



Technical Assistance Report

Project Number: 48222-001
Capacity Development Technical Assistance (CDTA)
August 2015

India: Capacity Building of the Indian Renewable Energy Development Agency (Financed by the Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility)

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 17 July 2015)

Currency unit	–	Indian rupee/s (Re/Rs)
Re1.00	=	\$0.01575
\$1.00	=	Rs63.480

ABBREVIATIONS

ADB	–	Asian Development Bank
AFD	–	Agence Française de Développement
ESSU	–	environmental and social safeguard unit
IREDA	–	Indian Renewable Energy Development Agency
JICA	–	Japan International Cooperation Agency
MFF	–	multitranche financing facility
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government of India ends on 31 March. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2013 ends on 31 March 2013.
- (ii) In this report, “\$” refers to US dollars.

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CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 48222-001	
Project Name	Capacity Building of the Indian Renewable Energy Development Agency	Department /Division	SARD/SAPF
Country	India	Executing Agency	Indian Renewable Energy Dev't Agency Ltd. (IREDA)
Borrower	Not applicable		
2. Sector	Subsector(s)	Financing (\$ million)	
✓ Finance	Infrastructure finance and investment funds		0.75
		Total	0.75
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Mitigation (\$ million)	0.75
Environmentally sustainable growth (ESG)	Global and regional transboundary environmental concerns	CO ₂ reduction (tons per annum)	3,200,000
	Natural resources conservation	Climate Change impact on the Project	High
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development	Some gender elements (SGE)	✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas		
	Knowledge sharing activities		
	Pilot-testing innovation and learning		
Partnerships (PAR)	Bilateral institutions (not client government)		
	Implementation		
	International finance institutions (IFI)		
	Private Sector		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Not Applicable	
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.00	
None		0.00	
Cofinancing		0.75	
Asian Clean Energy Fund		0.75	
Counterpart		0.25	
Beneficiaries		0.25	
Total		1.00	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		No	

I. INTRODUCTION

1. A major challenge to enabling significant renewable energy deployment in India is the lack of long-term debt financing. On 30 October 2014, the Asian Development Bank (ADB) approved a \$500 million multitranche financing facility (MFF) for the Indian Renewable Energy Development Agency (IREDA).¹ The ADB financing has a tenor of up to 20 years and will support IREDA's subproject lending on a sustainable, long-term basis for biomass, cogeneration, hydro, solar, and wind power sources. As a commitment to IREDA during MFF processing, the Government of India requested capacity development technical assistance (TA) to complement implementation of the ADB loans. During the TA fact-finding mission, the government concurred with the impact, outcome, outputs, implementation arrangements, cost and financing arrangements, and consultants' terms of reference. The design and monitoring framework is in Appendix 1.²

II. ISSUES

2. Established in 1987 to promote renewable energy development in India, IREDA is a nonbank financial institution wholly owned by the Ministry of New and Renewable Energy. IREDA has a unique market position given its government ownership and its capacity to provide limited recourse, such as cash flow-based financing with tenors of up to 15 years, which many other financial institutions in India cannot easily match. This longer-term financing is to make a wider pool of renewable energy projects viable. In an effort to aggressively expand renewable energy investment in India, on 5 November 2014 the cabinet approved an increase of IREDA's authorized capital from \$157 million to \$943 million.

3. IREDA borrows about 50% of its annual long-term funds from development agencies, such as ADB, Agence Française de Développement (AFD), the European Investment Bank, Japan International Cooperation Agency (JICA), and German development cooperation through KfW.³

This information has been removed as it falls within exception to disclosure specified in paragraph 97 (iv) of ADB's Public Communication Policy (2011).

Combined with the \$500 million MFF from ADB, IREDA has already secured about \$2.1 billion in 2015, meeting the \$2.1 billion development assistance required for fiscal years 2014–2024.⁷

¹ ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to India for the Clean Energy Finance Investment Program*. Manila (MFF 0087-IND, \$500 million, approved on 30 October, to be closed on 29 October 2018.).

² The TA first appeared in the business opportunities section of ADB's website on 23 June 2015.

³ IREDA raises the other 20% of its annual funding from issuing long-term local currency bonds and the remaining 30% from borrowing term loans from local financial institutions.

