



Sri Lanka: Second Integrated Road Investment Program-Tranche 2

Project Name	Second Integrated Road Investment Program-Tranche 2
Project Number	50301-003
Country / Economy	Sri Lanka
Project Status	Closed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan 3851-SRI: Second Integrated Road Investment Program - Tranche 2 Ordinary capital resources US\$ 150.00 million
Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability OP5: Promoting rural development and food security OP6: Strengthening governance and institutional capacity
Sector / Subsector	Transport / Road transport (non-urban)
Gender	Effective gender mainstreaming
Description	Tranche 2 will finance the second slice of projects of the time-slice multitranches financing facility (MFF) approved on 29 September 2017. The investment program will improve the accessibility of the road network in Sri Lanka's rural areas, and thereby increase the involvement of the rural population in nationwide economic and social development. It will upgrade and maintain about 3,400 kilometers (km) of rural access roads to all-weather standard; rehabilitate and maintain to a good condition about 340 km of national roads in Eastern, Northern, Uva, and Western provinces; and improve the capacity of road agencies with respect to safeguards, road safety, maintenance, research capacity, and road design and construction.
Project Rationale and Linkage to Country/Regional Strategy	Despite rapid progress in reducing poverty, Sri Lanka faces several challenges to fully eradicate poverty. Disparities in the poverty rate exist across provinces and districts, particularly in districts in Eastern, Northern, and Uva provinces. Securing prosperity for everyone through sustainable and inclusive development is the government priority strategy. Pro-poor economic growth will need to be driven not only by high rates of public expenditure, but also by market-oriented value addition and private sector-led investment; however, it is hindered by poor transport infrastructure, particularly poorly maintained provincial and local authority roads. Access to markets, and business and knowledge opportunities and benefits, especially along agricultural value chains, will be key to further poverty reduction and shared prosperity in rural areas.
Impact	Connectivity between rural communities and socioeconomic centers in Sri Lanka improved.
Project Outcome	
Description of Outcome	Transport efficiency on project roads increased.
Progress Toward Outcome	As of 30 August 2021, physical progress is 50%. The overall progress slowed down due to COVID -19. The impact of this event is being evaluated.
Implementation Progress	
Description of Project Outputs	Road conditions between the selected rural communities and socioeconomic centers improved Capacity of road agencies enhanced.
Status of Implementation Progress (Outputs, Activities, and Issues)	1.Contracts awarded to improve 3180 km of rural roads and 755 km completed. Performance Based Maintenance is in progress in completed road sections. Contracts awarded to improve 413 km of National roads and 85 km completed. Procurement initialized for 70 km length national roads. Performance Based Maintenance is in progress in completed road sections. 2.Three RDA staff participated in Rural Road Design program in overseas in Q4 2019. Recruitment of international pavement consultant is completed. Information technology specialist mobilized in Q4 2019. 10 workshops on social safeguard and environmental safeguard conducted. More than 200 staff from RDA & provincial road agencies participated. Digitized sample collection and billing system was introduced to research & Development Division of RDA in 2019. Bid document for equipment procurement under preparation.
Geographical Location	Province of Uva
Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C
Summary of Environmental and Social Aspects	
Environmental Aspects	The scope of works of the MFF involves rehabilitation of existing rural and national roads. There will be no road widening and no roads falling inside protected areas that will be included in the project. Therefore, Tranche 1 has been categorized as B in accordance with ADB's Safeguard Policy Statement.
Involuntary Resettlement	All national and rural roads improvements will be undertaken within the existing rights-of-way. No involuntary resettlement impacts were identified during due diligence undertaken for tranche 1. However, for the national road component during implementation of the 7-year maintenance contract, involuntary resettlement impacts could be encountered, and the project has therefore been classified as category B.

Indigenous Peoples No indigenous people were identified during due diligence. An indigenous peoples planning framework has been prepared to guide the screening and preparation of safeguard planning for future tranches.

Stakeholder Communication, Participation, and Consultation

During Project Design To strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation, meaningful consultations and social surveys were conducted along all project roads through household surveys, group discussions, and a transect walk. Community participation was undertaken to increase awareness of the project, to determine people's needs and concerns, and to obtain suggestions for enhancing benefits and mitigating negative impacts. For the rural road component, continued consultations will take place throughout the design and implementation period, including using community participatory approaches to finalize road designs, especially with respect to improving roadsafety, minimizing environmental impact, and minimizing construction impact. A grievance redress mechanism will be set up in all project areas for complaints raised by community members related to design and implementation.

During Project Implementation Stakeholders are being consulted during project implementation.

Business Opportunities

Consulting Services Project implementation consultants (QCBS 90:10), including for training programs. 144 person-months of international consulting services and 9,741 person-months of national consulting services (4 contracts, with 2 already awarded). For individual consultant selection, 104 person-months of international consulting services and 198 person-months of national consulting services.

Procurement 31 of 53 civil works contracts of the road development component were awarded (15 contracts in UVA province, 11 contracts in Eastern province, and 5 contracts in Northern Province). The remaining 12 packages in Northern province and 10 packages in Western province are scheduled to be awarded in 2019 and early 2020, respectively. Physical progress of civil works in Uva province is 28% while the works just commenced in Eastern and Northern provinces. Capacity development implementation is slightly delayed due to (i) the Road Development Authority focused on procurement of the road development component and (ii) most of the capacity development component need to be implemented in parallel with or after substantial progress of the road development component. Most of the capacity development activities will start in 2020.

Responsible ADB Officer	Sinclair, Nirojan Donald
Responsible ADB Department	South Asia Department
Responsible ADB Division	Sri Lanka Resident Mission (SLRM)
Executing Agencies	Ministry of Highways Road Development Authority

Timetable

Concept Clearance	-
Fact Finding	-
MRM	16 Aug 2019
Approval	05 Nov 2019
Last Review Mission	-
Last PDS Update	27 Sep 2021

Loan 3851-SRI

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
05 Nov 2019	13 Nov 2019	20 Jul 2020	30 Jun 2023	-	20 Sep 2022

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	171.80	Cumulative Contract Awards			
ADB	150.00	25 Jan 2024	150.00	0.00	100%
Counterpart	21.80	Cumulative Disbursements			
Cofinancing	0.00	25 Jan 2024	150.00	0.00	100%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	-	-	Satisfactory

Project Page <https://www.adb.org/projects/50301-003/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=50301-003>

Date Generated 05 March 2024

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement.

ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.