

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The power sector has traditionally received a major portion of India's external assistance from the Asian Development Bank (ADB), Canadian International Development Agency, Department for International Development of the United Kingdom (DFID), Japan International Cooperation Agency (JICA), KfW of Germany, United States Agency for International Development, Agence Française de Développement, and World Bank.

2. In Rajasthan, the proposed Rajasthan Renewable Energy Transmission Investment Program is ADB's first intervention in the state's electricity transmission and distribution subsector. The state energy sector was unbundled in the early 2000's with support under a program financed by the World Bank. Regarding other energy sector themes, the World Bank is supporting generation through hydropower development, the renovation of coal projects, and energy efficiency. In transmission, work includes developing central sector networks and improving distribution efficiency in Maharashtra and Haryana. The International Finance Corporation is financing renewable energy generation projects including distributed rooftop systems. Bilateral partners such as KfW are supporting solar power parks in Maharashtra while several development partners are in discussions to support transmission investments including for clean energy integration at the central, regional and state level particularly in states such as Gujarat, Maharashtra and Rajasthan.

Major Development Partners in Rajasthan

Sectors and Themes	Development Partner	Project Name ^a	Duration	Amount
Renewable energy	KfW	Support for retrofitting thermal plants with 15 MW of solar	Ongoing	na
Renewable energy	Government of Japan (JFPR) through ADB	Support to solar power development in Rajasthan and Gujarat	2011, ongoing	\$2,000,000
Solar energy	DFID through ADB	Capacity Development for Rajasthan Solar Park (sub-component of umbrella TA funded by DFID)	2011, ongoing	\$400,000

ADB = Asian Development Bank, DFID = Department for International Development of the United Kingdom, JFPR = Japan Fund for Poverty Reduction, TA = technical assistance.

^a The list of projects presented here is not exhaustive but indicative of assistance in the main themes and sectors.
Source: ADB estimates.

B. Institutional Arrangements and Processes for Development Coordination

3. The Clean Technology Fund (CTF), under the Climate Investment Funds, has endorsed projects under the CTF investment plan. ADB and the World Bank supported the Government of India in preparing the investment plan that was endorsed in 2011. The World Bank will support mainly programs on energy efficiency and environmental protection, using CTF funds. Both the World Bank and ADB would support on solar power development.

4. ADB's Asia Solar Energy Initiative intends to catalyze the development of 3,000 megawatts (MW) of solar power across Asia over a three-year period starting 2010. As part of the initiative, ADB regularly meets and coordinates with development partners and governments in nearly 30 ADB developing member countries. Bilateral and multilateral agencies participated in discussions in Manila and Tokyo in 2010, Bangkok in 2011, and Jodhpur, Rajasthan in 2012.

5. The Government of Japan provided \$2 million through the Japan Fund for Poverty Reduction to support solar power development in the states of Rajasthan and Gujarat. It further identified universities for research and development, as well as other support, to mainstream solar power in Rajasthan.

6. Development coordination is also evident in the partnership formed by DFID and ADB. On 31 August 2009, ADB approved the provision to the Government of India of cluster technical assistance (TA) on Advanced Project Preparedness for Poverty Reduction, in an aggregate amount not exceeding \$14 million equivalent.¹ DFID will finance the TA with a grant that ADB will administer under the DFID–ADB Partnership Agreement for India, 2009–2013, which was signed on 18 November 2009. A subproject to support renewable energy development in Rajasthan and TA for preparing the Rajasthan Renewable Energy Transmission Investment Program is under implementation. DFID is engaging with the Government of India to support the strengthening of the renewable energy certificate framework mechanism that will facilitate private sector financing of generation projects.

C. Achievements and Issues

7. A report for the first phase of the Bhadla solar park was prepared under TA support. The Rajasthan Renewable Energy Corporation will establish and implement a community development framework in the vicinity of the Bhadla solar park and other future solar parks from 2014. Inputs for a financial restructuring plan to make Rajasthan Rajya Vidyut Prasaran Nigam Limited a financially viable entity were also provided under TA support.

D. Summary and Recommendations

8. To support the effective use of resources and achieve development effectiveness in Rajasthan, ADB will continue to coordinate with development partners on supporting renewable energy development in Rajasthan and other states. Significant coordination is required to develop smart grids for large-scale renewable energy evacuation at the national, regional, and state level.

¹ ADB. 2009. *Technical Assistance to India for Advanced Project Preparedness for Poverty Reduction*. Manila.