⁴ This information has been removed as it falls within exception to disclosure specified in paragraph 97 (iv) of ADB's Public Communication Policy (2011).

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⁶ This information has been removed as it falls within exception to disclosure specified in paragraph 97 (iv) of ADB's Public Communication Policy (2011).

⁷ Per ADB staff estimation of IREDA's long-term funding projection, IREDA's total financing need is about \$6.6 billion for FY2014–FY2024, including \$2.1 billion from development assistance, \$1.6 billion from local borrowing, \$1.9 billion from IREDA's net repayment, and \$1.0 billion from IREDA's internal accruals and government equity contribution (footnote 1).

4. IREDA's technical capacity is strong. It is proficient in sourcing, developing, evaluating, and administering renewable energy subprojects. In addition, IREDA is compliant with applicable local rules and regulations, including prudential norms stipulated by the Reserve Bank of India. When undertaking development assistance, IREDA agreed to meet additional compliance requirements proposed by ADB and other development partners, such as (i) environment and social safeguards, (ii) project administration and implementation, and (iii) operation and management, which often represent international best practice.

5. In terms of subproject compliance with environment and social safeguards, IREDA has relied largely on national and state legislation, which is not fully aligned with the ADB Safeguard Policy Statement (2009) and similar policies of AFD, JICA, and KfW. MFF implementation entails many administrative requirements, including timely preparation and submission of (i) withdrawal applications, (ii) liquidation and replenishment requests (under the imprest account arrangement), (iii) project audit reports, (iv) project monitoring and review reports, and (v) other procedures as required by the ADB facility administration manual and environment and social management system. These procedures could be highly complex. IREDA's financial and risk management practices, although in compliance with rules and regulations in India, do not meet certain ADB implementation requirements. This TA intends to improve and sustain IREDA's capacity in these areas to ensure timely and effective project implementation, monitoring and review, compliance, and closure.

6. The TA is consistent with ADB's Energy Policy, which includes promotion of renewable energy to increase energy security and facilitate India's transition to a low-carbon economy.⁸ It is also consistent with ADB's country partnership strategy, 2013–2017 for India, which emphasizes clean and renewable energy expansion, with expected installed and/or upgraded generating capacity of about 1.3 gigawatts of solar, hydro, and wind power.⁹ The TA underpins ADB's long-term approach to establish a sustained partnership with IREDA to help it become a more commercially oriented, competitive, profitable, and better performing nonbank financial institution in India dedicated to the promotion of renewable energy investment.

III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The impacts the project is aligned with will be increased IREDA investment in clean and renewable energy projects. The outcome will be that IREDA has increased capacity to utilize ADB funds. By improving IREDA's operating capacity and compliance, IREDA is expected to more efficiently and effectively mobilize available development assistance, catalyzing private sector investment and facilitating renewable energy development in India.

B. Methodology and Key Activities

8. IREDA currently implements a comprehensive institutional capacity development program supported by ADB, AFD, JICA, and KfW. ADB has been providing consultant resources since July 2014 to help IREDA establish and operationalize an environment and

⁸ ADB. 2009. *Energy Policy*. Manila.

⁹ ADB. 2013. *Country Partnership Strategy: India, 2013–2017*. Manila.

social safeguard unit (ESSU).¹⁰

This information has been removed as it falls within exception to disclosure specified in paragraph 97 (iv) of ADB's Public Communication Policy (2011).

See Table 1.

Table 1: Development Partner Coordination Matrix, 2015–2019

Year	ADB	AFD	JICA	KfW
	\$750,000			
2015	(i) Establish, operationalize, and provide training to the ESSU; (ii) review KfW's financial and risk management report and design areas of assistance; (iii) train the PMU on project administration			
2016	Provide hands-on training on ADB's ESMS, project administration, and financial and risk management			
2017	Consolidate existing safeguard systems with relevant development partners into one system			
2018	Develop manuals and guidelines on safeguards, consolidate financial and risk management practices, and streamline project administration and implementation; other development partner activities to be determined.			
2019	Conduct any additional activities if required			

ADB = Asian Development Bank, AFD = Agence Française de Développement, ESMS = environment and social management system, ESSU = environment and social safeguard unit, IREDA = Indian Renewable Energy Development Agency, JICA = Japan International Cooperation Agency, PMU = project management unit, TBD = to be determined.

