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Report No: PAD1698

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED RESTRUCTURING AND ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 30.5 MILLION
(US\$ 42 MILLION EQUIVALENT)

TO THE

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

FOR A

CLIMATE RESILIENCE IMPROVEMENT PROJECT

FEBRUARY 26, 2016

Social, Urban, Rural and Resilience Global Practice
South Asia Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective February 2016)

Currency Unit = Sri Lankan Rupee (Rs)
Rs 144 = US\$1
US\$ 1.3805 = SDR 1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing	IRR	Internal Rate of Return
BOQs	Bill of Quantities	IUFR	Interim Unaudited Financial Report
CERC	Contingent Emergency Response Component	LIDAR	Light Detection and Ranging
CPS	Country Partnership Strategy	MASL	Mahaweli Authority of Sri Lanka
CRIP	Climate resilience Improvement Project	MIWRM	Ministry of Irrigation and Water Resources Management
DA	Designated Account	NBRO	National Building Research Organization
DPD	Deputy Project Director	NPD	National Planning Department
DRM	Disaster Risk Management	OP/BP	Operational Policy/ Bank Policy
DSWRPP	Dam Safety and Water Resources Planning Project	PDO	Project Development Objective
EA	Environmental Assessment	PIU	Project Implementing Unit
EMF	Environmental Management Framework	PMU	Project Management Unit
EMP	Environmental Management Plans	RDA	Road Development Authority
GoSL	Government of Sri Lanka	RDD	Road Development Department
GRM	Grievance Redress Mechanism	RF	Results Framework
GRS	Grievance Redress	SMF	Social Management Framework
IA	Implementing Agency	SORT	Systematic Operations Risk Rating Tool
ICB	International Competitive Bidding	TOR	Terms of Reference
ID	Irrigation Department	UPC	Uva Provincial Council
IOC	Incremental Operating Cost	WB	World Bank
IDA	International Development Association		

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SRI LANKA

Climate Resilience Improvement Project – Restructuring and Additional Financing

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ADDITIONAL FINANCING DATA SHEET

Sri Lanka

Climate Resilience Improvement Project - Additional Financing (P157392)

SOUTH ASIA

GSU18

Basic Information – Parent									
Parent Project ID:		P146314			Original EA Category:		B - Partial Assessment		
Current Closing Date:		May 30, 2019							
Basic Information – Additional Financing (AF)									
Project ID:		P157392			Additional Financing Type (from AUS):		Scaling up		
Regional Vice President:		Annette Dixon			Proposed EA Category:		B – Partial Assessment		
Country Director:		Francoise Clottes			Expected Effectiveness Date:		April 29, 2016		
Senior Global Practice Director:		Ede Jorge Ijjasz-Vasquez			Expected Closing Date:		May 30, 2019		
Practice Manager/Manager:		Bernice K. Van Bronkhorst			Report No:		PAD1698		
Team Leader(s):		Suranga Kahandawa, Marc Forni							
Borrower									
Organization Name		Contact		Title		Telephone		Email	
Ministry of Finance		Dr. R. H. S. Samarathunga		Secretary		94112484500		sf@mo.treasury.gov.lk	
Project Financing Data–Parent - Climate Resilience Improvement Project (CRIP) – (P146314) (in US\$ million)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P146314	IDA-54170	Effective	22-Apr-2014	10-Jul-2014	05-Aug-2014	30-May-2019	30-May-2019		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P146314	IDA-54170	Effective	XDR	71.70	71.70	0.00	12.66	59.04	17.66

Project Financing Data– Additional Financing - Climate Resilience Improvement Project (CRIP) - Additional Financing (P157382)				
☐	Loan	☐	Grant	☐ IDA Grant
☒	Credit	☐	Guarantee	☐ Other
Total Project Cost:		US\$ 42.00 million		Total Bank Financing: US\$ 42.00 million
Financing Gap:		0.00		
Financing Source – Additional Financing (AF)				Amount (US\$ Million)
BORROWER/RECIPIENT				0.00
International Development Association (IDA)				42.00
Financing Gap				0.00
Total				42.00
Policy Waivers				
Does the project depart from the CPS in content or in other significant respects?				No
Does the project require any policy waiver(s)?				No
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Suranga Kahandawa	Task Team Leader (ADM Responsible)	Disaster Risk Management Specialist	Disaster Risk Management	GPSURR
Marc Forni	Co - Team Leader	Senior Disaster Risk Management Specialist	Disaster Risk Management	GPSURR
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Mokshana Wijeyeratne	Environmental Specialist	Environmental Specialist	Environment	GENDR
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Hisham Abdo Kahin	Lawyer	Lead Counsel		LEGES	
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Name		Title	Location		
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P.P. Ghnanapala		Consultant – Senior Drainage Engineer	Colombo		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Sri Lanka	Northern Province	Mannar		X	
Sri Lanka	Eastern Province	Trincomalee		X	
Sri Lanka		Batticaloa		X	
Sri Lanka		Ampara		X	
Sri Lanka	North Central Province	Polonnaruwa		X	
Sri Lanka		Anuradhapura		X	
Sri Lanka	North Western Province	Puttalam		X	
		Kurunegala		X	
Sri Lanka	Uva Province	Monaragala		X	
		Badulla	X		
Sri Lanka	Central Province	Kandy		X	
		Nuwara Eliya		X	
		Matale		X	
Sri Lanka	Southern Province	Hambantota			
Institutional Data					
Parent (Improving Climate Resilience - P146314)					
Practice Area (Lead)					
Social, Urban, Rural and Resilience					
Contributing Practice Areas					
Water, Agriculture, Transport					

Cross Cutting Topics ☒ Climate Change ☐ Fragile, Conflict & Violence ☐ Gender ☐ Jobs ☐ Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Water, sanitation and flood protection	Flood protection	35	100	
Public Administration, Law, and Justice	General public administration sector	25	100	
Transportation	Rural and Inter-Urban Roads and Highways	20	100	
Water, sanitation and flood protection	General water, sanitation and flood protection sector	20	100	
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Natural disaster management	100		
Total		100		
Additional Financing (Climate Resilience Improvement Project - P157392)				
Practice Area (Lead)				
Social, Urban, Rural and Resilience Global Practice				
Contributing Practice Areas				
Transport & ICT, Water				
Cross Cutting Topics ☒ Climate Change ☐ Fragile, Conflict & Violence ☐ Gender ☐ Jobs ☐ Public Private Partnership				

Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Water, sanitation and flood protection	Flood protection	32	100	
Transportation	Rural and Inter-Urban Roads and Highways	32	100	
Agriculture, fishing, and forestry	Irrigation and drainage	36	100	
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme		%	
Social Protection and Risk Management	Natural Disaster Management		100%	
Total			100	
Consultants (Will be disclosed in the Monthly Operational Summary)				
Consultants Required? No				

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional credit in the amount of US\$42 million equivalent to the Democratic Socialist Republic of Sri Lanka for the Climate Resilience Improvement Project (CRIP). The Paper also seeks the approval of the Executive Directors for a restructuring of the original project.
2. The CRIP was approved on April 22, 2014, and the Project Development Objective (PDO) is to reduce the vulnerability of exposed people and assets to climate risk and to improve Government's capacity to respond effectively to disasters. The Project includes four project components: Component 1: Development of basin investment plans (US\$13 million); Component 2: Increasing climate resilience of infrastructure (US\$90 million); Component 3: Project implementation (US\$5 million); and Component 4: Contingent emergency response (US\$2 million).
3. The proposed additional financing (AF) will help the Government of Sri Lanka (GoSL) to finance the costs associated with the repair and disaster proofing of irrigation, flood control and road infrastructure that were damaged due to extreme rainfall in December 2014. In addition, financing is required to close a financing gap caused by cost escalation of civil works under the parent project.
4. No changes are proposed to the PDO. The project outputs and annual output targets have been revised to reflect the scaled up activities. Relevant results indicators have been revised to better capture the benefits of the project including additional financing. An implementing unit will be added to the existing project management structure to implement the landslide rectification and slope stabilization interventions of the roads of Uva Province. No changes are proposed in fiduciary management arrangements. Safeguards management arrangements of the parent project remains unchanged.
5. The major change associated with the additional financing is the scale up of component 02 which will result in revisions to; i) implementation schedule; ii) project costs; iii) annual disbursement estimates; iv) results framework (total outputs, annual output targets, and results indicators); and v) implementation arrangements. In addition, OP/BP 4.37 on Safety of Dams will be triggered due to the fact that several flood risk mitigation interventions on irrigation and flood control infrastructure will rely upon the performance of the upstream dams and reservoirs which are the direct source of water storage and supply to those infrastructure. The proposed restructuring of the parent project would entail revision of the results framework to align the indicators of the parent project and AF, and a retroactive triggering of safeguards policy on Safety of Dams (OP/BP 4.37).

II. Background and Project Implementation Status

Background

6. Climate-related hazards pose a significant threat to economic and social development in Sri Lanka. Extreme variability of rainfall and droughts is already a defining feature of Sri Lanka's

climate. Climate projections indicate an increasing rainfall trend in the wet zone and a decreasing rainfall trend in the dry zone, meaning that the risks associated with water-related hazards are likely to increase.

7. Annual average fiscal loss associated with disasters is estimated to be already in excess of US\$380 million, but disaster losses can significantly exceed this amount in a given year. In 2011, floods affected more than a million people in the Northern, North Central and Eastern provinces and caused more than US\$ 600 million in direct damages. Floods in 2012 affected nearly a half a million people and the December 2014 floods affected 1.2 million people and each of these events severely impacted the agriculture sector, destroying crops, livestock and agricultural infrastructure, and the road infrastructure.

8. The GoSL has recognized disaster risk management (DRM) as a priority. The increasing frequency of recurrent disaster events are driving the Government's interest to scale up investments in climate resilience. In recent years, the GoSL has made notable efforts to improve policies, institutions, human resources, technology and tools to enhance the country's knowledge, information and capacity for improved climate related disaster forecasting, preparedness and management. The GoSL is currently making efforts to integrate DRM into its investment plans and is scaling up its investments in risk mitigation. However, larger and more systematic investments in risk mitigation, based on comprehensive understanding of disaster risks are in urgent need and CRIP is addressing this critical gap.

9. The CRIP was conceived based on a detailed screening and analysis of climate and disaster risks in 2013. The project aims to address such risks in identified high risk areas of Sri Lanka. The component 02 addresses the immediate risk mitigation needs, and the component 01 is designed as a long term intervention to address climate risks through rigorous flood and drought risk assessment taking into account the future variability in the climate parameters. The risk mitigation designs under the project are integrated with the recent climate variability in order to make these investments resilient to future extreme events. The project has 100% adaptation benefits while the mitigation co-benefits are negligible.

10. The CRIP is designed as a strategic intervention to assist the GoSL in managing the economic impact of disasters through investments in understanding and reducing disaster risk. The CRIP Component 1 (US\$ 13 million) contributes to building a climate risk-related knowledge base in ten selected river basins and to identifying long term investments that will improve physical resilience to extreme hydro-meteorological events. The component supports comprehensive flood and drought risk modeling, including assessments of expected extremes of water scarcity and excess, inter-annual and intra- seasonal variability of monsoons, duration of droughts, and depletion of ground water resources. Building on these assessments, the component is expected to finance pre-feasibility studies for nearly US\$ 1 billion of investments to reduce disaster risk in selected basins.

11. Component 2 (US\$ 90 million) supports implementation of urgent climate risk mitigation interventions including: i) strengthening of vulnerable irrigation, drainage, and flood control infrastructure (US\$ 47 million); ii) rectification of landslide damages and improvement of the flood discharge capacity of bridges on key road connections (US\$ 36 million); and iii) mitigation

of landslide risk in selected schools (US\$ 7 million). The proposed AF will scale up the Component 2 with additional rehabilitation and risk mitigation investments necessitated by the December 2014 floods.

12. Component 3 (US\$ 5 million) assists the GoSL in project planning, implementation, supervision and monitoring, while Component 4 (US\$ 2 million) provides contingent financing to help the GoSL to respond to natural disasters effectively.

Project implementation status

13. As a result of the Presidential elections in January 2015, the project implementation arrangements underwent some changes. The CRIP had been designed to be implemented by the Project Management Unit (PMU) established for the World Bank funded Dam Safety and Water Resources Planning Project (DSWRPP) under the Ministry of Irrigation and Water Resources Management (MIWRM). Following the Presidential elections, the DSWRPP and CRIP were separated and anchored to two separate ministries, causing the CRIP to establish a separate PMU under the MIWRM. The new PMU had to recruit all key staff positions that were shared with DSWRPP under the previous implementation set up. However, the leadership of the PMU and the field implementation arrangements remained unchanged. The CRIP PMU is fully operational with all key staff and is ready to absorb the additional financing related works.

