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வெளிநாட்டு வளங்கள் திணைக்களம்
Department of External Resources

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Date

01/10/2026

MEDIA RELEASE

Financing from the Asian Development Bank (ADB) for the Rooftop Solar Integration and Virtual Net Metering Project with a Grant Component from European Union and the Government of Japan

The Government of Sri Lanka held discussions with the Asian Development Bank (ADB) to secure a concessional loan of United States Dollar (USD) 35 million from ADB, together with a grant of Euro 15.4 million from the European Union (EU) (equivalent to USD16.94 million) and a grant of USD 5.5 million from the Japan Fund for the Joint Crediting Mechanism (JFJCM).

The Ministry of Energy, in collaboration with Electricity Distribution Lanka (Private) Limited (EDL) and Lanka Electricity Company (Private) Limited (LECO), will implement the project from 2026 to 2030 in support of the Government's efforts to expand access to affordable clean energy.

Under the project, EDL's CEBAssist solution will be enhanced with an Advanced Metering Infrastructure (AMI) system, a Distributed Energy Resource Management (DERM) system, and distribution control centres supported by an Advanced Distribution Management System (ADMS). These systems will digitalise EDL's customer and operational services and improve network reliability by enabling faster restoration of supply after outages. The smart meters and supporting infrastructure will also provide the real-time visibility and control needed to expand the use of renewable energy and extend the benefits of solar power to more people. EDL will thereby establish a more efficient, reliable and sustainable smart grid.

The project will also introduce Virtual Net Metering (VNM) to Sri Lanka for the first time. Funded by an EU grant, 25 MW of aggregated rooftop solar PV will be used to reduce the electricity bill burden on the country's small and medium-scale entrepreneurs. These plants will be equipped with state-of-the-art control capability, allowing the National System Operator to manage their generation in line with prevailing network constraints.

Within LECO's service area, in addition to the VNM scheme, low-loss conductors will be installed to improve the efficiency of the distribution network. High-capacity battery energy storage systems installed at distribution transformer level will increase the network's renewable energy hosting capacity and provide much-needed controllability over renewable energy management. With a particular focus on the Negombo area, LECO expects to enhance its network capacity to connect more high-capacity commercial and industrial loads, while strengthening the network to absorb higher levels of renewable energy and improving the flexibility, resilience and reliability of supply.

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Accordingly, the relevant loan and grant agreements were signed at the General Treasury in Colombo on 1 October 2026 by Dr Harshana Suriyapperuma, Secretary to the Ministry of Finance, Planning and Economic Development, on behalf of the Government of Sri Lanka, and Ms Shannon Cowlin, ADB Country Director for Sri Lanka, on behalf of the Asian Development Bank in the presence of Ms. Virginie Lafleur-Tighe, Head of Partnerships of the Delegation of the European Union to Sri Lanka and Mr. Naoki Kamoshida, Deputy Chief of Mission (Minister) of the Embassy of Japan in Sri Lanka.

Ministry of Finance, Planning and Economic Development
1 October 2026