This information has been removed as it falls within exception to disclosure specified in paragraph 97 (iv) of ADB's Public Communication Policy (2011).

¹⁰ Ongoing ADB assistance to operationalize IREDA's ESSU is supported by ADB. 2013. *Technical Assistance to India for Preparing the Clean Energy Finance Investment Program*. Manila (TA 8365-IND). ADB's support for safeguard and other capacity development will be sustained through the TA for Capacity Building of the Indian Renewable Energy Development Agency.

¹¹ KfW's TA projects include €1 million of assistance (part of KfW's second credit line to IREDA) and €0.5 million (part of KfW's fourth credit line to IREDA). The first KfW credit line includes €61 million approved in 1999 with a tenor of 40 years; second KfW credit line: €50 million approved in 2008 with a tenor of 12 years; third KfW credit line: €20 million approved in 2009 with a tenor of 40 years; and fourth KfW credit line: €200 million approved in 2011 with a tenor of 11 years.

9. ADB has designed and will continuously coordinate and sequence its TA activities with reference to ongoing TA programs and their outputs from relevant development partners. In terms of output 1, during 2015–2017, ADB will provide training to the ESSU and technical (operations) staff on the application of the ADB environment and social management system, including conducting joint field visits and preparing safeguard due diligence reports and subproject categorization. ADB will also provide safeguard training based on JICA's implementation experience and KfW's safeguard gap analysis. During 2017–2019, ADB will work with IREDA to ensure that the ESSU can effectively address ADB's safeguard requirements and the safeguard requirements of all relevant development partners. In terms of output 2, the project administration consultant will train IREDA project management unit staff on ADB processes by following the facility administration manual and legal agreements. In terms of output 3, based largely on the results of the KfW financial and risk management assessment, the strategy and financial management consultants will identify and design relevant areas of assistance for financial and risk management.

10. ADB will integrate its TA work with the ongoing capacity-building projects of AFD, JICA, KfW, and any other relevant development partner in a coordinated, structured, and harmonized manner during 2015–2019. The combined capacity-building efforts in principle will benefit all development partners with a business relationship with IREDA.

11. Lessons from a 1996 ADB loan to IREDA in which IREDA financed 318 megawatts of cogeneration and wind generation capacity against a target of 125 megawatts were incorporated in the 2014 ADB MFF loan (footnote 1).¹² The 1996 loan leveraged additional investments up to 2.1 times, and is rated *successful*. The 1996 loan included advisory TA, completed in July 2001, to develop IREDA's technical, environmental, and other institutional capacities. The TA completion report rates the advisory TA *satisfactory*.¹³ The lessons identified in the TA completion report were incorporated in this TA design by focusing on safeguards and financial and risk management, while collaborating closely with relevant development partners on other areas of capacity building to avoid duplication of efforts.

C. Cost and Financing

12. The TA is estimated to cost \$1,000,000, of which \$750,000 will be financed on a grant basis by the Asian Clean Energy Fund¹⁴ under the Clean Energy Financing Partnership Facility and administered by ADB. IREDA will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

13. The TA will be implemented from August 2015 to December 2019. IREDA is the executing agency; it is also the executing agency of the ADB MFF. The consolidated approach of combining TA and MFF implementations under a single executing agency maximizes administrative efficiency and management effectiveness of the TA support to the ADB MFF and

¹² ADB. 1996. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grant to the Indian Renewable Energy Development Agency Limited for the Renewable Energy Development Project*. Manila (Loan 1465-IND, \$100 million, approved on 26 September, closed on 25 October 2002).

¹³ ADB. 2004. *Completion Report: Renewable Energy Development Project in India*. Manila.

¹⁴ Established by the Government of Japan.

IREDA. ADB will be responsible for consultant recruitment. Two international consultants (12 person-months on an intermittent basis) and three national consultants (42 person-months on an intermittent basis) will be recruited on an individual and/or firm basis as needed. Both the consulting firm and/or individual consultants will be selected through a quality- and cost-based selection method, based on a simplified technical proposal with a quality–cost ratio of 80:20. The advertisement will initially be on an individual basis due to the highly specialized skill requirements. ADB will engage the consultants in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Disbursements under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). The payments should be time-based. IREDA will also follow the specific Clean Energy Financing Partnership Facility implementation guidelines.¹⁵ Procurement of equipment is generally not envisaged but, if required, will follow ADB's Procurement Guidelines (2015, as amended from time to time).