14. The progress towards the achievement of the PDO and the Implementation Progress (IP) have been rated satisfactory throughout the implementation to date. However, there were delays in implementing component 01. The fiduciary, safeguards and monitoring and reporting have been satisfactory. The project implementation has been in compliance with the legal covenants and there are no overdue audit reports or ineligible expenditures. Disbursement during the first year of project implementation reached US\$15 million and an additional US\$30 million worth of physical works is currently under contract with works ongoing.

15. The progress of each of the individual project components is summarized below:

- **Component 01 - Development of Basin Investment Plans:** The GoSL had no prior experience in carrying out comprehensive and complex flood and drought risk modeling at river basin level as designed under this component. In addition, the finalization of the Terms of Reference (ToR) for the key consultancies under the component demanded inputs from a number of technical agencies. This led to delays in finalizing these ToRs and administering the procurement process for hiring consultants. The changes in the ministry portfolios in January 2015 further added to the delays.

The PMU has now awarded one out of the two main consultancy contracts under component 01 for carrying out LiDAR and photogrammetric surveys. These surveys are currently in progress and expected to be completed by December 2016. The technical evaluation to procure the other main consultancy for carrying out detailed flood and drought modeling and developing flood and drought mitigation investment plans is completed and the contract is due to be awarded by the end of March 2016.

- **Component 02 - Increasing Climate Resilience of Infrastructure:** The progress of component 02 has been satisfactory amidst all the changes. This is mainly due to the high level of readiness for implementation at the approval of the parent project. For example, within six months of effectiveness, US\$25 million of physical works contracts were awarded.

As of December 2015, US\$ 30 million worth of contracts have been awarded and work is in progress, while bid evaluation has been completed or in progress for another US\$ 3.4 million of project investments. Preparation of bid documents is in progress for contracts totaling to another US\$ 5.75 million (designs and Bill of Quantities - BOQs completed) and preparation of designs, BOQs and cost estimates is in progress for US\$ 39.5 million worth of contracts. The implementing agencies need to expedite the designs for the remaining works to ensure that they are completed by December 31, 2016.

- **Component 03 - Project Implementation:** The PMU is now fully operational after the changes mentioned above and continues to facilitate the project implementation. The PMU recently completed procurement of vehicles and all the IT equipment and software required by the implementing agencies for smooth project implementation.
- **Component 04 - Contingent Emergency Response Component (CERC):** This component has been allocated with US\$ 2 million that can be used by the Government to meet emergency expenditure in time of a disaster.

III. Rationale for Additional Financing

16. The floods and landslides of December 2014 affected 22 out of the 25 districts in the country. Nearly 1.2 million people were affected, 39 people killed and more than 25,000 houses were damaged. The rapid damage assessment conducted by the National Planning Department (NPD) revealed that direct damages to public assets were US\$155 million, including an estimated damage of US\$65.4 million to irrigation and flood control infrastructure and an estimated damage of US\$85 million to the road infrastructure. Provincial roads suffered the most of the damages, especially in Uva Province, amounting to US\$ 70.6 million. The GoSL immediately attended to some of the non-complex and urgent rehabilitation works by mobilizing government's own resources.

17. Following 2014 floods, the Government identified US\$ 22.0 million of flood rehabilitation investments and US\$ 14.0 million of landslide mitigation investments that need to be carried out with special design inputs. In order to undertake these additional works, the Government considered the possibility of reallocating funds through the Contingent Emergency Response Component (CERC) included under the parent project. However, the additional funding requirement was well in excess to the amount that could be reallocated. The Government opted to include the post 2014 disaster rehabilitation investments under CRIP additional financing, especially the critical damages that need special design inputs. This is due to the fact that the

CRIP has been adopting a comprehensive approach to mitigating the risk of floods and landslides while taking into account the potential climate change impacts.

18. Additional Financing would also be needed to address a financing gap related to the flood risk mitigation sub component of the parent project. This cost overrun is due to the following reasons: i) the initial estimates for flood risk mitigation investments were based on the conceptual designs during project preparation. However, after the completion of detailed designs and cost estimates for nearly 80% of the investments, it has been found that the actual cost exceeds the initial estimates by 8% - 10%; ii) The floods occurred in December 2014, caused further damages to the irrigation and flood control infrastructure that were already included in the work program; and iii) the conceptual designs were further improved incorporating climate resilient features to withstand future extreme events, which led to a slightly higher cost for the civil works. Based on the appraisal, it is estimated that the total cost overrun is approximately US\$ 5 million.

19. The proposed additional financing is well aligned with the Bank's "twin goals" of eliminating extreme poverty and boosting shared prosperity through reducing disaster related economic and livelihood losses in regions where the poverty rates are relatively higher. The interventions proposed under the additional financing are located in rural districts of Sri Lanka which are home to a majority of poor people. Agriculture is the main livelihood for these populations and irrigation water is a key contributor to the livelihood and food security under the current climate change challenges. The flood mitigation investments in the selected irrigation and flood control schemes will reduce the livelihood disruption and potential crop loss during the monsoonal heavy rains. The landslides often create connectivity problems and hinder day-to-day socioeconomic activities of rural communities, especially farmers accessing markets to sell their produce and to purchase agricultural inputs. This is a recurring situation in Badulla district where a significant share of the additional financing resources will be invested to stabilize landslides on the provincial roads. Badulla is one of the largest vegetable producing districts of Sri Lanka where a significant proportion of large and small holder tea plantations exist. These road connections vulnerable to landslides provide crucial link between the farms and the markets.

Consistency with CPS

20. This project is part of a comprehensive program to reduce the economic losses caused by natural disasters, which are estimated to be around US\$380 million annually. The proposed additional financing is well aligned with the Bank's Twin Goals of eliminating extreme poverty and boosting shared prosperity through reducing disaster related economic and livelihood losses in rural districts of Sri Lanka with high poverty. This additional financing is consistent with the Country Partnership Strategy (CPS) 2013-2016 for Sri Lanka (Report 66286-LK), which seeks to improve resilience to climate and disaster risks. It was discussed by the Board of Executive Directors on May 22, 2012 and updated by the CPS Progress Report (Report 84426-LK), discussed by the Board on April 22, 2014. The additional credit will support the CPS priority of reducing the number of people impacted by adverse natural events, especially floods.

