

Water supply and Sanitation

Government has accorded high priority to improve access to safe drinking water and sanitation, as availability of sustainable and efficient water supply and sanitation is vital to keep up the pace of economic development in the country. While increasing the government contribution to meet the cost of providing safe drinking water to people, it has encouraged the lending agencies to provide sufficient financing to fulfill the increasing demand for water and sanitation facilities.

During the period of 2005-2010 foreign aid commitment for water and sanitation sector was around USD 1,150 million. Of this amount about USD 50 million was received as grants.

Government of Japan has been the major donor in the water supply sector and their commitment over the last five years exceeded USD 396 million. The Asian Development Bank and the government of Korea have also provided sizeable amount of financial assistance for the water supply sector during the same period.

Donor	Loan	Grant	Total
Bilateral			559.44
Japan	396.21	-	396.21
Korea	91.74	3.90	95.64
Denmark	25.25	-	25.25
Netherland	-	31.03	31.03
Finland	-	9.15	9.15
Germany	1.60	-	1.60
USA	-	0.56	0.56
Export Credit	439.83		439.83
Multilateral	154.21	-	154.21
ADB	154.21	-	154.21
Total	1,108.8	44.64	1153.48

Although a larger portion of the foreign assistance for the water supply and sanitation sector has received as concessional credit, a significant amount of

foreign assistance has also come in the form of export credit and mixed credit facilities. This amount accounted for about 38 percent of the total foreign aid received to the water supply and sanitation from 2005 to 2010.

The total commitment for the water supply and sanitation sector in 2010 was USD 312 million. This is an increase of 48 percent over the commitment in 2009.

Project	USD mn	Type	Donor
Eastern Province Water Supply Development	53	loan	Gov. of Japan
Kandy City Wastewater Management	152.4	loan	Gov. of Japan
Reconstruction of Water Supply Galle District – Phase II	1.6	loan	Republic of Germany
Integrated Water supply Scheme for the Unserved Areas of Ampara District-Phase III	105	loan	Aus. & New Ze. Investment Bank
Total	312		

Year	2005	2010	2015 *
Safe Water Coverage (%)	80	81	94
Pipe borne water availability (%)	29	39.20	44
NWSDB Water Connections "000"	907	1353	1600
*Projections			

The foreign funding received to the water supply and sanitation sector during last five years has been utilized to improve urban and rural water supply services in the Jaffna, Trincomalee, Ampara, Kandy, Anuradhapura, Polonnaruwa, Hambantota, Batticaloa, Colombo, Ratnapura and Nuwaraeliya districts. The gradual increase of water sector investment yielded increased number of domestic and industrial water connections. The total number of connections provided through the schemes managed by the NWSDB in 2010 was about

1,350,000 and this will be increased to 1,600,000 in 2015 through the on-going water supply development activities.

The total foreign fund disbursement for the five year period of 2005-2010 was USD 400 million. The total disbursements made by three major donors (Japan, Korea and the

ADB) were about USD 157 million, which was 39 percent of the total disbursements.

The highest ever foreign fund disbursement in relation to the water supply and sanitation projects implemented since 2005 was recorded in 2010. The amount disbursed in 2010 was USD 150 million.

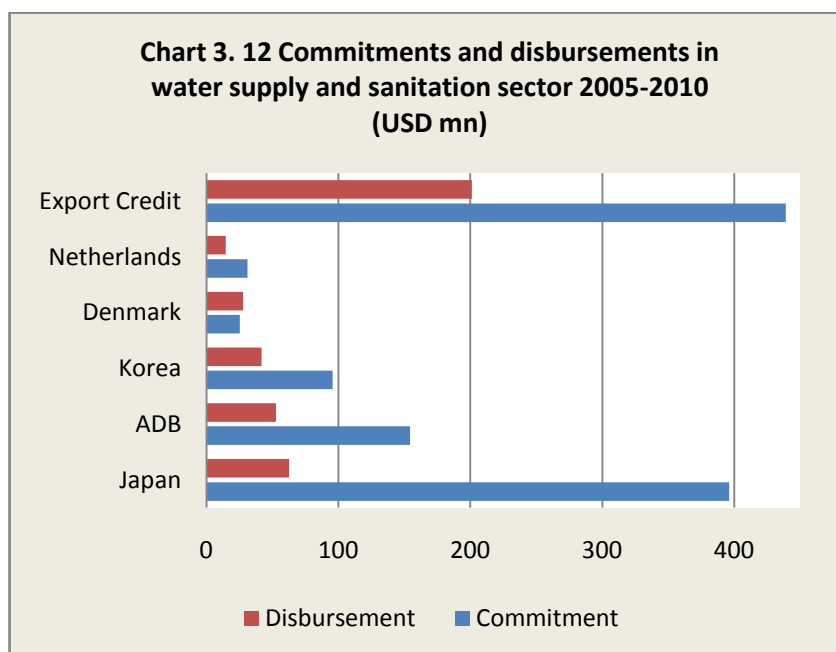


Table 3.14 The major ongoing projects in the water supply & sanitation sector

Name of the Project	Cost US\$ Mn
Secondary Towns Rural Community Based Water Supply and Sanitation Project	120.0
Greater Colombo Wastewater Management Project	100.0
Dry Zone Urban Water and Sanitation Project	60.0
Kandy City Wastewater Management Project	152.4
Water Sector Development Project I	112.7
Kirindi Oya Water Supply Project	14.8
Water Sector Development Project (II)	78.1
Negombo Water Supply Project	56.9
Kelani Right Bank Water Treatment Plant	82.7
Colombo Sewerage Rehabilitation Project	30.3
Towns South of Kandy Water Supply Project	53.7
Greater Trincomalee Integrated Water Supply Project	13.6
Construction of Storm Water Drainage	3.9
Ruhunupura Water Supply Development Project	76.3

Integrated Water Supply Scheme for Unserved Areas of Apmara District Phase III	105.2
Integrated Water Management System in High- level road	4.3
Total	1,064.9

Secondary Towns Rural Community Based Water Supply and Sanitation Project

This project aims at providing safe drinking water and sanitation to people in Towns of Batticaloa, Hambantota, Muttur and Polonnaruwa and rural areas of Polonnaruwa, Anuradhapura and Batticaloa Districts. The Project will also augment existing water schemes and invest in new water schemes in rural and urban areas.

