

Press Release

World Bank provides additional Rs 4.4 bn for the development of Renewable Energy Sector

The World Bank has provided a loan of Special Drawing Rights 26.3 million (approximately Rs 4.4 billion) as additional financing for the on-going renewable energy promotion efforts of the Government. This additional financing was provided as a result of the resounding success of the World Bank funded Energy Services Delivery project and the follow-on Renewable Energy for Rural Economic Development Project.

The additional financing is aimed at improving the quality of rural life by providing off-grid electricity to remote rural communities. This will help installation of 50 MW grid connected electricity power generation capacity, provision of direct electricity access to 60,000 households and 500 rural small and medium enterprises and public institutions directly through off grid systems such as solar, community hydro and bio-mass.

This is an interest-free loan with a twenty year repayment period. Ministry of Finance & Planning will be the Executing Agency for the Project while DFCC Bank continues to act as the Administrative Agency for the additional financing. The DFCC Bank is expected to provide necessary project support by means of project operation and provision of technical assistance to address renewable energy sector related issues, capacity building of stakeholders and awareness creation.

The Agreement in this effect was signed today in the Treasury by Dr. P. B. Jayasundera, Secretary, Ministry of Finance and Planning and Ms. Naoko Ishii, Country Director of the World Bank on behalf of the Government of Sri Lanka and the World Bank respectively.

Ministry of Finance & Planning

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