IV. Proposed Changes

Summary of Proposed Changes	
This AF would help scaling up of component 02 of parent project leading to the revision of; i) implementation schedule; ii) project costs; iii) annual disbursement estimates; iv) results framework (total outputs, annual output targets, and results indicators); and v) implementation arrangements. In addition, OP/BP 4.37 on Safety Dams will be triggered for the AF as well as for the parent project retroactively. No changes are proposed to disbursement categories, Credit covenants, safeguard category, fiduciary and safeguard procedures and management arrangements.	
Change in Implementing Agency	Yes [] No [X]
Change in Project's Development Objectives	Yes [] No [X]
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [X] No []
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [] No [X]
Change in Loan Closing Date(s)	Yes [] No [X]
Cancellations Proposed	Yes [] No [X]
Change in Disbursement Arrangements	Yes [] No [X]
Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [X] No []
Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [X] No []
Change in Financial Management	Yes [] No [X]
Change in Procurement	Yes [] No [X]
Change in Implementation Schedule	Yes [X] No []
Other Change(s)	Yes [] No [X]
Development Objective/Results	
Project's Development Objectives	
Original PDO To reduce the vulnerability of exposed people and assets to climate risk and to improve Government's capacity to respond effectively to disasters. The PDO will be achieved through evidence-based investment planning and urgent risk mitigation measures. Revised PDO: No change to the PDO	

Change in Results Framework: Yes**Explanation:**

A number of indicators of the results framework have been refined to be able to better capture the project benefits and results. Results and annual output targets have been revised reflecting the additional works added to the original project. The changes made in the results indicators are summarized below.

Indicator in the original RF	Revised Indicator	Justification for the change
<i>PDO Level results indicators</i>		
Decrease in expected annual flood loss from 5 years return period to 25 years	Area benefitted with reduced annual crop losses due to weather related events in the selected schemes	Due to the limitation of hydro-meteorological data and the changing rainfall patterns, calculation of return periods is challenging. This will make the measuring of the indicator difficult. The revised indicator is easily measurable.
Reduction in people at risk to climate related transport interruptions	People benefitted from reduced weather related transport interruptions	The original indicator has been reworded for better clarity.
Number of schools protected against landslides	Number of school children protected from reduced landslide risks in selected schools	This indicator was refined to capture the beneficiaries, which is a better indicator over the number of schools where the risk mitigation investments are implemented.
<i>Intermediate results indicators</i>		
Strategic Environmental Impact Assessment developed	Number of risk mitigation feasibility studies developed	The revised indicator reflects the project results better than the original indicator given that Strategic Environmental Assessment will be part of the feasibility studies.
Length of road side slopes stabilized against landslides	Length of roads with transport connectivity ensured	The revised indicator makes better sense and reflects the actual activities implemented. Also it is easier to measure.
Vulnerable school areas protected from landslide	Number of schools protected against landslides	The revised indicator provides a better sense of the results of the investments. The school area protected from landslides is not the best way to reflect the results.

Compliance						
Change in Safeguard Policies Triggered						
Explanation: Safeguard policies triggered under the parent project will remain unchanged for AF. However, the implementation experience to date reveals that several flood risk mitigation interventions on irrigation and flood control infrastructure will rely upon the performance of the upstream dams and reservoirs which are the direct source of water storage and supply to those facilities. Failure of these upstream dams could potentially cause damage to infrastructure improved for flood resilience under the project. Therefore, OP/BP 4.37 on Safety Dams will be triggered for the AF as well as for the parent project retroactively.						
Current and Proposed Safeguard Policies Triggered:			Current (from Current Parent ISDS)		Proposed (from Additional Financing ISDS)	
Environmental Assessment (OP) (BP 4.01)			Yes		Yes	
Natural Habitats (OP) (BP 4.04)			Yes		Yes	
Forests (OP) (BP 4.36)			No		No	
Pest Management (OP 4.09)			No		No	
Physical Cultural Resources (OP) (BP 4.11)			Yes		Yes	
Indigenous Peoples (OP) (BP 4.10)			No		No	
Involuntary Resettlement (OP) (BP 4.12)			Yes		Yes	
Safety of Dams (OP) (BP 4.37)			No		Yes	
Projects on International Waterways (OP) (BP 7.50)			No		No	
Projects in Disputed Areas (OP) (BP 7.60)			No		No	
Covenants - Additional Financing (Climate Resilience Improvement Project - Additional Financing – P157392)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
Conditions						
Source of Fund		Name		Type		
Description of Condition						

Risk				
Risk Category			Rating (H, S, M, L)	
1. Political and Governance			Moderate	
2. Macroeconomic			Moderate	
3. Sector Strategies and Policies			Moderate	
4. Technical Design of Project			Substantial	
5. Institutional Capacity for Implementation and Sustainability			Moderate	
6. Fiduciary			Moderate	
7. Environment and Social			Low	
8. Stakeholders			Low	
9. Other				
OVERALL			Moderate	
Finance				
Loan Closing Date - Additional Financing (Climate Resilience Improvement Project - Additional Financing – P157392)				
Source of Funds		Proposed Additional Financing Loan Closing Date		
International Development Association (IDA)		30-May-2019		
Change in Disbursement Estimates (including all sources of Financing)				
Explanation:				
Disbursement estimates will change to take into account additional funds and extension of the Credit closing date.				
Expected Disbursements (in US\$ Million)(including all Sources of Financing)				
Fiscal Year	2016	2017	2018	2019
Annual	15	25	45	52
Cumulative	30	55	100	152
Allocations - Additional Financing (US\$ Million) (Climate Resilience Improvement Project - Additional Financing – P157392)				
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)
			Proposed	Proposed
IDA	US\$	Goods, works, non-consulting services and consultants’ services, Training and Workshops and Incremental	42	100%

		Operating Costs except under Part 4 of the Project		
IDA	US\$	Emergency Expenditures	0	100%
Total:			42	100%

Change to Components and Cost: Yes

Explanation:

The project components will not change. However, the cost of component 02 (Increasing Climate Resilience of Infrastructure) and component 03 (Project Implementation) will change. The change in the cost of project component 02 is attributed to two main reasons: i) need to scaling up of flood risk mitigation and landslide mitigation investments identified after heavy rainfall spell in December 2014; and ii) estimated cost overrun related to the flood risk mitigation investments included in the parent project. The implementation of the scaled up work program will require additional incremental operating costs. Hence, the cost of project component 03 will be increased. Allocation of additional funds for sub components and the detailed cost breakdown are given in Table 1 and 2 below:

Table 1: Additional financing allocation for project components

Project Components and Sub Components	Total IDA Financing (US\$ million)	IDA Original Credit (US\$ million)	IDA Additional Financing (US\$ million)
1. Development of Basin Investment Plans	13.0	13.0	0.0
2. Increasing Climate Resilience of Infrastructure	130.0	90.0	40.0
Flood Risk Mitigation	74.0	47.0	27.0
Transport Continuity	49.0	36.0	13.0
School Protection	7.0	7.0	0.0
3. Project Implementation	7.0	5.0	2.0
4. Contingent Emergency Response	2.0	2.0	0.0
Total Cost	152.0	110.0	42.0

