



## Sri Lanka: Power System Reliability Strengthening Project

Project Name	Power System Reliability Strengthening Project								
Project Number	51122-001								
Country	Sri Lanka								
Project Status	Active								
Project Type / Modality of Assistance	Technical Assistance								
Source of Funding / Amount	<table border="1"><tr><td colspan="2"><b>TA 9460-SRI: Power System Reliability Strengthening Project</b></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 1.50 million</td></tr><tr><td colspan="2"><b>TA 9460-SRI: Power System Reliability Strengthening Project (Supplementary)</b></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 250,000.00</td></tr></table>	<b>TA 9460-SRI: Power System Reliability Strengthening Project</b>		Technical Assistance Special Fund	US\$ 1.50 million	<b>TA 9460-SRI: Power System Reliability Strengthening Project (Supplementary)</b>		Technical Assistance Special Fund	US\$ 250,000.00
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Technical Assistance Special Fund	US\$ 250,000.00								
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change	Governance and capacity development Knowledge solutions								
Sector / Subsector	<b>Energy</b> - Electricity transmission and distribution								
Gender Equity and Mainstreaming	Some gender elements								
Description	<p>The objectives of the transaction technical assistance (TRTA) are (i) to undertake study on power supply reliability and protection development; and (ii) to conduct technical, economic, financial, safeguards and governance due diligence, prepare project cost estimates, procurement plan and implementation schedule. The TRTA is included in the 2017 program and listed in the country operations business plan for Sri Lanka 2018 2020.</p>								
Project Rationale and Linkage to Country/Regional Strategy	<p>Sri Lanka's energy sector performance has achieved a national electrification ratio of 99.3% (2016) of the households up from 29% in 1990. However, the demand for electricity continues to grow with increasing economic growth and improving living standards of the population. While trying to meet this increasing demand the sector continues to struggle because of the high cost of electricity emanating from poor generation mix and inadequate level of reliability. This is partly due to underinvestment in the transmission network, medium voltage network, and protection system resulting from high government debt-to-GDP ratio over the years and the poor financial status of Ceylon Electricity Board (CEB) the state-owned public utility whose operations have been constrained by non-implementation of full cost recovery tariff and receivables.</p> <p>In 2015 2016, Sri Lanka suffered three country-wide blackouts within the span of 7 months. All these blackouts were attributed to poor operation of the protection system, lack of operational flexibility and bottlenecks in the transmission system. Economic loss from the three blackouts was estimated at monetarized value at the unit of \$/kWh un-served activity. Indirect social impacts, such as increase in crime rates, were also reported.</p> <p>Strengthening the transmission system, improving the 33/11 kilovolt (kV) medium voltage network, and upgrading the protection system are needed to ensure reliable operation of the power system. These interventions will also help increase absorption of intermittent wind and solar power which in turn will contribute to achieving government targets for clean energy development. Similarly, these will improve the quality of power supply in rural areas, where currently the quality is low.</p> <p>The project is consistent with the national sector investment program that is based on the National Energy Policy and Strategies of Sri Lanka and Vision 2025. The project is also in line with Asian Development Bank's (ADB's) country partnership strategy for Sri Lanka where the energy sector is expected to focus on, among others, expanding nontraditional renewable energy using wind and solar, and improving reliability of power supply. The project is also strongly linked to recently approved ADB programs supporting investments in removing bottlenecks in power transmission and strengthening distribution system, and expanding access to clean electricity and promote renewable energy development.</p> <p>Lessons from previous projects will be considered and incorporated into the project design and implementation arrangements. Specifically, the project will integrate renewable energy, and improve implementation arrangements by strengthening CEB and Lanka Electricity Company (Private) Ltd. (LECO) capacity in complex project supervision and safeguard monitoring.</p>								
Impact									

## Project Outcome

Description of Outcome

Progress Toward Outcome

## Implementation Progress

Description of Project Outputs

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location Nation-wide, Anuradhapura, Chunnakam, Hambantota, Homagama, Kalawana, Kandy, Kerawalapitiya, Rajagiriya, Tissamaharama, Vavuniya, Victoria Randenigala and Rantambe Sanctuary

## Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

## Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

## Business Opportunities

Consulting Services Two separate consulting firms will be selected for (i) undertaking study on power supply reliability and protection development (Part A), and (ii) conducting project preparatory due diligence (Part B). The TRTA will require total of 58 person-months of consulting services (34 international and 24 national) in the areas of (i) Part A: power system modeling and analysis, power system protection, and power system operation with intermittent renewable (wind and solar) integration, transmission and generation planning and operation, and (ii) Part B: power system engineering, transmission and distribution, economics, financial analysis, environmental and social safeguards, procurement and others.

Procurement Procurement (including consulting services) to be financed by ADB will follow ADB's Procurement Policy and Regulations (2017, as amended from time to time). The two consulting firms and consultants will be engaged by ADB through quality and cost-based selection (with quality to cost ratio of 90:10), using a simplified technical proposal. The TRTA financed equipment will be procured by the consultants. The disbursements under the TRTA will be made under ADB's Technical Assistance Disbursement Handbook (May 2010, as amended from time to time).

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Responsible ADB Division Energy Division, SARD

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## Timetable

Concept Clearance -

Fact Finding -

MRM -

Approval	11 Dec 2017
Last Review Mission	-
Last PDS Update	25 Sep 2018

#### TA 9460-SRI

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
11 Dec 2017	08 Jan 2018	08 Jan 2018	28 Feb 2019	30 Sep 2019	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,750,000.00	0.00	0.00	0.00	0.00	0.00	1,750,000.00	11 Dec 2017	74,727.75

Project Page	<a href="https://www.adb.org/projects/51122-001/main">https://www.adb.org/projects/51122-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=51122-001">http://www.adb.org/forms/request-information-form?subject=51122-001</a>
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