



# India: Maharashtra Rural High Voltage Distribution System Program

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| Project Name  | Maharashtra Rural High Voltage Distribution System Program  |                     |
| Project Number  | 50193-003   |                     |
| Country   | India   |                     |
| Project Status  | Proposed  |                     |
| Project Type / Modality of Assistance                             | Loan  |                     |
| Source of Funding / Amount  | Loan: Maharashtra Rural High Voltage Distribution System Program  |                     |
|   | Ordinary capital resources  | US\$ 346.00 million |
| Strategic Agendas   | Environmentally sustainable growth<br>Inclusive economic growth   |                     |
| Drivers of Change   | Governance and capacity development<br>Knowledge solutions  |                     |
| Sector / Subsector  | Energy - Electricity transmission and distribution  |                     |
| Gender Equity and Mainstreaming                                   | Some gender elements  |                     |
| Description   | The Asian Development Bank (ADB) has financed HVDS projects in India for reliable supply to rural customers through conventional project loan or program loan approach. Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Government of Maharashtra (GOM) have requested the result-based lending (RBL) approach. The RBL is suitable for the following reasons (i) it uses MSEDCL's systems that contribute to institutional strengthening beyond the RBL; (ii) strong government interest and ownership of the rural electrification program; (iii) it would help lower transaction costs for over 600 small-scale contracts during implementation; and (iv) the focus on results and the government's willingness to link disbursements to results.  |                     |
| Project Rationale and Linkage to Country/Regional Strategy        | This program would support the first use of high voltage distribution systems (HVDS) for agriculture in the state. ADB's experience from HVDS implementation in other states is useful to structure the intervention including linkages to efficient electricity and water consumption, monitoring and verification requirements, and addressing implementation challenges. This fits with ADB's energy sector priorities of access to modern energy in rural areas. Importantly, the implementation of HVDS through MSEDCL reduces low voltage (a significant technical barrier) to the adoption of energy efficient pumps and strengthens ADB's work on demand-side energy efficiency. The proposed intervention is aligned with the India country partnership strategy for 2018-2022 for inclusive infrastructure, addressing climate change and India's Nationally Determined Contribution to reduce emission intensity by up to 35% by 2030. It is aligned with Strategy 2030's operational priorities of promoting rural development and food security; and addressing poverty and reducing inequalities. It would also support the goal of ensuring access to affordable, reliable, sustainable and modern electricity for all (Sustainable Development Goal 7). |                     |
| Impact  | Availability of electricity and performance of electricity distribution business in rural Maharashtra improved; and Empowering citizens of Maharashtra through sustainable, equitable and balanced growth with a focus on the agriculture sector.   |                     |
| Outcome   | Access to reliable, efficient and sustainable power supply for agriculture usage in rural Maharashtra improved.   |                     |
| Outputs   | Electricity distribution network in rural areas of Maharashtra improved<br>Awareness on efficient use of electricity and water in rural areas promoted  |                     |
| Geographical Location   | Maharashtra   |                     |
| <b>Safeguard Categories</b>                                       |   |                     |
| Environment   |   | B                   |
| Involuntary Resettlement  |   | C                   |
| Indigenous Peoples  |   | C                   |
| <b>Summary of Environmental and Social Aspects</b>                |   |                     |
| Environmental Aspects   |   |                     |
| Involuntary Resettlement  |   |                     |
| Indigenous Peoples  |   |                     |
| <b>Stakeholder Communication, Participation, and Consultation</b> |   |                     |
| During Project Design   |   |                     |
| During Project Implementation                                     |   |                     |
| <b>Business Opportunities</b>                                     |   |                     |
| Consulting Services   | For Monitoring of project implementation  |                     |
| Procurement   | Distribution substations, lines, transformers and poles.  |                     |

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| Responsible ADB Officer    | George, Len V.   |
| Responsible ADB Department | South Asia Department  |
| Responsible ADB Division   | Energy Division, SARD  |
| Executing Agencies         | Energy Department, Government of Maharashtra<br>Prakashgad (MSEB) Building<br>Plot No. G-9, Bandra (E) Mumbai - 400051<br>Maharashtra State Electricity Distribution Company Limited<br>Plot No. G-9, Prakashgad, Bandra (E),<br>Mumbai - 400051 |

| Timetable           |                            |
|---------------------|----------------------------|
| Concept Clearance   | 31 May 2019                |
| Fact Finding        | 03 Jun 2019 to 28 Jun 2019 |
| MRM                 | 30 Aug 2019                |
| Approval            | -                          |
| Last Review Mission | -                          |
| Last PDS Update     | 09 May 2019                |

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| Project Page            | <a href="https://www.adb.org/projects/50193-003/main">https://www.adb.org/projects/50193-003/main</a>   |
| Request for Information | <a href="http://www.adb.org/forms/request-information-form?subject=50193-003">http://www.adb.org/forms/request-information-form?subject=50193-003</a> |
| Date Generated          | 11 May 2019   |

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