

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

### –Assistance for Significant Socioeconomic Development Using Japanese Technology and Expertise–

On March 14, the Japan International Cooperation Agency (JICA) signed Japanese ODA loan agreements with the Government of the Democratic Socialist Republic of Sri Lanka to provide ODA loans of up to a total of 41.107 billion yen for assistance for four projects.

In May 2009, internal armed conflict in Sri Lanka came to an end after more than 25 years. The country proclaimed a long-term strategy based on national stability, and has entered a period of remarkable growth as evidenced by the 8.2 percent in real GDP growth of 2011. As many industries such as tourism are experiencing growth, the Government of Sri Lanka has set the aim of joining the ranks of upper middle income countries in 2016, and is seeking a higher level of economic infrastructure that includes improvement on the electric power and transportation fronts. Overcoming the vulnerability to natural disasters and improving the quality of social services in regional cities are priorities that must be addressed in order for everyone to be able to live without anxieties.

Given this background, these ODA loans will provide support for improving the power supply efficiency to the capital area, constructing new bridges throughout the country, and implementing disaster management to protect transportation in regions that are vulnerable to landslides caused by heavy rains and other natural disasters. Outstanding Japanese technology and knowledge will be applied to these socioeconomic developments in Sri Lanka. The loan will also provide support for water service so safe water can be supplied to people living in regional urban areas who suffer from disease caused by their drinking water.

The characteristics of the loans provided by the agreements are described below.

#### (1) Support for stable power supply to the capital area by reducing the transmission and distribution losses and improving the reliability of the power supply

The area in and around Colombo (the Greater Colombo Area) accounts for approximately half of the GDP, and the power demand there has risen rapidly in recent years along with economic growth. The power transmission and distribution network needs to be strengthened to reduce the transmission and distribution losses that results in wasted power and to provide a more stable supply of power. The **Greater Colombo Transmission and Distribution Loss Reduction Project** will provide support for the underground power transmission and distribution network in the Greater Colombo, reducing the transmission and distribution losses and making the power supply more reliable.

#### (2) Using outstanding Japanese technology to replace bridges that are hindering traffic

Road transportation plays a vital role in Sri Lanka, a country 65,000 square kilometers in size, as it handles more than 90 percent of domestic passenger travel and freight transportation. With the firm economic growth that Sri Lanka has, there is an increase in transportation demand, and there is a need to construct new bridges and replace deteriorated bridges, which are hindering the smooth flow of traffic. The **Major Bridges Construction Project of the National Road Network** will apply Japan's outstanding bridge technology to replace bridges along major national roads throughout Sri Lanka and build new ones, making road transportation smoother.

#### (3) Providing support to improve safety in the traffic network and the lives of nearby residents through landslide measures on national roads in disaster-prone areas

In recent years, Sri Lanka has been hit by severe flooding and landslides due to torrential rains, along with other natural disasters, resulting in a loss of life and major damage to roads and other basic infrastructure. The Central Highlands in particular experiences collapses of steeply sloping land, along with avalanches and other types of landslides, and measures there are a priority. The **Landslide Disaster Protection Project of the National Road Network** will carry out countermeasure construction on slopes on major national roads with a high risk of landslides, alleviating the risk of a disaster and making the road network and lives of nearby residents safer. In addition, technical cooperation will provide capacity development training for landslide measures and enhance the overall ability to respond to landslide disasters.

#### (4) Providing water supply facilities using surface water and improving access to safe drinking water

Located in North Central Sri Lanka, Anuradhapura District is an arid region without any nearby reservoirs or other water sources, and residents rely on limited underground water drawn from wells for daily living.

A high concentration of fluoride, which is harmful to the human body, has been detected in the underground water, and the harm being inflicted on personal health is a major priority. The **Anuradhapura North Water Supply Project Phase 1** will improve the water supply facilities and switch the water source from contaminated underground water to safe surface water, improving the access of area residents to safe drinking water.

Through the utilization of its types of assistance—technical cooperation, ODA loans and grant aid—JICA will support nation-building in Sri Lanka for development that all residents can benefit from, including improvements to the socioeconomic infrastructure toward raising Sri Lanka to the rank of a upper middle income country.

#### Related Link

› [Location diagram for the four projects \(PDF/103KB\)](#)



Signing ceremony

## Reference

### 1. Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment (years)	Grace period (years)	Procurement
		Project	Consulting services			
Greater Colombo Transmission and Distribution Loss Reduction Project	15,941	0.30 <sup>a</sup>	0.01	40	10	General untied
Major Bridges Construction Project of the National Road Network	12,381	0.20 <sup>b</sup>	0.01	40	10	Japan tied
Landslide Disaster Protection Project of the National Road Network	7,619	1.4	0.01	25	7	General untied
Anuradhapura North Water Supply Project Phase 1	5,166	1.4	0.01	25	7	General untied

a. The terms for climate change measures apply.

b. The Special Terms for Economic Partnership (STEP) apply.