Total Estimated Cost of the project is US \$ 175.20 mn. The Asia Development Bank (ADB) provides USD 120 mn while Government investment is USD 55 mn. The project is expected to be completed by June 2012.

Greater Colombo Waste Water Management Project

This project will assist the Government to improve the living conditions of the urban population in Greater Colombo, and to minimize the negative environmental impacts of increasing levels of domestic waste. The Project comprises three major interrelated areas of intervention; upgrading sewerage infrastructure by rehabilitating the main sewerage system in Greater Colombo, Strengthening institutional and operational capacity and project Management and Implementation support and comprehensive capacity building of the wastewater service provider. Total Estimated Cost of the project is USD 117 mn. The Asian Development Bank provides USD 100 mn while the Government of Sri Lanka will invest USD 17 mn. The project is expected to be completed by December 2014.

Dry Zone Urban Water and Sanitation Project

The project supports for the rehabilitation, expansion and development of water and

sanitation infrastructure in the major towns of Vavuniya, Mannar, Puttalam, and Chilaw in the dry zone. It covers the urban and peri-urban water supply and septage management and sanitation of these areas.

Total Estimated Cost of this project is USD 113 mn. Contribution from the Asian Development Bank (ADB) is made up of a Grant of USD 25 mn and a loan of US\$ 59.8 mn. The Government investment for the project is USD 28.3 mn. The project is expected to be completed by June 2014.

Negombo Water Supply Project

The project objective is to improve water supply in Negombo Municipal Council area, Kochchikade and Duwapitipana area. The project is expected to construct a 12,000 cubic meter per day water treatment plant, two ground reservoirs with capacity of 3,000 and 1,500 cubic meter, laying of 15.5 km long transmission mains, new distribution system to Kochchikade and Duwapitipana and to improve existing distribution system, with supply and installation of pumps and equipment. The total cost of this project is USD 56.9 million. Of this USD 31.0 million was in grants under the ORET Programme of the Netherlands Government and USD 25.9 million was in an export credit facility. Construction work of the project was commenced in 2008 and expected to be completed in December 2011.

Kelani Right Bank Water Supply Project

The Government of Denmark provided an interest free loan of US\$ 82.7 million for the construction of the Kelani Right Bank Water Treatment Plant under the Danish Mixed Credit programme. The objective of the project is to improve the water supply to Colombo City and the towns north of the Colombo City. Furthermore, it is envisaged to develop head works of the 40 MGD Water

Treatment Plant in Gampaha District and serve 350,000 population with existing connections presently experiencing inadequate water supply. The total number of beneficiaries in year 2020 is estimated to be around 1,000,000. Construction work of the Project was commenced in October 2008 and expected to be completed in October 2010.

Integrated Water Supply Scheme for Unserved Areas of Ampara District Phase III

The objective of the project is to provide sufficient and reliable water supply to about

88,200 people living in Semi urban and rural areas of the Ampara District. The Australia & New Zealand Banking Group Limited (ANZ) and the Export Finance and Economic Cooperation (EFIC) of Australia have provided a loan in a sum of USD 105.19 million for this purpose. The total cost of the project is USD 118.2 million. The balance USD 13.3 million will be borne by the Government of Sri Lanka.

Table 3.15 Key Projects to be implemented in 2011

Name of the Project	Loan Amount (US\$ mn)
Jaffna & Kilinochchi Water Supply & Sanitation Project	158.0
Eastern Water Supply Development Project	53.05
Kandy City Water Management Project (I)	52.39
Greater Trincomalee Water Supply Project (Enhancement)	3.385
Mutur Water Supply Scheme	17.6
Reconstruction of Water Supply-Galle District Project-Phase ii	1.60
Energy Conservation Project at Ambathale Water Treatment Plant	36.0
Ratnapura Water Supply Project	38.0
Mahiyangana Water Supply Project	15.0
Total	375.0

Key projects to be implemented in 2011

Jaffna & Kilinochchi Water Supply & Sanitation Project

The objective of the project is to improve water supply in the Jaffna and Kilinochchi Districts, provide sanitation infrastructure for residents living in the Jaffna Municipal Council area and strengthen water resources management in Jaffna Peninsula. The project will supply 60,000 new water connections (300,000 people) in the Jaffna and Kilinochchi Districts and connect 20,000

households (80,000 persons) in the Jaffna Municipal council area to the sewer network.

The total investment cost of the project is USD 164.04 million. The contribution of the Asian Development Bank is USD 90 million. The Agence Francaise de Development of France has agreed to provide a loan of USD 48 million to part finance the water supply subcomponent of the project. The Government's contribution for this project is USD 26.04 million. The project is expected to be completed in 2017.

Muttur Water Supply Scheme

This project will be implemented as a supplementary to the Secondary Towns Rural Community Based Water Supply and Sanitation Project. The objective of the project is to build the Muttur Water

Treatment Plant. The total estimated cost of the project is USD 19.6 mn. The Asian Development Bank will contribute USD 17.6 mn and the Government of Sri Lanka will contribute USD 2.0mn.