

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	REC Renewable Energy Sector Development Project
Country	The Republic of India
Type	Sovereign
Area of Operation	Clean Energy & Energy Efficiency
Concept Approval Date	2 September 2019
Financing Approval Date	14 October 2019
Total Project Cost	USD 426.83 million
Initial Limit of NDB Financing	USD 300 million
Current Limit of NDB Financing	USD 300 million
Borrower	REC Limited
Project Entity(ies)	REC Limited
Project Context	<p>India today still relies heavily on thermal power, which accounts for 63% of the total installed generation capacity as of May 2019. The high concentration of thermal power generation has led to air pollution, carbon emissions, depletion of natural resources, and health problems. To improve the energy mix, Government of India has announced an ambitious plan to achieve 175 GW of renewable energy capacity by FY2022, taking advantage of its large potential for power generation from renewable energy. India's potential for power generation from renewable energy is significant and is estimated at 900 GW, including 750 GW of solar energy. Cost of power generation from renewable energy is currently on par with that from thermal power in India. In this context, REC Limited, as a primary financing provider to India's power sector, is increasing its portfolio in renewable sector. The REC Renewable Energy Sector Development Project, with NDB's financing to REC Limited, is designed to support Government of India's initiative in renewable energy and sustainable development.</p>
Project Description	<p>The NDB loan proceeds to REC was used to finance construction of renewable energy power plants with total capacity of about 655 MW and associated evacuation transmission lines (sub-projects).</p>
Project Objective	<p>The objective of the Project was to reduce coal consumption and carbon emissions resulting in enhanced energy mix and greener footprint of India's power sector, reduced pollution, job creation and sustainable economic growth.</p>

Implementation Arrangements	The Project was implemented in over two years. REC Limited was the Project Entity. Procurement was conducted in compliance with the national law and regulations, and met the core principles of NDB's policy.	
Environmental and Social Information	The Project was Category "FI-B" in line with NDB's Environment and Social Framework (ESF) as funding was to a FI and proposed renewable energy projects including power evacuation infrastructure had moderate adverse E&S impacts that would be site-specific and mostly reversible. All subprojects had project appraisal, screening, and supervision in line with policies of REC Limited and were required to comply with the Indian E&S regulations.	
Financing	The total cost of the Project was USD 426.83 million. NDB financed USD 300 million. The remaining balance was financed by counterpart funds.	
	Source of Fund	Amount (USD million)
	NDB	300
	Counterpart Funds	126.83
Contacts	NDB	Borrower and Project Entity
	Public Sector Department Deepanshu Sapra	REC Limited Sanjay Kumar contactus@recl.in