



Tranche-at-a-Glance Report

Project Number: 50301-003
MFF Number: 0102
September 2019

Democratic Socialist Republic of Sri Lanka: Second Integrated Road Investment Program (Tranche 2)

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Asian Development Bank

TRANCHE AT A GLANCE

1. Basic Data		Project Number: 50301-003	
Project Name	Second Integrated Road Investment Program-Tranche 2	Department/Division	SARD/SATC
Country	Sri Lanka	Executing Agency	Ministry of Highways & Road Development and Petroleum Resources Development
Borrower	Democratic Socialist Republic of Sri Lanka		
Country Economic Indicators	https://www.adb.org/Documents/LinkedDocs/?id=50301-003-CEI		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=50301-003-PortAtaGlance		
2. Sector		ADB Financing (\$ million)	
✓ Transport	Road transport (non-urban)		150.00
		Total	150.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		Climate Change impact on the Project	Medium
✓ Accelerating progress in gender equality			
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability			
✓ Promoting rural development and food security		ADB Financing	
✓ Strengthening governance and institutional capacity		Adaptation (\$ million)	7.10
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.5		Effective gender mainstreaming (EGM)	✓
SDG 9.1			
SDG 10.2			
SDG 13.a			
4. Risk Categorization: Low		Poverty Targeting	
5. Safeguard Categorization Environment: B Involuntary Resettlement: B Indigenous Peoples: C			
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		150.00	
Sovereign MFF-Tranche (Regular Loan): Ordinary capital resources		150.00	
Cofinancing		0.00	
None		0.00	
Counterpart		21.80	
Government		21.80	
		Total	171.80
Currency of ADB Financing: US Dollar			

TRANCHE AT A GLANCE

Date of Receipt by ADB of PFR: 19 July 2019

Tranche Number: 2

7. Country Operations Business Plan

CPS

<https://www.adb.org/documents/sri-lanka-country-partnership-strategy-2018-2022>

COBP

<https://www.adb.org/documents/sri-lanka-country-operations-business-plan-2020-2022>

8. Tranche Summary

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.

Impact: Connectivity between rural communities and socioeconomic centers in Sri Lanka improved.

Outcome: Transport efficiency on project roads increased.

Outputs: (i) Road conditions between the selected rural communities and socioeconomic centers improved, and (ii) Capacity of road agencies enhanced.

Implementation Arrangements: Ministry of Highways & Road Development and Petroleum Resources Development will be the executing agency.

Project Readiness: Project readiness is high. Of the 53 civil works contract packages, 31 civil works contracts were awarded. The remaining packages for Northern and Western provinces are under procurement and expected to be awarded in 2019 and 2020, respectively. No safeguard issues have been found. It is envisaged that disbursement will be on track due to project readiness.

9. Significant Developments in the MFF and Previous Tranches

Tranche 1 (Loan 3579/3580) for \$150 million was approved on 6 October 2017, signed on 27 November 2017 and became effective on 9 February 2018. It financed the first slice of the projects identified during the appraisal of the MFF.

Implementation of the MFF and Tranche 1 is on track. 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.

As of 26 September 2019, the cumulative contract award and disbursement is \$115.8 million and \$61.2 million, respectively. Of the 16 covenants, 13 being complied with and 3 are not yet due.

10. Milestones

Estimated Approval

28 October 2019

Estimated Completion^a

30 June 2023

11. Linked Documents

	Required Document	Disclosure Date
MFF	Report and Recommendation of the President	
Weblink:	https://www.adb.org/projects/documents/sri-50301-001-rrp	02-OCT-2017
Tranche	Draft Periodic Financing Request Report	
Weblink:	http://www.adb.org/Documents/LinkedDocs/?id=50301-003-DraftPFR R	The Final PFR Report is disclosed upon approval

^a For Tranches, this refers to the financial closing date.