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## 2. Project Summaries

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### (1) Greater Colombo Transmission and Distribution Loss Reduction Project

#### Background and Necessity

In Sri Lanka, power demand has been rising rapidly in recent years, along with economic growth that averages 7 percent per year. In particular, Greater Colombo, which accounts for approximately half of the GDP and is the core region for economic activities in Sri Lanka, is undergoing a high rate of increase in the power consumption, approximately 10 percent per year, and the current capacity of the main transmission lines and substations in the capital area cannot accommodate any further increase in demand.

To accommodate the rapidly increasing power demand and ensure a stable supply of power, there is a need to strengthen the power transmission and distribution network by taking such measures as boosting the basic transmission power lines in the region from 132 kilovolts to 220 kilovolts. In addition, because much of the equipment has deteriorated after four decades or more of use, the transmission and distribution power loss rate was 13.0 percent in 2010, higher than any other nearby country in Asia, and reducing that rate is a priority issue.

#### Objective and Summary

The objective of this project is to promote investment and economic development in Sri Lanka. To achieve this, the transmission and distribution power network will be improved to strengthen the transmission and distribution power capacity, reduce the rate of transmission and distribution loss, and improve the reliability of the power supply in Greater Colombo, the capital region of Sri Lanka. By reducing the rate of transmission and distribution loss and making the power supply system more efficient, this project is expected to reduce greenhouse gases. Funds from the loan will be allocated to laying underground power transmission and distribution lines, constructing new substations and strengthening existing ones, and consulting services (such as for detailed design work and construction monitoring).

#### Executing Agency

Ministry of Power and Energy  
Address: No. 72, Ananda Kumaraswami Mawatha, Colombo 7, Sri Lanka  
Phone: +94-11-257-4918, fax: +94-11-257-4635

#### Planned Implementation Schedule

- (i) Completion of project: December 2016 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including work monitoring): March 2013
- (iii) Tender announcement for international competitive bidding on project construction:

Procurement package titles:

1. Construction and Improvement of Grid Substations
2. Construction of New Underground Transmission and Distribution Cables (11, 132 and 220 Kilovolts)
3. Procurement of Special Vehicles for Distribution Work

Release date: May 2014

### (2) Major Bridges Construction Project of the National Road Network

#### Background and Necessity

In Sri Lanka, road transportation plays a vital role in socioeconomic activities, accounting for more than 90 percent of domestic transportation of passengers and cargo. Given the marked increase in demand for transportation with the country's firm economic growth, the Government of Sri Lanka is emphasizing improvements to the road network, moving forward with a focus on improving aging roads while obtaining donor support.

Also, of 2,000 major bridges on national roads throughout the country, more than one-third were constructed more than a century ago. Although there is a pressing need to replace such bridges and build new ones, work is not proceeding on those bridges with a span of 30 meters or longer which require a high level of construction technology and expertise that cannot be fulfilled in Sri Lanka. Thus deterioration, narrow bridge width and excessive loads are issues that are hindering the smooth flow of road transportation in the country.

#### Objective and Summary

This project will apply Japan's outstanding bridge technology to replace bridges and build new ones along major national roads throughout Sri Lanka, making road transportation smoother with the objective of promoting economic growth. For the project, outstanding Japanese technology is slated to be utilized for extradosed bridge construction, as well as in areas such as atmospheric corrosion resistance, construction techniques using steel pipe sheets for foundation piles, waterproofing membranes and epoxy-coated reinforcement steel bars. Funds from the loan will be allocated to constructing new bridges and improving existing ones, and consulting services (such as for detailed design work and construction monitoring).

#### Executing Agency

Ministry of Ports and Highways  
Address: 9th Floor, Sethsiripaya, Battaramulla, Sri Lanka  
Phone: +94-11-288-7463, fax: +94-11-288-7464

#### Planned Implementation Schedule

- (i) Completion of project: January 2019 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including construction monitoring): May 2013
- (iii) Tender announcement for international competitive bidding on project construction:

Procurement package titles:

- Package 1 (Southern Bridges)
- Package 2 (Central Bridges)
- Package 3 (Northern Bridges)

Release date: November 2014

#### JICA Contact Information

For further information about the procurement schedule, please contact the party listed below.  
Contact Point for Transport Sector, JICA Sri Lanka Office  
Address: 10th Floor, DHPL Building, No. 42, Navam Mawatha, Colombo 02, Sri Lanka  
Phone: +94-11-230-3700, 94-11-230-0470, fax: +94-11-230-3692, 94-11-230-0473

