

Due Diligence Report on Environment

November 2015

Sri Lanka: Integrated Road Investment Program - Tranche 1 and Tranche 2

Prepared by the Road Development Authority, Ministry of University Education and Highways,
Government of Sri Lanka for the Asian Development Bank

CURRENCY EQUIVALENTS

(as of November 2015)

Currency unit = Sri Lanka Rupee (Rs)
\$1.00 = Rs.141.11

ABBREVIATIONS

ADB	–	Asian Development Bank
DSD	–	Divisional Secretariat Division
EARF	–	Environmental Assessment and Review Framework
ECOP	–	Environmental Code of Practice
EMP	–	Environmental Management Plan
EMAP	–	Environmental Management Action Plan
EMoP	–	Environmental Monitoring Plan
GoSL	–	Government of Sri Lanka
GRC	–	Grievance Redress Committee
ICB	–	International Competitive Bidding
IEER	–	Initial Environmental Examination Report
IROAD	–	Integrated Road Investment Program
NCB	–	National Competitive Bidding
PIC	–	Project Implementing Consultant
PIU	–	Project Implementing Unit
RDA	–	Road Development Authority
SPS	–	Safeguards Policy Statement

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I. INTRODUCTION

1. The Government of Sri Lanka (GoSL) has identified the lack of all-weather access to socio-economic centres from rural remote areas rendered a large portion of the rural population with poor agricultural productivity, limited employment opportunities and slow economic growth. In order to address this problem, the Road Development Authority (RDA) as implementing agency under the Ministry of University Education and Highways as executing agency has proposed an Integrated Investment Program to improve transport connectivity between rural communities and economic centres. The program is funded by the Asian Development Bank (ADB) as a Multitranche Financing Facility Integrated Road Investment Program (IROAD) split in six tranches with a total funding requirement of US\$906 million. To date, two tranches are being implemented; Tranche 1¹ will improve and maintain selected roads in Southern Province while Tranche 2 roads are located in Sabaragamuwa, Central, North Central, North Western Provinces, and Kalutara district in Western Province.² Table 1 presents the provincial and district details for both tranches. Most of the roads selected for improvement and maintenance are Pradeshiya Saba and Provincial Council rural roads class and few trunk roads under the purview of RDA.

Table 1. Total lengths of roads to be improved and maintained in each province

Tranche No.	Province	District	No. of Roads	Approximate total length of roads (km)
1	Southern	Galle	66	197
		Matara	67	218
		Hambantota	51	166
		Sub-Total	184	581
2	Sabaragamuwa	Ratnapura	38	255
		Kegalle	63	217
		Sub-Total	101	472
	Central	Kandy	50	221
		Matale	51	194
		Nuwara Eliya	43	180
		Sub-Total	144	595
	North Central	Anuradhapura	60	330
		Polonnaruwa	55	170
		Sub-Total	115	500
	North Western	Kurunegala	76	485
		Puttalam	38	220
		Sub-Total	114	705
	Western	Kalutara	83	276
		Sub-Total	83	276
	Grand Total			741

Source: RDA (July 2015).

¹ Loan became effective in January 7, 2015 and expected to be completed in March 2024.

² More specifically the objectives of IROAD are: (i) enhance road accessibility between rural communities and socio-economic centers which will result in an increased transport efficiency, accelerating the economic development; (ii) improve rural roads to all-weather standards linking the rural hubs to trunk road network; (iii) introduce Road Maintenance Contract to RDA; and iv) operate a sustainable trunk road network at fair condition.

II. CONTEXT AND PURPOSE OF THIS REPORT

2. The GoSL has submitted to ADB the third Periodic Finance Request which provides the necessary “time-sliced” funds to support implementation of projects awarded in previous tranches. This environmental due diligence is a requirement of ADB on individual tranches of multitranche financing facility. This environmental due diligence report assesses the compliance of Tranches 1 and 2 to GoSL environmental policies, laws, and regulations particularly relating to forest and wildlife areas and the ADB Safeguard Policy Statement (SPS), 2009 as translated into provisions of the Environmental Assessment and Review Framework (EARF), Environmental Management Plan (EMP), and Environmental Monitoring Plan (EMoP). This report discusses the status of each tranche with respect to documentation, procurement of consultants and contractors, compliance with loan requirements, findings and recommendations with respect to environmental safeguards.

