Sri Lanka: Greater Colombo Water and Wastewater Management Improvement Investment Program (Facility Concept)

<table>
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<tr>
<th>Project Name</th>
<th>Greater Colombo Water and Wastewater Management Improvement Investment Program (Facility Concept)</th>
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<tr>
<td>Project Number</td>
<td>45148-004</td>
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<tr>
<td>Country</td>
<td>Sri Lanka</td>
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<tr>
<td>Project Status</td>
<td>Active</td>
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<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
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<tr>
<td>Source of Funding / Amount</td>
<td>MFF Facility Concept 0072-SRI: Greater Colombo Water and Wastewater Management Improvement Investment Program (Facility Concept) Ordinary capital resources US$ 263.00 million concessional ordinary capital resources lending / Asian Development Fund US$ 37.00 million Loan: Greater Colombo Water and Wastewater Management Improvement Investment Program (Facility Concept) Agence Francaise de Developpement US$ 101.00 million MFF Facility Concept: Greater Colombo Water and Wastewater Management Improvement Investment Program (Facility Concept) European Investment Bank US$ 50.00 million</td>
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<td>Strategic Agendas</td>
<td>Environmentally sustainable growth Inclusive economic growth</td>
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<td>Drivers of Change</td>
<td>Governance and capacity development</td>
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<tr>
<td>Sector / Subsector</td>
<td>Water and other urban infrastructure and services - Water supply and sanitation</td>
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<td>Gender Equity and Mainstreaming</td>
<td>Effective gender mainstreaming</td>
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**Description**

Water Supply Services. About 95% of Colombo city is covered by piped water supply. However, low and fluctuating system pressures and intermittent supply is becoming the norm; some areas of the city receive water only in off-peak hours, and other areas receive water for six to ten hours, on average. In 2011, about half of the 290,000 m³/d of water supplied to Colombo city generates no revenue. Non revenue water (NRW) in Colombo city has reached 49% and includes: 33% physical losses, 5% commercial losses, and 11% free water supplied to low income informal settlements. About 700 km of the water supply distribution network in Colombo city is more than 50 years old; pipes in central Colombo city are more than 100 years old. The capacity of the distribution network has decreased significantly over the years due to seriously degraded pipes. The National Water Supply and Drainage Board (NWSD) has not been able to adequately address these problems due to lack of technical capacity, budget, equipment, and institutional capacity. It is also not able to meet the growing demand, and reduce the high losses of water and revenue. Global best practice for NRW reduction offers an effective strategy to make more water available, improve water supply service levels and defer capital investments in an effective and efficient manner, and generate more revenue for NWSD.

The proposed investment will expand coverage and improve treatment standard, and sustainability of the service. The capacity of the distribution network has decreased significantly over the years due to seriously degraded pipes. The National Water Supply and Drainage Board (NWSD) has not been able to adequately address these problems due to lack of technical capacity, budget, equipment, and institutional capacity. It is also not able to meet the growing demand, and reduce the high losses of water and revenue. Global best practice for NRW reduction offers an effective strategy to make more water available, improve water supply service levels and defer capital investments in an effective and efficient manner, and generate more revenue for NWSD.

Effective gender mainstreaming

Effective gender mainstreaming

Current infrastructure deficiencies and deteriorating levels of service, in both water supply and wastewater management services, are emerging as serious constraints to economic development, environmental management and quality of life in Greater Colombo, and threaten to frustrate Government of Sri Lanka’s (GOSL) development framework for steady economic growth and modernization of the capital city of Colombo and its environs. The proposed investment program aims to unleash the economic growth potential in Greater Colombo by improving the water and wastewater service. The investment program will involve both physical works and institutional and management enhancement.

National Government Strategy and Roadmap. Government strategy for water supply and wastewater respectively is to increase the pipe borne water availability from 37% to 60% and pipe borne sewerage coverage in Sri Lanka from 2.5% to 7% by 2020. To achieve this target, the Colombo city need to have 24 hours water supply with 100% connection and there will be 100% public sewer connection in Colombo city and 100% sanitation in the Greater Colombo. NWSD will implement citywide NRW reduction, enhance operation and maintenance (O&M), to improve water supply service levels, increase water availability and reduce revenue losses to an economic level. The investment to rehabilitation and replacement of old network pipeline is essential. The program would include the implementation of the minimum water tariff in the currently free water service areas. In addition, it is in great needs to create accountability and incentives, strengthen technical, financial, and customer service management etc to improve management efficiency. Therefore, the independent autonomous utility under NWSD will be explored. NWSD wastewater management utility will be explored. Overall, the Program will be a pilot project from both physical and non-physical aspects to the other cities in Sri Lanka.
Impact
Improved urban environment and quality of life for the residents in Greater Colombo

Project Outcome
Description of Outcome
Improved water supply and wastewater service and management in Greater Colombo

Progress Toward Outcome
Tranche 1 and Tranche 2 civil works are ongoing.
Tranche 3 to be processed in 2015.

Implementation Progress
Description of Project Outputs
1. Rehabilitated and expanded water supply system and reduced NRW in Colombo city
2. Improved wastewater Services in Greater Colombo
3. Reformed institution and capacity building for water supply and wastewater service
4. Project management system in place

Status of Implementation Progress (Outputs, Activities, and Issues)
Tranche 1 and Tranche 2 civil works are ongoing.
Tranche 3 to be processed in 2015.

Geographical Location

Summary of Environmental and Social Aspects
Environmental Aspects
In compliance with the Safeguard Policy Statement (2009), appropriate environmental and social safeguards documents have been prepared. The Initial Poverty and Social Analysis (IPSA) is in the concept paper. The investment program also prepared a consultation and participation plan to involve key stakeholders for widespread, ongoing, and meaningful participation. A social and gender analysis will be carried out, based on which a gender action plan has been developed.

Involuntary Resettlement
Nature of Social Issue: Temporary disruptions to income and temporary shifting during pipe rehabilitation works. There will be two new wastewater treatment plants to be built in tranche 3. This will potentially entail land acquisition and resettlement.

Indigenous Peoples
Nature of Social Issue: No impacts are foreseen. All works will occur in Greater Colombo.

Stakeholder Communication, Participation, and Consultation
During Project Design 2011-2012
During Project Implementation 2013-2016

Responsible ADB Officer Ron H. Slangen
Responsible ADB Department South Asia Department
Responsible ADB Division Urban Development and Water Division, SARD
Executing Agencies
- Ministry of City Planning and Water Supply (formerly Ministry of Water Supply and Drainage)
  Lakdiya Medura, No. 35,
  New Parliament Road, Pelawatta
- Ministry of Internal & Home Affairs and Provincial Councils & Local Government (formerly Ministry of Provincial Councils, Local Government & Sports)
  330 Union Place, Colombo 2
  Sri Lanka

Timetable
- Concept Clearance 28 Jun 2012
- Fact Finding 16 Jul 2012 to 27 Jul 2012
- MRM 15 Aug 2012
- Approval 25 Oct 2012
- Last Review Mission -
- Last PDS Update 18 Mar 2015

MFF Facility Concept 0072-SRI

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<th>Financing Plan</th>
<th>Loan Utilization</th>
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<tr>
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<td>Date ADB Others Net Percentage</td>
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<td>Project Cost</td>
<td>400.00 Cumulative Contract Awards</td>
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<td>ADB</td>
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<tr>
<td>Counterpart</td>
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<td>Cofinancing</td>
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Request for Information http://www.adb.org/forms/request-information-form?subject=45148-004
Date Generated 26 July 2019

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