



European Investment Bank (EIB)

Luxembourg, 20.12.2019

## Environmental and Social Completion Sheet (ESCS)

### Overview

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| Project Name:        | SRI LANKA SME AND GREEN ENERGY GL  |
| Project Number:      | 2012-0354  |
| Country:             | SRI LANKA  |
| Project Description: | Global loan supporting investment projects that contribute to climate change mitigation. |

### Summary of Environmental and Social Assessment at Completion

#### Project description

This ESCS concerns the renewable energy and energy efficiency portion of the SRI LANKA SME AND GREEN ENERGY global loan operation. This portion is one third of the total operation and its objective is to support the renewable energy and energy efficiency projects in Sri Lanka.

#### EIB notes the following key Environmental and Social outcomes at Project Completion.

The RE&EE portion of the operation has resulted in the financing of 18 renewable energy investments (fourteen mini hydropower, two onshore wind projects, one solar and one biomass). The hydropower projects financed were small run-of-the river plants, with installed capacities mostly between 0.5 MW and 2.6MW and one of 4.5MW. The installed capacity of each of the wind farms was 10MW. The biomass plant was a 4MW (gross capacity) combined heat and power plant.

According to Sri Lanka's regulations, two projects (the KMRI biomass plant and Hayleys Neluwa hydropower plant) were subject to a full Environmental Impact Assessment. The rest of the projects underwent an Initial Environmental Examination (IEE).

The environmental and social impacts of each subproject were reviewed based on the information provided by the promoter. It was considered that all projects should not be subject to an assessment according to EIA Directive 2011/92/EU, except the biomass project. The EIA for KMRI biomass plant was conducted according to the EIB Environment and Social Standards. The Bank imposed conditions on the sustainability of the sourcing of biomass and excluded co-firing of non-sustainable matter (e.g. peat).

Some of the sub-projects required the acquisition of land, however, there were no involuntary physical or economic displacement impacts.

For the Musalpetti wind project the Bank requested additional information on the potential environmental and social impacts of the project that had not been included in the Initial Environment Examination provided by the promoter. An environmental and social due diligence review was produced in addition by independent consultants. This supplementary report was found appropriate and to the satisfaction of the Bank.



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None of the schemes had significant negative impact on nature conservation sites. All schemes financed were compliant with national law and the Bank's environmental and social standards.

**Summary opinion of Environmental and Social aspects at completion:**

EIB is of the opinion, based on reports from the promoter and/or inputs provided by Lenders' Supervisors and others, where applicable, during Construction, that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.