

Beyond Establishing an Authority

Institutional readiness for effective watershed management

ADB Climate Adaptation Investment Plan 2026 Forum

Ministry of Environment | Sri Lanka



Sri Lanka's upper watersheds are national infrastructure

02

774,400 ha

proposed programme
landscape

23 of 103

river basins have
headwaters here

77–80%

of national rainfall
received

Degradation travels downstream

- **Slope failure** Lives, roads and settlements
- **Soil loss** Reservoir capacity and irrigation
- **Reduced baseflow** Drinking water and dry-season supply
- **Habitat fragmentation** Biodiversity and tourism value

**8 JUN
2026**

Cabinet approval

Technical Expert Committee, institutional design, draft Bill and three-phase establishment plan approved

**JAN–AUG
2026**

Technical evidence

ADB-funded IWMI hydrological assessment and ecosystem-service valuation advanced to inform SUWERP

**13 AUG
2026**

National policy dialogue

Government, ADB, researchers, private sector and civil society reviewed evidence and financing pathways

SEP 2026

Programme and fund design

ADB specialist assignments scheduled to support sustainable finance, fund design and programme development

**Still under
development**

Authority legislation | CANOPI Fund | final investment approval | confirmed priority catchments

The institutional gap is coordination at catchment scale

04



- **Mandates remain dispersed**
Sector agencies hold useful powers, but no institution owns the complete catchment result.
- **Boundaries do not align**
Administrative areas differ from the pathways followed by runoff, sediment and ecosystems.
- **Legal establishment is the first milestone**
The Act, board, structure and budget create authority, but do not create joint delivery.
- **Operational readiness completes the system**
Shared plans, clear decision rights, delivery teams, community agreements and outcome-linked finance are also required.

Investment should finance the authority and its operating system together

A federated operating model for watershed management

05

NATIONAL AUTHORITY

Sets standards, approves catchment plans, convenes agencies, allocates finance and reports national results

CATCHMENT PLATFORMS

Translate national standards into one spatial plan, resolve trade-offs and sequence investments across jurisdictions

DELIVERY PARTNERS

Sector agencies, provinces, local authorities, plantations, civil society and research institutions implement within their mandates

COMMUNITIES AND LAND MANAGERS

Co-design measures, adopt sustainable practices, monitor local conditions and receive transparent incentives

Six readiness conditions should precede large-scale disbursement

06

1 **Mandate map**

Statutory powers, retained agency roles and a formal conflict-resolution route

2 **Catchment evidence**

Common boundaries, baseline, hazard and land capability layers, and priority investment areas

3 **Operating protocols**

Plan approval, permitting, enforcement referral, procurement and safeguard procedures

4 **Delivery capacity**

Staffing, technical competencies, provincial links and funded field teams

5 **Finance architecture**

Public budget, concessional capital, ecosystem-service payments and transparent incentives

6 **Accountability system**

GIS-based monitoring, open reporting, grievance mechanisms and independent assurance

Phased investment should release funding against readiness and results

PHASE 1 | 2026–27

Design and prove

Interim coordination mechanism
Legal and organizational design
Shared data platform and baselines
Priority catchment pilots
US\$1 million preparatory TA

PHASE 2 | 2027 onward

Scale restoration

Authority and catchment platforms operational
First proposed US\$100 million tranche
75,000 ha restored or sustainably managed
100,000 households adopting resilient practices

PHASE 3 | from 2029

Institutionalize and expand

Second envisaged US\$100 million tranche
Scale successful catchment packages
Capitalise long-term financing window
Mainstream recurrent costs and asset stewardship

Track erosion, sediment, plan approvals, joint delivery and public reporting alongside hectares and households

The immediate investment priority

Build the operating system at the same time as the authority

- 01 Agree a federated national-to-catchment model
 - 02 Use readiness gates for phased financing
 - 03 Launch pilots before full-scale restoration
 - 04 Tie institutional performance to watershed outcomes
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Sri Lanka is ready to move from institutional intent to investable implementation