



## India: Accelerating Infrastructure Investment Facility in India - Tranche 2

Project Name	Accelerating Infrastructure Investment Facility in India - Tranche 2				
Project Number	47083-003				
Country	India				
Project Status	Closed				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2"><b>Loan 3307-IND: Accelerating Infrastructure Investment Facility - Tranche 2</b></td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 300.00 million</td> </tr> </table>	<b>Loan 3307-IND: Accelerating Infrastructure Investment Facility - Tranche 2</b>		Ordinary capital resources	US\$ 300.00 million
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Ordinary capital resources	US\$ 300.00 million				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Knowledge solutions Private sector development				
Sector / Subsector	<b>Finance</b> - Infrastructure finance and investment funds				
Gender Equity and Mainstreaming	No gender elements				
Description	This periodic financing request is the final tranche under the Accelerating Infrastructure Investment Facility in India (AIIFI). It includes a pilot project that extends lending in local currency using offshore rupee-linked bonds. As such, it will effectively source foreign investments to fund India's infrastructure development without incurring foreign exchange risk.				
Project Rationale and Linkage to Country/Regional Strategy	Accelerating Infrastructure Investment Facility in India (AIIFI) is a \$700-million facility to the IIFCL to accelerate infrastructure growth through increased private sector investment. AIIFI is an integral part of ADB's strategy for infrastructure finance and compliments parallel initiatives in public-private partnerships (PPPs) and capital markets, all of which contribute to creating an enabling environment for long-term financing for infrastructure.				
Impact	Investments in infrastructure increased (Twelfth Five-Year Plan, 2012-2017)				

### Project Outcome

Description of Outcome	Private sector investments in infrastructure PPPs facilitated.
Progress Toward Outcome	
<b>Implementation Progress</b>	
Description of Project Outputs	Availability of long-term finance for PPP subprojects enhanced Operational capacity of IIFCL improved
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

### Safeguard Categories

Environment	FI
Involuntary Resettlement	FI
Indigenous Peoples	FI

### Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	

**Stakeholder Communication, Participation, and Consultation**

During Project Design

During Project Implementation

**Business Opportunities**

**Procurement** In accordance with ADB's Procurement Guidelines (2015, as amended from time to time) as applicable to financial intermediaries, all procurement to be financed under the loan will be carried with established private sector or commercial practices, which are acceptable to ADB. For procurement of goods and services to be financed by subloans from the ADB loan, IIFCL will ensure that the price paid is reasonable and that account is taken of factors such as time of delivery, efficiency, and reliability. For build-operate-transfer projects and their variants, if the subproject sponsor or engineering procurement and construction contractor is selected through competitive bidding among international entities in accordance with procedures acceptable to ADB, such engineering procurement and construction contractor may apply its own procedures for procurement provided that such procurement is for goods, services, and works supplied from or produced in ADB member countries. All subprojects will procure goods and works from member countries of ADB in an amount at least equal to the size of the subproject's subloan. For subprojects financed under IIFCL's takeout financing scheme, each subproject must certify that goods and works of an amount at least equivalent to the subloan were procured from member countries of ADB.

**Retroactive Financing.** In accordance with ADB's guidelines, retroactive financing up to 20% of the proceeds of the second tranche will be permissible for eligible expenditures incurred not earlier than 12 months prior to loan signing. In all cases of retroactive financing, the subborrower will carry out and operate the subproject in accordance with sound administrative, financial, economic, engineering, environmental and social safeguards, and business practices, including maintenance of adequate accounts and records.

**Free Limit.** ADB will, subject to its policies and procedures, extend a free limit for IIFCL of up to \$30 million for qualified greenfield and take-out financing subprojects.

**Eligibility Criteria for Subproject.** Subprojects will be selected under eligibility and selection criteria as set out in SIFTI or the Takeout Finance Scheme, as applicable, and in accordance with subproject and subborrower selection criteria and approval process as indicated in the Loan Agreement.

The SIFTI provides definitions, eligibility criteria, appraisal, monitoring, and lending terms to subprojects. Thus, the eligibility requirements for subproject and subborrower selection criteria of AIIFI will adhere to SIFTI which includes, inter alia, appraisal of the subproject by the designated specialized appraisal agency for technical, economic, and commercial viability and review and acceptance of the results of the appraisal. In addition, subprojects will be required to meet the ADB requirements as well as to follow the subproject approval procedures, details of which are stipulated in the Loan Agreement and FFA, and will include safeguard and procurement compliance requirements.

**Responsible Staff**

Responsible ADB Officer	Romero-Torres, Jennifer
Responsible ADB Department	South Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SARD
Executing Agencies	<i>India Infrastructure Finance Company Limited 10th Floor, Jeewan Prakash Building 25 Kasturba Gandhi Marg New Delhi, India 110001</i>

**Timetable**

Concept Clearance	-
Fact Finding	-
MRM	28 Jul 2015
Approval	30 Oct 2015
Last Review Mission	-
Last PDS Update	02 Sep 2016

**Loan 3307-IND**

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
30 Oct 2015	-	-	31 Mar 2019	-	24 Nov 2016

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	300.00	Cumulative Contract Awards			
ADB	300.00	30 Oct 2015	0.00	0.00	0%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	30 Oct 2015	0.00	0.00	0%

Project Page <https://www.adb.org/projects/47083-003/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=47083-003>

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