### (3) Landslide Disaster Protection Project of the National Road Network

#### Background and Necessity

Due to geographic characteristics and the effects of climate change, Sri Lanka has been hit by a range of natural disasters in recent years such as severe flooding and landslides due to torrential rains, resulting in a loss of life and major damage to roads and other basic infrastructures that are lifelines for residents. In particular, the Central Highlands, where rapid cultivation and development are taking place, frequently experiences the collapse of steeply sloping land, avalanches and other types of landslides due to the area's vulnerable geological characteristics and steep landforms. These frequently occurring landslide disasters cause immense damage to basic infrastructure, including the road network which bears 90 percent of the domestic passenger and cargo transportation, heavily impacting economic activities. The rising number of landslide disasters occurring on roads in the

highlands is due to ground vulnerabilities that are amplified by unstable excavation on slopes during road widening and extension, and inadequate measures to prevent disasters on the road network such as a lack of facilities for draining underground water. To address these circumstances, the Government of Sri Lanka is implementing landslide disaster measures to control the occurrence of landslides and ensure safety for the lives of people and of the road network, but has implemented only limited measures to date and more effective measures are required.

### **Objective and Summary**

This project will implement countermeasure construction for 16 slopes on major national roads with a high risk of landslide disasters in seven landslide-prone districts. This work will alleviate the risk of landslide disasters on the national roads, which are basic infrastructure, and improve the safety of the road network and lives of nearby residents, contributing to the socioeconomic development in Sri Lanka. In the project, an area with an especially high level of risk will be selected as a model area, and disaster control and prevention technology such as anchoring methods developed in Japan will be applied as model construction measures for that area. Funds from the loan will be allocated to construction countermeasures on national road slopes, procurement of equipment for an early-warning system and consulting services (such as for detailed design work, construction monitoring and strengthening disaster preparedness capacity of the executing agency).

### **Executing Agency**

Ministry of Ports and Highways  
Address: 9th Floor, Sethsiripaya, Battaramulla, Sri Lanka  
Phone: +94-11-288-7463, fax: +94-11-288-7464

### **Planned Implementation Schedule**

(i) Completion of project: December 2017 – when the facilities are put into service  
(ii) Issuing of letters of invitation for consulting services (including construction monitoring): May 2013  
Tender announcement for international competitive bidding on project construction:  
Procurement package titles:

1. Model Countermeasures on National Road Slopes in Landslide-prone Areas
2. Countermeasures on National Road Slopes in Landslide-prone Areas
3. Installation of Early-warning System

Release date: April 2015

## **(4) Anuradhapura North Water Supply Project Phase 1**

### **Background and Necessity**

In Sri Lanka, 87 percent of the population has access to safe water, in such forms as pipe borne water, wells and rainwater, but the piped water connected coverage for the country is still low, a mere 43.5 percent overall. The Government of Sri Lanka has set the objectives of providing safe water access to 100 percent and reaching piped water connected coverage of 60 percent of its population by 2020.

In the northern part of Anuradhapura District in North Central Province, the target region of this project, residents rely on wells and other groundwater sources for their drinking water. However, the underground water in the Anuradhapura District has been found to have a high concentration of fluoride, which is harmful to the human body, at levels exceeding the country's water quality standards. The use of underground water for drinking purposes has resulted in an endless number of patients with dental fluorosis (a disease of abnormalities in tooth enamel), a serious health issue. The population with access to safe water in this district is 10 percent, significantly lower than the country as a whole (87 percent), and switching from underground to surface water sources is a high priority to cease the detrimental effects of fluoride on the health of the residents.

### **Objective and Summary**

This project will construct water supply facilities using the Mahakanadarawa reservoir as its water source, providing safe drinking water, and meeting the objective of improving the level of health and sanitation in the target region. In remote locations where water pipes will not be laid due to the low population density, water trucks and water supply tanks will be deployed to ensure extensive water access coverage. Funds from the loan will be allocated to work on an intake facility, a water treatment plant, ground sumps, and transmission and distribution mains, as well as to procure water trucks and other vehicles, and consulting services (such as for detailed design work and construction monitoring).

