



## Partial Risk Sharing Facility in Energy Efficiency (P132620)

SOUTH ASIA | India | IBRD/IDA | Investment Project Financing (IPF) | FY 2015 | Seq No: 13 | Archived on 30-Jun-2024 | ISR01101

Implementing Agencies: EESL Energy Efficiency Services Limited, Small Industries Development Bank of India

### 1. OBJECTIVE

#### 1.1 Development Objective

Original Development Objective (Approved as part of Approval package on 13-Mar-2019)

The project development objective is to assist India in achieving energy savings with mobilization of commercial finance and participation of Energy Service Companies (ESCOs).

Has the Development Objective been changed since Board Approval of the Project Objective?

No

### 2. COMPONENTS

Name

Component 1: Partial risk sharing facility:(Cost 37,000,000.00)

2. Component 2: Technical assistance and capacity building:(Cost 6,000,000.00)

### 3. OVERALL RATINGS

Name	Previous	Current
Progress towards achievement of PDO	<span style="color: green;"> </span> Satisfactory	<span style="color: green;"> </span> Satisfactory
Overall Implementation Progress (IP)	<span style="color: green;"> </span> Satisfactory	<span style="color: green;"> </span> Satisfactory
Overall Risk Rating	<span style="color: orange;"> </span> Substantial	<span style="color: orange;"> </span> Substantial

### 4. KEY ISSUES & STATUS



### 4.1 Implementation Status and Key Decisions

Project Status: The PRSF Project became effective on August 31, 2015, with a closing date of April 1, 2024. The project development objective is to assist India in achieving energy savings with the mobilization of commercial finance and participation of Energy Service Companies. It is expected that over the Project period, PRSF would help alleviate the perceived risks, assist the ESCOs and other market actors to have better access to finance, and mobilize over US\$125 million of commercial financing for EE investments across various demand side sectors and thereby trigger large-scale EE market transformation.

Starting in 2015, total 79 sub-project have been covered under the scheme till date. Total guaranteed amount for the 79 sub projects is US\$78.53 million (INR 5104.35 million) mobilizing a total Energy Efficiency Investment of US\$131.93 million (INR 8577.11 million). The resultant leverage of guarantee amount in terms of total EE Investment mobilized by 2.34 times. Of the 79 guarantees issued till date, 21 guarantees have been completed successfully having cumulative guarantee amount of US\$16.63 million (INR 1080.9 million), 58 sub-projects are at different stages of implementation. For two projects, guarantee claims have been received, which are being investigated. SIDBI is in discussion with several ESCOs and project proponents for covering more energy efficiency projects under the PRSF. The cumulative guarantee amount for these projects is around INR 242 crores (i.e. US\$37.29 million).

Regarding M&V activity, the 20 sub-projects for M&V activity have since been shortlisted and shared with CII and the World Bank. Proposed M&V framework including reporting formats and expected outcomes have been revised based on the World Bank inputs. Out of 20, the site visit for 12 projects have been completed and report is awaited.

The TA component supported the establishment of SIDBI’s Green Vertical to focus on green and decarbonization investments. So far, a portfolio of close to US\$2 billion has been developed by SIDBI’s green portfolio, including US\$1.7 billion in energy efficiency business and US\$350 million in renewable energy business. This led to the indirect leverage of the PRSF to 46 times.

## 5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval	Last Approved Rating ISR Seq. 012 - 18 Dec 2023	Proposed Rating
Political and Governance		Low	Low
Macroeconomic		Low	Low
Sector Strategies and Policies		Low	Low



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Technical Design of Project or Program		Substantial	Substantial
Institutional Capacity for Implementation and Sustainability		Moderate	Moderate
Fiduciary		Moderate	Moderate
Environment and Social		Low	Low
Stakeholders		Substantial	Substantial
Overall		Substantial	Substantial

