



India: Solar Rooftop Investment Program - Tranche 1

Project Name	Solar Rooftop Investment Program - Tranche 1
Project Number	49419-002
Country	India
Project Status	Approved
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan 8309-IND: Solar Rooftop Investment Program - Tranche 1 Clean Technology Fund US\$ 100.00 million Loan: Solar Rooftop Investment Program - Tranche 1 World Bank (IBRD) US\$ 647.90 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Finance - Finance sector development
Gender Equity and Mainstreaming	No gender elements
Description	The proposed tranche 1 is a \$100 million financial intermediation loan inclusive of a capacity development technical assistance (estimated utilization of the TA during tranche 1 is \$2 million). As requested by the Government of India, Punjab National Bank would be the borrower, and the India would provide a sovereign guarantee to the Asian Development Bank for the SRIP. The SRIP intends to primarily finance large solar rooftop systems on industrial and commercial buildings on standalone or aggregated basis. Punjab National Bank's loans to subborrowers will be priced based on Punjab National Bank's cost of funds and subproject-specific risks. The proposed accompanying technical assistance for \$5 million is critical to integrate the building blocks of the Government of India's sector development initiative to ensure a viable market demand, by strengthening (i) Punjab National Bank's institutional capacity, and (ii) certain market development elements. SRIP's value addition, inclusive of \$330 million from ordinary capital resources and \$170 million from Clean Technology Fund, is to facilitate India's transition to a low carbon economy and therefore contribute to the climate change goal of reducing greenhouse gas emissions by 441,700 tons of carbon dioxide equivalent annually, or about 11 million tons of carbon dioxide equivalent over the typical 25-year lifetime of rooftop solar systems.
Project Rationale and Linkage to Country/Regional Strategy	The Government of India (government) plans to expand the country's solar rooftop capacity by 40 gigawatts (GW) by 2022. To fuel India's economic growth, its power system will have to expand rapidly over the next decade. This is also to maintain national energy security and expand energy access to all people in India. To ensure environmental sustainability, the government places a high priority on renewable energy development. India's National Action Plan on Climate Change (prepared in 2008) outlines existing and future policies and programs addressing climate mitigation and adaptation. Under the plan, the government launched the Jawaharlal Nehru National Solar Mission (JNNSM) in 2010 to add 20 GW of grid connected solar energy by 2022. On 17 July 2015, the Union Cabinet approved a revised JNNSM proposal to increase the original 20 GW solar energy target to 100 GW by 2022, including 40 GW of rooftop solar energy generation. The proposed Solar Rooftop Investment Program would therefore (i) establish a solar rooftop financing facility at Punjab National Bank to provide dedicated debt financing to help India meet its 40 GW solar rooftop capacity target by 2022; and (ii) provide associated institutional capacity and market development support, leading to a pipeline of bankable subprojects.
Impact	Energy security provided to all in an environmentally sustainable manner, and renewable energy developed

Project Outcome

Description of Outcome	Solar rooftop capacity in India increased.
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Debt funding to the solar rooftop sector increased. PNB institutional capacity Improved. Solar rooftop market infrastructure and bankable subproject pipeline developed.
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Safeguard Categories

Environment	FI-C
Involuntary Resettlement	FI-C
Indigenous Peoples	FI-C

Summary of Environmental and Social Aspects

Environmental Aspects	Categorized as FI, treated as C. No separate environment and social management system is required.
Involuntary Resettlement	Categorized as FI, treated as C. No separate environment and social management system is required.
Indigenous Peoples	Categorized as FI, treated as C. No separate environment and social management system is required.

Stakeholder Communication, Participation, and Consultation

During Project Design	Extensive due diligence and consultation have been conducted.
During Project Implementation	

Business Opportunities

Consulting Services	All procurement to be financed under the multitranche financing facility would be carried out in accordance with Asian Development Bank (ADB)'s Procurement Guidelines (2015, as amended from time to time), following stated eligibility criteria. ADB encourages Punjab National Bank 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, Punjab National Bank would 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. Solar panels procured under the India domestic content requirement would not be eligible for financing under the Solar Rooftop Investment Program. ADB loan proceeds would be disbursed in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time). ADB may provide Punjab National Bank with United States dollars as the currency of payment.
Procurement	All procurement to be financed under the multitranche financing facility would be carried out in accordance with Asian Development Bank (ADB)'s Procurement Guidelines (2015, as amended from time to time), following stated eligibility criteria. ADB encourages Punjab National Bank 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, Punjab National Bank would 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. Solar panels procured under the India domestic content requirement would not be eligible for financing under the Solar Rooftop Investment Program. ADB loan proceeds would be disbursed in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time). ADB may provide Punjab National Bank with United States dollars as the currency of payment.

Responsible Staff

Responsible ADB Officer	Acharya, Jiwan S.
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission

Timetable

Concept Clearance	-
Fact Finding	-
MRM	20 Jul 2016
Approval	07 Oct 2016
Last Review Mission	-
Last PDS Update	07 Mar 2017

Loan 8309-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Oct 2016	-	-	30 Jun 2023	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	200.00	Cumulative Contract Awards			
ADB	0.00	07 Oct 2016	0.00	0.00	0%
Counterpart	100.00	Cumulative Disbursements			
Cofinancing	100.00	07 Oct 2016	0.00	0.00	0%

Project Page	https://www.adb.org/projects/49419-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49419-002
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