### **Executing Agency**

Ministry of Water Supply and Drainage  
Address: No. 35, New Parliament Road, Pelawatta, Battaramulla, Sri Lanka  
Phone: +94-11-217-7240, fax: +94-11-217-7242

### **Planned Implementation Schedule**

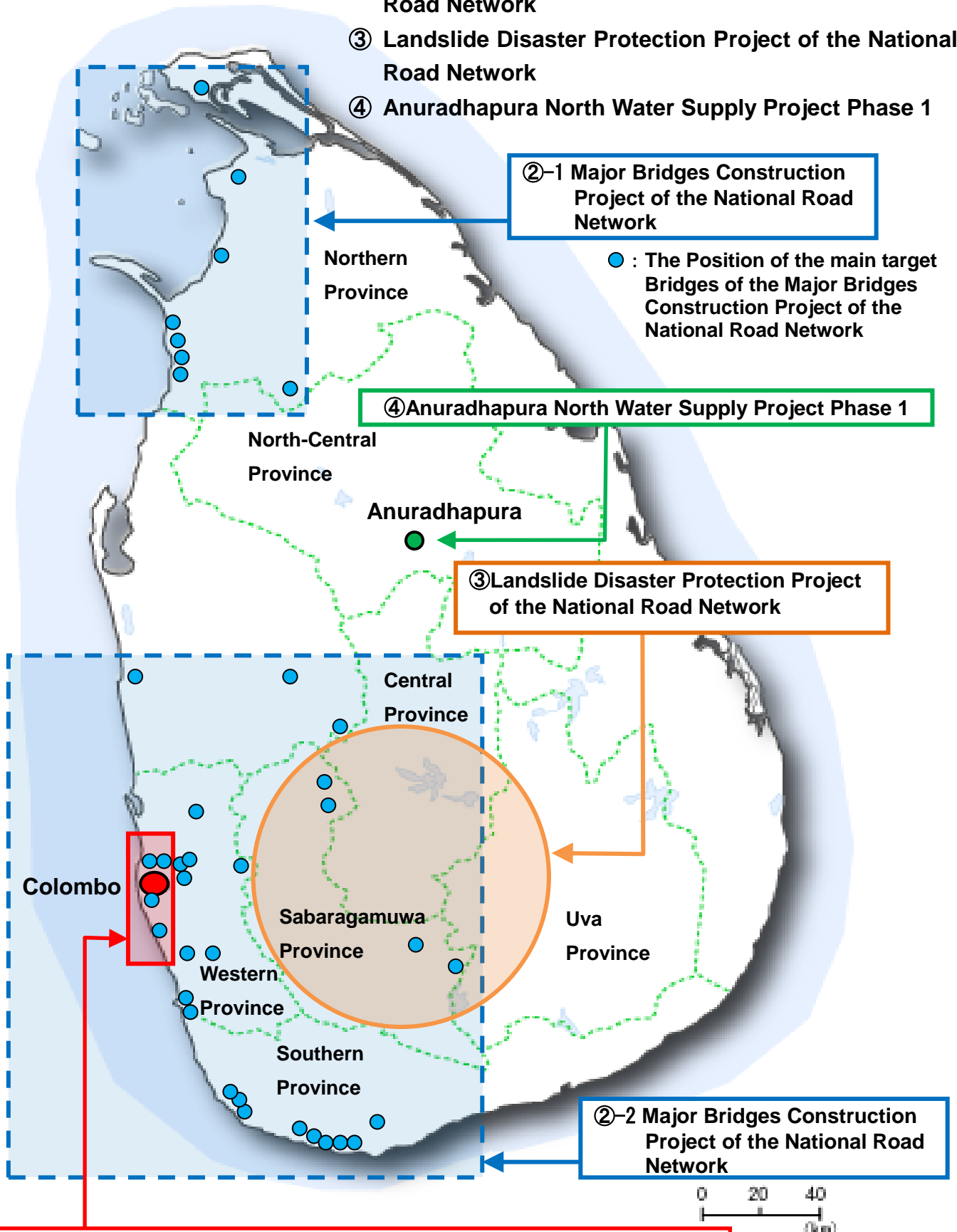
(i) Completion of project: February 2018 – when the facilities are put into service  
(ii) Issuing of letters of invitation for consulting services (including construction monitoring): February 2013  
Tender announcement for international competitive bidding on project construction:  
Procurement package titles:

1. Construction of Intake Facility (18,800 m<sup>3</sup>/day), Water Treatment Plant (9,400 m<sup>3</sup>/day), Ground Sumps and Elevated Tanks, and Related Mechanical and Electrical Works
2. Installation of Transmission and Distribution Mains
3. Installation of Distribution Sub-mains
4. Procurement of O&M Equipment

Release date: March 2014

<Project Map>

- ① Greater Colombo Transmission and Distribution Loss Reduction Project
- ② Major Bridges Construction Project of the National Road Network
- ③ Landslide Disaster Protection Project of the National Road Network
- ④ Anuradhapura North Water Supply Project Phase 1



● : The Position of the main target Bridges of the Major Bridges Construction Project of the National Road Network

① Greater Colombo Transmission and Distribution Loss Reduction Project