III. SUMMARY OF SUB-PROJECT STATUS

A. Tranche 1: Southern Province

3. Sub-project roads are distributed in three districts and divided in nine civil works contract packages or three contract packages per district. All contract packages were procured following international competitive bidding (ICB). Procurement of contractors and Project Implementing Consultant³ (PIC) has been completed. Mobilisation of contractors in sites commenced towards end of April 2015, while the PIC was mobilized in June 2015. Table 2 below presents a summary of each contract package.

Table 2. Summary of each contract package

District	Package No.	Contractor	Date of mobilisation	Length of roads to be improved (km)
Galle	G1	K. D. Ebert & Sons Holdings	19 May 2015	63.6
	G2	K.D.A. Weerasinghe & Co. (Pvt) Ltd	1 June 2015	62.3
	G3	K.D.A. Weerasinghe & Co. (Pvt) Ltd	1 June 2015	71.7
	Total			197.6
Matara	M1	CML MTD Construction	6 June 2015	96.9
	M2	K. D. Ebert & Sons Holdings	6 May 2015	65.7
	M3	K. D. Ebert & Sons Holdings	12 May 2015	54.9
	Total			217.5
Hambantota	H1	K.D.A. Weerasinghe Co. (Pvt) Ltd	1 June 2015	70.9
	H2	CML MTD Construction	25 April 2015	58.6
	H3	RR Construction (Pvt) Ltd	1 May 2015	41.4
	Total			170.9

Source: RDA (July 2015).

³ MG Consultants (Pvt.) Ltd. in joint venture with Engineering Consultants Ltd. (MG-ECL JV) and RDA signed contract on June 5, 2015.

4. All contractors have submitted package specific Environmental Management Action Plans (EMAPs) to PIC and are under review. Most of the contract packages are still in the initial stage of surveying the roads, however, few contractors have already commenced civil works.

5. CML-MTD, KDAW, and RR Contractors have on-going projects in the Southern Province and were able to immediately mobilize. Status of work is provided in the succeeding Table and after three calendar months from project commencement, less than 10% of the total roads have started physical work.

Table 3. Work Progress in Tranche 1 – Southern Province

Package	Contractor	No. of Road	No. of Road			
			Surveying	Soil Investigation	Design Commenced	Phys. Work Commenced
Galle						
G1	KD Ebert and Sons	15	5	3	1	1
G2	KDA Weeransignhe	22	4	8	2	1
G3	KDA Weeransignhe	29	4	7	4	3
Matara						
M1	CML-MTD	22	10	10	5	4
M2	KD Ebert and Sons	20	8	7	3	1
M3	KD Ebert and Sons	25	5	3	2	1
Hambantota						
H1	KDA Weeransinghe	19	6	7	6	2
H2	CML-MTD	18	8	8	4	3
H3	RR Cons.	14	6	5	4	1

Source: PIC (July 2015).

6. The consultancy agreement and notice to proceed for the Tranche 1 PIC, MG Consultants and Engineering Consultants, was signed and issued on 5 June 2015. The PIC immediately mobilized the Team Leader, however, after almost two months only 75% of the key staff and 90% of the non-key staff have been mobilized. Notable are the absence of the Social Expert and Quality Engineers.

B. Tranche 2: Sabaragamuwa, Central, North Central, North Western provinces and Kalutara district of Western Province

7. As of writing, Tranche 2 is still in the procurement stage of contractors and PIC. The Sabaragamuwa,⁴ Central,⁵ North Central,⁶ and North Western and Kaluthara District of Western Province⁷ civil work packages will be procured through national competitive bidding (NCB) while the North Central and North Western Provinces packages⁸ through ICB. All NCB packages are in the advance stage of procurement having completed the opening of price bids, Sabaragamuwa and Central Provinces packages have secured ADB concurrences of the price

⁴ 6 Packages.

⁵ 9 Packages.

⁶ 4 Packages.

⁷ 7 Packages.

⁸ 5 Packages.

bid evaluation, the latter has already posted the Notice of Award. The ICB packages are lagging and undergoing technical bid evaluation.

8. There will be two PICs under Tranche 2 covering North Central and North Western Provinces, and Central and Sabaragamuwa Provinces including Kaluthara, Western Province. Both PIC contracts are awaiting cabinet approval prior to the final agreement signing.