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## 6. RESULTS

### 6.1 PDO Indicators by PDO Outcomes

Achieving energy savings through energy service companies (ESCOs)								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Annual energy savings achieved by projects that receive PRSF risk coverage (Gigawatt-hour (GWh))	0.00	Apr/2015	375.3	31-May-2024	375.3	31-May-2024	328.00	Jun/2025
Annual mitigation of CO2 emissions achieved by projects that receive PRSF risk coverage (million tons; estimated based on the type and amount of energy savings recorded) (Metric tons/year)	0.00	Apr/2015	286,000.00	31-May-2024	286,000.00	31-May-2024	289,000.00	Jun/2025
Total number of ESCO-implemented energy efficiency investments whose loans receive credit guarantee from PRSF (Number)	0.00	Apr/2015	79.00	31-May-2024	79.00	31-May-2024	77.00	Jun/2025
	Comments on achieving targets		Of the 79 guarantees issued till date, 21 guarantees have been completed successfully: Municipality (7), Large Industries (1), Office Building (1), Hospital (3), Hotels (1) & MSME (8) having cumulative guarantee amount of US\$16.63 million (INR 1080.9 million).					
Total amount of loan financing provided for	0.00	Apr/2015	85,610,000.00	31-May-2024	85,610,000.00	31-May-2024	87,000,000.00	Jun/2025



ESCO-implemented energy efficiency investments including that from SIDBI and PFIs that receive PRSF risk coverage (million US\$) (Amount(USD))								
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## 6.2 Intermediate Results Indicators by Components

Component 1: Partial risk sharing facility								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Total amount of loans that receive risk-sharing coverage through credit guarantees from PRSF (million US\$) (Amount(USD))	0.00	Apr/2015	78,530,000	31-May-2024	78,530,000	31-May-2024	89,000,000.00	Jun/2025
Private capital mobilized (million US\$) (Amount(USD))	0.00	Apr/2015	131,930,000.00	31-May-2024	131,930,000.00	31-May-2024	125,000,000.00	Jun/2025
Default rate of loans that receive risk-sharing coverage through credit guarantees from	0.00	Apr/2015	0.01	30-Sept-2023	0.01	30-Sept-2023	15.00	Jun/2025
	Comments on achieving targets		One project guarantee issued to IREDA for implementing EE Project (Capacitor Bank) at Manipur State Power Company Ltd. implemented by Smaru Tech (ESCO) under deemed saving model has been called for. Actions taken in this					



PRSF (%) (Percentage)		<p>regard include:</p> <ul style="list-style-type: none"> <li>o Review of documents received from IREDA i.c.w. claim form submitted for its borrower viz. M/s Smaru Tech LLP (ESCO).</li> <li>o Discussion with ESCO to understand the problem being faced in terms of not meeting the loan repayment obligations.</li> <li>o Due Diligence report is being drafted by CII. However, few additional documents have been requested by CII from IREDA and ESCO which are still awaited.</li> <li>o The above activity is expected to be closed shortly (by end of July 2024).</li> </ul> <p>Another claim has been received in case of M/s Dashmesh Alloys for which Due diligence exercise has been initiated.</p>
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### 6.3 Performance Based Conditions (PBC)

PBC Name		Baseline	Actual (Previous)		Actual (Current)		Closing Period
			Value	Date	Value	Date	
1:Annual energy savings achieved by projects that receive PRSF risk coverage (Amount(USD))	Value	0.00	28.65	11-Jun-2018	28.65	11-Jun-2018	
	Allocated Amount	0.00			0.00		
PBC allocation			0.00				
2:Annual mitigation of CO2 emissions achieved by	Value	0.00	27.10	11-Jun-2018	27.10	11-Jun-2018	
	Allocated Amount	0.00			0.00		

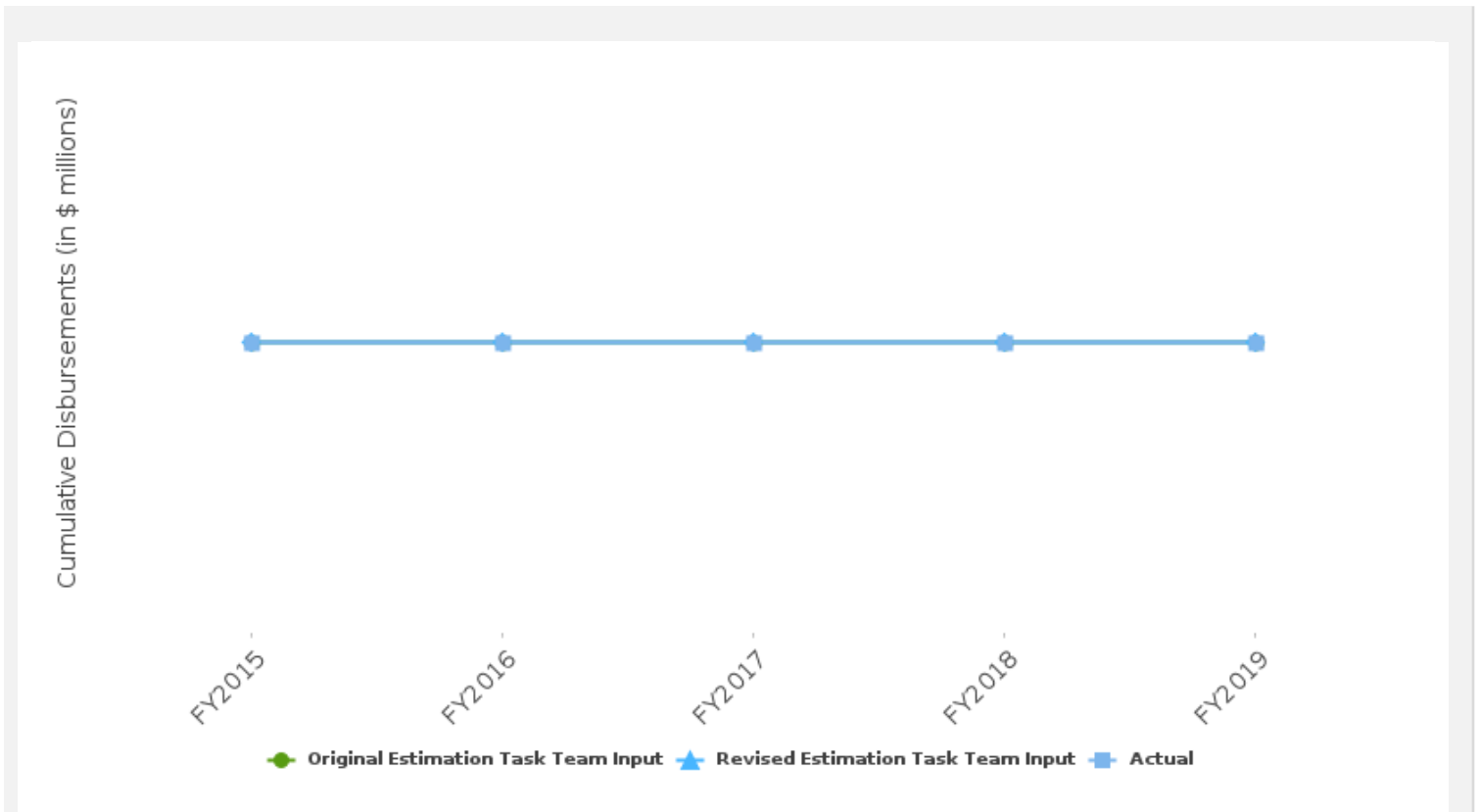


projects that receive PRSF risk coverage (million tons; estimated based on the type and amount of energy savings recorded) (Amount(USD))							
PBC allocation			0.00				



## 7. DATA ON FINANCIAL PERFORMANCE

### 7.1 Cumulative Disbursements



### 7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
TF-19230	Effective	25.00	25.00	0.00	0.00	25.00	0%

### 7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
TF-19230	Effective	25-Feb-2015	31-Mar-2015	31-Aug-2015	01-Apr-2035	31-Mar-2025





## 8. KEY DATES

Key Events	Planned	Actual
Approval	25-Feb-2015	25-Feb-2015
Effectiveness	Not Available	31-Aug-2015
Mid-Term Review No. 01	29-Jan-2021	
Mid-Term Review No. 01		
Mid-Term Review No. 01		
Operation Closing/Cancellation	31-Mar-2025	

## 9. RESTRUCTURING HISTORY

Restructuring Level 2 Approved on 23-Mar-2022

Restructuring Level 2 Approved on 16-Mar-2023

## 10. ASSOCIATED OPERATION(S)

There are no associated operations