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Business Opportunities Seminar with the ADB

Govt of India supported Lines of Credit Programme under IDEAS

September 18, 2024
Mumbai

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Presentation Outline



-  Overview and Broad Guidelines
-  Procedures and Project Cycle
-  Disbursements and Monitoring
-  Current Opportunities
-  Q&A Session

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Section – 1

LOCs : Overview and Broad Guidelines

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OVERVIEW OF LINES OF CREDIT [LOCs]

- ❖ LOCs are governed under the Indian Development and Economic Assistance Scheme (IDEAS).
- ❖ LOC is a mechanism to share India's Development Experience with Partner Countries
- ❖ The Partner Countries receive LOCs at soft rate of interest.
- ❖ The Partner Countries have flexibility in identifying the projects based on their national priorities.

LOC Portfolio


Approved LOCs
USD 31.16 bn

324 LOCs
68 Countries

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OVERVIEW OF LINES OF CREDIT [LOCs]


- ❖ LOCs assisted the Partner Countries throughout the LOC Project Life Cycle
- ❖ LOC soft loans create and enable assets for the Partner Country, with multiple spinoff benefits
- ❖ Creating socio-economic benefits in the partner country.
- ❖ Employment opportunities for local industries and economy in the Partner country.

LOC Portfolio

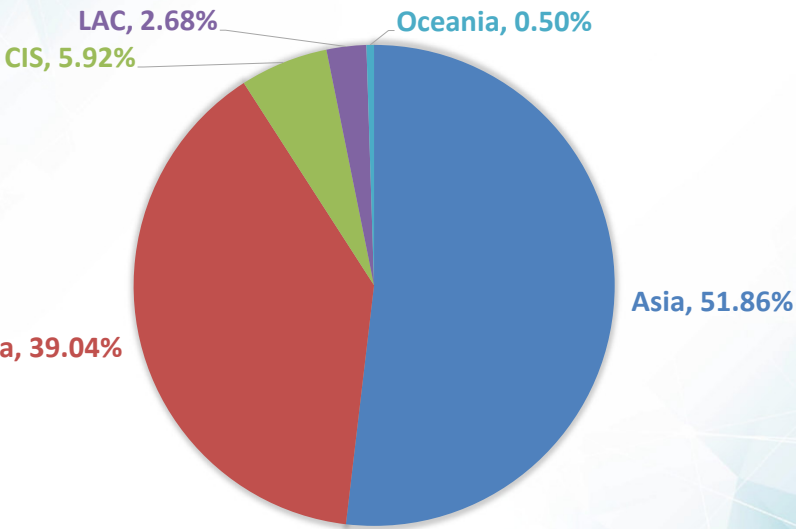
- Projects About 590
- Contracts About 959

