities. prior to the conflict Northern Province had a mature and a well-developed system of judicial administration, which contributed to the development of certain laws indigenous to the area dealing with land, inheritance, and matrimonial property. Therefore, reviving the once vibrant legal and justice sector has a special significance to the reconciliation effort as well.

36. In rebuilding legal services, UNDP is currently implementing the Access to Justice Project. The project provides legal aid to internally displaced and conflict-affected persons, training of justice sector officials, alternate dispute resolution services, and legal assistance for vulnerable groups. The combined impact of the ADB-funded component and the UNDP's project falls into three main categories: (i) reconstruction of physical infrastructure; (ii) administrative and legal services in the form of capacity building of judges and lawyers; and (iii) legal aid to ensure access to justice to communities including IDPs.

37. This project will therefore coordinate and collaborate with the UNDP to ensure that the combined outcome of support provided by the two organizations will result in an almost immediate delivery of tangible services to communities specifically in the areas of legal aid, administrative justice, and dispute resolution. UNDP is implementing the Access to Justice Project in close coordination with the MOJ and the Ministry of Constitutional Affairs. ADB and UNDP have concluded a letter of understanding within the parameters of the existing ADB–UNDP memorandum of understanding.

3. Implementation Arrangements

38. The design and construction of judicial infrastructure such as courthouses is the responsibility of the MOJ, having dedicated staff for contract management and oversight. A dedicated project management unit is not required as the MOJ, in close coordination with the project coordination quality assurance unit (PCQAU), can execute the project with a competitive bidding process acceptable to ADB. Procurement will be carried out in accordance with the procurement plan in the project administration manual for the Conflict-Affected Region Emergency Project. In proposing this implementation arrangement, the project considered the past experiences of the MOJ in successfully designing and constructing courthouses in other parts of the country.

**Table 7: Cost Estimates and Financing Plan for
Component D: Legal Infrastructure**
(\$ million)

Item	Amount
A. Investment Cost	
1. Civil works	6.05
2. Equipment and furniture	0.84
3. Consultants	
Design and supervision	0.50
Subtotal (A)	7.39
B. Recurrent Cost	
Incremental	0.40
Subtotal (B)	0.40
Base Cost (A + B)	7.79
Physical contingencies	0.78
Price contingencies	0.35
C. Financing Charges During Implementation	0.22
Total (A + B + C)	9.14

Source: Ministry of Justice and Law Reforms.