14. ADB will be responsible for conducting periodic reviews of the TA and associated MFF through project review missions and other means. IREDA will be responsible for providing all counterpart resources to successfully implement the TA, including (i) supporting and accommodating the periodic ADB MFF and TA reviews, and (ii) preparing relevant review reports on ADB MFF and TA implementation as indicated in the (MFF) facility administration manual and the TA paper.¹⁶ The consultant reports will be disseminated through the ADB project website.

IV. THE PRESIDENT'S DECISION

15. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$750,000 to the Government of India to be financed on a grant basis by the Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility for Capacity Building of the Indian Renewable Energy Development Agency, and hereby reports this action to the Board.

¹⁵ Available upon request.

¹⁶ The ADB MFF monitoring and review report will include (i) a narrative description of progress made during the review period, including types of technologies financed, disbursement, safeguard due diligence, and compliance; (ii) quantitative data on disbursement volume and schedule, and relevant subproject financial data; (iii) issues; and (iv) plans for the subsequent reporting period. In addition, the report should include a narrative description and assessment of procurement processes and arrangements in accordance with ADB's Procurement Guidelines and Guidelines on the Use of Consultants. IREDA will submit to ADB the most recent unaudited and when available most recent audited financial statements on an annual basis. The progress reports will be in a format consistent with ADB's facility performance reporting system. All good practices and lessons will be consolidated and reported in the TA final report and disseminated on the ADB and IREDA websites.

DESIGN AND MONITORING FRAMEWORK

<p>Impacts the Project is aligned with:</p> <p>Increased IREDA investment in clean and renewable energy projects (Energy Policy, 2009)</p>

Project Results Chain	Performance Indicators with Targets and Baselines	Data Sources or Reporting Mechanisms	Risks
<p>Outcome IREDA has increased capacity to absorb ADB funds</p>	<p>a. ADB disburses at least \$200 million during 2015–2018 to IREDA (2015 baseline: \$0)</p>	<p>a. ADB project review reports b. IREDA annual report and other project-specific reports</p>	<p>Market conditions (e.g., market interest environment and swap cost) are not conducive to ADB MFF tranche 1 disbursement.</p>
<p>Outputs 1. Improved safeguard compliance</p>	<p>1a. IREDA complies with ESMS requirements on subproject approval throughout TA implementation, and does so without consultant support, by December 2018</p> <p>1b. The ESSU submits satisfactory safeguard compliance reports throughout TA implementation</p> <p>1c. The ESSU meets all development partner safeguard requirements by December 2018</p>	<p>1a-c. IREDA monitoring and review reports 1a-c. ADB project review reports</p>	<p>IREDA's demand for long-term funds from international assistance does not continue, and therefore the need for associated safeguard compliance weakens.</p>
<p>2. Improved project administration</p>	<p>During TA implementation: 2a. IREDA submits satisfactory semiannual project monitoring and review reports and annual project audit reports to ADB on time</p> <p>2b. IREDA's meets 80% of ADB disbursement targets in the first 2 years and 100% of disbursement targets during the last 2 years of tranche 1 implementation (2015 baseline data: 0)</p>	<p>2a-b. ADB project review reports, and other development partners' review reports, are available</p>	<p>IREDA's interest in development assistance and the associated compliance requirements is reduced.</p>

