



## India: Kutch Wind Project

Project Name	Kutch Wind Project		
Project Number	51210-001		
Borrower/Company	Ostro Kutch Wind Private Limited		
Country	India		
Location	Gujarat		
Approval Number	7539/3622		
Type of ADB Assistance / Amount	3622	Ordinary capital resources	USD 100.00 million Approved
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Partnerships Private sector development		
Sector / Subsector	<b>Energy</b> - Renewable energy generation - wind		
Gender Equity and Mainstreaming	No gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Infrastructure Finance Division 1		
Responsible ADB Officer	Kaur, Japnit		
Project Sponsor(s)	Ostro Energy Private Limited		
Description	The Project involves development and construction of a 250MW wind power project located in the district of Kutch, India. The project is being developed on a build-own-operate basis. ADB is proposing a direct nonsovereign loan to the Borrower, Ostro Kutch Wind Private Limited. The proposed financing will be structured as a standard project finance loan. The Borrower will use these funds, along with equity infusion and local commercial debt to fund the construction of the above projects.		
Objectives and Scope	The project represents the very first time that ADB is supporting a competitively bid out wind power project in India. It was awarded through the country's first ever wind auction at a price which now makes wind energy competitive vis-a-vis other sources of power in India. The objective behind the auction is to help low wind resource states in meeting their non-solar renewable purchase obligation (RPO) at a competitive price. ADB's assistance in the form of a long-term loan will significantly improve project financials. This, in turn, will have a positive effect in affirming the commercial viability of competitively bid out wind projects.		
Linkage to Country/Regional Strategy	The project's development supports infrastructure and environment, two of ADB's five core operational areas, which are based on ADB's Strategy 2020 and reaffirmed through its Midterm Review of Strategy 2020. The project's development supports infrastructure and environment, two of ADB's five core operational areas, which are based on ADB's Strategy 2020 and reaffirmed through its Midterm Review of Strategy 2020. ADB's country partnership strategy for India (2018-2022) is based on three developmental pillars: (i) boosting economic competitiveness to create more and better jobs, (ii) inclusive provision of infrastructure networks and services, and (iii) addressing climate change and increasing climate resilience. The project particularly supports pillar (iii). The project is consistent with ADB Energy Policy which prioritizes the support for the renewable energy development. In September 2015, ADB announced that it would double its annual commitment for climate financings to \$6 billion by 2020, including \$4 billion annually for mitigation. Of this \$6 billion, \$3 billion would be targeted towards the development of clean energy projects, including solar, wind, renewable energy transmission, and other renewable technologies.		
<b>Safeguard Categories</b>			
Environment			B
Involuntary Resettlement			C
Indigenous Peoples			C

## Summary of Environmental and Social Aspects

Environmental Aspects	An initial environmental examination report was prepared to meet ADB SPS requirements. The report has not recorded any critically endangered or endangered fauna in project site. Operations phase bird and bat monitoring will be conducted periodically, in varying seasons, to get more information. Noise modelling showed that WTG noise levels will slightly exceed the 45dBA night time standards at ten (10) sensitive receptors and modelling for shadow flicker showed that there are seven (7) receptors which will experience shadow impact of more than 30 hours annually from 17 WTG. Sensitive WTG locations will be left out from the final selection of the WTG locations for the project. No objection for height clearance from Airport Authority of India will be applied by the company. All construction and operational impacts and mitigations are laid out in the environmental management plan of the project.
Involuntary Resettlement	The borrower has no recourse to government expropriation for its land needs. All the WTGs will be located on government owned revenue lands which will be allotted to the project. The IEE has assessed and documented that the land is largely free from encumbrances and Involuntary resettlement issues are unlikely due to transfer of these lands to the project. Other project sub-components like the transmission line and the access roads will be located on a mix of government as well as private lands. While government lands will be transferred to the project, private lands will be directly purchased or leased through negotiated one time settlements with individual land owners on a willing seller- buyer arrangement. An independent audit of the land purchase process will be done to validate the fairness of the negotiation and settlement process and conformance to SPS requirements.
Indigenous Peoples	The project and its activities are not likely to result in impacts on Indigenous Peoples (IPs). The initial screening process of the company for identifying potential WTG locations avoids Scheduled tribe and IP lands.
Stakeholder Communication, Participation, and Consultation	Stakeholder consultations have been carried out as a part of the IEE and the land take process. These consultations have focused on local communities and other relevant stakeholders who have interest or influence on the project. The borrower's environmental and social management system (ESMS) has requirements for Stakeholder Communication, Participation and Consultation that are aligned to SPS requirements.

## Timetable for assistance design, processing and implementation

Concept Clearance	20 Jun 2017
Due Diligence	
Credit Committee Meeting	06 Nov 2017 to 06 Nov 2017
Approval	12 Dec 2017
Last PDS Update	27 Sep 2018

Project Page	<a href="https://www.adb.org/projects/51210-001/main">https://www.adb.org/projects/51210-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=51210-001">http://www.adb.org/forms/request-information-form?subject=51210-001</a>
Date Generated	09 November 2018

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.