

 Early Warning System

ADB-56332-002

Power Sector Reforms and Financial Sustainability Program
(Subprogram 2)



Quick Facts

Countries	Sri Lanka
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-12-02
Borrower	Government of Sri Lanka
Sectors	Energy, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Loan Amount (USD)	\$ 100.00 million



Project Description

As stated by the ADB, the programmatic approach policy-based loan (PBL) comprises three subprograms. Subprogram 1 supports policy actions focused on setting up a time-bound plan for implementing the reforms. Subprogram 2 will support policy actions to introduce improved mechanisms to enable the implementation of the reforms plan. Subprogram 3 will further implement sector reform mandates by making the reforms plan and sector institutions operational. The programmatic approach enables the government to work with development partners to deliver reform support in a phased, sustainable, and effective manner. The prior actions for subprogram 1 were completed by May 2024. All 10 policy actions under subprogram 2 build on this reform momentum, following a logical sequence and reflecting the specific context have been completed. These support the Government of Sri Lanka in consolidating reforms initiated under the Electricity Act, 2024 by:

- (i) unbundling the Ceylon Electricity Board (CEB) into wholly state-owned corporate entities for generation, transmission, system operation, and distribution;
- (ii) implementing cost-reflective tariffs; and
- (iii) promoting competition in renewable energy development with private sector participation.



Early Warning System Project Analysis

The ADB categorized the project E&S risks as follows:

Environment - B

Involuntary Resettlement - C

Indigenous Peoples - C



Investment Description

- Asian Development Bank (ADB)



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [ADB Approves Support to Strengthen Power Sector Reforms in Sri Lanka](#)
- [Loan Agreement \(Ordinary Operations\) for Loan 4709-SRI: Power Sector Reforms and Financial Sustainability](#)
- [Report and Recommendation of the President](#)



Other Related Projects

- ADB-56332-001 Sri Lanka : Power Sector Reforms and Financial Sustainability Program (Subprogram I)