Project Results Chain	Performance Indicators with Targets and Baselines	Data Sources or Reporting Mechanisms	Risks
3. Improved operation and management	3a. Consultants submit a financial and risk assessment report to ADB and IREDA by April 2016 3b. Consultants submit a 4-year action plan, approved by ADB and IREDA by December 2015 3c. Implementation of the 4-year action plan commenced by January 2016	3a-c. ADB project review reports 3a-c. IREDA annual report and other project-specific reports 3a-c. RBI NBF1 examination reports	
<p>Key Activities with Milestones</p> <p>Output 1. Improved safeguard compliance</p> <p>1.1 Conduct extensive training for the ESSU and technical department staff on the ADB's ESMS and Safeguard Policy Statement (2009) (ongoing).</p> <p>1.2 Provide environment and social safeguard training for the ESSU and technical department staff through hands-on training on how to apply the ADB ESMS. This includes ongoing exercises on subproject safeguard due diligence (and site visits), checklists, categorization, approval, enforcement, monitoring, and reporting (by December 2018).</p> <p>1.3 Provide extensive training and exercises on meeting the requirements for environment and social safeguard category A and B subprojects (e.g., the development of EIA, IEE and EMP, IPP, and resettlement plan) (ongoing).</p> <p>1.4 Consolidate and establish a comprehensive environment and social management framework system and operations manual aligned with the requirements of international lenders, and provide training for relevant staff (ongoing).</p> <p>Output 2. Improved project administration</p> <p>2.1 Provide hands-on training on ADB project administration including withdrawal, liquidation, replenishment, and/or reimbursement (ongoing).</p> <p>2.2 Conduct workshops for the IREDA PMU on the understanding of ADB project implementation procedures, including FAM, loan disbursement procedures, and procurement guidelines (ongoing).</p> <p>2.3 Work with the financial management consultant to provide hands-on training on timely preparation and submission of project audit reports and project monitoring and review reports (ongoing).</p> <p>Output 3. Improved operation and management</p> <p>3.1 Review KfW's financial and risk management report if available, and conduct additional due diligence, if necessary, to identify areas of deficiency, including asset and liability management, risk management, treasury, credit process, internal control, information system, and other relevant operations areas (August 2015 – March 2016).</p> <p>3.2 Design a comprehensive financial and risk management capacity development plan in close coordination with KfW and other relevant development partners, and submit it to ADB for approval (by April 2016).</p> <p>3.3 Implement the developed financial and risk management plan approved by ADB and IREDA (June 2016 – December 2019).</p> <p>3.4 Provide advisory support and training to IREDA management on long-term corporate strategy evaluation, planning, formulation, and implementation (August 2015 – December 2019).</p> <p>3.5 Provide training on any other relevant area under the ADB responsibility for a coordinated capacity development program supported by concerned development partners, particularly those outlined in the ADB financial management assessment (August 2015 – December 2019).</p>			

Inputs

Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility: \$750,000
IREDA: counterpart staff, office accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions

ADB = Asian Development Bank, EIA = environmental impact assessment, EMP = environmental management plan, ESMS = environmental and social management system, ESSU = environment and social safeguard unit, FAM = facility administration manual, IEE = initial environmental examination, IPP = indigenous peoples plan, IREDA = Indian Renewable Energy Development Agency, JICA = Japan International Cooperation Agency, MFF = multitranche financing facility, MW = megawatt, NBFi = nonbank financial institution, PMU = project management unit, RBI = Reserve Bank of India, TA = technical assistance.

^a This is based on a 70/30 debt–equity ratio and \$1 billion total subproject costs funded under the facility (including subborrower equity and additional financing).

^b The 990 MW figure is based on a near-term historical and pipeline average cost per subproject and MW capacity per subproject, such that the \$500 million ADB facility plus subborrower equity and additional financing is estimated to fund at least 50 subprojects totaling about 990 MW. This figure includes bagasse cogeneration facilities. Electricity generation calculations assume the 990 MW comprises 20% wind (0.3 capacity factor), 13% solar (0.1 capacity factor), 33% hydropower (0.45 capacity factor), and 25% cogeneration (0.7 capacity factor).

Source: Asian Development Bank estimates.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Clean Energy Fund^a under the Clean Energy Financing Partnership Facility	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	150.0
ii. National consultants	300.0
b. International and local travel	100.0
c. Reports and communications	20.0
2. Training, seminars, and conferences	85.0
3. Miscellaneous administration and support costs	20.0
4. Contingencies	75.0
Total	750.0

Note: The technical assistance (TA) is estimated to cost \$1,000,000, of which contributions from the Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility is presented in the table above. IREDA will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The value of IREDA contribution is estimated to account for 25% of the total TA cost.

