



Tranche-at-a-Glance Report

Project Number: 50301-004
MFF Number: 0102
April 2021

Sri Lanka: Second Integrated Road Investment Program (Tranche 3)

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

Asian Development Bank

TRANCHE AT A GLANCE

1. Basic Data		Project Number: 50301-004	
Project Name	Second Integrated Road Investment Program-Tranche 3	Department/Division	SARD/SATC
Country	Sri Lanka	Executing Agency	Ministry of Highways
Borrower	Democratic Socialist Republic of Sri Lanka		
Country Economic Indicators	https://www.adb.org/Documents/LinkedDocs/?id=50301-004-CEI		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=50301-004-PortAtaGlance		
2. Sector		ADB Financing (\$ million)	
✓ Transport	Road transport (non-urban)	200.00	
		Total	200.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum)	2,096.000
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Medium
✓ 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)	9.90
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.5		Effective gender mainstreaming (EGM)	✓
SDG 9.1			
SDG 10.2		Poverty Targeting	
SDG 13.a		General Intervention on Poverty	✓
4. Risk Categorization: Low			
5. Safeguard Categorization Environment: B Involuntary Resettlement: B Indigenous Peoples: C			
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		200.00	
Sovereign MFF-Tranche (Regular Loan): Ordinary capital resources		200.00	
Cofinancing		0.00	
None		0.00	
Counterpart		15.72	
Government		15.72	
		Total	215.72
Currency of ADB Financing: US Dollar			

TRANCHE AT A GLANCE

Date of Receipt by ADB of PFR: 8 March 2021

Tranche Number: 3

7. Country Operations Business Plan

CPS

<https://www.adb.org/sites/default/files/institutional-document/342216/cps-sri-2018-2022.pdf>

COBP

<https://www.adb.org/sites/default/files/institutional-document/653766/cobp-sri-2021-2023.pdf>

8. Tranche Summary

The investment program of \$900 million multitranche financing facility (MFF) approved on 29 September 2017 will improve access to the road network in Sri Lanka's rural areas, supporting rural economic and social development. It will upgrade and maintain about 3,400 kilometers (km) of rural access roads to an all-weather standard; rehabilitate and maintain 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. Tranche 3 will finance the third slice of projects identified during the appraisal of the MFF, using the time-slice approach.

Impact: Connectivity between rural communities and socioeconomic centers in Sri Lanka improved (Public Investment Programme, 2017-2020). The impact is also aligned with the National Policy Framework Vistas of Prosperity and Splendour, 2020-2025.

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 will be the executing agency.

Project Readiness: Project readiness is high. All 53 civil works contract packages have been awarded. It is envisaged that tranche 3 will be smoothly disbursed, considering the high project readiness.

9. Significant Developments in the MFF and Previous Tranches

Tranche 1 of \$150 million (Loan 3579/3580) was approved on 6 October 2017, and the loan and project agreements were signed on 22 November 2017. Tranche 2 of \$150 million (Loan 3851) was approved on 5 November 2019, and the loan and project agreements were signed on 13 November 2019.

Implementation of tranche 1 and tranche 2 is on track. The Road Development Authority (RDA) awarded all 53 civil works contract packages for Eastern, Northern, Uva, and Western provinces totaling about \$776 million. As of 11 April 2021, \$282.7 million of \$300 million was disbursed by both tranches. Implementation of the capacity development component is slightly behind the original schedule. No safeguard issues have been identified.

The government's policy framework that underpins the road map is still relevant. The government and the RDA are in compliance with the covenants of the loan and project agreements of existing tranches and the undertakings of the framework financing agreement. Of the 16 covenants in Tranche 1, 13 are being complied with and 3 are not yet due. Of the 19 covenants in Tranche 2, 17 are being complied with and 2 are not yet due.

10. Milestones

Estimated Approval
10 May 2021

Estimated Completion^a
30 June 2025

11. Linked Documents

	Required Document	Disclosure Date
Tranche	Draft Periodic Financing Request Report	
Weblink:	http://www.adb.org/Documents/LinkedDocs/?id=50301-004-DraftPFR R	The Final PFR Report is disclosed upon approval

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