Table 2: Detailed cost breakdown of additional financing

Category of Expenditure	Description	Amount (US\$ million)
Civil Works	Flood risk mitigation works	22.0
	Landslide rectification works	10.5
	Cost over-run of flood risk mitigation works of the parent project	5.0
	Subtotal	37.5
Goods	Instruments for landslide monitoring	1.0

	Office furniture and equipment for PIU of UPC	0.1
	Vehicles and machinery	1.0
	Subtotal	2.1
Consultancy Services	Consultancy for design and construction supervision of landslide rectification works	0.5
	Subtotal	0.5
Non-consulting Services	Surveys and Investigations	0.3
	Subtotal	0.3
Training and Workshops	Training and Workshops on Climate Resilient Development	0.2
	Subtotal	0.2
Incremental Operating Costs	Project management and monitoring	1.4
	Subtotal	1.4
TOTAL		42.0
Other Change(s)		
Change in Institutional Arrangements		
Explanation: In the parent project, the implementation arrangements include a central PMU which oversees and manages the project implementation and funds, and four Implementing Units as part of the PMU, established at the relevant implementing agencies. The only change in the institutional arrangement under the AF is consequent to the inclusion of landslide mitigation interventions of Uva provincial roads. All the other project implementation arrangements related to FM, disbursements, procurement, safeguards and M & E will remain unchanged. In order to implement the new landslides mitigation works, the Project Implementation Unit (PIU) that had been established for the recently closed, Bank financed Provincial Roads Project (PRP) will be reorganized and linked to the current CRIP implementing structure. This will continue to be located at the Road Development Department (RDD) of Uva Provincial Council (UPC), and will be headed by a Deputy Project Director (DPD). It will function similar to the current PIU at the Road Development Authority (RDA), which executes similar landslide mitigation interventions on the National Roads. The responsibilities of this new PIU include; designs, procurement, construction supervision and payments. A diagram showing the project implementation arrangements with additional financing is given in Annex 3.		

Change in Financial Management
Explanation: The overall FM arrangements under the parent project will be applicable for the additional financing also. A separate Designated Account (DA) will be maintained by the PMU for the additional financing Credit. Funds will be transferred by IDA to the DA using report based disbursements. Separate Interim Unaudited Financial Reports (IUFRs) will be submitted by the PMU for the replenishment of the DA. The PMU and the spending units will open separate LKR accounts and will maintain a separate set of books for additional financing. As in the original Credit, the external audit will be carried out by the Auditor General of Sri Lanka and a consolidated audit report for both the original Credit and additional financing will be submitted to the WB by the PMU within six months of end of the financial year. The Incremental Operating Costs (IOC) of the PMU and the other spending agencies included under the parent project would be first absorbed by the original credit and once the category is fully spent, the IOC of additional financing would be used. The IOC related to the PIU of Uva RDD will be fully absorbed by the additional financing. The financial management performance of the PIU under the Provincial Roads Project had been satisfactory and is well versed with the WB FM procedures and guidelines. Under this project, this PIU would function as a spending unit for the activities executed by them. The PMU will transfer funds to the PIU, and PIU will manage the payments related to its contracts. This PIU will also be responsible for; maintaining a dedicated bank account for the project, maintaining separate books of accounts, reporting back on expenditures incurred to PMU, and providing information required for internal and external audit.
Change in Procurement
Explanation: The procurement arrangements under the parent project will be applicable for the additional financing also. The PMU and the PIUs have gained sufficient experience in procurement and the performance has been satisfactory. The PMU has prepared a separate procurement plan for the additional financing satisfactory to the Bank and will update the same every six months. The PIU of Uva RDD gained sufficient experience in carrying out procurement and managing contracts following WB procedures under the PRP. Given that large International Competitive Bidding (ICB) contracts are not envisaged under this project, the newly added PIU will have capacity to manage the procurement for the medium scale landslide mitigation investments to be implemented by the Uva RDD.
Change in Implementation Schedule
Explanation: The work plan, including the implementation schedule, has been updated to reflect the activities of the parent project as well as the AF.

Appraisal Summary
Economic and Financial Analysis
Explanation: A comprehensive Economic Analysis was carried out for the investments under the parent project. The analysis found that the project leads to a net present value (NPV) of \$57 million (using a 12% discount rate) and an internal rate of return (IRR) of 22.7% over a period of 20 years of project life. The results show that the probability of IRR falling below 12% is zero. The IRR of the flood mitigation sub component and the transport connectivity sub component of the parent project were 30.4% and 16% respectively. Given that the new investments proposed under this AF are very similar to those in the parent project, it is unlikely that the IRR with the new investments will be significantly different from the original project. The original economic analysis of the flood mitigation sub component was rerun including the cost overrun of US\$ 5 million which resulted in a new IRR value of 27 % for the particular sub component.
Technical Analysis
Explanation: The activities to be funded under the AF are similar in nature to the activities included in the Component 2 of the parent project, thus no new skills or technical expertise for implementation will be required. The scope of the landslide mitigation interventions on the roads managed by the Road Development Department (RDD) of Uva province is similar to that of the ongoing landslide mitigation works on national highways implemented by the Road Development Authority (RDA). These works demand special geological and geotechnical expert inputs for design, construction and supervision. The RDA obtains these expert inputs from the NBRO which has demonstrated capacity in landslide mitigation for more than 15 years. Therefore, the same arrangement will continue for the landslide mitigation works included under the additional financing. Similar to the parent project, the flood mitigation interventions will be implemented by the Irrigation Department (ID) and the Mahaweli Authority of Sri Lanka (MASL). The scope of civil works under the flood mitigations investments includes; strengthening of damaged and weak sections of flood protection embankments, improvements to irrigation and drainage canals, and other related facilities. The ID and MASL have demonstrated sufficient technical capacity to design and implement these works with required quality standards. The engineers from these two agencies have gained sufficient knowledge and experience in incorporating climate resilient features into the new designs through the engagement with CRIP. Therefore, the two agencies will continue to implement the flood mitigation investments under the AF. Landslides have become a recurring phenomenon and 10 districts out of the 25 districts have been identifies as vulnerable to landslides. It is important to strengthen the Government's capacity to protect the communities and property from landslides risk in those districts. The NBRO is the

mandated national agency to identify, monitor and mitigate the landslides risk and NBRO's capacity to be enhanced especially in the area of landslide investigation and monitoring. Therefore, the project will provide necessary geotechnical equipment to NBRO for this purpose. As such, additional financing includes strengthening of the capacity of NBRO with necessary geotechnical investigation equipment and instruments in order to identify and monitor the landslide risk in the districts prone to landslides.