^a Established by the Government of Japan and administered by the Asian Development Bank.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. International Consultants

1. **Strategy consultant and team leader** (6 person-months, intermittent). The strategy consultant should have extensive experience working at a world-class financial institution in infrastructure finance. Dedicated knowledge in renewable energy is a must. The candidate should have at least a university degree and a minimum of 10 years of relevant experience. The consultant will help the Indian Renewable Energy Development Agency (IREDA) develop its long-term institutional development objective, particularly for strategy, management, and operations. The objective is to help IREDA (i) improve its operating performance over the long term, (ii) meet international best practice in renewable energy finance, (iii) fulfill project implementation and compliance requirements from international lenders, and (iv) provide relevant training. The scope of work is to provide strategic advisory and training to IREDA and leadership to the other consultants. Tasks include the following:

- (i) Gain an understanding of IREDA's operations and ongoing assistance, including technical assistance (TA) support from development partners.
- (ii) Review the current IREDA corporate plan, understand IREDA's operating environment, and identify factors constraining its business growth.
- (iii) Review available consultant reports (e.g., from KfW) and conduct any additional detailed due diligence on IREDA operations, with a focus on financial and risk management and operations management, if necessary.
- (iv) Work with the consultant team to identify IREDA's needs, prioritize those needs, develop achievable milestones against those priorities, conduct regular reviews against those milestones, and follow up closely with IREDA on achievements.
- (v) Consult with IREDA management to develop a comprehensive, detailed work plan for TA implementation by aligning (a) ADB assistance priorities with the institution development priorities, and (b) ADB assistance with the ongoing development assistance projects provided by other development partners, without any duplicating any efforts.
- (vi) Develop a training program to address the identified capacity gaps, including hands-on training, conferences, workshops, and the provision of external training opportunities including those from ADB.
- (vii) Provide advisory support and training to IREDA management on long-term corporate strategy evaluation, planning, formulation, and implementation. Focus areas may include product innovation, new advisory services (to subborrowers), improved resource management, and better financial and risk management, with close coordination with other development partners.
- (viii) Provide strong leadership in managing the consultant team and ensure timely completion of TA action milestones and output qualities.

2. **Financial management consultant** (6 person-months, intermittent). The financial management consultant should have extensive experience in a banking or nonbank financial institution in lending, risk management, internal control and audit, or other relevant areas. Dedicated sector knowledge in infrastructure and project finance is required, preferably in renewable energy finance. The candidate is to have at least a university degree and a preferred minimum of 10 years of relevant experience in banking and/or consulting. The objective is to help IREDA improve its financial and operating risk management so as to optimize IREDA's financial performance. The scope of work is to help IREDA achieve international best practice in financial and risk management and fulfil the various operating measures required by international lenders. Tasks include the following:

- (i) Gain an understanding of IREDA's operations and ongoing assistance, including TA support from development partners.
- (ii) Review consultant report(s) from KfW and conduct any additional detailed due diligence on IREDA operations if necessary, analyzing, among others, capital adequacy, drivers for earnings, resource mobilization, asset and liability management, credit policies, provision and recovery, liquidity management, internal control and audit, and financial reporting standards.
- (iii) Work with the team leader to develop a comprehensive, detailed work plan for TA implementation by aligning ADB assistance with ongoing development assistance projects provided by development partners, without duplicating efforts.
- (iv) Review the documents of the associated ADB loans to IREDA, particularly the financial management assessment report and facility administration manual, to address required capacity enhancement, and incorporate the required implementation actions in the work plan.
- (v) Ensure the work plan includes a comprehensive training program on financial and risk management to complement any future institutional restructuring, including hands-on training, conferences, workshops, and external training opportunities including those from ADB.
- (vi) Provide financial and risk management training based on the outcomes of the due diligence and the approved work plan.
- (vii) Develop a new, or enhance the current, financial and risk management information system by coordinating with other ongoing assistance projects from development partners, particularly the Japan International Cooperation Agency (JICA), and help procure any necessary information system hardware.
- (viii) Provide any other training in areas of IREDA's financial management deficiencies in managing, administering, and complying with requirements from development partners.
- (ix) Propose any revisions for the relevant current manuals and guidelines, and develop such manuals and guidelines, if appropriate.
- (x) Outline and report on any deficiencies in meeting other general international best practices in financial risk management and provide the relevant training.