9. Tranche 2 will have both NCB and ICB contracts. Two PIC packages (PIC 2 and PIC 3) will be allocated to Tranche 2 but will be funded under Tranche 1. PIC 2 will be for North Central and North Western provinces while PIC 3 will be for Sabaragamuwa, Central Provinces and Kalutara district of Western province.

IV. ENVIRONMENTAL SAFEGUARDS REQUIREMENTS OF IROAD PROGRAM

10. The environmental safeguard requirements for the IROAD are enumerated and described in the Framework Financing Agreement,⁹ EARF,¹⁰ Facility Administration Manual,¹¹ and the provincial-level initial environmental examinations reports¹² containing the generic environmental management and monitoring plans.

11. As indicated above, contractors and consultant of Tranche 1 has mobilized recently and about 10% civil works have commenced. Most of the contractors are carrying out survey works and detailed designs. Therefore this report is prepared through a file review of technical specifications of bidding document, the bill of quantity submitted by the contractors, and other relevant project documents which included the EARF, province specific EMPs and EMoPs, road specific Environmental Code of Practice (ECOP) Checklists.

12. Interviews with staff of Project Implementing Unit (PIU), PIC, contractors and public were also carried out as part of the approach for due diligence. This due diligence was carried out during the months of June and July 2015.

A. Findings of the Due Diligence

1. Compliance to Framework Financing Agreement

13. The road program has achieved a high degree of compliance to the environmental provision as of the Framework Financing Agreement conforming with the ADB SPS 2009 in the overall design, avoided significant adverse impacts by screening away potential Category 'A' roads, prepared provincial-level initial environmental examinations and their disclosure with generic environmental management plans, and road-specific EMAPs are being prepared by the Contractor.

⁹ <http://www.adb.org/projects/documents/integrated-road-investment-program-ffa>

¹⁰ <http://www.adb.org/sites/default/files/linked-documents/47273-002-earfab.pdf>

¹¹ <http://www.adb.org/sites/default/files/project-document/81982/47273-002-fam.pdf>

¹² <http://www.adb.org/projects/47273-004/documents>

Table 4. Compliance to the Framework Financing Agreement of IROAD Tranches 1 and 2

Provisions	Status of Compliance
Schedule 4: Selection Criteria And Approval Process For Project	
(viii) The project will be environmentally sound and socially sound and include measures to mitigate any possible environment and social impacts in accordance with the safeguard frameworks prepared (footnote 13 and Schedule 5) and Safeguard Policy Statement (SPS) 2009.	Complied. Road-specific Environmental Management Plans (EMPs) were reckoned from generic EMP which distilled lessons from previous ADB projects. Meaningful consultations were integrated in the transect walk design. Significant adverse impacts avoided in the screening.
(ix) A project categorized as 'A' in accordance with the SPS will not be considered under the Facility. If any indigenous peoples are likely to be affected by a project, an indigenous peoples plan (IPP) will be prepared in accordance with the agreed indigenous peoples planning framework (IPPF) and the SPS 2009.	Complied. All sub-projects were screened based on the Environmental Assessment and Review Framework (EARF) process and ADB Rapid Environmental Assessment (REA) Checklist and none is categorized as 'A'.
(v) After approval of short list, RDA will instruct PIU to prepare project proposal which includes cost estimate, preliminary design, safeguards and economic analysis. For safeguards, the PIU will prepare... (d) environmental checklist; and (e) rapid environmental assessment for one province based on the all road specific Environmental checklists.	Complied. Road-specific Environmental Code of Practice (ECOP) Checklist were prepared based on transect walk. Provincial-level REA checklist were prepared.
(vi) PIU will (a) prepare all required safeguard planning documents (IEE including EMP, RP and IPP, if required) in accordance with EARF ... for each project road proposed to be financed under Investment Program, and (b) safeguard due diligence reports for roads approved on each tranche. PIU will submit safeguard planning documents and safeguard due diligence reports on each tranche proposed to be financed under the Investment Program to ADB and ESDD for review and clearance	Complying with. Tranches 1 and 2 adhere to EARF, road-specific Environmental Management Action Plans (EMAPs) drafted by CSD and validated by Contractor under the supervision of the Project Implementing Consultant (PIC).
(vii) After completion of (a), (b), (c) and (d) described in (v), PIU will submit the checklists to ESDD for review and approval.	Complying with. Southern Province PIU is fully functional with and appointed environmental expert.
Safeguards	
6. Sri Lanka shall ensure or cause RDA to ensure that the preparation, design, construction, implementation, operation and decommissioning of the projects and all project facilities under the Program comply with (a) all applicable laws and regulations of Sri Lanka including relating to environment, health, and safety; (b) the environmental safeguards as set out in ADB's Safeguard Policy Statement ("SPS"); (c) the environmental assessment and review framework; and (d) all measures and requirements set forth in the relevant initial	Complying with. Roads selected under Tranches 1 and 2 are existing roads and improvements are to be under taken within the available Right of Way (ROW). Also none of the roads selected under Tranches 1 and 2 are passing through or close to environmentally sensitive areas as listed under Part 3 of Gazette Extra Ordinary No. 772/22 dated 24 June 1993 and No. 1104/22 dated 5 November 1999.

