



Sri Lanka: Integrated Road Investment Program

Project Name	Integrated Road Investment Program	
Project Number	47273-002	
Country	Sri Lanka	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	MFF Facility Concept 0086-SRI: Integrated Road Investment Program	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 134.00 million
	Ordinary capital resources	US\$ 666.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Private sector development	
Sector / Subsector	Transport - Transport policies and institutional development	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The investment program will improve the accessibility of the road network in rural areas of Sri Lanka, and thereby increase the involvement of the rural population in nationwide economic and social development. An integrated road network will support long-term rural development. The investment program will upgrade and maintain about 2,200 kilometers (km) of rural access roads to all-weather standard; rehabilitate and maintain to a good condition about 400 km of national roads; and improve the capacity of road agencies including the Ministry of Highways, Ports and Shipping (MOHPS), the Road Development Authority (RDA), provincial road agencies, and local authorities with respect to road asset management, project management, and contract administration. The investment program will play a catalytic role in the sustainable development of Sri Lanka.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Sri Lanka occupies a strategic position near the main sea trade routes between Asia and Europe, which allowed Colombo to develop as an international port city, and subsequently as a transshipment point for cargo originating in or destined for the Indian subcontinent. The island country consists mostly of flat or rolling coastal plains, with mountains in the south-central core. About 85% of Sri Lanka's population (20.3 million in 2012) lives in rural and peri-urban areas.</p> <p>Sri Lanka has experienced strong economic growth following the end of civil conflict in May 2009. Economic growth was 8% in 2010 and 2011; slowed to 6.4% in 2012 due to weak external demand, drought, and floods; and then rebounded to 7.3% in 2013. It is envisaged that an improving external environment, higher investment, and a recovery in domestic consumption will sustain a rapid economic growth during 2014_2015. Sri Lanka's economic expansion has been driven by the industry and services sectors, which account for 89% of gross domestic product, followed by the agriculture sector, which contributed the remaining 11%. As a result of the robust growth, the national poverty headcount ratio fell to just below 9% in 2010 from over 15% in 2006. Nevertheless, less-developed areas did not exhibit consistently higher elasticity of poverty reduction (proportional change in poverty per unit growth in gross domestic product per capita). The poor transport infrastructure, in particular the provincial and local authority roads, has hindered the spread of economic activities and access to basic social resources.</p>	
Impact	Improved connectivity between rural communities and socioeconomic centers in Sri Lanka	

Project Outcome

Description of Outcome	Increased transport efficiency on project roads
Progress Toward Outcome	

Implementation Progress

Description of Project Outputs	Improved road conditions between the selected rural communities and socioeconomic centers Enhanced capacity of road agencies
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects	Safeguard due diligence have be conducted according to ADB's Safeguard Policy Statement (2009). An environmental review assessment framework has been prepared for the investment program. For individual tranches, resettlement plans, initial environment examination and environment management plan will be prepared.
Involuntary Resettlement	A resettlement framework has been prepared.
Indigenous Peoples	An indigenous peoples planning framework has been prepared.
Stakeholder Communication, Participation, and Consultation	
During Project Design	Stakeholder participation and consultation include workshops, community mobilization, and consultation conducted for discussion on the potential needs of the community, social-related issues such as gender, HIV/AIDs, human trafficking, child labor, environment and social safeguard issues. Active CSOs are present in the project area. CSOs will be identified and engaged as appropriate for livelihood restoration activities outlined in the resettlement planning documents. Poor and excluded affected persons impacted by land acquisition are consulted and surveyed. Additional assistance and provisions such as livelihood rehabilitation will be outlined in Resettlement Plans.
During Project Implementation	The EA will be required to ensure that women and men are given equal opportunities for employment on the project. Contractors will be required to ensure equal payment for equal work. A specific clause will be included in the bidding documents of the civil works. Monitoring mechanisms will be developed to monitor these actions in the due course. Potential practical and implementable gender-specific initiatives will be explored during due diligence.

Business Opportunities

Consulting Services	Consultants will be recruited, as firms or individuals, to support the project implementation and capacity development in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).
Procurement	Consulting firms and individual consultants will be selected to assist the project implementation unit in project management, contract administration, and capacity development programs. Contractors will be selected for civil works involved in rural road development, national road rehabilitation, and road network maintenance and operation. To expedite project implementation, advance contracting and retroactive financing will be used to procure the civil works and consulting services. Procurement of civil works and equipment will be carried out in accordance with ADB Procurement Guidelines (2013, as amended from time to time). The works contracts will adopt the international or national competitive bidding procedure, using the output and performance-based road contract mode. The bidding and contract documents will use the one developed by the World Bank, with modification to comply with ADB requirements.

Responsible Staff

Responsible ADB Officer	Tai, Lee Ming
Responsible ADB Department	South Asia Department
Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	<i>Ministry of Higher Education and Highways 8th Floor, Denzil Kobbekaduwa Mawatha, Koswata, Battaramulla, Sri Lanka</i>

Timetable

Concept Clearance	27 Sep 2013
Fact Finding	05 May 2014 to 16 May 2014
MRM	13 Jun 2014
Approval	25 Sep 2014

Last Review Mission

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Last PDS Update

24 Nov 2014

MFF Facility Concept 0086-SRI

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	906.00	Cumulative Contract Awards			
ADB	800.00	-	0.00	0.00	%
Counterpart	106.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page <https://www.adb.org/projects/47273-002/main>

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