

 Early Warning System

AIIB-000897

Sri Lanka: New Habarana - Kappalthurai Transmission Grid Expansion  
Project



### Quick Facts

Countries	Sri Lanka
Specific Location	New Habarana, Kappalthurai
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	B
Borrower	Government of Sri Lanka
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	\$ 35.00 million
Loan Amount (USD)	\$ 35.00 million
Project Cost (USD)	\$ 42.80 million



### Project Description

As stated by the AIIB, the objective of the project is to increase the capacity and reliability of the transmission network from New Habarana to Kappalthurai to enable the integration of renewable energy from the eastern region of Sri Lanka into the national grid.

The project comprises the construction of a 77-kilometer (km) 220-kilovolt (kV) double-circuit transmission line and the augmentation and modification of two Grid Substations (GSSs) in Sri Lanka's Central (i.e., New Habarana) and Eastern region (i.e., Kappalthurai). The Government of Sri Lanka (GoSL) has undertaken this project to develop grid interfacing infrastructure to ensure efficient and uninterrupted electricity transmission from country's renewable energy (RE)-based generation plants in the eastern region towards major load centers.

With a target of generating 70 percent of electricity through renewable energy resources by 2030, the GoSL is keen on accelerating its RE transition. According to the Renewable Energy Resource Development Plan 2021-2026, published by the Sri Lanka Sustainable Energy Authority (SEA), there is a potential for 1,100 MW of renewable energy in the eastern region (in Trincomalee district) of the country. However, this area is currently connected to the national grid network by a transmission line over 45 years old, which has reliability issues. Given the potential of that region, the CEB has planned to construct a new transmission network from the New Habarana Grid substation to the Kappalthurai Grid substation with financial support from AIIB, emphasizing the need for transmission network capacity expansion in the project area. The following activities are planned in the project scope:

- Construction of around 77-km 220kV double circuit transmission line from New Habarana GSS to Kappalthurai GSS
- Augmentation and modification of New Habarana GSS (220/132 kV) and Kappalthurai GSS (220/33 kV)



### Investment Description

- Asian Infrastructure Investment Bank (AIIB)

According to the AIIB, the Ceylon Electricity Board (CEB) will be the implementing agency and will contribute to the project with an investment of US\$ 7.80 million.



## Private Actors Description

As stated by DevEx, Ceylon Electricity Board is a body corporate established on the 1st November 1969 under the Act of Parliament No. 17 of 1969. It is empowered to generate electrical energy, transmit the same and distribute it to reach all categories of consumers and to collect the revenue. It is also empowered to acquire assets, including human resources following the approved procedures. It is the duty of the CEB to make the optimal use of the resources through the application of pragmatic and time-tested managerial methods.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Ceylon Electricity Board	Contractor	Energy



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### Contact Information

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#### Borrower - Government of Sri Lanka:

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### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.aiib.org/en/contact/information-request/index.html>

### ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides 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 the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html>

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>



### Bank Documents

- [Project Summary \(March 27, 2025\)](#) [\[Original Source\]](#)