



### Project Summary Information

Date of Document Updating: May 17, 2021	
<b>Project Name</b>	Support to Colombo Urban Regeneration Project
<b>Project Number</b>	P000081
<b>AIIB member</b>	The Democratic Socialist Republic of Sri Lanka
<b>Sector/Subsector</b>	Urban/Urban Regeneration, Housing
<b>Status of Financing</b>	Approved
<b>Project Description</b>	<p>The Project supports the implementation of Urban Regeneration Program Phase-III, but with significant improvements, such as improvements in technical design, resettlement and post-resettlement policy, housing maintenance arrangements, innovation in redevelopment approach, and review of longer-term sustainability of public intervention in housing. The Project comprises three components:</p> <ul style="list-style-type: none"> <li>• <b>Component 1:</b> Housing Construction. Supports the construction of about 5,500 affordable housing units for underserved communities in multi-story apartment buildings;</li> <li>• <b>Component 2:</b> Land Redevelopment. Maximizes the revenue from the land that will become available after the households from the underserved communities move into the new apartment units constructed under the URP; and</li> <li>• <b>Component 3:</b> Technical Support and Project Management. Supports project management and other measures to improve implementation of the URP.</li> </ul>
<b>Objective</b>	The project objective is to Improve housing conditions of low-income communities and increase land use efficiency in Colombo through investments in the construction of affordable housing and redevelopment of land, with associated policy and system enhancements.
<b>Expected Results</b>	The results indicators include: (i) Number of low-income and lower-middle-income households that move from underserved settlements to newly constructed housing units with improved basic urban services under improved resettlement practice; and, (ii) Increase in land value in the project area.
<b>Environmental and Social Category</b>	Category A
<b>Environmental and Social Information</b>	AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs), is applicable to the Project. As per the Bank's ESP, the Project has been classified as Category A, due primarily to the scale and complexity of the involuntary resettlement involved. The environmental impacts and risks are typical of urban construction projects of this kind (large-scale housing schemes) as are the health and safety issues. These are expected to be temporary, manageable through adequate mitigation measures, and not irreversible. The social risks and impacts associated with the proposed Project are complex and are mainly related to: (i) the determination of land

ownership in the areas to be acquired for sub-projects under Components 1 and 2; (ii) the need to ensure that people's livelihoods are not adversely affected by the move to the new sites; (iii) ensuring people will adapt to life in high-rise apartment blocks and safeguarding the long-term viability of the housing complexes and services; and (iv) the need to identify and engage with the affected households and other stakeholders, including people living near the new housing schemes, from the beginning of the Project (especially the need to facilitate the active participation of women, young people and people of different ethnic and socio-economic groups). These issues will be addressed through the post-resettlement and other social programs (currently implemented by the UDA) and will be further enhanced under Component 3.

In accordance with the Bank's ESP and national policy requirements, the Borrower and the UDA have prepared a Resettlement Planning Framework (RPF) and an Environmental and Social Management Planning Framework (ESMPF) that set out the general principles for managing the social and environmental impacts, especially the resettlement and post-resettlement measures needed to ensure that the standards of living and livelihoods of the households that are relocated can be enhanced or, at the very least, restored. The draft RPF and ESMPF were disclosed in English, Sinhala and Tamil versions on the websites of the UDA, MMWD and AIIB: <http://www.uda.gov.lk/housingprojects.html> and <https://www.aiib.org/en/projects/proposed/2018/colombo-regeneration.html>

Resettlement Action Plans (RAPs) and Environmental and Social Management Plans (ESMPs) will be prepared for each of the sub-projects under Component 1, including the two or three sub-projects to be identified for the 1,400 new units for families that have yet to be identified, and will have to be reviewed and approved by the Bank and disclosed by the Bank and UDA during project implementation. The ESMPs must be approved by the Bank and disclosed before the construction contracts are signed. The sub-projects under Component 2 will be covered by the RAPs for Component 1, since the Component 2 sites have either been or are being vacated under the current URP program or will be vacated when the families from these sites move to the housing units constructed under Component 1. The RAPs will focus on the site-specific issues related to each resettlement project. It should be noted that most of the resettlement sites are located close to (less than a kilometer), and in some cases, are immediately adjacent to, the areas they originally occupied. Two RAPs have been prepared for Obeyesekerepura and Madampitya: <http://www.uda.gov.lk/housingprojects.html> <https://www.aiib.org/en/projects/details/2019/approved/Sri-Lanka-Support-to-Colombo-Urban-Regeneration-Project.html>

Under the guidance of the ESMPF, the ESMP will be prepared for each sub-project site. The ESMPs will analyze the potential environmental and social risks and impacts related to the project activities (during and after construction). The ESMPs will also propose measures needed to avoid, minimize, mitigate, or compensate for adverse impacts and to

	<p>improve the environmental and social performance of the Project. During preparation of the ESMPs, public consultation will be carried out with identified stakeholders, namely with the project-affected people, to seek their views, concerns and feedback, to further enhance the project design and mitigation measures.</p> <p>A project-level Grievance Redress Mechanism (GRM) is in place to allow project-affected people to raise their concerns and resolve outstanding issues.</p>							
<b>Cost and Financing Plan</b>	<b>Items</b>	<b>Cost Amount (US\$)</b>	<b>Financing Sources</b>					
			<b>AIB</b>		<b>GoSL</b>		<b>Private Partner</b>	
	Component 1: Housing Construction	180.0	153.0	85%	27.0	15%		
	Component 2: Land Redevelopment	45.0	35.0	78%	5.0	11%	5.0	11%
	Component 3: Technical Support and Project Management	16.0	6.0	38%	10.0	62%		
	<b>Net Project Cost (Excl. Taxes and Duties)</b>	<b>241.0</b>	<b>194.0</b>	<b>80%</b>	<b>42.0</b>	<b>18%</b>	<b>5.0</b>	<b>2%</b>
	Taxes and Duties	40.0			40.0	100%		
	Capitalized Front-end Fee, Commitment Fees and Interests	6.0	6.0	100%				
<b>Total:</b>	<b>287.0</b>	<b>200.0</b>	<b>70%</b>	<b>82.0</b>	<b>29%</b>	<b>5.0</b>	<b>1%</b>	
<b>Borrower</b>	The Democratic Socialist Republic of Sri Lanka							
<b>Implementing Entity</b>	Urban Development Authority (UDA) through the Ministry of Megapolis and Western Development (MMWD).							
<b>Estimated date of loan closing</b>	December 31, 2025							
<b>Contact Points:</b>	<b>AIB</b>	<b>Borrower</b>		<b>Implementation Organization</b>				
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<b>Date of Concept Decision</b>	May 8, 2018							

<b>Date of Appraisal Decision</b>	October 16, 2018
<b>Date of Financing Approval</b>	April 4, 2019

<b>Independent Accountability Mechanism</b>	AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of AIIB's Management. Information on AIIB's PPM is available at: <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html</a>
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