Provisions	Status of Compliance
environmental examination and environment management plan, and any corrective or preventative actions with respect to environment set forth in a safeguards monitoring report.	Eight contract packages in Tranche 1 are using existing Asphalt Plants and batching plants with Environmental Protection License (EPL). Package M3 under K. D. Ebert & Sons Holdings has established new plants and are in the process of obtaining EPL.
7. Sri Lanka shall ensure or cause RDA to ensure that all land and all rights-of-way required for each project and project facilities are made available to the works contractor in accordance with the schedule agreed under the related works contract and all land acquisition and resettlement activities are implemented in compliance with (i) all applicable laws and regulations of Sri Lanka to land acquisition and involuntary resettlement; (ii) the involuntary resettlement safeguards as set out in the SPS; (c) the resettlement framework; and (d) all measures and requirements set forth in the respective resettlement plan and safeguard planning document, and any corrective or preventive actions with respect to land acquisition and involuntary resettlement set forth in any safeguards monitoring report.	Complying with. In keeping with the devolution norm of Sri Lanka, RDA acts as if contracted by the provincial authorities, to construct roads that belong to the local authorities, and a memorandum of understanding to this effect will be executed. No land acquisition is envisaged. Any land that will be required particularly for passing lanes on hill roads will be acquired through voluntary donation.

2. Compliance with loan conditions (Environmental Safeguards) of Tranches 1 and 2

14. The Program has achieved high degree of compliance given the stage of project implementation. Two workshops have already been conducted to ensure contractors and PIC are aware of the environmental requirements highlighting the need to re-visit the ECOP checklist and prepare road-specific EMPs through transect walk and conduct stakeholder consultations.

15. The necessary staff for the PIU have been identified, however, appointments are not issued due to the forthcoming parliamentary elections. Nonetheless, the environment officer identified in the staffing assignment and recruitment plan for Tranche 1-Southern Province has been appointed.

Table 5. Compliance to Environmental Provisions of the Loan Agreement

Description	Status of Compliance
Schedule 4 – Procurement of Goods, Works and Consulting Services	
3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the following method of procurement: International Competitive Bidding.	Complied in Tranche 1. Partially complied in Tranche 2, as there are 4 national competitive bidding (NCB) packages in North Western Province, 3 NCB packages in Kalutara district 9(Western Province) and 4 NCB packages in North central province. However, it should be noted that this is due to the threshold limits of the project.

Description	Status of Compliance
<p>5. The Borrower shall not award any Works contract which involves environmental impacts until RDA has:(a) obtained the final approval of the IEE from the CEA; and (b) incorporated the relevant provisions from the EMP into the Works contract.</p>	<p>Being complied with. RDA has drafted BIQs per each IEER (i.e. province basis). EMPs and environmental monitoring plans (EMoPs) have been included in respective tender documents and the successful bidders have been instructed to prepare package specific EMPs. The ES of PIC 1 has developed a schedule to measure levels of selected environmental parameters.</p>
<p>Schedule 5 – Execution of the project; Financial matters</p>	
<p>1. The Borrower and RDA shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the Facility Administration Manual (FAM). Any subsequent change to the FAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the FAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.</p>	<p>Being complied with.</p>
<p>2. The Borrower shall ensure, or cause RDA to ensure, that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with: (a) all applicable laws and regulations of the Borrower relating to environment, health, and safety; (b) the Environmental Safeguards as set out in ADB's Safeguard Policy Statement; (c) the EARF and IEE; and (d) all measures and requirements set forth in the respective IEE and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p>	<p>Being complied with. An awareness programme was carried for the four contractors in Tranche 1 on 14 July, 2015 to further enhance the awareness of contractors, RDA PIU staff (on filed) and staff of PIC1 on above requirements. Once the contractors and PIC of tranche 2 is mobilized the same programme will be conducted. CSD Team conducted workshop on 29 July 2015.</p>
<p>5. The Borrower shall make available, or cause RDA to make available, necessary budgetary and human resources to fully implement the SPS, IEE, EMP and any safeguard documents which may be prepared for the Project.</p>	<p>Being complied with. Budgetary allocations are found in the contract documents. Except one contractor all other contractors of Tranche 1 has appointed suitable Environmental, Health and Safety Officers. PIC 1 has appointed an ES, while RDA has collected applications from suitable candidates for the post of ESSO. These positions will be filled once the on-going elections are over.</p>

