The proposed Program combines physical investments in hydroelectric power generation in the state of Himachal Pradesh (HP) with nonphysical interventions in capacity development. The hydropower projects The main objective is to help fulfill local demand, as Himachal Pradesh experiences energy shortages, especially in the winter months of December to February when river flows are at their lowest, with some peak shortages experienced throughout the year. Surplus power, particularly due to strong river flows from the spring snow melt, will be exported to the northern grid, thus serving as an important source of revenue for the state. However, the program will benefit all Northern Grid-connected electricity consumers via the export of excess power and by eliminating the need to import power from the Northern Grid, thus assisting the Government in its efforts to increase its overall generating capacity and achieve universal electrification under the 11th Five Year Plan. The second main objective is to provide capacity development assistance in order to develop the state hydropower generating company, Himachal Pradesh Power Corporation Ltd., into an efficient, corporatized generation company. The scope includes construction of four medium to large hydropower projects, the Sawra Kuddu (111 MW), Integrated Kashang (195MW), Sainj (100 MW) and Shongtong-Karcham (450 MW). All proposed hydropower projects for the Program are run-of-the-river design.

Impact
A sustainable state electricity sector and improved state finances.

Project Outcome
Increased hydropower production, as well as improved planning, implementation, management and sector governance.

Progress Toward Outcome
The civil and electro-mechanical contracts for development of hydroelectric power stations at Sawra Kuddu, Sainj, Kashang and Shongtom Karcham have been awarded and are under various stages of implementation. Details of physical progress are mentioned under individual Tranches.

Implementation Progress
Description of Project Outputs
Capacity development component.
(i) Project-oriented: Implemented capacity development of various departments of HPPCL, focusing on (a) project preparation, implementation and management (including procurement, disbursements, safeguards compliance, and reporting); (b) financial management and accountability; and (c) knowledge transfer for compliance with ADB policies and procedures.
(ii) Corporate development:
(a) Implemented capacity development to improve governance, fiduciary oversight, and organizational structuring; and (b) Developing in-house expertise within HPPCL on private sector participation modalities and CDM procedures.
(iii) Implement enterprise resource planning solution at HPSEB.

Status of Implementation Progress
Various training programs in project management, procurement, financial management, etc are being imparted to HPPCL staff. HPPCL staff have also been imparted training on social safeguard organized by ADB. Enterprise Resource Planning (ERP) - have been implemented at HPPCL.
Business Opportunities

Consulting Services
Required consulting services in contract administration, hydropower design & construction, construction supervision, planning, human resources, information technology, clean development mechanism (CDM) initiatives and power trading will be required.

Procurement
Equipment and materials to be financed under the MFF will be procured in accordance with ADB Procurement Guidelines. International competitive bidding (ICB) will be used for turnkey contracts targeting the construction of hydropower plants and supply contracts. National competitive bidding (NCB) will be used for contracts estimated to cost less than $1.0 million. Civil works contracts estimated at less than $10 million also will be procured following NCB procedures. The investment components will require procurement of civil works in the form of construction of intake tunnels and desilting facilities, head race tunnels, surge shafts, penstocks, power houses and associated electro-mechanical works, and transmission lines.

Responsible ADB Officer
Karbar, Vallabha R.

Responsible ADB Department
South Asia Department

Responsible ADB Division
India Resident Mission

Executing Agencies
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Timetable

Concept Clearance
- 

Fact Finding
- 

MRM
10 Mar 2008

Approval
23 Oct 2008

Last Review Mission
-

PDS Creation Date
14 Jan 2008

Last PDS Update
09 Sep 2016

MFF Facility Concept 0023-IND

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Project Page
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