



India: Demand-Side Energy Efficiency Sector Project

Project Name	Demand-Side Energy Efficiency Sector Project				
Project Number	48224-002				
Country	India				
Project Status	Approved				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 3436-IND: Demand-Side Energy Efficiency Sector Project</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 200.00 million</td> </tr> </table>	Loan 3436-IND: Demand-Side Energy Efficiency Sector Project		Ordinary capital resources	US\$ 200.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions				
Sector / Subsector	Energy - Energy efficiency and conservation				
Gender Equity and Mainstreaming	Some gender elements				
Description	The Asian Development Bank (ADB) will provide a loan to Energy Efficiency Services Limited (EESL), to be guaranteed by the Government of India, to support demand-side energy efficiency investments in several Indian states. EESL was set up as a government-owned energy services company (ESCO) to facilitate energy efficiency investments, including work designing, implementing, monitoring and investing in energy efficiency projects. ADB's loan will cover high-priority areas under EESL's ESCO business namely through use of: (i) more efficient light-emitting diode (LED) municipal street lighting equipped with remote operating technology; (ii) more efficient domestic lighting through replacement of incandescent lights with LEDs; and (iii) more energy efficient agricultural water pumps. EESL estimates that energy savings of 80% can be achieved in the domestic lighting programs and 30% can be achieved with more efficient pumps. Savings will result in lower electricity bills for consumers, peak power shaving, and reduced commercial losses for distribution companies. The project will also demonstrate the potential for energy efficiency achievements and scalability of the ESCO model for realizing energy savings in India.				
Project Rationale and Linkage to Country/Regional Strategy	The government has determined that increased end-use efficiency is critical to contain energy demand without jeopardizing growth. In 2015, the government pledged to reduce the energy intensity of its economy by 33%-35% below 2005 levels by 2030. A recent ADB report suggested that achieving an intermediate target of 20%-25% energy intensity reduction by 2022 will require investing approximately \$68 billion in efficiency measures. But realizing the potential of energy efficiency in India faces several barriers: (i) regulatory challenges as electricity is subsidized and energy efficiency programs are voluntary; (ii) institutional challenges as capacity to support needed scaling of energy efficiency is limited; (iii) financing the up-front costs can be high for energy efficiency technologies, but project sizes are small from a lender's perspective, and returns may be difficult to analyze; and (iv) limited understanding of energy efficiency technologies and associated benefits limit the uptake.				
Impact	Market for energy-efficient technologies expanded (National Mission for Enhanced Energy Efficiency) Emissions intensity of economy reduced (India's intended nationally determined contribution to the United Nations Framework Convention on Climate Change)				

Project Outcome

Description of Outcome	End-use energy efficiency in project areas increased
Progress Toward Outcome	

Implementation Progress

Description of Project Outputs	Efficiency of street lighting in one or more municipalities in eligible states (including Goa, Maharashtra, Rajasthan, and Telangana) enhanced Efficiency of bulbs, tube lights, and electric fans in households and institutions in utility service areas in eligible states (including Andhra Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh) enhanced Efficiency of agricultural water pumps in utility service areas in eligible states (including Andhra Pradesh, Karnataka, Maharashtra, and Rajasthan) improved
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services	It is unknown whether any project implementation consultants would be hired under this loan. If so, quality- and cost-based selection (QCBS) with a quality-cost ratio of 90:10 will be used. The consultants will be engaged in accordance with Guidelines on the Use of Consultants (April 2013, as amended from time to time)
Procurement	Energy Efficiency Services Limited (EESL) will serve as the executing agency and will implement all subprojects under the ADB loan. ADB assistance will be used to support municipal, domestic and agricultural energy efficiency projects already identified by EESL. A project director within EESL will oversee implementation of projects under the ADB loan and GEF grant will coordinate the individual subprojects across all municipalities and distribution companies and ensure compliance with ADB requirements.

Responsible Staff

Responsible ADB Officer	Acharya, Jiwan S.
Responsible ADB Department	South Asia Department
Responsible ADB Division	Energy Division, SARD
Executing Agencies	<i>Energy Efficiency Services Limited</i> <i>MKHATRI@EESL.CO.IN</i> <i>A-13, IWAU Building, 4th Floor Sector-1, Noida - 201301 Uttar Pradesh</i>

Timetable

Concept Clearance	26 Feb 2016
Fact Finding	17 May 2016 to 26 May 2016
MRM	18 Jul 2016
Approval	30 Sep 2016
Last Review Mission	-
Last PDS Update	16 Mar 2017

Loan 3436-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
30 Sep 2016	-	-	30 Jun 2021	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	400.00	Cumulative Contract Awards			
ADB	200.00	30 Sep 2016	0.00	0.00	0%
Counterpart	200.00	Cumulative Disbursements			
Cofinancing	0.00	30 Sep 2016	0.00	0.00	0%

Project Page <https://www.adb.org/projects/48224-002/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48224-002>

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