



Tranche-at-a-Glance Report

Project Number: 43464-027
MFF Number: 0062
September 2018

India: Himachal Pradesh Clean Energy Transmission Investment Program (Tranche 3)

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

TRANCHE AT A GLANCE

1. Basic Data		Project Number: 43464-027	
Project Name	Himachal Pradesh Clean Energy Transmission Investment Program - Tranche 3	Department/Division	SARD/SAEN
Country Borrower	India Government of India	Executing Agency	Himachal Pradesh Power Transmission Corporation Limited
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Energy	Electricity transmission and distribution	105.00	
		Total	105.00
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	CO ₂ reduction (tons per annum)	1
Environmentally sustainable growth (ESG)	Global and regional transboundary environmental concerns	Climate Change impact on the Project	Medium
		ADB Financing	
		Adaptation (\$ million)	4.00
		Mitigation (\$ million)	101.00
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development	No gender elements (NGE)	✓
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	No	Rural	Medium
Household Targeting	No	Urban	Medium
SDG Targeting	Yes		
SDG Goals	SDG7		
6. Risk Categorization:	Low		
7. Safeguard Categorization	Environment: B Involuntary Resettlement: B Indigenous Peoples: B		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		105.00	
Sovereign MFF-Tranche (Regular Loan): Ordinary capital resources		105.00	
Cofinancing		0.00	
None		0.00	
Counterpart		31.00	
Others		31.00	
Total		136.00	

TRANCHE AT A GLANCE

Date of Receipt by ADB of PFR: 24 November 2017

Tranche Number: 3

9. Country Operations Business Plan

CPS

<http://www.adb.org/documents/india-country-partnership-strategy-2018-2022>

COBP

<https://www.adb.org/documents/india-country-operations-business-plan-2019-2021>

10. Tranche Summary

The proposed tranche 3 for \$105 million will fund (i) physical investments in transmission infrastructure, including high-voltage lines and transmission substations; and (ii) investments in upgrading the enterprise resource planning (ERP) system and related components. The government submitted a periodic financing request on 24 November 2017 outlining the tranche subprojects as well as techno-economic assessment and environmental and social safeguards review and analysis.

Impact: Clean energy transmitted to end users in Himachal Pradesh and India increased.

Outcome: Capacity of the Himachal Pradesh Power Transmission Corporation Limited to transmit electricity from hydropower generation sources within and outside of Himachal Pradesh and manage its operations improved.

Outputs: (i) New transmission system assets made operational, and (ii) enterprise resource planning system fully operational.

Implementation Arrangements: Himachal Pradesh Power Transmission Corporation Limited will be the executing agency.

Project Readiness: The project readiness criteria agreed between ADB and the government have been met: (i) a project management unit has been established and fully staffed, (ii) environmental and social safeguards plans have been established with monitoring systems in place, (iii) technical clearance has been granted by the Central Electricity Authority (CEA), (iv) all the land required has been acquired, (v) all statutory clearances including forest clearance have been provided, and (vi) more than 30% of the tendering work have been awarded prior to loan negotiations.

11. Significant Developments in the MFF and Previous Tranches

There was no change in the policy framework negatively affecting the viability or sustainability of the investment program and no changes in the types of investments. The availability period of the MFF was extended to 29 September 2021. The implementation progress of the previous two tranches is satisfactory.

Tranche 1 (Loan 2794-IND): Tranche 1 is financing five transmission substations, one transmission line, and capacity development components including development and installation of an ERP system. Progress is on track. Physical progress under tranche 1 is 74%. All six turnkey contract packages (one transmission line and five substations) under tranche 1 have been awarded. One contract package has been commissioned and the other packages are at an advanced stage of construction. Contract awards totaled \$103 million (91%) while disbursement was \$87 million (77%) as of 25 September 2018. Of the 25 loan covenants, 17 have been complied with, 6 are being complied with, and 2 are not yet due.

Tranche 2 (Loan 3001-IND): Tranche 2 is financing four transmission substations, five transmission lines, and capacity development components. Progress is on track. Physical progress of tranche 2 is about 40%. All nine turnkey contract packages (five transmission lines and four substations) under tranche 2 have been awarded. Contract awards totaled \$85 million (77%) while disbursement was \$46 million (42%) as of 25 September 2018. Of the 24 loan covenants, 17 have been complied with, 5 are being complied with, and 2 are not yet due.

12. Milestones

Estimated Approval

10 October 2018

Estimated Completion^a

31 December 2021

13. Linked Documents

	Required Document	Disclosure Date
MFF	Report and Recommendation of the President	
Weblink:	https://www.adb.org/projects/documents/himachal-pradesh-clean-energy-transmission-investment-program-rrp	01-DEC-2011
Tranche	Draft Periodic Financing Request Report	
Weblink:	http://www.adb.org/Documents/LinkedDocs/?id=43464-027-DraftPFRR	The Final PFR Report is disclosed upon approval
(i) Environment	IEE - Initial Environment Examination	
Weblink:	https://www.adb.org/projects/documents/ind-43464-027-iee	26-JAN-2018

^a For Tranches, this refers to the financial closing date.