In addition, the RDD of Uva province will be provided with machinery and equipment to be able to efficiently respond to potential landslides.

Cost overrun:

Additional Financing would also be needed to address a financing gap related to the flood risk mitigation sub component of the parent project. This cost overrun is due to the following reasons: i) the initial estimates for flood risk mitigation investments were based on the conceptual designs during project preparation. However, after the completion of detailed designs and cost estimates for nearly 80% of the planned investments, it has been found that the actual cost exceeds the initial estimates at the project preparation by 08% - 10%; ii) The floods occurred in December 2014, caused further damaged to the irrigation and flood control infrastructure that were already included in the work program; and iii) the conceptual designs were further improved incorporating climate resilient features to withstand future extreme events which led to a slightly higher cost for the civil works. Based on the appraisal, it is estimated that the total cost overrun is US\$ 5 million.

Social Analysis

Explanation:

Social Safeguards: The additional financing is not expected to result in changes to the social analysis of CRIP and will not trigger new social safeguards policies. Also no complex social safeguard issues have been encountered to date. The Social Management Framework (SMF) has been prepared and is currently under implementation. This SMF will continue to be applicable to the project. The SMF outlines the processes and serves as a guideline to undertake social assessments and/ or resettlement action plans as required.

At present the implementing agencies have identified a long list of activities under each type of risk mitigation interventions, and the preliminary investigations are underway. These investigations would lead to a final list of investments to be financed by the AF, for which the detailed designs would be carried out. During the detailed designs, sub project specific social assessments will be undertaken for all activities and the resettlement action plans will be developed as required. Necessary risk management measures will be implemented in accordance with the framework.

Gender: A gender analysis was carried out as part of the Social Assessment and the preparation of the SMF. Gender considerations will be made an integral part of the sub-project planning for drainage and irrigation infrastructure. In particular, gender impacts will be one of the considerations associated with the selection of sub-projects to ensure that infrastructure improvements provide equal proportional benefits to men and women.

Citizen Engagement: The project is adopting a mechanism to involve communities and their representatives in making decisions and for ensuring greater positive impact. For the participatory planning processes under Components 2, the PMU has adopted a citizen engagement strategy to give voice and opportunity to various stakeholders in the planning process, with walk-through-surveys being one of the measures used. Extensive stakeholder consultation has been built in to the design of the component 01 activities. The citizen engagement strategy also includes the use of citizen's monitoring committees (e.g. headed by Farmer Organizations in respect of irrigation activities; and Parent-Teacher Associations in respect of landslide mitigation activities in schools) that review and follow up on quality, safety and completion aspects of the interventions.

Grievance Redress Mechanisms (GRM): Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or can occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Environmental Analysis

Explanation:

The CRIP overall is environmentally beneficial and so is the additional financing investments. The flood risk and landslide mitigation interventions proposed under the AF are similar to those already being financed under the parent project. The project continues to be classified as Environmental Category B.

Safeguard policies triggered under the parent project will remain unchanged for AF. However, the implementation experience to date reveals that several flood risk mitigation interventions on irrigation and flood control infrastructure will rely upon the performance of the upstream dams and reservoirs which are the direct source of water storage and supply to those facilities. Failure of these upstream dams could potentially cause damage to infrastructure improved for flood resilience under the project. Therefore, OP/BP 4.37 on Safety of Dams will be triggered for the AF as well as for the parent project retroactively.

Since 2008 to date, the GoSL has been implementing a national dam safety assurance program with financial assistance from the World Bank through the Dam Safety and Water Resources Planning Project (DSWRPP). During the preparation of the DSWRPP, the GoSL employed international consultants and local experts to carry out a comprehensive risk assessment of all major dams of the country. Based on this assessment, a total of thirty two (32) major dams identified as high and moderate safety risks were selected for intensive safety remedial

interventions under the DSWRPP. The GoSL has added thirty (30) more dams to the program for safety interventions with the additional financing approved in 2014. Under the DSWRPP, the GoSL has engaged international consultants and local experts acceptable to the Bank to: carry out full level dam safety inspections and geotechnical and hydrological studies; design safety assurance and remedial works; install dam safety monitoring instrumentation; supervise the execution of civil and electro-mechanical safety assurance works; and prepare detailed operation and maintenance manuals for the dams included in the project. In addition, the designs and execution of the civil and electro-mechanical works and instrumentation are being carried out under the guidance and supervision of an independent dam safety review panel with a Terms of Reference (ToR) approved by the Bank. This panel consists of technical professionals from related engineering disciplines and has been endorsed by the Bank. The records of the technical inspections and investigations, hydrological studies, detailed designs of dam safety remedial works, construction drawings, and O&M manuals are available with the agencies responsible for managing these dams. Two of the three concerned dam owner agencies are also the implementing agencies of CRIP, which are the ID and the MASL.

All dams that are hydrologically connected with the flood risk mitigation investments of the parent project and the AF have been included in the DSWRPP and intensive measures have been taken under the DSWRPP to address the risks related to the safety of those dams. Given that there is an ongoing and effective dam safety program dealing with the full-level inspections, dam safety assessments, and safety remedial measures have already been conducted and details are documented by the GoSL satisfactorily to the Bank, the provisions of OP/BP4.37 on Dam Safety has been complied with for all the relevant dams related to the AF and the parent project. Therefore, while the Dam Safety OP 4.37 will be triggered, no specific action will be necessary under the project to implement the requirements of the OP 4.37.

An Environmental Management Framework (EMF) has been prepared for the parent project and is currently under implementation. The EMF has been updated and was disclosed on January 8, 2016 in country and on January 11, 2016 in the Infoshop reflecting the inclusion of the Dam Safety OP 4.37. This EMF will continue to be applicable to the AF also. This EMF focuses on the planning, design and implementation of specific civil works associated with flood risk mitigation and transport continuity interventions in the selected irrigation, flood control, transport infrastructure and school buildings. This framework outlines the processes and serves as a guideline to undertake environmental assessments (EAs) and/or environmental management plans (EMPs) as required.

At present the implementing agencies have identified a long list of activities under each type of risk mitigation interventions, and the preliminary investigations are underway. These investigations would lead to a final list of investments to be financed by the AF, for which the detailed designs would be carried out.

