



India: Ocean Sparkle Expansion Project

Project Name	Ocean Sparkle Expansion Project		
Project Number	47941-001		
Borrower/Company	OCEAN SPARKLE LIMITED		
Country	India		
Location			
Approval Number	7422/3174		
Type or Modality of Assistance	7422	Loan	USD 40.00 million Committed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration		
Drivers of Change	Partnerships Private sector development		
Sector / Subsector	Transport - Water transport (non-urban)		
Gender Equity and Mainstreaming	No gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Gulshan, Karan Raj		
Project Sponsor(s)	Ocean Sparkle Limited		
Description	The loan will partially finance the capital expenditure and expansion plans of Ocean Sparkle Limited (OSL), a leading port operations and management services provider in India, currently with an operational fleet of over 104 boats and presence in around 25 major and non-major ports in India with term-based, take-or-pay off-take contracts.		
Objectives and Scope	The proposed financing, will support the funding of the OSL's capital expenditure (capex) plan for the next two years. The plan envisions acquisition of vessels for deployment around ports in India and other South Asian markets. All vessels are expected to be sourced from the international market. The whole acquisition process will be sequenced to ensure full vessel utilization and is scheduled to be completed within 24 months. These vessels will enhance efficiency of ports where OSL operates through more competitive privately-run harbor towage, mooring and pilotage operations.		
Linkage to Country/Regional Strategy	The proposed financing is consistent with ADB's Strategy 2020 as it (i) promotes export-led growth through infrastructure investment; (ii) enhances connectivity and regional integration; and (iii) promotes private sector participation in the ports sector in Asia. The Country Partnership Strategy (CPS) for India (2013-2017) highlights transport and finance for infrastructure as two of the seven core areas under Infrastructure development that support faster growth in India; the project is also aligned with the CPS priority areas specifically with regards to port development and support for the infrastructure sector through non-sovereign operations. The project is also aligned with ADB's Sustainable Transport Initiative which acknowledges under the Regional Cooperation and Integration section the importance of addressing trade growth constraints such as indirect costs associated with unreliable transit times, border-crossing delays, handling and storage costs due to poor terminal infrastructure.		

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The environmental and social management system (ESMS) of OSL includes an integrated safety and quality management system (IMS) based on ISO 9001:2000 and ISO 14001:2004 standards, and OHSAS 18001. Under normal operations, OSL's activities have negligible environmental adverse impacts. Major environmental risks are associated with accidents. Pilots are key to the safe navigation within the pilotage area and a slight mistake could result in grounding of the vessel, oil spillage, and collision, resulting in damage to both life and environment. When the state or port authorities provide pilotage, service standards are expected to be high as selection of pilots is through set procedures and the safety of vessels is of the prime concern. Also OSL is providing high standard pilots. OSL has manuals for communication during the operations and manuals for accidents. OSL has regular staff training program and facility for its operations.
Involuntary Resettlement	OSL's operations are not expected to involve land acquisition nor cause involuntary restrictions on land use. The services provided by OSL to the ports involve provision, operations and maintenance of marine vessels, and are within the boundaries of the port complex. OSL's contracts with the port authorities usually include provision of office space, while the accommodation of the crew is provided on the vessels.
Indigenous Peoples	OSL operations are always within the port facilities. Impacts on indigenous peoples are not expected.
Stakeholder Communication, Participation, and Consultation	OSL has a stakeholder engagement process with the various stakeholders including the port authorities, shipping companies and communities in the vicinity of the ports. The engagement process ensures identification of the needs of the various stakeholders and better integrates their concerns in OSL operations. OSL's corporate social responsibility initiatives include support to the local communities.

Timetable for assistance design, processing and implementation

Concept Clearance	27 Jan 2014
Due Diligence	28 Feb 2014
Credit Committee Meeting	01 Sep 2014
Approval	24 Oct 2014
PDS Creation Date	08 Mar 2014
Last PDS Update	13 Nov 2014

Project Page	https://www.adb.org/projects/47941-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=47941-001
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