



Project Summary Information

Date of Document Preparation: Dec 21, 2020

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| Project Name | Kerawalapitiya – Port 2nd Transmission Line Project |
| Document Code | PD000455-PSI-LKA |
| AIIB member | Democratic Socialist Republic of Sri Lanka |
| Sector/Subsector | Energy/Electricity Transmission |
| Status of Financing | Under Preparation |
| Project Description | The Project is to construct a new 220kV transmission line with an approximately 16km long underground cable between Kerawalapitiya and Colombo Port. The transmission line will be connected to the new 220kV Kerawalapitiya SwS and the existing 220kV Port GSS. The project will be carried out by Ceylon Electricity Board (CEB), the national entity responsible for generation, transmission, and a major portion of distribution in electricity sector of Sri Lanka. |
| Objective | To increase the capacity and enhance reliability of the power transmission line in Greater Colombo urban development area |
| Expected Results | The proposed result indicators for the Project include: (i) Length of transmission lines constructed (km); (ii) Savings due to reduction of transmission loss (MWh); (iii) Annual carbon dioxide emissions reduced (tons); and (iv) Power outages reduced (No. of outages) |
| Environmental and Social Category | Category B |
| Environmental and Social Information | AIIB's ESP, including the Environmental and Social Standards (ESSs), and Environmental and Social Exclusion List (ESEL), is applicable to the Project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) will also apply to the Project. ESS 3 (Indigenous Peoples) will not be applicable. Based on the available information, the Project has been identified as Category B on the basis that the anticipated Project environmental and social (ES) risks and impacts will be localized and temporary and can be mitigated through effective ES management. The Feasibility Study for the proposed Project has been prepared and submitted to the Bank in October 2020, which |

details the environmental and social considerations. An Environmental and Social Impact Assessment (ESIA) will be prepared which will include an Environmental and Social Management Plan (ESMP) and any additional assessments or measures needed to ensure that the Project's environmental and social risks and impacts are managed in a manner consistent with AIB's ESP and ESSs.

The main environmental impact of laying underground cables occurs during the construction phase. The civil works during this time can have impacts for the environment and community. Trenches need to be dug and access to the construction site cleared for heavy machinery such as earth moving equipment such as backhoes. Potential conflicts with other utilities such as water pipes, telecommunication lines, etc. will also be assessed. Impacts on biodiversity are not anticipated to be significant due to the location of the cable trenching i.e. along the Right-of-Way (RoW) of an existing road. During operation, the risk of health impacts due to electromagnetic fields (EMF) is low. The intensity of EMF effects decreases relatively quickly when moving away from the cable.

With respect to the social aspects, the Project is expected to generate largely positive social benefits to the overall population, services and businesses in the Greater Colombo area by providing stable and reliable access to electricity. The approximately 16km power cables will be installed in the underground space within the RoW of the public roads; therefore, no additional land acquisition is envisaged. Additional adverse social impacts and risks during the construction phase include temporary business disruption due to temporary restriction of access to houses, shops, and temples, potential temporary disruption of water and electricity supplies, impacts on schools in terms of safety and access, potential labor influx and the conduct of road workers during construction, in addition to health and safety issues for the communities along the road. The ESIA, mentioned earlier, will include measures to address the above impacts, including a chance find procedure for any physical cultural resources.

The proposed Project will be needed for a future power plant planned at Kerawalapitiya and the power plant will be considered as an associated facility of the Project. Discussions will be initiated with the implementing entity of the power plant to ensure alignment with the AIB ESP. The future power plant when identified will be subject to project specific ESIA and will not be covered in the ESIA for this Project.

Project-level Grievance Redress Mechanisms (GRM) for Project-affected Peoples and project workers in accordance with the requirements of the ESP will be established and publicized by CEB to address complaints and grievances. Communities and individuals who believe that they are adversely affected by the Project will be able to submit complaints to the project-level GRM for their resolution. Consultations with stakeholders will be conducted. Disclosure of ES information including the Project-level GRMs and Project-affected People's Mechanism (PPM) will be made available

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| | by CEB ES information will be posted on the websites of the CEB and AIIB in English, Sinhala and Tamil. | | |
| | CEB Website: https://ceb.lk/ceb-projects/en (English) https://ceb.lk/ceb-projects/si (Sinhala) https://ceb.lk/ceb-projects/ta (Tamil) | | |
| Cost and Financing Plan | Project Cost: USD 61 million Financing Plan: AIIB Loan USD 52 million Ceylon Electricity Board USD 9 million | | |
| Borrower | Democratic Socialist Republic of Sri Lanka | | |
| Implementing Entity/Sponsor | Ceylon Electricity Board | | |
| Estimated date of loan closing (SBF) | October 2023 | | |
| Contact Points: | AIIB | Borrower | Implementation Organization |
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| Date of Concept Decision | December 16, 2020 | | |
| Estimated Date of Appraisal Decision | June 2021 | | |
| Estimated Date of Financing Approval | Q3 2021 | | |

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| Independent Accountability Mechanism | <p>The Bank's Policy on the PPM applies to this Project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project- affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or AIIB Management's processes.</p> <p>Information on how to make submissions to the PPM, can be found at : https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p> |
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