

SBF Project Implementation Monitoring Report

Sri Lanka: Reduction of Landslide Vulnerability by Mitigation Measures (RLVMM) Project

1. Project Information

Project ID:	000124	Investment Number:	L0124A
Member:	Sri Lanka	Region:	Southern asia
Sector:	Others	Sub-sector:	N/A
AIB Financing Type:	Loan: 80 USD million	Co-financier(s):	Stand-alone
E&S category:	B	Borrower:	The Democratic Socialist Republic of Sri Lanka
Red Flags Assigned:	1 (Q1: 1)	Monitoring Regime:	Regular Monitoring
Implementing Agency:	National Building Research Organisation (NBRO)		
Project Team Leader:	Weimin Zhou		
Project Team Members:	Chongwu Sun, Senior Environmental Consultant; Yangzom Yangzom, Procurement Specialist; Shonell Robinson, Financial Management Specialist; Georgi Georgiev Dzhartov, Social Development Specialist; Michael Tessitore, Consultant		
Completed Site Visits by AIB:	<p>Mar, 2021 Michael Tessitore, technical consultant of AIB based on Colombo, conducted a site visit to 9 landslide improvement sites of two civil contracts awarded, together with the PMU.</p> <p>Apr, 2021 Virtual mission was conducted on April 20 to go through the project implementation progress and issues comprehensively.</p> <p>Jul, 2021 Virtual meeting was conducted on July 1 to review the progress mainly on procurement and financial management. The implementation progress and plan were reviewed.</p>		
Planned Site Visits by AIB:	<p>Oct, 2021 It is planned to have a site visit together with PMU every 3-6 months, but the site visit in summer was cancelled due to the COVID surge in Sri Lanka. The next visit is planned in Oct 29, 2021.</p> <p>Nov, 2021 Virtual implementation support mission is schedule in Nov 2021.</p>		

2. Project Summary and Objectives

The Project objective is to reduce risk and damage from landslides through the implementation of mitigation measures and enhancement of policy and regulation associated with landslide management. These measures are to protect community people and its land, properties and transportation facilities. The beneficiaries include communities/people, the land, properties and transportation facilities close to the selected sites. There are four components of the project: 1) Implementation of landslide mitigation measures - carrying out of measures to mitigate the risks from landslides for 147 sites; 2) Strengthening of policy standards and institutional capacity in regulatory mechanism of landslide risk management and design standards; 3) Provision of essential facilities and laboratory equipment to be supplemented; and 4) Technical support and project management. The total cost estimate of the project is about \$110 million, and AIB provides loan for \$80 million.

3. Key Dates

Approval:	Apr. 4, 2019	Signing:	Apr. 25, 2019
Effective:	Jul. 23, 2019	Restructured (if any):	
Orig. Closing:	Dec. 31, 2023	Rev. Closing (if any):	

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	80	b) Cancellation (if any):	
c) Disbursed:	3.82	d) Most recent disbursement:	1.34, Jul. 22, 2021

		(amount / date)	
e) Undisbursed:	76.18	f) Disbursement Ratio(%) ¹ :	4.8

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The project has been experiencing delays from the start, mainly due to three unexpected events: 1) on April 21, 2019, a series of bombings struck churches and hotels in Sri Lanka. These resulted in the delay of the pre-construction activities under the Project, especially the field investigation, design, and procurement; 2) COVID-19 situation in Sri Lanka contributed to the further delays, especially two major case surges in May and Aug/Sept 2021; and 3) the NBRO (PMO) has been re-shuffled under new Ministries causing further delays to the procurement process. Physical construction started in the second half of 2020. Six civil work contracts (Package 1, 2, 3, 4A, 4B and 4C) out of 15 civil work contracts listed in the updated procurement plan of this project were awarded. The original Package 7 was agreed to be sliced into six lots (Lot 7A, 7B, 7C, 7D, 7E and 7F) for procurement to attract both local contractors and international contractors, considering the uncertainty due to the COVID situation. It is planned the Package 7 (with 6 lots) will start the procurement soon.

The PMO submitted the bi-annual progress report with a delay of a week due to the COVID situation. The project implementation plan was updated in August 2021. Based on the updated implementation plan, the implementation of civil works is delayed for more than one year. Although all civil work contracts are planned to be contracted out by Oct 2022, some of the civil works contracts (Package 6, 8, and 9) of Component 1 cannot be completed before the existing project closing date (Dec 31, 2023). PMO has unofficially proposed for project extension for about 18 months. The task team had discussions with PMO to instruct on the restructuring process and the necessary steps. Currently PMO is discussing with the External Resource Department of Ministry of Finance of Sri Lanka regarding the project restructuring and extension. It is envisaged that project restructuring will be conducted at the beginning of 2022.

The technical consultant, based in Sri Lanka, has been actively assisting the PMO regarding technical aspects, procurement issues and implementation plan. He joins the site visits together with the PMO regularly every 3-6 months.

Components	Physical Progress	Environment I & Social Compliance	Procurement
Component 1: Implementatio n of landslide mitigation measures	The works of landslide protection sites of Package 1, 2 and 3 are all under construction now. As of the end of Aug 2021, the physical progresses of Package 1, 2 and 3 are about 78%, 40%, and 0%. Due to the COVID surges in May and September 2021, the physical works of Package 4A, 4B and 4C have not started yet.	Complied.	Six civil work contracts (Package 1, 2, 3, 4A, 4B and 4C) out of 15 civil work contracts listed in the updated procurement plan of this project were awarded. The original Package 7 was agreed to be sliced into six lots (Lot 7A, 7B, 7C, 7D, 7E and 7F) for procurement to attract both local contractors and international contractors, considering the uncertainty due to the COVID situation. It is planned the Package 7 (with 6 lots) will start the procurement soon.
Component 2: Strengthening of policy standards and institutional capacity	TORs prepared	Complied	One of three Technical Assistance studies planned will be procured soon in 2021.
Component 3: Provision of essential facilities	Two contracts out of six under this component have been awarded and implemented.	Complied	The other four packages will be procured in 2022.
Component 4: Technical support and project management	The web-based project monitoring support program has been developed.	Complied	Other activities are supported by the counterpart fund.

