



Sri Lanka: Second Integrated Road Investment Program-Tranche 2

Project Name	Second Integrated Road Investment Program-Tranche 2	
Project Number	50301-003	
Country	Sri Lanka	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: Second Integrated Road Investment Program - Tranche 2	
	Ordinary capital resources	US\$ 150.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Private sector development	
Sector / Subsector	Transport - Road transport (non-urban)	
Gender Equity and Mainstreaming	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.	
Outcome	Transport efficiency on project roads increased.	
Outputs	Road conditions between the selected rural communities and socioeconomic centers improved Capacity of road agencies enhanced.	
Geographical Location	Nation-wide	
Safeguard Categories		
Environment		B
Involuntary Resettlement		B
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	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.

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Responsible ADB Department	South Asia Department
Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	Ministry of Highways & Road Development and Petroleum Resources Development 8th Floor, Denzil Kobbekaduwa Mawatha, Koswata, Battaramulla, Sri Lanka

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	16 Aug 2019
Approval	-
Last Review Mission	-
Last PDS Update	10 Oct 2019

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	12 October 2019

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