Description	Status of Compliance
<p>6. The Borrower shall ensure, or cause RDA to ensure, that all bidding documents contain provisions that require contractors to: (a) comply with the measures relevant to the contractor set forth in any safeguards document, and any corrective or preventative actions set forth in the Safeguards Monitoring Report;(b) make available a budget for all such safeguard measures; and (c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or small ethnic community peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE, EMP and any other safeguard plans.</p>	<p>Being complied with Tranche 1. The contractors of Tranche 1 has submitted package specific EMAPs to PIC for review and approval. ES of PIC 1 has formulated a schedule to carry out measurements of selected environmental parameters on a timely basis. Further the ES of PIC is carrying out road specific individual assessment on any environmental sensitive locations. This is based on the information available in ECOP checklists. To be complied in Tranche 2 with completion of procurement of PIC and civil works contractors.</p>
<p>7. The Borrower shall do the following or cause RDA to do the following:(a) submit annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission; (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE, EMP, and any safeguard documents, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and (c) report any actual or potential breach of compliance with the measures and requirements set forth in the IEE, EMP and any safeguard documents promptly after becoming aware of the breach.</p>	<p>Being complied with. ESDD of RDA is to prepare annual safeguards reports with the assistance from PICs.</p>
<p>9. The Borrower shall ensure that (a) all contractors under the Project comply with all applicable labor laws and regulations, do not allow employment of child labor for Project activities, encourage the employment of the poor, particularly women, and provide appropriate facilities for women and children in work sites; (b) people directly affected by the Project are given priority to be employed by the Project; (c) contractors do not differentiate wages between men and women for work of equal value; and (d) specific clauses ensuring these shall be included in the contracts.</p>	<p>Being complied with. Specific contract clauses have been included to avoid discrimination of labour, employment of child labour and to encourage women labour.</p>
<p>18. The Borrower shall cause, within 3 months of effectiveness of the first loan under the Facility, MOHPS and RDA to establish baseline for performance indicators to be used for monitoring implementation of each project under the Facility.</p>	<p>Being complied with in Tranche 1. ESDD with the assistance of CSD and Safeguards Coordination Specialist is in the process of establishing baseline for performance indicators. To be complied with in Tranche 2.</p>

3. Compliance to the Environmental Assessment and Review Framework

16. The implementation of the Program has registered significant compliance to the EARF as detailed in the succeeding Table.

Table 6. Compliance to the EARF

Description	Status of Compliance
A. Environmental Criteria for Selection of Project Roads	
<p>29. Project roads for inclusion in tranches under the investment program will be selected based on priorities for connecting select GND's to the main trunk roads. The project roads will be further subjected to the following screening criteria on environment safeguards:</p> <p>i) No project roads that will cause significant environmental impacts that would trigger classification as an environment 'Category A' tranche in accordance with the ADB's SPS (2009) will be included. A 'Category A' tranche would be one that includes project roads with widening works inside a legally protected area or critical habitat area⁴ or have direct and irreversible impacts on cultural heritage sites of national and international significance.</p> <p>ii) No project roads falling in part or whole inside a protected area will be selected under the investment program</p> <p>iii) Project roads falling adjacent to protected areas or eco-sensitive areas will be included only if there is no widening of the road "Right of Way" (ROW) or acquiring of land from the protected area or eco-sensitive area. For such project roads proper consultations will be held with the Department of Wildlife Conservation, local community and other relevant stakeholders and appropriate clearances or endorsements should be sought if required.</p> <p>iv) The rehabilitation work of the project road must have minimal or no long term impacts on other forms of sensitive ecological habitats such as marshes, natural streams, tanks and related wetland habitats.</p>	<p>Complied in Tranches 1 and 2. No road falling within such sensitive sites were considered for selection. Screening checklists given in SPS and EARF were used for selection of roads on the basis of environmental sensitivity.</p> <p>During the design stage the design consultants and ESDD staff of RDA has consulted the Forest Department, Department of Wildlife Conservation and Central Environmental Authority in this aspect.</p>
B. Screening and Classification	
<p>32. To fulfil requirements of the Central Environmental Authority (CEA) under ME&RE a Basic Information Questionnaire (BIQ) will be completed for each project road/entire tranche based on the findings of the environmental checklist for each project road or road.</p>	<p>Being complied with in Tranches 1 and 2. ESDD of RDA has prepared BIQ for each province based in the IEERs and environmental screening checklists.</p>

