Early Warning System

AIIB-000006

India: Transmission System Strengthening Project

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Quick Facts

Countries	India
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-09-27
Borrower	Power Grid Corporation of India Limited (POWEGRID)
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 303.40 million

Project Description

The Project will enhance the capacity of electricity supply in the Southern Region of the Country. The proposed project is a subset of the “HVDC Bi-pole Link between Western Region (Raigarh, Chhattisgarh) and Southern Region (Pugalur, Tamil Nadu) – North Trichur (Kerala)”, which comprises following three related schemes to expand the interstate transmission network in western and southern India.

Scheme 1: a +800 kV HVDC link from Raigarh (Chhattisgarh, Western Region) to Pugalur (Tamil Nadu, Southern Region).

Scheme 2: 400 kV transmission segments from Pugalur to 5 other grid substations in Tamil Nadu state.

Scheme 3: +320 kV HVDC link from Pugalur (Tamil Nadu) to Trichur (Kerala).

The three schemes combined will be able to wheel 6.0 GW of power from Chhattisgarh state to the Pugalur hub, then transfer 4.0 GW into Tamil Nadu and 2.0 GW into Kerala. AIIB financing is proposed only for the 400 kV lines included in Scheme 2 (the Project), while the related substations (and Schemes 1 and 3) are to be financed by other financiers.

The Bank has decided to apply ADB’s Safeguard Policy Statement (2009) (ADB SPS) to the project.

POWERGRID is the project executing agency.The Project is expected to increase the availability and sustainability of power supply in the Project area.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

The Project is estimated to cost US $303.47 million. The GoI has requested a loan of US $100 million from AIIB and a loan of US $50 million from ADB to help finance the Project (ADB's Loan No. and Title: 3365-IND: Green Energy Corridor and Grid Strengthening Project). Any shortfall in the funds required would be covered by POWERGRID.

Private Actors Description

Power Grid Corporation of India Limited, a central transmission utility, engages in the transmission of power in India. The company is involved in planning, implementation, operation, and maintenance of inter-state transmission system, telecom, and consultancy services.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Power Grid Corporation of India Limited (POWERGRID)	Client	-

Contact Information

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ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides "an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes." Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html.

Bank Documents

- Draft Compensation Plan for Temporary Damages [Original Source]
- Initial Environment Examination Report (Draft) [Original Source]
- Project Document
- Project Summary [Original Source]

Campaign Documents

- Case Study: Why are the Farmers of a Power-Surplus State Like Tamil Nadu Resisiting
- Learn more: This project is tracked by AIIB Watch.