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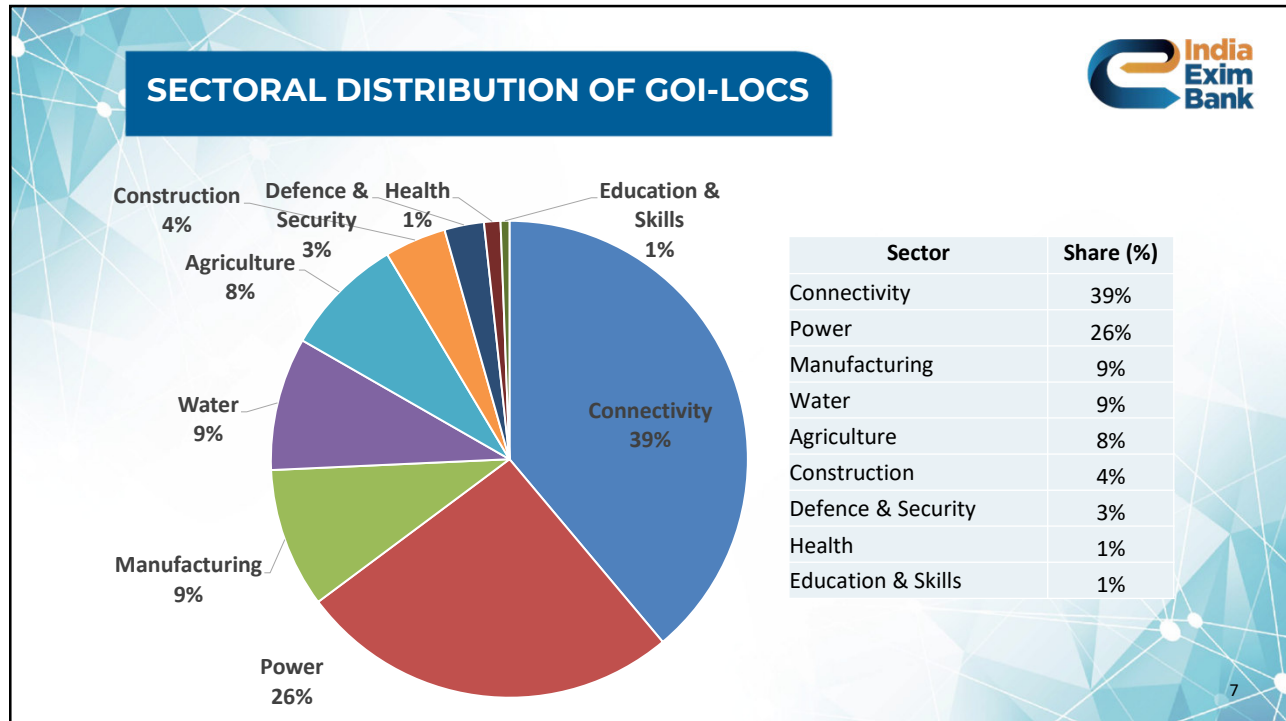
GEOGRAPHICAL DISTRIBUTION OF LOCs



Region	Percentage
Asia	51.86%
Africa	39.04%
CIS	5.92%
LAC	2.68%
Oceania	0.50%

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KEY TERMS FOR LOCS - IDEAS

Country	Tenor (Incl. moratorium of 5 years)	Borrower
L&LMI countries for which IMF has prescribed a minimum binding concessional requirement (Category I)	25 yrs	1.50% p.a. (Fixed)
L&LMI countries for which there is no minimum binding concessional requirement (Category II)	20 yrs	1.75% p.a. (Fixed)
Other developing countries (Category III)	15 yrs	SOFR + 1.92826% (Floating)

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KEY TERMS FOR LOCS - IDEAS



- ❑ **DPR:** In case the country is unable to prepare the Detailed Project Report (DPR) on its own, then the LOC can be approved with a condition that an **amount not exceeding 1% of the LOC** will be utilised first for the **preparation of the DPR**.
- ❑ Borrowing Government shall enter into a **Comprehensive Maintenance Contract (CMC) for 3-5 years, after commissioning of the project and completion of the warranty period.**
- ❑ **0.50% of the LOC can be utilised for evaluation of the project on completion.**

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INDIAN CONTENT



Eligibility:

The participation is limited to Indian entities registered in India and/or incorporated/ established under any law in force in India.

Indian Content:

Goods and services for minimum 75% value of the contracts covered under these loans must be sourced from India.

(A relaxation, not exceeding 10% may be considered on a case to case basis for projects involving significant civil construction work).

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Section – 2 *Lines of Credit Procedures*

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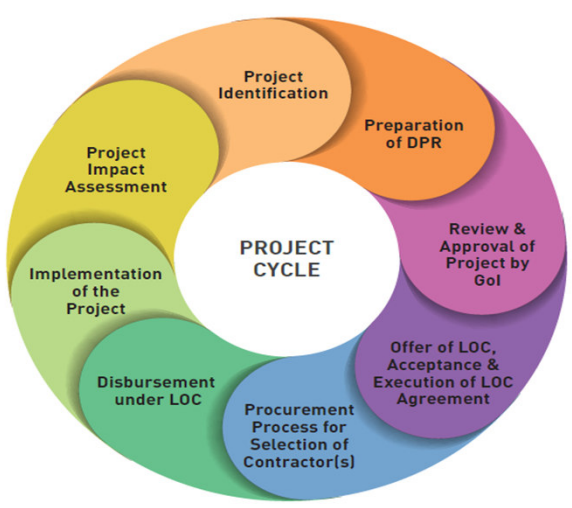
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LOC Procedures and Project Cycle



