

Signing of Japanese ODA Loan with the Democratic Socialist Republic of Sri Lanka

–Assistance for Urgent Rehabilitation in Regions Affected by Massive Floods–

1. Today, the Japan International Cooperation Agency (JICA) signed an agreement with the Government of the Democratic Socialist Republic of Sri Lanka to provide a loan of up to 7 billion yen for the Emergency Natural Disaster Rehabilitation Project, for which an urgent financial assistance was requested in May of this year.

2. Roads and irrigation facilities in Central Province, North Central Province and Eastern Province suffered severe damage from floods between December last year and February this year. This project will assist with their rehabilitation to quickly restore the socioeconomic activities of the affected areas and prevent further damage. It will contribute to the restoration of the safety and livelihoods of people as well as to the revitalization of the economy and society in the affected areas. The Japanese ODA loan will be allocated to the procurement of the supplies and materials needed for the repair of national, provincial and community roads, and for the repair and restoration of irrigation facilities.

3. Heavy rains in Sri Lanka between December last year and February this year caused massive flood in areas including Central Province, North Central Province and Eastern Province, leaving more than 1.2 million victims and more than 430 thousand damaged houses. This is a natural disaster second in scale only to the tsunami damage caused by the Indian Ocean earthquake of December 2004, devastating approximately 18,237 kilometers of roads and 1,752 irrigation facilities. As a result, accessibility in the areas has been severely affected, a major hindrance to daily life, and it is predicted that landslides will cause secondary damage if the roads and irrigation facilities are not restored before the next rainy season begins. A delay in restoring that area, which is also Sri Lanka's farm belt, may cause food prices escalation next year. This in turn could bring negative impact on the lives of citizens and the overall economy in this post-conflict nation. Therefore, urgent restoration is highly required.

4. The Government of Sri Lanka requested assistance from the international community, including Japan, in January this year, and the Japanese Government provided emergency relief goods in the amount of about 20 million yen in January, 47 million yen in assistance through the Japan Platform, and 500 thousand US dollars through international agencies in February as emergency grant aid.

5. According to a mid-to-long term needs assessment survey conducted by the National Planning Department between February and March this year, approximately 110 billion rupees (approximately 85.4 billion yen) is required for recovery from the flood damage. JICA is providing assistance for rehabilitation of heavily damaged roads and irrigation facilities, which are marked as highly prioritized infrastructures.

6. Additionally, JICA is working on disaster countermeasures and assistance for vulnerable people affected by natural disasters from the perspective of adapting to climate change. JICA is implementing a technical cooperation project, the Disaster Management Capacity Enhancement Project Adaptable to Climate Change (2010 to 2013), a technical cooperation project currently being implemented, and is providing proactive assistance to strengthen disaster management in disaster-prone areas.



Signing ceremony

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)	Repayment (years)	Deferment period (years)	Procurement
Emergency Natural Disaster Rehabilitation Project	7,000	0.01*	40	10	General Untied

* Preferential terms apply to disaster reconstruction.

2. Project Summaries

Emergency Natural Disaster Rehabilitation Project

Executing Agency

Ministry of Finance and Planning
Address: Colombo 01, Sri Lanka
Phone/fax: +94 (11) 248-4566

Planned Implementation Schedule

(i) Completion of project: September 2014 – when the facilities are put into service

(ii) Consulting services (including detailed design work): None

(iii) Tender announcement of procurement package for international competitive bidding on project construction: No international competitive tendering is planned (all tendering is planned to be local competitive tendering)