Description	Status of Compliance
C. Environmental Assessment and Environmental Management Plan	
33. For this Investment Program, since there are a large number of short roads, preparation of individual IEEs for each and every road will be difficult and time consuming. Hence one IEE report will be prepared per province based on information collected in the environment checklists.	Being complied with in Tranche 1. All contractors have submitted package specific EMAPs to the PIC for review and approval. The same procedure will be followed in Tranche 2.

4. Compliance with Facility Administration Manual (Environmental Safeguards)

17. Standard bidding documents have been used in Tranches 1 and 2 with generic EMPs and EMoPs forming part of Section 6.6 Part II “Environmental Management Plan and Environmental Monitoring Plan.” Several mitigation measures were redundant in the standard bidding documents and the generic EMPs like: i) compliance with pollution control regulations; ii) health and safety aspects during construction; iii) issues relating to equipment, storage of hazardous materials, labour camp etc.; iv) compliance with labour regulations; v) issues relating to borrow areas; and vi) standard drawings that could be utilised to different right of way situations. Further, Volume 2-Conditions of Contract has several environmental and health and safety clauses on safety procedures, protection of environment, fossils, facilities for staff and labor, supply of water, measures against insect and pest nuisance, child labor, and health and safety.

18. Specific provisions are contained in Volume 3 pertaining to traffic and safety precautions for construction of existing roads and Sub-clause 108.3 under clause 108 refers to HIV-AIDS awareness programmes and conduct information, education and consultation communications campaigns to all sites staff, labour and immediate local communities via an approved service provider.

Table 7. Compliance to the Facility Administration Manual

Description	Status of Compliance
VII Safeguards – Environment	
40. Categorization. The scope of works under tranche I involves rehabilitation of existing rural and national roads. Some of the national roads will require only routine maintenance works to keep the roads in good riding condition. There will be no widening and no roads falling inside protected areas will be included in the project. Therefore, tranche I has been categorized as “B” in accordance with ADB SPS. Since there are a large number of short roads under the investment program, preparation of individual initial environmental examinations (IEEs) for each and every road will be difficult and time consuming. Hence a consolidated province level IEE has been prepared for all roads in the southern province and disclosed on the ADB website. The IEE was prepared based on completed road specific environmental checklists with baseline data, public consultations and literature reviews. An environmental assessment and review	<p>Complied with. Tranche 1 has been categorised as environmental category B. An IEER was prepared for Southern province with a generic EMP and EMoP.</p> <p>Tranche 2 has also been categorised as category B. Separate IEEs have been prepared for Sabaragamuwa, Central, North Central, North Western Provinces and Kalutara district of Western province. The categorisation has been based on the guidelines given in SPS and selection of roads has been based on the guidelines given in EARF.</p>