B. National Consultants

3. **Project administration consultant** (6 person-months, intermittent). The consultant should have experience with ADB's project administration guidelines for withdrawal, liquidation, replenishment, and/or reimbursement, and preparation of required monitoring or review reports and audit reports. In addition, familiarization with ADB's procurement guidelines is required. The candidate should have at least a university degree and a minimum of 3 years of direct ADB project administration experience. The consultant will be based in IREDA headquarters. The objective is to build strong project administration capacity in IREDA to efficiently implement the ADB project. The scope of work is to establish a long-term project implementation capacity to enable IREDA to undertake development assistance projects. The focus should be on skill and knowledge transfer; the following tasks are included:

- (i) Gain an understanding of IREDA's operations and ongoing assistance, including TA support from development partners.
- (ii) Gain an understanding of ADB project documents, particularly the facility administration manual (FAM), framework financing agreement, loan agreement, and guarantee agreement.
- (iii) Assess IREDA's current capacity to administer projects of ADB and other development partners.

- (iv) Work with the team leader to develop a comprehensive, detailed work plan for TA implementation by aligning the ADB assistance with ongoing development assistance projects provided by development partners, without duplicating any efforts. This TA component may include providing project administration assistance to other development partners.
- (v) Familiarize IREDA with ADB project implementation procedures and terminologies, particularly those pertaining to financial intermediation loans, such as statement of expenditures, free limits, and imprest accounts; and the preparation of withdrawal applications, liquidation, replenishment, and/or reimbursement by using the appropriate forms.
- (vi) Facilitate the disbursement of associated ADB loans by providing hands-on training on preparation of the withdrawal application, liquidation of incurred expenditures, replenishment of additional funds, preparation of imprest account reconciliation statements, submission of project and institution audit statements, and development of project monitoring and review reports.
- (vii) Provide training to the IREDA project management unit on ADB project implementation procedures, such as by conducting workshops on ADB guidelines for (a) a FAM; (b) the *Loan Disbursement Handbook* (2015, as amended from time to time); (c) Procurement Guidelines (2013, as amended from time to time); and (d) Guidelines on the Use of Consultants (2013, as amended from time to time), among others.
- (viii) Provide training on subproject procurement reviews and compliance.
- (ix) Provide hands-on training on timely preparation and submission of satisfactory project audit reports and project review and monitoring reports.
- (x) Organize all available external training opportunities of ADB-hosted training events for concerned IREDA staff.
- (xi) Coordinate with development partners on the provision of additional tailored project administration training on their respective procedures (funded by other development partners outside the scope of the TA).

4. **Environment safeguard consultant** (20 person-months, intermittent). The consultant should have experience with ADB's environment safeguard guidelines and international best practices in assessing renewable energy development projects. Experience with the safeguard practices of other development partners such as JICA, KfW, and World Bank would be an asset. The candidate should have at least a university degree (master's degree preferred) in environmental assessment or management and a minimum of 10 years of relevant work experience in environment safeguards for renewable energy development projects. Experience with assessing the environmental impacts of wind, biomass, hydropower, and solar projects is required. The consultant will be based in IREDA in Delhi. The objective is to build adequate environment safeguard capacity in IREDA to enable compliance with the environmental safeguard requirements of ADB and other development partners. The scope of work is to establish, in conjunction with the social safeguard consultant, a sound and sustainable environment and social safeguard system aligned with the requirements of international lenders that IREDA is able to permanently institutionalize. The focus should be on skill and knowledge transfer, and includes the following tasks:

- (i) Gain an understanding of IREDA's operations and ongoing development assistance, including TA support from development partners.
- (ii) Work with the team leader and the social safeguard consultant to develop a comprehensive, detailed work plan on implementing the environment and social management system (ESMS), as guided by the Safeguard Policy Statement

