

 Early Warning System

ADB-58299-001

Energy Activities Support Facility (SEFF)



Quick Facts

Countries	Sri Lanka
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-12-09
Borrower	Government of Sri Lanka - Ministry of Finance, Economic Stabilization and National Policies
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 30.00 million



Project Description

According to the Bank's website, Sri Lanka reached 100% household electrification in 2016. The peak demand of 2,415 megawatts (MW) recorded in 2023 is expected to reach 4,400 MW by 2030. The installed generation capacity in 2023, excluding rooftop solar, was 4,381 MW (48% fossil fuel based, 32% large hydro, 9% mini hydro, and 11% other renewables), generating 15,576 gigawatt-hours (30% coal, 29% large hydro, 21% nonconventional renewable energy, and 20% fuel oil). A few of the challenges in Sri Lanka's power sector can be attributed to high dependence on imported fossil fuels, and the slow progress in large scale competitive renewable energy development. The combination of these problems has led to high power generation costs, insufficient generation capacity to meet the growing electricity demand, limited private sector participation, and emergency power purchases. The International Monetary Fund has identified the power sector as one of the macro critical sectors requiring immediate attention.

The proposed Small Expenditure Financing Facility (SEFF) is considered the optimal modality for assistance because it can support both (i) urgent post project completion activities to secure the ongoing sustainability of outcomes under existing ADB projects in the context of Sri Lanka's ongoing economic crisis, and (ii) achievement of the government's ambitious renewable energy targets and Nationally Determined Contributions under the Paris Agreement, through the preparation of new ADB projects. Post completion support is urgently required to support the post completion activities to support sustainability of the outcome of the Moragolla Hydro Power Project delivered under the Green Power Development and Energy Efficiency Improvement Investment Program Multitranches Financing Facility (MFF) (as described in Section 8: First Activity below). The modality's streamlined processing requirements and suitability for supporting existing projects will facilitate the efficient delivery of post-completion activities that are beyond the scope of the MFF and the current financial capacity of the Ceylon Electricity Board (CEB) in the context of the ongoing economic crisis. Further, the power sector in Sri Lanka requires support to identify and develop new renewable energy projects and pilot test emerging technologies. The proposed SEFF will support future renewable energy development, including providing transaction advisory support as part of project preparation. The versatility of SEFF makes it the ideal modality to address the diverse needs of Sri Lanka's power sector.



Investment Description

- Asian Development Bank (ADB)

Loan (Concessional ordinary capital resources lending): US\$ 30.00 million



Contact Information

No contacts available at the time of disclosure.

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

- [Energy Activities Support Facility \(SEFF\): Report and Recommendation of the President](#)
- [Facility Agreement \(Ordinary Operations \[Concessional\]\) for Loan 0005-SRI: Energy Activities Support](#)
- [Guarantee Agreement \(Ordinary Operations \[Concessional\]\) for Loan 0005-SRI: Energy Activities Support](#)

Media

- [ADB Approves Financing Facility for Sri Lanka's Energy Sector Sustainability](#)