

**Contribution to Sustainable Development**

The Project activity will contribute to the sustainable development of Sri Lanka in the following ways:

Economic dimension

The project activity contributes to sustainable development by generating economic growth in the region; conserving natural resources by substituting fossil fuels used power generation facilities. This can help Sri Lanka to reduce its overall fossil fuel consumption, thus improving energy security.

For the construction, the Project employs only local residents for the semi-skilled and un-skilled jobs and maximum extent possible for the skilled jobs. This will boost the local economy and overall income of local people.

Environmental dimension

The renewable electricity generated by the project will displace electricity produced by fossil fuel power plants on the grid. By displacing the electricity generated with fossil fuel in the local grid, the Project activity will also reduce GHG emissions. The project activity will reduce greenhouse gas emissions in Sri Lanka compared to a business-as-usual scenario.

Further, the electricity produced by the project will displace electricity produced by fossil fuel power plants on the grid, leading to lower overall emissions of SO_x and NO_x from the grid as a whole.

Social dimension

The project activity will also have other social benefits, as it will boost employment opportunities and as also increase income of local people. The Company encourages local residents to upgrade their skills by attending vocational training courses and assist them to pursue such skill advancing initiatives.

At the request of the local stakeholders the Company constructed a bridge and a proper access road over the River Kuru Ganga connecting the two villages called Advikanda and Paladeniya. In the past, the residents were using a small foot bridge which connects the two villages. The proposed bridge and the connecting road system will be a huge benefit to residents of two villages. With the completion of the proposed bridge, the Lorries can travel to the Paladeniya village and the local farmers now need not waste their time carrying goods over their heads and shoulders.

In addition, the general public at large including the local residents and communities where the project is implemented will be indirectly benefited by greater availability of clean electricity in the national grid which would otherwise being met through grid connected fossil fuel based power plants.