



## India: Clean Energy Finance Investment Program - Tranche 1

Project Name	Clean Energy Finance Investment Program - Tranche 1												
Project Number	46268-002												
Country	India												
Project Status	Active												
Project Type / Modality of Assistance	Loan												
Source of Funding / Amount	<table border="1"><tr><td colspan="2"><b>Loan 3186-IND: Clean Energy Finance Investment Program - Tranche 1</b></td></tr><tr><td>Ordinary capital resources</td><td>US\$ 200.00 million</td></tr><tr><td colspan="2"><b>Loan: Clean Energy Finance Investment Program - Tranche 1</b></td></tr><tr><td>European Investment Bank</td><td>US\$ 253.00 million</td></tr><tr><td colspan="2"><b>Loan: Clean Energy Finance Investment Program - Tranche 1</b></td></tr><tr><td>Japan International Cooperation Agency</td><td>US\$ 280.00 million</td></tr></table>	<b>Loan 3186-IND: Clean Energy Finance Investment Program - Tranche 1</b>		Ordinary capital resources	US\$ 200.00 million	<b>Loan: Clean Energy Finance Investment Program - Tranche 1</b>		European Investment Bank	US\$ 253.00 million	<b>Loan: Clean Energy Finance Investment Program - Tranche 1</b>		Japan International Cooperation Agency	US\$ 280.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth												
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development												
Sector / Subsector	<b>Finance</b> - Infrastructure finance and investment funds												
Gender Equity and Mainstreaming	No gender elements												
Description	ADB and the Government of India are working together to provide long-term financing options for renewable energy projects, including wind, biomass, hydropower, and solar. The Clean Energy Finance Investment Program is supporting lending for renewable energy projects by the Indian Renewable Energy Development Agency. Private capital is being leveraged in partnership with the Indian Renewable Energy Development Agency in order to increase lending for at least 10 renewable energy projects, and to provide training for government officials to increase their knowledge of project finance.												
Project Rationale and Linkage to Country/Regional Strategy	India has enjoyed high economic growth in the last decade. However, additional growth is inhibited by chronic electricity shortages, which limit commercial activity. Around 300 million citizens (around 25% of India's population) have no access to electricity, while many with access have an intermittent supply. The government's push to narrow this electricity supply gap has increased India's dependence on fossil fuels, particularly imported diesel fuel and coal. To balance the conflicting objectives of high economic growth, climate change, and energy security, India is working to increase its use of renewable energy. A major challenge to sustaining high levels of renewable energy in India is a lack of financing. Due to the relatively high upfront cost of renewable energy projects, loans of 12 or more years are usually required to make the projects financially viable. However, such long-term funds are scarce in the Indian market, where project lending is predominantly bank-based, and commercial banks have difficulty lending long-term funds from short-term deposits.												
Impact	increased renewable energy infrastructure.												

### Project Outcome

Description of Outcome	Facilitated investment in renewable energy.
Progress Toward Outcome	Implementation is ongoing.
<b>Implementation Progress</b>	
Description of Project Outputs	Enhanced availability of long-term financing to support renewable energy projects. Improved institutional capacity of IREDA.

Status of Implementation Progress (Outputs, Activities, and Issues)	To date, 3 subprojects are funded by IREDA under this tranche. Liquidation of the imprest advance is ongoing. Implementation is ongoing with support of consultants under the TA.
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Geographical Location

## Safeguard Categories

Environment	FI
Involuntary Resettlement	FI
Indigenous Peoples	FI

## Summary of Environmental and Social Aspects

Environmental Aspects	The ADB consultants have helped IREDA conduct subproject safeguard due diligences to ensure their compliance with the ADB program design and ADB safeguard guidelines. ADB staff will review these subproject safeguard reports produced by the consultants and confirm their eligibility for ADB financing.
Involuntary Resettlement	The ADB consultants have helped IREDA conduct subproject safeguard due diligences to ensure their compliance with the ADB program design and ADB safeguard guidelines. ADB staff will review these subproject safeguard reports produced by the consultants and confirm their eligibility for ADB financing.
Indigenous Peoples	The ADB consultants have helped IREDA conduct subproject safeguard due diligences to ensure their compliance with the ADB program design and ADB safeguard guidelines. ADB staff will review these subproject safeguard reports produced by the consultants and confirm their eligibility for ADB financing.

## Stakeholder Communication, Participation, and Consultation

During Project Design	Extensive consultations have been conducted on executing agency (IREDA) and subproject levels on, respectively, (i) IREDA's institutional capacity, including management structure, financial and risk management, credit procedures, existing environment and social safeguard practice, and subproject compliance with local laws and regulations; and (ii) subproject transaction structure, financial performance, technical review, and environment and social safeguard reviews. On the subproject level, consultations have also been conducted in the local communities of the subproject sites during the facility due diligence.
During Project Implementation	During facility implementation, IREDA's environment and social safeguard unit would work with the ADB consultants and follow the developed guidelines in the environment and social safeguard management system when accessing the ADB funds.

## Business Opportunities

Consulting Services	All procurement to be financed under the MFF will be carried out in accordance with ADB's Procurement Guidelines. ADB will encourage IREDA to require its subborrowers to adopt internationally competitive bidding procedures to the extent possible when the amount of the investment is unusually large and economy and efficiency can be gained through such procedures. For procurement of goods and services to be financed by subloans from the ADB loan, IREDA will ensure that prices are reasonable and that relevant factors, e.g., time of delivery, efficiency, reliability, suitability for the subproject, and (for consulting services) quality and competence are taken into account.
Procurement	All procurement to be financed under the MFF will be carried out in accordance with ADB's Procurement Guidelines. ADB will encourage IREDA to require its subborrowers to adopt internationally competitive bidding procedures to the extent possible when the amount of the investment is unusually large and economy and efficiency can be gained through such procedures. For procurement of goods and services to be financed by subloans from the ADB loan, IREDA will ensure that prices are reasonable and that relevant factors, e.g., time of delivery, efficiency, reliability, suitability for the subproject, and (for consulting services) quality and competence are taken into account.

## Responsible Staff

Responsible ADB Officer	Huang, Anqian
Responsible ADB Department	South Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SARD
Executing Agencies	<i>Indian Renewable Energy Dev't Agency Ltd. (IREDA) Core 4A, East Court 1st Floor, India Habitat Center Complex Lodi Road, New Delhi - 110 003, INDIA</i>

## Timetable

Concept Clearance	-
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Fact Finding	-
MRM	29 May 2014
Approval	17 Nov 2014
Last Review Mission	-
Last PDS Update	07 Mar 2017

## Loan 3186-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
17 Nov 2014	27 Oct 2015	01 Feb 2016	30 Apr 2019	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	400.00	Cumulative Contract Awards				
ADB	200.00	17 Nov 2014	0.00	0.00	0%	
Counterpart	200.00	Cumulative Disbursements				
Cofinancing	0.00	17 Nov 2014	110.03	0.00	55%	

Project Page	<a href="https://www.adb.org/projects/46268-002/main">https://www.adb.org/projects/46268-002/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=46268-002">http://www.adb.org/forms/request-information-form?subject=46268-002</a>
Date Generated	06 July 2017

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