

## Ex-Ante Evaluation

### 1. Name of the Project

Country: The Democratic Socialist Republic of Sri Lanka

Project: Emergency Natural Disaster Rehabilitation Project

Loan Agreement: September 29, 2011

Loan Amount: 7,000 million yen

Borrower: The Government of the Democratic Socialist Republic of Sri Lanka

### 2. Background and Necessity of the Project

#### (1) Current situation and issues of flood damage in the country

In Sri Lanka, the heavy rain from December 2010 through February 2011 caused major damage, destroying infrastructure including roads and irrigation facilities in Central, North Central and Eastern Provinces. There were more than 1.2 million victims and 430,000 damaged buildings, ranking next to the tsunami damage of the Sumatra Earthquake in December 2004. The flash floods destroyed approximately 18,237km of roads and 1,752 agricultural and irrigation facilities, which blocked transportation access and impeded daily life in rural areas. The rice farming areas mainly in Eastern Province were severely damaged, and there is a concern of crop failure next year unless the irrigation facilities are rehabilitated in time to prevent water shortage in the dry season.

According to the needs assessment for mid- and long-term rehabilitation of infrastructure conducted by the Department of National Planning in February – March 2011, rehabilitation from this flood damage will cost approximately 110 billion rupees. Unless road and irrigation facilities are urgently recovered, secondary damage is expected such as landslides. It will also increase food prices from next year on, and it is very likely to affect people's standard of living and the country's economy as a whole.

#### (2) The Sri Lankan governments' policies on flood damage in the country and the priority of the project

The Sri Lankan government requested international community including the Japanese government for emergency support in January 2011. The presidential task force on flood relief was established in February to research the damage situation, rehabilitate urgently and plan and coordinate mid- and long-term rehabilitation projects. Based on such rehabilitation project plan, the Sri Lankan government requested the Japanese government in May for support as the domestic budget is insufficient to rehabilitate the irrigation and road sectors, which is the purpose of this project.

#### (3) Japan and JICA's Policy and Operations in the sector

The project is intended to provide support in order to recover and maintain the economic infrastructure damaged by the flood in the areas where development is tardy and many of the residents are poor and to help those who were deprived of the basic infrastructure for daily living because of natural disasters. This is consistent with Japan's Country Assistance Program for Sri Lanka (April 2004) focusing on "an assistance program based on a mid- and long-term vision for development" as well as JICA's priority area of "adaptation to climate change."

Concerning the flood, Japan provided emergency support goods worth 20 million yen in January, and in February, aid of approximately 47 million yen through the Japan Platform and emergency grant aid of US\$ 0.5 million through international organizations. JICA has also been supporting reinforcement of the Sri Lankan government's disaster prevention system based on "the program for

Climate Change and Disaster Prevention ”.

#### (4) Other Donors’ Activity

Reacting to the flood damage, the United Nations launched an appeal of the emergency humanitarian assistance needs of approximately US\$50 million in January, and the European Union, the United States, the United Kingdom and Canada among others provided assistance. Concerning the mid- and long-term infrastructure rehabilitation needs, the World Bank has agreed to provide an additional financing of US\$38 million for the existing “the Community Livelihoods in Conflict-Affected Areas Project” (US\$767 million in total) mainly for rehabilitation of small-scale infrastructure.

#### (5) Necessity of the project

As the effects of the heavy rain are widespread in Sri Lanka, early recovery of the basic infrastructure for daily living in the affected areas is an urgent issue for the country’s stable development. In particular, roads, tanks and reservoirs composing the local infrastructure have been severely damaged, which is greatly affecting the economy and society of the country. The project provides support for rehabilitation of national roads, provincial roads, community roads and agricultural and irrigation facilities, which is consistent with the recovery needs as well as the assistance policies of Japan and JICA. Therefore, it is urgent, necessary and relevant for JICA to implement this project.

### **3. Outline of the Project**

#### (1) Project Objectives

The objective of this project is to promptly recover the economic and social activities of the damaged areas through the rehabilitation of damaged roads and irrigation facilities in Central, North Central and Eastern Provinces of Sri Lanka, and thereby contribute to the recovery of safety and livelihood of the residents and rehabilitation of the economy and society from the disaster.

#### (2) Project site/target districts: Central, North Central and Eastern Provinces

#### (3) Project Components

① Rehabilitation of national roads, provincial roads and community roads (approximately 1,018km) (procurement by domestic competitive bidding)

② Rehabilitation of irrigation facilities (approximately 244 locations) (procurement by domestic competitive bidding)

#### (4) Estimated Project Cost (Loan Amount)

8,254 million yen (including Japanese ODA loan of 7,000 million yen)

#### (5) Schedule

August 2011 – September 2015 (50 months)

The project is defined as being completed when the facilities are made available for operation (September 2014).

#### (6) Implementation Structure

1) Borrower: The Government of the Democratic Socialist Republic of Sri Lanka

2) Executing agency: Department of National Planning, Ministry of Finance and Planning

3) Operation and maintenance:

By Ministry of Ports and Highways, Ministry of Irrigation and Water Resources Management (MIWRM), Central Provincial Government, North Central Provincial Government, and Eastern

## Provincial Government

### (7) Environmental and Social Considerations, Poverty Reduction, Social Development

#### 1) Environmental and social considerations

① Category: FI

② Reason for categorization: In accordance with the “JICA Guidelines for Confirmation of Environmental and Social Considerations” (April 2010), the project cannot specify sub-projects before being approved by JICA, and possible sub-projects might have an environmental influence.

③ Others (monitoring) : In this project, the executing agency shall categorize sub-projects and take measures that are necessary for relevant categories based on the “JICA Guidelines for Confirmation of Environmental and Social Considerations.” Sub-projects in Category A are not expected to be implemented.

2) Promotion of poverty reduction: As there are many poor residents in the areas damaged by the floods, the project is expected to mitigate poverty by recovering the economic and social infrastructure of the victims.

3) Promotion of social development (gender perspective, measure for infectious diseases including AIDS, participatory development, consideration for persons with disabilities, etc.): None in particular.

#### (8) Cooperation with Other Donors:

The project plans to contribute to reinforcement of disaster prevention in vulnerable areas in cooperation with JICA’s ongoing “Disaster Management Capacity Enhancement Project Adaptable to Climate Change” (2010-2013).

#### (9) Other Comments: None in particular.

## **4. Effects of the Project**

### (1) Quantitative Effects

1) Operation and Effect Indicators: Considering the nature of urgent recovery from disaster, the purpose is to return the roads and irrigation facilities to the condition they were in before being damaged by the floods.

2) Internal Rate of Return: Not calculated because of the nature of emergency assistance

(2) **Qualitative Effects** : Recovery of the economic and social activities and mitigation of regional disparity in the areas damaged by the floods. Adaptation to climate change.

## **5. External Risk Factors/Risk Control**

Delay of project implementation due to natural disasters, etc.

## **6. Lessons Learned from Findings of Similar Projects Undertaken in the Past**

From similar projects in the past, it has been learned that it is effective to establish a system that enables meticulous and prompt measures in order to supervise an emergency project consisting of small components spread over a wide area. Based on such lesson, the project will establish a PMU within the Department of National Planning and a PIU in each province for the purpose of monitoring the progress of each project.

## **7. Plans for Future Evaluation**

- (1) Indicators to be used

Qualitative data indicating recovery of the original status before disaster (basically equivalent to the specifications of the relevant facility)

- (2) Timing of Next Evaluation

Two years after project completion