Description	Status of Compliance
<p>framework (EARF) has been prepared to guide environmental assessment of succeeding tranche's under the program. Categorization and assessments for succeeding tranche's will be carried out in accordance with the requirements of the EARF, Ministry of Environment and Renewable Energy of the Government of Sri Lanka and ADB SPS.</p>	
<p>41. Ensuring Implementation of Environmental Standards. The EA and IA will ensure that all environment safeguard requirements under the program will be implemented as required by the EARF and respective province level IEE including a standard environmental management plan (EMP) and environmental monitoring plan (EMOP). Environment checklists will be completed for each and every road including bridges. Based on these checklists one province level IEE report will be prepared by the Survey and Preliminary Engineering (SAPE) team of RDA. The report must clearly present information and issues that may be unique to a district or geographic area or project road and all sensitive issues identified in the environment checklist must be clearly documented. The standard EMP and EMOP will be comprehensive and cover all environmental issues that may be expected during road construction and/or maintenance within the respective province. The contractor who is responsible for preparing the final detailed design of the roads, will be required to prepare contract package specific EMPs and EMOPs based on the final detailed design, information in the road specific environment checklists and the standard EMP. These will be subject to approval by the PIC and PIU.</p> <p>Necessary provisions for this will be included in the bidding documents and accordingly the contractor will be required to include all costs for implementing the contract package specific EMP and EMOP.</p>	<p>Being complied with. ES of PIC 1 in Tranche 1 has already developed a schedule to obtain baseline and subsequent monitoring of selected environmental parameters.</p> <p>The same procedure will be followed in all provinces (contract packages) of tranche 2 once the contractors and PICs are mobilized.</p>
<p>42. The EMP is a plan for mitigating all anticipated environment impacts during project construction and operation. Specific mitigation measures with details on location, time and responsible agency for implementation is given in the EMP.</p>	<p>Being complied with in Tranche 1. Contractors of each package in Tranche 1 have submitted package specific EMAPs (These package specific EMPS include details pertaining to roads within the package) to PIC for review and approval. These EMAPs will be executed in the field by the contractors with assistance from Environmental, Health and Safety officers. The same procedure will be followed in Tranche 2 packages.</p>

Description	Status of Compliance
<p>43. The EMOP is a plan for monitoring various environment quality parameters and checking the effectiveness of the EMP. It comprises of activities on testing the quality of air, water, noise through laboratory tests and physical monitoring of problems of soil erosion, tree plantations and habitat enhancement activities carried out and occupational health and safety issues. Quality testing of air, water and noise will be outsourced by the contractor to recognized and approved laboratories. The PIC will conduct regular monitoring of EMP and EMOP implementation and review monitoring records maintained by the contractors. Environment and Social Development Division (ESDD) will also conduct on site monitoring and review of documents at least bi-annually and provide technical advice to enhance EMP implementation as necessary.</p>	<p>Being complied with in Tranche 1. ES of PIC 1 in Tranche 1 has already developed a schedule to obtain baseline and subsequent monitoring of selected environmental parameters. Budgetary provisions have been allocated in each package for this purpose.</p> <p>The same procedure will be followed in Tranche 2 once the contractors and PICs are mobilized at site.</p>
<p>44. All required clearances, permits and licenses as applicable must be obtained by the project implementation unit (PIU) before start of construction works in the respective road sections. Permits, licenses etc. for activities such as operation of asphalt plants, quarries, borrow areas etc. must be obtained by the contractor before the implementation of the respective construction activity.</p>	<p>Being complied with in Tranche 1. All four contractors in Tranche 1 are aware of the need of clearances and permits. Except package M3, contractors of all other packages are using existing plants with approvals and licenses. PIC has instructed all contractors to obtain necessary approvals for borrow sites and disposal sites. Copies of all these approvals and licenses will be submitted to PIU through PIC.</p> <p>To be complied in Tranche 2 as the contractors and PICs are yet to be mobilized at site.</p>

5. Compliance to the Environmental Management Plan

19. All contractors of Tranche 1 except contractor for H1 have appointed suitable environmental, health and safety officers. PIC has also appointed an Environmental Specialist. PIU has called for applications from suitable candidates to fill the position of Environmental and Social Safeguards officer, however, interviews and appointment of a suitable candidate has been held until the parliamentary elections for year 2015 is over in August 2015.

20. Implementation of EMP and EMoP is the responsibility of the contractors. Contractors of Tranche 1 have submitted package specific EMPs along with safety management plans to PIC for review and approval. The design engineers of contractors are aware of details given in ECOP, transect walk records, EMP and will incorporate details in to Level-1 design which are subjected to the approval of PIC. Except for the contractor of package M3, all other contractors are using Asphalt Concrete Plants and Concrete Batch Mixing Plants with Environmental Protection License and trade license from local authority. Contractor of package M3 has already applied for Environmental Protection License and trade license.

21. Only Tranche 1 has commenced civil works and that too is in the initial stages. Most of the contract packages of Tranche 1 are yet to start site clearing, hence, dust emission has not been an issue. However, all contractors have secured sites to obtain water. Contractors of packages G1, G2, G3, M3 and H1 are in the process of identifying suitable locations as disposal

sites. Contractors of packages M1, M2, H2 and H3 have identified suitable disposal locations and have obtained necessary concurrences from land owners and approvals.

