Project Summary Information

	Date of Document Preparation: 23/01/25
Project Name	Sampur - Kappalthurai Transmission Infrastructure Development Project
Project Number	P000921
AIIB member	Sri Lanka
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	The objective of the project is to construct a transmission network from Sampur to Kappalthurai to enhance power evacuation capacity, enabling the integration of potential renewable energy sources from the northeastern region of Sri Lanka into the national grid.
Project Description	The project involves building a new Grid Substation (GSS) in Sampur, a 38-kilometer, 220-kilovolt (kV) double-circuit transmission line from Sampur GSS to Kappalthurai GSS and extending one 220kV line bay at Kappalthurai GSS. Ceylon Electricity Board (CEB) aims to create the necessary infrastructure to transmit power from the potential future renewable energy plants, including planned Sampur Solar PV plant. The Government of Sri Lanka (GoSL) targets generating 70 percent of its electricity from renewable sources by 2030. The Renewable Energy Resource Development Plan 2021-2026 indicates that Sampur, Trincomalee region has the potential for around 300 MW of solar power generation. To capitalize on this potential, the CEB, with financial backing from AIIB, plans to expand the transmission network in the region. The following activities are planned in the project scope: i. Construction of 220/33 kV GSS at Sampur and 1x220 kV transmission line bay at Kappalthurai GSS; ii. Construction of around 38-km 220kV double circuit transmission line (initially charged at 132kV) from Kappalthurai to Sampur.

Expected Results	The project will be measured and monitored based on the outcome of the following parameters: ▪ Length (in kilometers) of transmission lines constructed ▪ Additional Power evacuation capacity (in Gigawatt hours) ▪ Annual Carbon dioxide (CO2) emissions reduction (kiloton CO2)
Environmental and Social Category	B
Environmental and Social Information	**Applicable Policies and Categorization.** AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to this project. ESS1 (Environmental and Social Assessment and Management) applies, ESS2 (Land Acquisition and Involuntary Resettlement) is currently being assessed, while and ESS3 (Indigenous Peoples) is not applicable. The project has been classified as Category B following the Environmental and Social Framework (ESF), as there are a number of limited potentially adverse impacts, these impacts are not unprecedented or irreversible and can be managed through implementation of international good practice. **Environmental and Social Instruments.** An Initial Environmental Examination (IEE) has been prepared in 2023 based on national regulations and requirements, and currently, consultants have been mobilized to prepare an Environmental and Social Impact Assessment (ESIA) to supplement gaps in compliance to AIIB's ESF, including an Environmental and Social Management Plan (ESMP). Solar Park is being understood as an Associated Facility of the project that is located within the same land and is being built primarily to evacuate the power generated by Solar. An Environmental and Social Due Diligence (ESDD) will be undertaken to look at the possible risks and impacts of the proposed solar project. Further environmental and social (E&S) instruments will be identified and prepared as necessary according to the preliminary results of the ESIA. **Environment Aspects.** There are no protected areas within the alignment stretch, although the line is expected to traverse paddy fields, and some forest patches. Initial findings anticipated that the project will not result in a significant loss of flora species as they are neither unique nor restricted to the project area habitats and will not cause serious disruption of migratory routes for fauna species as construction will be limited to project area. Risks and impacts anticipated during construction are temporary for physical environment, i.e., water, ambient air, noise, soil pollution and generation of wastes including hazardous wastes. Impacts during operation include possible

	collision risks of mammals, birds and bats to the transmission towers and cables. The ESIA and ESMP will identify and address risks and impacts relating to the above through an ecological and critical habitat assessment. **Social Aspects.** The project will construct a substation and around 113 towers along a 38-km transmission line route. Land will be required for both the line corridor and setting up temporary workers camps, including from farmers that use land as a primary source of income. Livelihoods are likely to be not interrupted as the construction work is proposed to be undertaken during the off-season. The project has been designed to minimize the number of households affected by the project and will avoid the need for resettlement. Vulnerable groups, including seasonal labor, female-headed households, low-income households, and internally displaced persons (IDPs), facing potential livelihood disruption and risks related to labor influx will be identified in the ESIA, and additional instruments prepared as needed. These will be reviewed by AIIB to ensure compliance with AIIB's ESP and ESSs. **Occupational Health and Safety, Labor and Employment Conditions.** The health and safety risks to local communities are expected during the implementation phase given that construction will occur on land which is adjacent to schools, roads, and houses, and on farming land with heavy footfall during harvest season. Unskilled labor will be sourced from seasonal workers in local communities, but skilled labor is expected to be externally recruited, creating risks related to labor influx. There are also risks relating to occupational health and safety (OHS), as well as working conditions such as working at height, live power lines and lightning strike risks, hence workers are required with adequate PPE with H&S training and should be provided with compensation and reasonable living conditions. With this, the ESIA will elaborate further and prepare the necessary instruments to avoid and mitigate risks, including operational and community health and safety, traffic, child abuse and gender-based violence (GBV)/ sexual exploitation (SE)/ sexual harassment (SH), and labor and working conditions. **Stakeholder Engagement, Consultation, and Information Disclosure.** The key stakeholders include government, farmer organizations, and community members, including those from vulnerable and marginalized groups. Initial consultations identified a low awareness amongst community members around the development benefits of transmission lines, and concerns surrounding adverse health effects of the proposed infrastructure. Further consultations will be conducted to inform the preparation of the ESIA. Then, analysis of affected stakeholders and their vulnerabilities, and planning for meaningful engagement throughout the project cycle,

	including through awareness-raising campaigns, will be outlined in the ESIA. ES instruments prepared for the Project, including ESIA and ESMP, will be timely disclosed in an appropriate manner. **Project Grievance Redress Mechanism.** Building on the existing complaint mechanisms of CEB, a two-tier Grievance Redress Mechanism (GRM) will be constituted for the project in line with the Bank's ESP. Communities and individuals who believe they are adversely affected by the project will be able to submit complaints to the project-level GRM for resolution. In addition to the above GRM for addressing complaints from the local community, a commensurate mechanism will be made available at the contractor level for workers' grievances. The information of established GRMs and Bank's Project-affected People's Mechanism (PPM) will be timely disclosed to the local communities and project-affected people in an appropriate manner. **Monitoring and Reporting Arrangement.** The Project Management Unit (PMU) of CEB will be fully responsible for monitoring the project's implementation and is expected to prepare progress reports semi-annually based on agreed format highlighting progress on the implementation of E&S plans. During implementation of the project, the Bank will conduct regular supervision missions to monitor progress. The frequency of the missions will depend on implementation progress and complexity. The Bank will also have virtual and in-person interactions with CEB and may engage the Bank's local consultants to conduct more frequent supervision, as required.		
Cost and Financing Plan	Estimated Cost of the project: USD 26.85 million Proposed AIIB Financing: USD 22 million CEB Financing: USD 4.85 million		
Borrower	Democratic Socialist Republic of Sri Lanka		
Implementing Entity	Ceylon Electricity Board (CEB)		
Estimated date of loan closing (SBF)	December 2029		
Contact Points:	**AIIB**	**Democratic Socialist Republic of Sri Lanka (Borrower)**	**Ceylon Electricity Board (Implementing Entity)**
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Date of Concept Decision	23 January 2025
Estimated Date of Appraisal Decision	Q2 2025
Estimated Date of Financing Approval	Q3 2025

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the 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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management's processes. For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/about-aiib/who-we-are/projectaffected-peoples-mechanism/how-we-assist-you/index.html