- (2009), with a focus on environmental assessment, and management and monitoring procedures for financial intermediation loans.
- (iii) Review IREDA's ongoing ADB-supported consultancy work on environment safeguards and provide added assistance to ensure continuity.
 - (iv) Help IREDA with environment category A and B subprojects, particularly where gaps with international best practices exist, including the development of environmental impact assessments, initial environmental examinations and environment management plans, and/or environment safeguard enforcement and implementation monitoring requirements.
 - (v) Review and strengthen any ongoing environment safeguard compliance with the relevant Indian national, state, and other laws and regulations.
 - (vi) Follow the developed ESMS workflow and work closely with the social safeguard consultant to help the IREDA environment specialist and relevant technical department staff to incorporate the ESMS into IREDA's subproject review and approval process.
 - (vii) Conduct subproject environmental due diligence through site visits and preparation of comprehensive review reports that screen and categorize subprojects (to be approved by IREDA), review compliance, strengthen enforcement, and improve monitoring and reporting; and build the relevant IREDA capacity to do the same.
 - (viii) Work closely with the environment and social safeguard unit (ESSU) staff to develop templates, manuals, and/or guidelines.
 - (ix) Recommend revisions to the ADB ESMS procedures as required when gaps exist (in terms of national environmental impact assessment legislation or within IREDA) and fine-tune the subproject safeguard review, screening, categorization, due diligence, compliance approval, enforcement, implementation, monitoring, and reporting processes and relevant templates, if needed; and incorporate them into the development template, manuals, and/or guidelines.
 - (x) Design and implement a detailed capacity development program, including ADB safeguard workshops, lecturers, coaching, hands-on training, and twinning arrangements for ESSU staff and relevant technical staff to ensure proper knowledge and skill transfer.
 - (xi) Provide hands-on training for designing and creating an IREDA website portal on the environment safeguards for the environment and social management system.
 - (xii) With the social safeguard consultant, develop a consolidated, permanent institutional (environment safeguard) operations manual and/or guidelines, which meet the requirements of development partners.

5. **Social safeguard consultant** (16 person-months, intermittent). The consultant should be highly experienced with ADB's social safeguard guidelines, and have at least a university degree and a minimum of 10 years of relevant work experience in implementing social safeguard work in development projects. The consultant will be based in IREDA in Delhi. The objective is to build adequate social safeguard capacity in IREDA to enable compliance with the social safeguard requirements of ADB and other development partners. The scope of work is to establish, in conjunction with the environment safeguard consultant, a sound and sustainable environment and social safeguard system aligned with the requirements of international lenders that IREDA is able to permanently institutionalize. The focus should be on skill and knowledge transfer, and includes the following tasks:

- (i) Gain an understanding of IREDA's operations and ongoing development assistance, including TA support from development partners.

- (ii) Work with the team leader and the environment safeguard consultant to develop a comprehensive, detailed work plan on implementing the ESMS, as guided by ADB's Safeguard Policy Statement, with a focus on social assessment, management, and monitoring procedures for financial intermediation loans.
- (iii) Review IREDA's ongoing ADB-supported consultancy work on social safeguards and provide added assistance to ensure continuity.
- (iv) Help IREDA implement social category A subprojects, particularly where gaps with international best practice exist, including the treatment of social safeguard involuntary resettlement and indigenous peoples, including the development of an involuntary resettlement plan and indigenous peoples plan.
- (v) Review and strengthen any ongoing social safeguard compliance with the relevant national, state, and other laws and regulations.
- (vi) Follow the developed ESMS workflow and work closely with the environment safeguard consultant to help the IREDA social safeguard specialist and relevant technical department staff to incorporate the ESMS into IREDA's subproject review and approval process.
- (vii) Conduct subproject social safeguard due diligence through site visits and preparation of comprehensive review reports that screen and categorize subprojects (to be approved by IREDA), review compliance, strengthen enforcement, improve monitoring and reporting, and build the relevant IREDA capacity to do the same.
- (viii) Work closely with ESSU staff to develop templates, manuals, and/or guidelines.
- (ix) Recommend revisions to the ADB ESMS procedures as required where gaps exist and fine-tune the subproject review, due diligence, categorization, compliance, and monitoring and reporting process and relevant templates, if needed; and incorporate them into the development template, manuals, and/or guidelines.
- (x) Strengthen gender mainstreaming under the ADB multitranches financing facility (MFF) (though not required under the MFF) to include some gender elements, per ADB gender mainstreaming requirements, and provide the relevant training.
- (xi) Improve MFF implementation using international and local labor standards and provide the relevant training.
- (xii) Design and implement a detailed capacity development program, including ADB safeguard workshops, lecturers, coaching, hands-on training, and twinning arrangements for ESSU staff and relevant technical staff to ensure proper knowledge and skill transfer.
- (xiii) Provide hands-on training on the design and creation of an IREDA website portal on the social safeguard management framework.
- (xiv) With the environment safeguard consultant, develop a permanent institutional (social safeguard) operations manual and/or guidelines that meet the requirements of development partners.