



## Sri Lanka: Colombo Suburban Railway Efficiency Improvement Project

Project Name	Colombo Suburban Railway Efficiency Improvement Project								
Project Number	49111-005								
Country	Sri Lanka								
Project Status	Proposed								
Project Type / Modality of Assistance	Loan Technical Assistance								
Source of Funding / Amount	<table><tr><td colspan="2"><b>Loan: Colombo Suburban Railway Efficiency Improvement Project</b></td></tr><tr><td>Ordinary capital resources</td><td>US\$ 158.00 million</td></tr><tr><td colspan="2"><b>TA: Colombo Suburban Railway Efficiency Improvement Project</b></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 1.00 million</td></tr></table>	<b>Loan: Colombo Suburban Railway Efficiency Improvement Project</b>		Ordinary capital resources	US\$ 158.00 million	<b>TA: Colombo Suburban Railway Efficiency Improvement Project</b>		Technical Assistance Special Fund	US\$ 1.00 million
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Technical Assistance Special Fund	US\$ 1.00 million								
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change	Governance and capacity development								
Sector / Subsector	<b>Transport</b> - Rail transport (non-urban)								
Gender Equity and Mainstreaming	Some gender elements								
Description	<p>The Colombo Suburban Railway Efficiency Improvement Project (CSREIP) is the first intervention of ADB in the railway sector in Sri Lanka. The project will support immediate improvements in the operation, maintenance, safety, skills development, and project preparation of Sri Lanka Railways by (i) improving the efficiency of railway operations and addressing key bottlenecks in the railway network through the modernization of the telecommunication system, ticketing and seat reservation system, and operations headquarter and train control center; (ii) upgrading the railway workshop at Ratmalana; (iii) improving railway safety primarily through the construction of housing blocks to support the future resettlement of encroachers, and upgrade a railway underpass; (iv) upgrading the Sri Lankan- German Railway Technical Training Center; and (v) supporting the implementation of CSREIP and the preparation of pipeline projects.</p>								

Project Rationale and Linkage to Country/Regional Strategy

Sri Lanka benefits from an advantageous geographical position at the crossroads of major maritime trade routes between Asia and Europe. Sri Lanka is densely populated with about 342 people per square kilometers, with a land area of about 62,710 square kilometers and a population that increased from about 19.9 million in 2007 to 21.4 million in 2017 (about 0.8% annually). Colombo is the center of commercial and administrative functions, and is also the central transport node for road, rail, air, and port infrastructure networks. The district of Colombo concentrates 2.3 million people, or about 54.6% of Sri Lanka's urban population, and is one of three districts of the Western Province, which has a population of 5.8 million (29% of the country total) and contributes to 38.7% of the gross domestic product (GDP) of Sri Lanka.

The GDP of Sri Lanka increased by 5.6% annually during 2007- 2017 and is forecast to grow at 4.2% in 2018 and 4.8% in FY2019. Industry accounts for 29.6% of the GDP, while services account for 62.2%. Sri Lanka is on the path to achieving upper-middle income status, and the GDP per capita rose to \$4,065 in 2017 while the poverty headcount ratio decreased from 22.7% of the population in 2002 to 4.1% in 2016. However, inadequate transport infrastructure and service delivery hinders the development of industry and services, and prevent Sri Lanka from leveraging its geographical position to increase its competitiveness and promotive inclusive social growth. Total exports increased by 2.7% only during 2007- 2017, in real terms, while imports increased by 7.3% in the same period. The decreasing efficiency of the railway and public transport networks particularly impacts the Western Province and suburban Colombo, as commuters and freight exporters divert to road-based modes, which result in higher congestion and transport costs and hinders the growth of the economy.

The railway network consists of 1,568 km of tracks, 91% of which is single track, and connects 343 stations in all provinces of Sri Lanka. Road transport continues to remain the predominant mode of transport, carrying around 93% of passenger traffic and 97% of freight, and the dense road network includes about 12,369 km of national roads and highways, and 104,900 km of provincial and rural roads. Island-wide bus services are operated by private operators and by the state-run Sri Lanka Transport Board, which serves both urban and rural routes, often unprofitable. International air passengers increased from about 5.3 to 9.8 million passengers during 2010- 2017, with Colombo international airport handling over 99% of air traffic. Short distances, high fares, and limited services restrict the potential for domestic air travel, which only attracted 60,000 passengers in 2016. The port of Colombo handled about 81.8 million tons of cargo, with Galle, Hambantota and Trincomalee handling a combined 4.6 million tons.

The Sri Lanka Railway Department, branded as Sri Lanka Railways (SLR), under the Ministry of Transport & Civil Aviation (MOTCA), was established in 1858 and owns and operates the rail network. About 351 passenger trains and 19 freight trains operate every day, transporting 136.7 million passengers and 2.0 million tons of goods in 2017. At its peak, it carried over 35% of the passenger market and 80% of freight transport in the country. However, limited investments in modernization, expansion, and capacity increase gradually decreased its market share, and SLR now handles less than only about 5% of passenger and 1% of freight transport. The widespread expansion of the road network, gradual advancement of road-based motorized transportation, policy neglect of the railway system, and bureaucratic and noncommercial nature of the management system contributed to the stagnation.

Impact	Promoting the efficient, safe, sustainable, and inclusive movement of people and goods in order to support sustainable economic development
Outcome	Railway transport efficiency, sustainability, and safety improved
Outputs	Operational efficiency improved Maintenance capacity strengthened Railway safety improved Technical training center upgraded Institutional capacity and project readiness strengthened
Geographical Location	Nation-wide

**Safeguard Categories**

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

**Summary of Environmental and Social Aspects**

Environmental Aspects	A draft Initial Environmental Examination was submitted by Sri Lanka Railways in August 2018. A composite environmental management plan (EMP) covering all civil works components will be included in the IEE while site specific EMPs will be prepared and attached to the bid document for the six components.
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Involuntary Resettlement	The project does not involve significant involuntary resettlement. The project aims to improve Sri Lanka Railways' (SLR) operations efficiency, sustainability, and safety. The project will finance construction of an office, training rooms, stores and workshop, housing blocks, and upgrade of a railway underpass. All construction will be undertaken within SLR land. Due diligence has been conducted to assess the impacts of construction on structures and livelihood. It indicates that there are no private occupants or businesses on the sites. Hence, the project is not expected to entail involuntary resettlement due to land acquisition or restriction of access.
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Indigenous Peoples	The project is not expected to affect Indigenous Peoples communities.
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### Stakeholder Communication, Participation, and Consultation

During Project Design	Stakeholders and the community were engaged in orientation and workshops; a resettlement safeguards orientation workshop was conducted in August 2018 for pipeline projects.
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During Project Implementation	
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Responsible ADB Officer	Georget, Johan
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Responsible ADB Department	South Asia Department
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Responsible ADB Division	Transport and Communications Division, SARD
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Executing Agencies	<i>Ministry of Transport and Civil Aviation 7th Floor, Sethsripaya, Stage II, Battaramulla, Sri Lanka Sri Lanka Railways Sri Lankan Railways, Colombo 10, Sri Lanka</i>
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### Timetable

Concept Clearance	11 Dec 2015
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Fact Finding	22 Nov 2018 to 27 Nov 2018
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MRM	16 Jan 2019
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Approval	-
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Last Review Mission	-
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Last PDS Update	25 Sep 2018
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Project Page	<a href="https://www.adb.org/projects/49111-005/main">https://www.adb.org/projects/49111-005/main</a>
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Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=49111-005">http://www.adb.org/forms/request-information-form?subject=49111-005</a>
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Date Generated	09 November 2018
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