22. As indicated above, safety compliance is one of the major items in the project specifications. Contractors of Tranche 1 have submitted Safety Management Plans for the review and approval by PIC 1. Safety requirements have been included in contract documents for Tranche 2.

B. Awareness Programmes and Grievances

23. Public awareness programmes has been conducted during project preparatory stage (i.e. at level two design) in all provinces coming under Tranches 1 and 2. These awareness programmes have been carried out at different administrative levels starting from provincial level to Divisional Secretariat Division (DSD) level. Further awareness has been done during transect walks for each selected road under each DSD.

24. The PIU has organized few DSD level awareness programmes through respective project engineers under Tranche 1. This is due to the fact that civil works of Tranche 1 is under progress and there has been a lapse of nearly one year between initial awareness meetings and commencement of civil works.

25. PIU has also initiated in establishing the Grievance Redress Committees (GRCs) in Tranche 1 as per the guidelines in EARF. It is expected that the GRCs will be setup before end of July 2015. On this aspect, the first set of DSD level meetings are to be completed by mid-July 2015. All contractors of Tranche 1 have been instructed to maintain a public complaint register to record any public complaint and the actions taken to correct the issue/s.

C. Public Consultation

26. Public consultation has been a key feature of IROAD program. Public views have been considered into the designs mainly to develop a road that is acceptable in environmental, social and safety aspects. As a means of further strengthening this aspect, all contractors of Tranche 1 have been instructed to maintain suggestion boxes and public complaint registers as indicated above. PIU has appointed project engineers for each package in Tranche 1, and these project engineers will also be responsible to maintain this aspect during construction and maintenance period of each road.

D. Institutional Setup

27. As per the EARF, the PIU will recruit suitable candidates to carry out tasks related to environmental safeguards. However, there has been delay in the recruitment due to the on-going elections of the country. The Environmental and Social Development Division of RDA is assisting the PIU in implementing environmental safeguards from the project executing agency side. As per the EARF, the division will be preparing the annual monitoring reports on environmental compliance. PIC for Tranche 1 has recruited a suitable Environmental Specialist. Eight out of nine contractors in Tranche 1 have recruited Environmental, Health and Safety officers. However, it was observed that in some contract documents, the position of Environmental, Health and Safety officer has not been considered as a key position of contractor staff.

V. FINDINGS AND RECOMMENDATIONS

28. The implementation of IROAD Tranches 1 and 2 complied with the environmental requirements of the loan covenant, national environmental laws, and EARF. Provincial initial environmental examination reports were prepared in accordance with ADB SPS, 2009 and publicly disclosed. These reports contain generic EMP and EMoP. These EMP and EMoPs have been included in respective bidding documents. In Tranche 1, where the contractors have been mobilized, package specific EMAPs have been developed by the contractors.

29. Tranche 1 is in the nascent stage of civil works with less than 10% of the road initiated groundworks and therefore most of the mitigation measures elucidated in the EMPs are not applicable. Delays in the PIC mobilization have caused confusion in the preparation and execution of the road construction and with the completion of two workshops in July 2015, corrective actions, clarification on roles and responsibilities, and forms were clarified. In spite of the delay in the PIC, no unanticipated environmental impacts were apparent in the implementation of the Program to date. None of the project roads passed through reserved forest or any national parks, sanctuary, or habitat of protected species. The subprojects do not disturb any cultural heritage designated by the Government or by international agencies, such as UNESCO etc. and avoid disturbing any monuments of cultural or historical importance.

30. Budgetary provisions are available for compliance with EMP and safety requirements through the contract documents in Tranche 1 in order to carry out measurements of levels in selected environmental parameters. Public awareness programmes and consultations have been carried out throughout level two design of Tranches 1 and 2. The GRCs will also be setup as required in the EARF.

31. Staff related to environmental safeguards has been appointed in eight contract packages and the PIC has recruited an Environmental Specialist. However, the PIU is yet to recruit the staff related to environmental safeguards. The Environmental and Social Development Division is assisting the PIU in carrying out environmental related tasks.

32. It is recommended that:

- the same screening procedure to be considered in subsequent tranches, thereby avoid any road within environmentally sensitive areas being nominated to a tranche and subsequently affect environmental categorization of the project.
- PIC and PIU should continue to monitor the implementation of EMAP by respective contractors. Any non-compliance should be timely recorded and corrective measures should be implemented.