



November 2016

Periodic Financing Requests for Multitranche Financing Facility Tranches, October 2016

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Asian Development Bank

**PERIODIC FINANCING REQUESTS FOR MULTITRANCHE FINANCING FACILITY
TRANCHES, OCTOBER 2016¹**

1. Attached is the submission of periodic financing requests (PFRs) from the Central and West Asia Department and South Asia Department. The following PFRs were received:

MFF Number and Name	Tranche Number	Date of Request
MFF0090–AFG: Energy Supply Improvement Investment Program	2	2 October 2016
MFF0076–IND: Rajasthan Renewable Energy Transmission Investment Program	2	25 October 2016

2. The East Asia Department, Pacific Department and Southeast Asia Department have nothing to report for this period.

3. The President will consider PFRs for approval 10 working days after their circulation to the Board.²

¹ This report is for approved multitranche financing facilities only. It excludes reporting of first tranches described in detail in the report and recommendation of the President submitted for Board consideration.

² In preparing any country partnership strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgment as to the legal or other status of any territory or area.

TRANCHE AT A GLANCE

1. Basic Data		Project Number: 47282-004	
Project Name	Energy Supply Improvement Investment Program Tranche 2 (Formerly Multitranche Financing Facility II: Energy Development 2014-2023)	Department /Division	CWRD/CWEN
Country Borrower	Afghanistan, Islamic Republic of Afghanistan, Islamic Republic of	Executing Agency	Da Afghanistan Breshna Sherkat (DABS)
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Energy	Electricity transmission and distribution		188.23
		Total	188.23
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Medium
Regional integration (RCI)	Pillar 1: Cross-border infrastructure		
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Partnerships (PAR)	Bilateral institutions (not client government) International finance institutions (IFI) Official cofinancing	No gender elements (NGE)	✓
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	Yes	Nation-wide	High
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG7, SDG8, SDG9		
6. Risk Categorization:	Low		
7. Safeguard Categorization	Environment: B Involuntary Resettlement: B Indigenous Peoples: C		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		188.23	
Sovereign MFF-Tranche (Grant): Asian Development Fund		188.23	
Cofinancing		226.77	
Afghanistan Infrastructure Trust Fund - Grant		225.77	
People's Republic of China Regional Cooperation and Poverty Reduction Fund - Grant		1.00	
Counterpart		5.00	
Government		5.00	
Total		420.00	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		No	

TRANCHE AT A GLANCE

Date of Receipt by ADB of PFR: 2 October 2016

Tranche Number: 2

10. Country Operations Business Plan

CPS

COBP

<https://www.adb.org/sites/default/files/institutional-document/82618/icps-afg-2014-2015.pdf>
<https://www.adb.org/sites/default/files/institutional-document/177136/cobp-afg-2016-2018.pdf>

11. Tranche Summary

The project will comprise a new 500-megawatt (MW) back-to-back converter station at Dashte Alwan to connect a new 500-kilovolt (kV) interconnection line with Turkmenistan, approved under tranche 1, with another 500-kV line stretching to Kabul. In addition, the project will include a 180-kilometer (km) 220-kV transmission line from Doshi to Bamyan, a 220/20-kV substation, and a 20,000 connections distribution network in Bamyan in the central highlands of Afghanistan.

Impact: Improved access to sustainable energy supplies across Afghanistan, aligned with the targets of the National Energy Supply Program of the Government of Afghanistan (program-defined)

Outcome: Increased supply of imported and indigenous power

Outputs: (i) New 500 megawatts high voltage direct current back to back voltage source convertor station commissioned at Dashte Alwan, (ii) New 180 kilometers of 220-kV transmission line commissioned from Doshi to Bamyan, and (iii) New 220/20-kV substation commissioned in Bamyan with a distribution network 3,000 kilometers with 20,000 new connections.

Implementation Arrangements: Da Afghanistan Breshna Sherkat (DABS) will be the executing agency.

Project Readiness: Due diligence was performed on the 4 turnkey projects by the two teams of project preparatory consultants recruited by ADB under a PPTA and by DABS under G-0134. DABS Project Management Office was established, staffed, and has been operational since 2009. The project preparatory consultants undertook the pre-design and have finalized the bidding documents, and would remain engaged in bid evaluation till the contract award anticipated in Q2 2017. The implementation supervision consultant who will monitor construction works is under recruitment under Tranche 1 of the MFF (G-0464/0465) and will be fielded in Q1 2017.

12. Significant Developments in the MFF and Previous Tranches

Tranche 1 of the MFF was approved on 8 December 2015. Procurement is underway and physical works on the two turnkey contracts is expected to begin in Q1 2017. None of the undertakings and covenants are due yet. The Government however is making considerable progress and has approved the Electricity Services Law 6 months ahead of time. The DABS Business Plan has also been drafted and shared with ADB, which was due in end 2017.

