

## Executive Summary

The emerging economy of Sri Lanka is now facing an additional challenge posed by the global climate change. The country is now facing severe and long duration droughts occurring in the dry zone as well as severe flooding occurring every year in the wet zone of the country. Studies confirm that the wet regions of the country would eventually become wetter while the dry areas become more dry.

The Global Climate Risk Index 2018 ranks Sri Lanka as the fourth among the most affected countries of the World and in 2019 Sri Lanka ranked as the 2<sup>nd</sup> highest most vulnerable country. It means that, implementation of climate change adaptation and mitigation measures are high priority national needs which enhance the resilient of most vulnerable groups of the country. Already, the government of Sri Lanka have been taken various steps to manage the adverse effects of climate change with adhering to relevant international obligations.

The Government's Public Investment Plan (PIP) for 2017-2020, shows that over US\$ 4 billion has allocated to the irrigation and water resources sector which is the second highest resources allocation. In last few decades, Sri Lanka has successfully implemented some projects that related to water and watershed sectors with the assistance of international donor agencies.

"Sri Lanka Integrated Watershed and Water Resources Management Project" (IWWRMP) which is executing under the Ministry of Irrigation is a five-year World Bank funded project mainly to address the current challenges instigated by the onset of climate change. The project development objective of IWWRMP is to improve watershed and water resource planning and enhance the functionality of water resource infrastructure. Here, functionality refers to improved safety of dams and improved water distribution network of irrigation. The project consist with four component as: Component 1: Watershed and Water Resources Planning, Component 2: Infrastructure Improvements, Component 3: Contingency Emergency Response and Component 4: Project Management. Between these various components, only Components one and two will involve any physical infrastructural works, while Component one will also aims to improve the capacity to plan water resources in the country.

Activities of component 1 will implement in Upper Mahaweli Watershed area in Kandy, Nuwara Eliya and Badulla districts with covering 31 divisional secretariat divisions. Watershed management planning, Watershed restoration and multi-sector water resource planning are the main three sub components that come under component 1. Preparation of Upper Mahaweli Watershed Management plan, introduce on-farm and off-farm soil conservation activities to restore UMW and conduct water resources related studies are the main activities which has identified to implement under above sub components.

Activities under component 2 will rehabilitate the identified high-risk dams and canal systems owned by the Irrigation Department (ID), Mahaweli Authority of Sri Lanka (MASL), the Northern Provincial Council (NPC) and Eastern Provincial Council (EPC) to improve the operational efficiency and safety of the Dams. Under the purview of above mentioned agencies, 36 dams and 19 canals have been identified to rehabilitate to improve dam safety and efficiency of water distribution network.

As a principle, the project interventions should comply with World Bank's environmental and social policies. As in paragraph 20 of the above policy the proposed interventions shall be planned and carried out with no physical displacement of people and there shall be no permanent loss of their productive assets. However, the possibility of temporary impacts during the interventions cannot be ruled out. Activities which implement under component 1 and 2 may create temporary impacts for their livelihood and access to resources.

The project is classified as a safeguard Category B, the World Bank's Operational Policy (OP) 4.12 on Involuntary Resettlement has been triggered. According to the project activities, the impacts of resettlement shall be "Minor". However, paragraph 23 of Annex A OP 4.12 refers to the need of preparation of a Resettlement Policy Framework (RPF). RPF has been prepared based on Sri Lankan laws and regulations pertaining to Land Acquisition Act (LA) and relevant World Bank policies to fulfill this requirement. The RPF will clarify the resettlement principles, organizational arrangements and design criteria to be applied to sub-components of the proposed project. In addition, The RPF shall guide the project in screening all interventions for possible impacts including loss of livelihoods, as well as to guide the PMU in developing appropriate Livelihood Support Assistance Programms or Resettlement Plans (RPs) to address specific impacts, establish the Grievance Redress Mechanism, carry out information dissemination and conduct stakeholder consultations and engagements.