Early Warning System

ADB-59444-001

Integrated Bus Services Strategies, Including Electric Vehicle Transition and Business Plan Preparation

Early Warning System

ADB-59444-001

Integrated Bus Services Strategies, Including Electric Vehicle Transition and Business Plan Preparation

Quick Facts

Countries	Sri Lanka
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-12-08
Borrower	Government of Sri Lanka
Sectors	Energy, Law and Government, Technical Cooperation, Transport
Investment Type(s)	Advisory Services
Investment Amount (USD)	$ 1.00 million
Project Cost (USD)	$ 1.00 million

Project Description

As stated by the ADB, the technical assistance (TA) will support the Government of Sri Lanka in formulating an integrated, inclusive, and sustainable public bus transport strategy with a phased investment plan to expand services and improve efficiency. The TA aims to contribute to Sri Lanka's economic recovery and improve livability by focusing on four key areas:

(i) developing a long-term vision for the bus sector and a medium-term investment roadmap to transform the Sri Lanka Transport Board (SLTB), the state-owned bus operator, into a modern, sustainable, and low-carbon public transport service provider;
(ii) preparing a transition plan for privately operated buses to shift from individual ownership to franchise-based operations based on sound corporate principles, while integrating with SLTB services to improve service quality;
(iii) strengthening integrated transport planning through preparation of guidelines and concept designs for multimodal transit hubs; and
(iv) formulating an institutional strengthening action plan for the National Transport Commission (NTC) to support effective policy formulation, regulation, and governance of public bus services.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

The TA aligns with three operational priorities (OPs) of the ADB Strategy 2030, tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability (OP3); making cities more livable (OP4); and strengthening governance and institutional capacity (OP6). The TA also aligns with the country partnership strategy for Sri Lanka (2024-2028), which promotes a shift from private vehicles to public transport, and the transition to e-mobility. The TA also conforms with Transport Sector Directional Guide, which emphasizes integrated transport including modernization of urban rail, bus, and nonmotorized networks.

Bus- and rail-based public transport systems were traditionally the preferred modes of passenger transportation in Sri Lanka, with buses accounting for more than 60% of mode share until 2000. However, the mode share of bus-based public transport declined steadily from 60% in 2000 to 30% in 2023. Nevertheless, public buses continue to play a vital role in passenger transportation, serving all segments of the population with about 5,000 bus routes. Most are jointly served by both the state-run SLTB and private operators, with the service share averaging about 70% private and 30% SLTB.

The decline in mode share of bus-based public transport in last two decades reflects an accelerated shift away from public transport. While travel demand increased significantly between 2010 and 2019 as security conditions normalized and economic growth accelerated, and has since fluctuated with changing economic conditions, public transport mode share has not improved. This decline stems from the system's inability to meet users' service quality and quantity needs, compounded by rising disposable incomes that, prior to the economic crisis, encouraged private vehicle ownership. The public transport system also faces major challenges in gender inclusion and accessibility for differently abled persons, limiting inclusive and safe mobility. These service deficiencies are rooted in multiple constraints: limited government investment, fragmented planning, weak institutional coordination, poor integration between transport and land use planning, limited technical capacity, and inadequate resources that weaken sector governance, regulation, and monitoring.

The government recognizes the need to promote public bus transportation over private vehicles to reduce the negative externalities of rapid motorization, support economic recovery, improve productivity, and enhance liveability. The National Policy Framework (2024) outlines this transformation through measures such as (i) upgrading the bus fleet, including partial electrification, (ii) forming cluster bus companies to unify operations, (iii) enabling digital ticketing, and passenger information, (iv) introducing unified timetables across service providers, including railways, (v) establishing multimodal transit hubs, and (vi) strengthening institutional capacity.

Investment Description

- Asian Development Bank (ADB)

Contact Information

ADB Team Leader:

Saugata Dasgupta
Email: sdasgupta@adb.org

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Integrated Bus Services Strategies, Including Electric Vehicle Transition and Business Plan Preparat
- Technical Assistance Report