13. Milestones

Estimated Approval

5 December 2016

Estimated Completion^a

31 December 2022

14. Linked Documents

	Required Document	Disclosure Date
(i) Environment	IEE - Initial Environmental Examination	
Weblink:	https://www.adb.org/projects/documents/afg-energy-supply-improvement-investment-t2-iee	31-OCT-2016
(ii) Involuntary Resettlement	RP - Resettlement Plan	
Weblink:	https://www.adb.org/projects/documents/afg-energy-supply-improvement-investment-t2-rp	31-OCT-2016

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

TRANCHE AT A GLANCE

1. Basic Data		Project Number: 45224-004	
Project Name	Rajasthan Renewable Energy Transmission Investment Program - Tranche 2	Department /Division	SARD/SAEN
Country	India	Executing Agency	Rajasthan Rajya Vidyut Prasaran Nigam Limited
Borrower	India		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Energy	Electricity transmission and distribution		238.00
		Total	238.00
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Adaptation (\$ million)	2.00
Environmentally sustainable growth (ESG)	Global and regional transboundary environmental concerns	Mitigation (\$ million)	236.00
		CO ₂ reduction (tons per annum)	8,578,704 ^a
		Climate Change impact on the Project	Medium
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Partnerships (PAR)	International finance institutions (IFI)	No gender elements (NGE)	✓
	Official cofinancing		
Private sector development (PSD)	Public sector goods and services essential for private sector development		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	No	Nation-wide	High
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG7, SDG13		
6. Risk Categorization:	Complex		
7. Safeguard Categorization	Environment: B	Involuntary Resettlement: B	Indigenous Peoples: C
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		238.00	
Sovereign MFF-Tranche (Loan): Ordinary capital resources		238.00	
Cofinancing		110.00	
Clean Technology Fund - Loan		110.00	
Counterpart		152.70	
Government		152.70	
Total		500.70	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		Yes	

^a 8,578,704 tons of CO₂ reduction are indirect benefit of this project, which will be brought about by transmitting renewable energy through the infrastructure to be constructed by Project 2.

TRANCHE AT A GLANCE

Date of Receipt by ADB of PFR: 25 October 2016

Tranche Number: 2

10. Country Operations Business Plan

CPS

COBP

<https://www.adb.org/documents/india-country-partnership-strategy-2013-2017>
<https://www.adb.org/sites/default/files/institutional-document/175399/cobp-ind-2016-2018.pdf>

11. Tranche Summary

Tranche 2 will finance investments in (i) construction of 210 km of 765kV transmission line, 264 km of 400kV transmission line, 240 km of 220kV double circuit transmission line, 132 km of 132kV transmission line, and Optical Ground Wires (OPGW) to connect existing substations; and (ii) construction of eight substations, augmentation of transformers at two substations, and bay extensions at five substations. CO₂ reduction of 8,578,704 tons per annum is an indirect benefit of this project, which will be achieved by transmitting renewable energy to be generated from Western Rajasthan.

Impact: Development of renewable energy sources in Rajasthan and India accelerated.

Outcome: Cleaner energy mix with more efficient and effective generation and transmission system in Rajasthan.

Outputs: Bulk power transmission system in Rajasthan expanded.

Implementation Arrangements: Rajasthan Rajya Vidyut Prasaran Nigam Limited will be the executing agency.

Project Readiness: The proposed sub-projects have been discussed with and concurred by the Central Electricity Authority. The state government of Rajasthan has approved the detailed project report on the project scope and design, as well as technical, financial and economic viability. No other government approvals are required. Project procurement plan includes 10 procurement packages. The main five packages have been advertised for bidding, and will be awarded by the first quarter of 2017. Bidding documents for the remaining five packages are being prepared, and invitations for bids will be advertised in the fourth quarter of 2016. The PMU has been established and is fully functional. The resettlement plans (RP) and initial environmental examination (IEE) were disclosed on 31 October 2016. No private land acquisition is required because new substations will be built on government-owned land. No land is required for other project components.

12. Significant Developments in the MFF and Previous Tranches

Tranche 1 (Loan 3052 and Loan 8275 [administrated by ADB]), approved in October 2013 for a total of \$150 million, financed the (i) construction of two grid substations (400/220 kV) at Bhadla and Ramgarh; (ii) augmentation of one substation (400/200kV) at Akal; and (iii) construction of 400kV of double circuit transmission lines in Western Rajasthan. The 400kV Bhadla transmission line and several others are expected to be completed by March 2017, while Ramgarh substation and associated facilities will be completed by August 2017. As of 30 September 2016, cumulative disbursement amounted to \$53.4 million (35.6%). Of the 25 undertakings, 10 have been complied with, and 15 are being complied with. Of the 26 loan covenants, 7 have been complied with, 17 are being complied with, and 2 are not yet due.

13. Milestones

Estimated Approval

5 December 2016

Estimated Completion^a

31 December 2021

14. Linked Documents

	Required Document	Disclosure Date
(i) Environment	IEE - Initial Environment Examination	
Weblink:	https://www.adb.org/projects/documents/ind-rajasthan-renewable-energy-transmission-prog-t2-iee	31-OCT-2016
(ii) Involuntary resettlement	RP - Resettlement Plan	
Weblink:	https://www.adb.org/projects/documents/ind-rajasthan-renewable-energy-transmission-prog-t2-rp	31-OCT-2016