Financial Management:

Overall, there is an existing financial management system in place which is deemed to be functioning and effective. The audited financial statements and accounts for the year ended December 31, 2020, was shared with the Bank. The report is deemed to be acceptable by the Bank, and the Bank team also provided some comments for future improvements. As at December 31, 2020, cumulative expenditures totalled Rs. 374,284,217 (approx. US\$2.00 Mil), of which Rs. 145,467,014 (approx. US\$0.77 Mil) was financed by the Bank.

The bi-annual unaudited interim financial report for the first half of 2021, was also shared with the Bank for review. The Bank provided comments and accepted it.

6. Status of the Grievance Redress Mechanism (GRM)

GRM system has been in place for this project. Complaint boxes have been maintained at each district office, and the district office is taking the first-tier responsibility for GRM. The PMU in NBRO reviews regularly the progress of grievance redress process, which is the second-tier redressing system. A Grievance Redress Committee (GRC) has been established, including the Grama Niladhari, the Divisional secretary, Local Authority representative, the religious leaders of the affected party and other relevant officers. GRC represents the third-tier GRM system. Based on the bi-annual progress reports, cumulatively there were 5 cases of grievance from local communities asking small changes on some site designs. The PMU had organised meetings with them and these issues were resolved.

7. Results Monitoring

Due to the implementation delays and limited physical progress, there are no significant results observed to date. The next reporting of results for the year of 2021 will be in the next bi-annual progress report due on February 15.

Baseline Year: Apr. 1, 2019 End Target Year: Dec. 31, 2023

Project Objective Indicators #1

Aggregated number of direct project beneficiaries (of which female number)

Year	Target	Actual	Others, if any
Dec. 31, 2019	0	0	
Dec. 31, 2020	2,000 (1,000)	0	
Dec. 31, 2021	6,000 (3,000)	to be updated	
Dec. 31, 2022	10,000 (5,000)	to be updated	
Dec. 31, 2023	15,000 (7,500)	to be updated	

Project Objective Indicators #2

Area of road protected by implementation of mitigation measures (square meters)

Year	Target	Actual	Others, if any
Dec. 31, 2019	0	0	
Dec. 31, 2020	3,000	0	
Dec. 31, 2021	8,000	to be updated	
Dec. 31, 2022	18,000	to be updated	
Dec. 31, 2023	35,000	to be updated	

Project Objective Indicators #3

Length of railway protected by implementation of mitigation measures (meters)

Year	Target	Actual	Others, if any
Dec. 31, 2019	0	0	
Dec. 31, 2020	0	0	
Dec. 31, 2021	500	to be updated	
Dec. 31, 2022	1,000	to be updated	
Dec. 31, 2023	2,280	to be updated	

Project Objective Indicators #4

Adopted Climate resilience standards and specifications related to landslide mitigation has been adopted.

Year	Target	Actual	Others, if any
------	--------	--------	----------------

Dec. 31, 2019	Not Available	Not Available	
Dec. 31, 2020	Draft design standards (testing)	Not Available	
Dec. 31, 2021	Final design standards (testing)	to be updated	
Dec. 31, 2022	Final design standards (Adopted)	to be updated	
Dec. 31, 2023	Adopted	to be updated	

Project Objective Indicators #5

Land use guidelines in landslide prone area has been reviewed and recommendations have been submitted by the Steering Committee to the government for endorsement process (Yes/No)

Year	Target	Actual	Others, if any
Dec. 31, 2019	No	No	
Dec. 31, 2020	Reviewed	No	
Dec. 31, 2021	Draft Guidelines Developed	to be updated	
Dec. 31, 2022	Draft Guidelines Developed	to be updated	
Dec. 31, 2023	Final Guidelines Developed	to be updated	

Project Objective Indicators #6

Aggregated number of the planned resettlement to be avoided

Year	Target	Actual	Others, if any
Dec. 31, 2019	0	0	
Dec. 31, 2020	500	0	
Dec. 31, 2021	1,500	to be updated	
Dec. 31, 2022	3,000	to be updated	
Dec. 31, 2023	5,000	to be updated	

Intermediate Result Indicators #1

Landslide mitigation schemes constructed to protect homes, agricultural land and economic activities using improved designs and standards

Year	Target	Actual	Others, if any
Dec. 31, 2019	0	0	
Dec. 31, 2020	20	0	
Dec. 31, 2021	50	to be updated	
Dec. 31, 2022	90	to be updated	
Dec. 31, 2023	147	to be updated	

Intermediate Result Indicators #2

Grievances registered related to delivery of project benefits has been resolved (percentage)

Year	Target	Actual	Others, if any
Dec. 31, 2019	0	0 (this indicator will be measured at mid-term & completion)	

Dec. 31, 2020	n/a	This indicator will be measured at mid-term & completion	
Dec. 31, 2021	50	to be updated	
Dec. 31, 2022	n/a	to be updated	
Dec. 31, 2023	80	to be updated	

Remarks: