

## Project Summary Information (PSI)

Project No: 000055

Project Name	Sri Lanka Solid Waste Management Project
Country	The Democratic Socialist Republic of Sri Lanka
Sector	Urban/Solid Waste Management
Project No	000055
Borrower	The Democratic Socialist Republic of Sri Lanka
Implementation Agencies	Ministry of Megapolis and Western Development (MMWD), and Ministry of Provincial Councils and Local Government (MPCLG)
Environmental and Social Category	Category A
Date of PSI prepared or updated	December 6, 2017
Estimated Date of Board Consideration	April, 2018
Concept Decision	Approved on September 15, 2017

### I. Introduction

Sri Lanka is a lower middle-income country with a total population of 22.2 million and GDP per capita of US\$3,911 in 2016. From 2010 to 2015, Sri Lanka's economy enjoyed rapid growth, at an average rate of 6.4%. However, the short-term economic outlook is challenging as the high level of public debt and low level of foreign exchange reserves continue to underscore Sri Lanka's vulnerability to external shocks. As Sri Lanka aspires to transition to higher middle-income status, it needs to adjust its development model from a predominantly rural, agricultural economy towards a more urbanized economy, driven by manufacturing and services.

Disposal of solid waste has become a national concern in Sri Lanka. The rapid growth of urbanization has been coupled with the generation of large quantities of solid waste without proper management and sustainable waste disposal measures. Since the 1990s, the Government of Sri Lanka (GOSL) has made efforts to address the worsening solid waste situation of the country. However, due to many reasons, open dumping remains the most common disposal measure in the country.<sup>1</sup>

On April 14, 2017 a waste slide occurred at the Meethotamulla dump site in Colombo, claiming the lives of 32 people and leaving 8 persons missing. The tragedy underscored the urgency of developing and implementing a long-term sustainable solution of waste disposal for Colombo.

Immediately following the incident, the GOSL declared that sustainable solid waste management (SWM) is a top national priority, and proposed to: (i) close the Meethotamulla dump site and other selected dump sites, and provide the interim solutions for the temporary waste diversion; (ii)

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<sup>1</sup> International experience has shown that open dumping is not an appropriate and sustainable waste treatment practice as it can cause soil and groundwater contamination which threatens human health both directly and indirectly.

establish an integrated solid waste management system, managing waste collection, transportation, treatment, and final disposal, which includes construction of the proposed Aruwakkalu landfill and associated transport facilities; (iii) establish a governance structure for the solid waste sector, strengthen the institutional capacity in regulation, policy setting, strategy and planning as well as implementation. The GOSL requested the World Bank and AIIB to support preparation and implementation of this Sri Lanka Solid Waste Management Project (the Project).

The Project will be co-financed with the World Bank, which will be the lead co-financier of the Project and will take a lead role in procurement, disbursements, ensure environmental and social compliance, and undertake monitoring and reporting for the Project.

## **II. Project Objectives and Expected Results**

The Project objective is to improve solid waste management in the Colombo Region and other participating local governments in Sri Lanka by establishing an integrated solid waste management system. The expected project results include reduction of the waste disposal in open dumpsites and increase of the beneficiaries receiving the improved solid waste services.

## **III. Project Description**

The Project will comprise the following components:

### **(i) Solid Waste Management Disposal Improvement**

- Safe closure of Meethotamulla dumpsite;
- A temporary controlled landfill and improved compost operations at Kerawalapitiya Waste Park (KWP);
- Rehabilitation at Karadiyana controlled dumpsite
- Improvement at Dompe landfill
- Construction of the sanitary landfill at Aruwakkalu and associated waste transfer stations
- Purchase of railway rolling stock and waste haulage containers;
- Procurement of vehicles and haulage equipment to transport waste to Aruwakkalu until rail connectivity is established; and
- Construction supervision consultancy financed by GOSL.

### **(ii) Solid Waste Management Service (SWM) and Operations Improvements**

- Vehicles and equipment for collection, sorting, transport, processing, and transfer of waste to disposal sites for the Colombo Municipal Council (CMC);
- Collection vehicles and waste processing facilities in nine SWM clusters in the provinces and other local authorities in Colombo Region;
- Closure of the Bloemendhal dumpsite, including waste reduction; and
- Development of an urban park at the Meethotamulla dumpsite.

### **(iii) Solid Waste Management Institutional Development**

- SWM sector comprehensive review, stakeholders consultations, and system reform road map;
- Support to SWM institutions;

- Planning and capacity building in LAs;
- Support for GOSL to engage private sector and job creation initiatives in SWM sector; and
- Audit of existing dumpsites nationwide and development of guidelines for dumpsite management.

**(iv) Project Implementation, Monitoring and Evaluation**

- Public awareness and citizen engagement programs;
- Consultant support for project design, implementation and capacity building for Project Management Unit (PMU) and Project Implementing Agencies (PIAs); and
- Support for safeguards implementation and compliance monitoring, and incremental operation costs.

**IV. Environmental and Social Category**

The World Bank’s Environmental and Social Safeguard Policies (Safeguard Policies) will be applied, since (i) they are consistent with the AIIB Articles of Agreement and materially consistent with the provisions of the AIIB Environmental and Social Policy and relevant Environmental and Social Standards; and (ii) the monitoring procedures that the World Bank has in place to ascertain compliance with its Safeguard Policies are appropriate for the Project. Under the World Bank’s Safeguard Policies, the proposed Project has been assigned Category A.

Given the urgent context of the proposed Project, the special approach provided in the World Bank’s OP 10.00, Investment Project Financing (2014), paragraph 12, for Projects in Situations of Urgent Need of Assistance or Capacity Constraints, has been applied. This approach provides for a deferral of application of the Safeguard Policies from the preparation phase to the implementation phase.

The draft EIA for the proposed Aruwakkalu Landfill and two transfer stations was submitted to Sri Lanka Central Environmental Authority (CEA) for review. It had been made available to the public on August 14, 2017 via

[http://www.cea.lk/web/?option=com\\_content&view=article&layout=edit&id=1072](http://www.cea.lk/web/?option=com_content&view=article&layout=edit&id=1072)

**V. Estimated Project Cost and Financing Source**

The Project is estimated to cost US\$ 274 million. The financing sources are as follows (in US\$ million):

<b>Loans/Credits/Others</b>	<b>Amount</b>
Borrower	44.00
AIIB	115.00
World Bank	115.00
<b>Total</b>	<b>274.00</b>

**VI. Implementation**

The proposed project implementation period is from July 2018 to December 2023.

## **Contact Points**

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