



Sri Lanka: Rooftop Solar Power Generation Project

Project Name	Rooftop Solar Power Generation Project								
Project Number	50373-002								
Country	Sri Lanka								
Project Status	Approved								
Project Type / Modality of Assistance	Loan Technical Assistance								
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Loan: Solar Rooftop Power Generation Project</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 50.00 million</td></tr><tr><td colspan="2">TA: Solar Rooftop Power Generation Project</td></tr><tr><td>Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility</td><td>US\$ 1.00 million</td></tr></table>	Loan: Solar Rooftop Power Generation Project		Ordinary capital resources	US\$ 50.00 million	TA: Solar Rooftop Power Generation Project		Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility	US\$ 1.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development								
Sector / Subsector	Energy - Renewable energy generation - solar								
Gender Equity and Mainstreaming	Some gender elements								
Description	<p>To increase solar power generation and speed up implementation of the Battle for Solar Energy program, the Government of Sri Lanka requested ADB to provide a credit line that would enable institutional and domestic customers to finance installation of solar rooftop PV generation facilities. Technical and commercial frameworks will be improved to encourage the development of solar renewable resources that would add value in developing solar rooftop installations. The credit line will provide the required financing with preferential terms that will stimulate solar rooftop generation development. As part of the project, technical guidelines and standards for solar rooftop systems will be established. The outputs of the project include: (i) debt funding for the solar rooftop power generation increased, (ii) solar rooftop market infrastructure and bankable subproject pipeline developed; and (iii) capacity and awareness of stakeholders, including the Central Bank of Sri Lanka, participating financial institutions (PFIs), commercial and domestic sector customers, increased. These outputs will result in the following outcome: clean, sustainable power generation enhanced. The project will be aligned with the following impact: access to clean and reliable power supply in Sri Lanka enhanced by 2020 (Sri Lanka Energy Sector Development Plan for a Knowledge Based Economy 2015 2025).</p>								
Project Rationale and Linkage to Country/Regional Strategy	<p>Sri Lanka has improved its energy sector performance and achieved a national electrification ratio of 98.5% in 2015 compared with 29% in 1990. However, high dependence on expensive fossil fuel energy continues. Sector challenges include meeting growing demand for electricity at a low cost and acceptable reliability, and attaining long-term sustainability. The high share of thermal power in the generation mix (51% in 2015, including 17% of oil-fired and 34% of coal-fired generation) creates a high cost base and is not a viable and sustainable solution for energy security and environment protection in the long term. Diversification to renewable energy sources, such as wind and solar energy, will improve the country's energy security and the environment. The Government of Sri Lanka aims to ensure sustainable development of indigenous energy resources and encourage development of renewable energy sources. The government objectives include, among others, increasing the share of energy supply from nonconventional renewable energy sources to 20% by 2020. The 20% increase in power generation from nonconventional renewable energy sources will add to 37% (2015) of conventional hydropower generation and will ensure that a substantial portion of electricity is produced by clean energy sources in the future. Sri Lanka's Nationally Determined Contributions target reducing Green House Gas emissions against business-as-usual scenario (base year 2013) by 20% (4% unconditionally and 16% conditional) in the energy sector through renewable energy development and energy efficiency improvement. The proposed project will contribute to the government's goal of expanding access to electricity, developing sustainable clean energy and improving the power generation mix in the country. It will support the government program of increasing clean power generation from solar energy. The project is consistent with the interim Country Partnership Strategy for Sri Lanka of the Asian Development Bank (ADB). It builds on previous ADB interventions focused on supporting transmission and distribution investments to expand access to clean and reliable electricity, and renewable energy development.</p>								

Project Outcome

Description of Outcome	Clean power generation enhanced.
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Progress Toward Outcome	
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Implementation Progress

Description of Project Outputs	Debt funding for the rooftop solar power generation increased. Rooftop solar market infrastructure and bankable subproject pipeline developed. Capacity and awareness of stakeholders, including the MOFMM, PFIs, and commercial and domestic sector customers, increased.
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Status of Implementation Progress (Outputs, Activities, and Issues)	
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Geographical Location	
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Safeguard Categories

Environment	FI-C
Involuntary Resettlement	FI-C
Indigenous Peoples	FI-C

Summary of Environmental and Social Aspects

Environmental Aspects	
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Involuntary Resettlement	
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Indigenous Peoples	
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Stakeholder Communication, Participation, and Consultation

During Project Design	
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During Project Implementation	
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Business Opportunities

Consulting Services	not applicable
Procurement	not applicable

Responsible ADB Officer	Khamudkhanov, Mukhtor
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Responsible ADB Department	South Asia Department
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Responsible ADB Division	Energy Division, SARD
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Executing Agencies	<i>Ministry of Finance Treasury Building Colombo-01 Sri Lanka</i>
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Timetable

Concept Clearance	17 May 2017
Fact Finding	16 May 2017 to 26 May 2017
MRM	25 Jul 2017
Approval	26 Sep 2017
Last Review Mission	-
Last PDS Update	27 Sep 2017

Request for Information

<http://www.adb.org/forms/request-information-form?subject=50373-002>

Date Generated

29 September 2017

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