During the detailed designs, EAs and EMPs will be developed for all the sub projects. Environmental risk management measures outlined in the EMPs will be integrated in the construction. In addition, the PMU will examine the available documentation and compile the details of dam safety remedial interventions carried out under the DSWRPP for the dams related with the subprojects for record purposes. If additional measures are deemed necessary for any dam(s), the PMU will work closely with the DSWRPP to ensure that safety of those dams are

addressed under the ongoing DSWRPP.

As in the parent project, the overall responsibility for safeguards management will rest with the PMU, while the PIUs will have a safeguards focal point who will work closely with the social and environment specialists of the PMU.

Risk

Explanation:

Risks identified under CRIP have been managed well and there is no change to the overall risk rating which is moderate. The risk categories: political and governance, macroeconomic, sector strategies and policies will continue to be rated as moderate. The risk related to the technical design continues to be rated substantial given the technical complexity of the landslide rectification measures to be implemented. In order to mitigate this risk, the National Building Research Organization (NBRO), which has got significant expertise and experience in designing and implementing landslide risk mitigation measures will continue to provide design and construction supervision inputs. In addition, the support of an international expert will be obtained to review the designs completed by the NBRO engineers. The institutional capacity for implementation and sustainability, and fiduciary risks will remain as moderate, while the environment and social, and the stakeholder risks will remain as low. With regards to stakeholder risk, this was recently upgraded to low as a result of the recently stability that has taken hold in the government structure in the aftermath of the political changes

ANNEX 1: REVISED RESULTS FRAMEWORK AND MONITORING INDICATORS

Revisions to the Results Framework		Comments/ Rational for Change
PDO		
<i>Current (PAD)</i>	<i>Proposed</i>	
PDO is to reduce the vulnerability of exposed people and assets to climate risk and to improve Government's capacity to respond effectively to disasters.	No Change	
PDO indicators		
<i>Current (PAD)</i>	<i>Proposed</i>	
Indicator 1: Decrease in expected annual flood loss from 5 years return period to 25 years	Area Benefitted with reduced annual crop losses due to weather related events in the selected schemes	Due to the limitation of hydro-meteorological data and the changing rainfall patterns, calculation of return periods is challenging. This will make the measuring of the indicator difficult. The revised indicator is easily measurable.
Indicator 2: People benefitted from reduced weather related transport interruptions	Reduction in people at risk to weather related transport interruptions	The original indicator has been reworded for better clarity.
Indicator 3: Number of schools protected against landslides	Number of school children protected from reduced landslide risks in selected schools	This indicator was refined to capture the beneficiaries, which is a better indicator over the number of schools where the risk mitigation investments are implemented.
Indicator 4: Development of basin investment plans that are based on integrated understanding of climate risk	No Change	
Intermediate indicators		
<i>Current (PAD)</i>	<i>Proposed</i>	
<i>Improved Understanding of Flood and Drought Risk in Selected Basins</i>		
Indicator 5: Number of MIWRM staff trained in modeling climate risks	No Change	
Indicator 6: Flood and drought risk models developed	No Change	

Indicator 7: DEM and hydro-meteorological data for the nine basins collected and compiled for analysis	No Change	
Indicator 8: Strategic Environmental Impact Assessment developed	Risk mitigation feasibility studies developed	The revised indicator reflects the project results better than the original indicator given that Strategic Environmental Assessment will be part of the feasibility studies.
<i>Reduced Flood Risk</i>		
Indicator 9: Local flood risk analyses and modeling to support immediate mitigation	No Change	
Indicator 10: Detailed flood mitigation designs completed	No Change	
Indicator 11: Length of improved distribution canals	Revised	The target values have been revised to reflect the investments made under the additional financing
Indicator 12: Number of improved structures in distribution canals	Revised	The target values have been revised to reflect the investments made under the additional financing
Indicator 13: Length of improved flood drainage canal	Revised	The target values have been revised to reflect the investments made under the additional financing
Indicator 14: Length of rehabilitated flood bund	Revised	The target values have been revised to reflect the investments made under the additional financing
Indicator 15: Length of improved spill tail canal	Revised	The target values have been revised to reflect the investments made under the additional financing
Indicator 16: Number of improved culverts and small bridges	Revised	The target values have been revised to reflect the investments made under the additional financing
Indicator 17: Length of improved farm link roads	Revised	The target values have been revised to reflect the investments made under the additional financing
<i>Improved Transport Continuity</i>		
Indicator 18: Detailed road slope stabilization and bridge designs completed	No Change	
Indicator 19: Number of bridges raised and causeways replaced	No Change	
Indicator 20: Length of road side slopes stabilized against landslides	Length of roads with transport connectivity ensured	The revised indicator makes better sense and reflects the actual activities implemented. Also it is easier to measure.
<i>Improved School Safety</i>		

Indicator 21: Vulnerable school areas protected from landslide	Number of schools protected against landslides	The revised indicator provides a better sense of the results of the investments. The school area protected from landslides is not the best way to reflect the results.
Indicator 22: Detailed landslide stabilization designs completed	No Change	
<i>Citizen Engagement</i>		
Indicator 23: Beneficiaries that feel project investments reflect their need	New Indicator	This indicator has been added to monitor citizen engagement in the project

ANNEX 2: UPDATED PROJECT RESULTS FRAMEWORK

Project Development Objectives							
Original Project Development Objective - Parent:							
The Project Development Objective (PDO) is to reduce the vulnerability of exposed people and assets to climate risk and to improve Government’s capacity to respond effectively to disasters.							
Proposed Project Development Objective - Additional Financing (AF): No Change							
Results							
Core sector indicators are considered: No				Results reporting level: Project Level			
Project Development Objective Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	<u>Proposed</u> : Area Benefitted with reduced annual crop losses due to weather related events in the selected schemes	☐	Hectare(Ha)	Value	0.00	0.00	149,000
				Date	05-Aug-2014	01-Dec-2015	30-May-2019
				Comment			
	<u>Current</u> : Decrease in expected annual flood loss from 5 years return period to 25 years	☐	Hectare(Ha)	Value	0.00	0.00	123,000
				Date	01-Apr-2014	10-Aug-2015	31-May-2018
				Comment			
Revised	<u>Proposed</u> : Reduction in people at risk to weather related transport interruptions	☐	Number	Value	0.00	0.00	1,220,000
				Date	05-Aug-2014	01-Dec-2015	30-May-2019
				Comment			
	<u>Current</u> : People benefitting from reduce weather related transport interruptions	☐	Number	Value	0.00	0.00	721,000
				Date	01-Apr-2014	10-Aug-2015	31-May-2018
				Comment			

Revised	<u>Proposed</u> : Number of school children protected from reduced landslide risks in selected schools	☐	Number	Value	0.00	0.00	29000.00
				Date	05-Aug-2014	01-Dec-2015	30-May-2019
				Comment			
	<u>Current</u> : Number of schools protected against landslides	☐	Number	Value	0.00	0.00	18.00
				Date	01-Apr-2014	10-Aug-2015	31-May-2018
				Comment			
No Change	Development of basin investment plans that are based on integrated understanding of climate risk	☐	Number	Value	0.00	0.00	9.00
				Date	01-Apr-2014	01-Dec-2015	30-May-2019
				Comment			
Intermediate Results Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Number of MIWRM staff trained in modeling climate risks	☐	Number	Value	0.00	0.00	20.00
No Change	Flood and drought risk models developed	☐	Percentage	Value	0.00	0.00	100.00
				Date	01-Apr-2014	10-Aug-2015	31-May-2017
				Comment			
No Change	DEM and hydro-meteorological data for the nine basins collected and compiled for analysis	☐	Percentage	Value	0.00	0.00	100.00
				Date	01-Apr-2014	10-Aug-2015	31-May-2016
				Comment			
Revised	<u>Proposed</u> : Risk mitigation feasibility studies developed	☐	Number	Value	0.00	0.00	15.00
				Date	05-Aug-2014	01-Dec-2015	30-May-2019
				Comment			

	<u>Current</u> : Strategic Environmental Assessment developed	☐	Number	Value	0.00	0.00	1.00
				Date	01-Apr-2014	10-Aug-2015	31-May-2017
				Comment			
No Change	Local flood risk analyses and modeling to support immediate mitigation	☐	Percentage	Value	0.00	30.00	100.00
				Date	01-Apr-2014	10-Aug-2015	31-Dec-2018
				Comment			
No Change	Detailed flood mitigation designs completed	☐	Percentage	Value	0.00	30.00	100.00
				Date	01-Apr-2014	10-Aug-2015	31-Dec-2018
				Comment			
Revised	<u>Proposed</u> : Length of improved distribution canals	☐	Kilometers	Value	0.00	60.00	780.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2019
				Comment			
	<u>Current</u> : Length of improved distribution canals	☐	Kilometers	Value	0.00	60.00	643.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2018
				Comment			
Revised	<u>Proposed</u> : Number of improved structures in distribution canals	☐	Number	Value	0.00	600.00	6820.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2019
				Comment			
	<u>Current</u> : Number of improved structures in distribution canals	☐	Number	Value	0.00	600.00	4634.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2018
				Comment			
Revised	<u>Proposed</u> : Length of improved flood drainage canal	☐	Kilometers	Value	0.00	20.00	882.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2019

				Comment			
	<u>Current</u> : Length of improved flood drainage canal	☐	Kilometers	Value	0.00	20.00	778.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2018
				Comment			
Revised	<u>Proposed</u> : Length of rehabilitated flood bund	☐	Kilometers	Value	0.00	5.00	400.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2019
				Comment			
	<u>Current</u> : Length of rehabilitated flood bund	☐	Kilometers	Value	0.00	5.00	399.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2018
				Comment			
Revised	<u>Proposed</u> : Length of improved spill tail canal	☐	Kilometers	Value	0.00	43.00	185.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2019
				Comment			
	<u>Current</u> : Length of improved spill tail canal	☐	Kilometers	Value	0.00	43.00	173.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2018
				Comment			
Revised	<u>Proposed</u> : Number of improved culverts and small bridges	☐	Number	Value	0.00	22.00	95.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2019
				Comment			
	<u>Current</u> : Number of improved culverts and small bridges	☐	Number	Value	0.00	22.00	89.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2018
				Comment			
Revised	<u>Proposed</u> : Length of improved	☐	Kilometers	Value	0.00	27.00	160.00

	link roads			Date	01-Apr-2014	10-Aug-2015	30-May-2019
				Comment			
	<u>Current</u> : Length of improved link roads	☐	Kilometers	Value	0.00	27.00	109.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2018
				Comment			
No Change	Detailed road side slope stabilization and bridge designs completed	☐	Percentage	Value	0.00	30.00	100.00
				Date	01-Apr-2014	10-Aug-2015	31-Dec-2017
				Comment			
No Change	Number of bridges raised and causeways replaced	☐	Number	Value	0.00	0.00	12.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2019
				Comment			
Revised	<u>Proposed</u> : Length of roads with transport connectivity ensured	☐	Kilometers	Value	0.00	0.00	410.00
				Date	05-Aug-2014	01-Dec-2015	30-May-2019
				Comment			
	<u>Current</u> : Length of road side slopes stabilized against landslides	☐	Kilometers	Value	0.00	0.00	3.03
				Date	01-Apr-2014	10-Aug-2015	31-May-2018
				Comment			
Revised	<u>Proposed</u> : Number of schools protected against landslides	☐	Number	Value	0.00	0.00	18.00
				Date	05-Aug-2014	01-Dec-2015	30-May-2019
				Comment			
	<u>Current</u> : Vulnerable school areas protected from landslide	☐	Hectare (Ha)	Value	0.00	0.00	5.85
				Date	01-Apr-2014	10-Aug-2015	31-May-2018
						Comment	

No Change	Detailed landslide stabilization designs completed	☐	Percentage	Value	0.00	30.00	100.00
				Date	01-Apr-2014	10-Aug-2015	31-May-2016
				Comment			
New	Beneficiaries that feel project investments reflect their needs	☐	Percentage	Value	0.00	0.00	75.00
				Date	01-Apr-2014	10-Aug-2015	30-May-2019
				Comment			

ANNEX 3: PROJECT IMPLEMENTATION ARRANGEMENTS

In the parent project, the implementation arrangements include a central PMU which oversees and manages the project implementation and funds, and four Implementing Units as part of the PMU, established at the relevant implementing agencies.

The only change in the institutional arrangement under the AF is consequent to the inclusion of landslide mitigation interventions of Uva provincial roads. All the other project implementation arrangements for FM, disbursements, procurement, safeguards and M & E will remain unchanged.

In order to implement the new landslides mitigation works, the Project Implementation Unit (PIU) that had been established for the recently closed, Bank financed Provincial Roads Project (PRP) will be reorganized and linked to the current CRIP implementing structure. This will continue to be located at the Road Development Department of Uva Provincial Council, and will be headed by a Deputy Project Director (DPD). It will function similar to the current PIU at the Road Development Authority (RDA), which executes similar landslide mitigation interventions on the National Roads. The responsibilities of this new PIU include; responsibilities of designs, procurement, construction supervision and payments. Below diagram shows the project implementation arrangements with additional financing.

Figure A3 – 1: CRIP Implementation structure with additional financing