LOCs assist the Partner Countries throughout the LOC Project Life Cycle

- ❖ Project Identification
- ❖ Project Preparation Facility (PPF)
- ❖ DPR Preparation
- ❖ Review of DPR
- ❖ Procurement Process
 - *Prequalification*
 - *Tendering*
 - *Bid Evaluation*
 - *Award of the Contract*
- ❖ Disbursements and Implementation
- ❖ Monitoring and Project Assessment



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Lines of Credit [LOCs] - Project Cycle



Lines of Credit, typically follow a sequence of standard procedures, viz.:

- ❖ Project identification and preparation of project proposal/feasibility study
- ❖ Review and approval of the project proposal
- ❖ Offer of the loan, acceptance and execution of LOC agreement
- ❖ Preparation of Detailed Project Report (DPR)

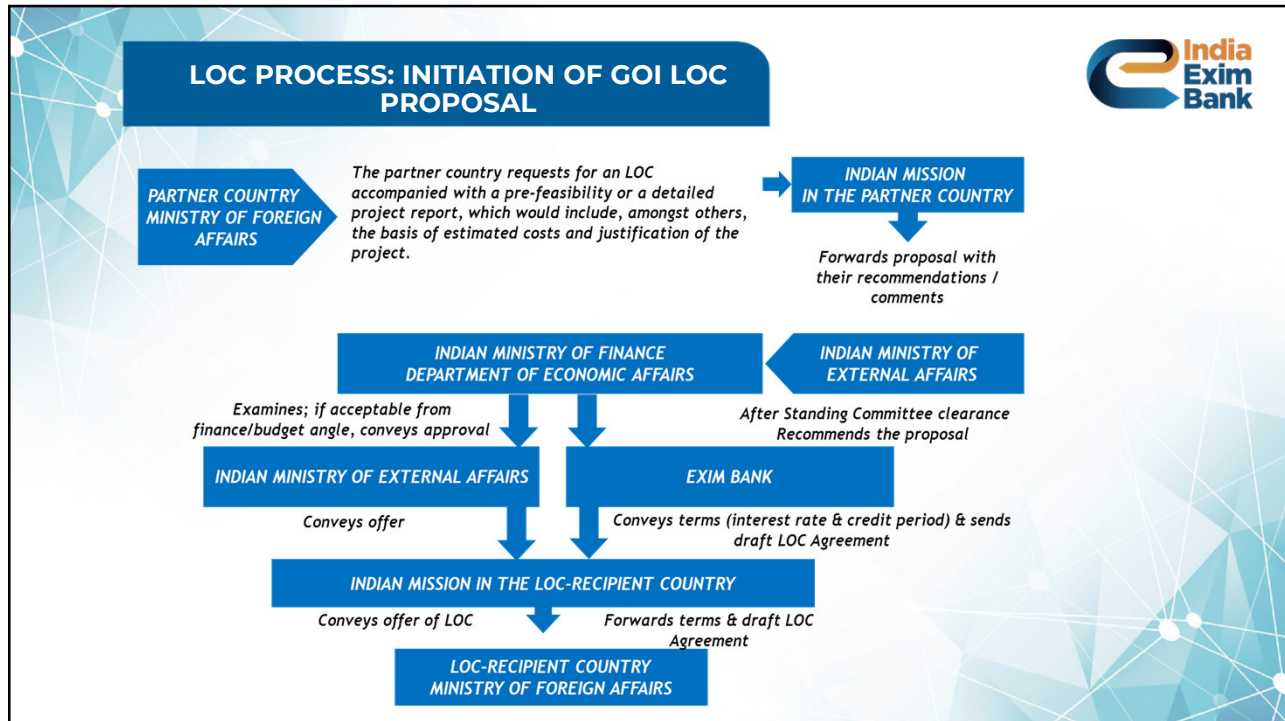
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Lines of Credit [LOCs] - Project Cycle

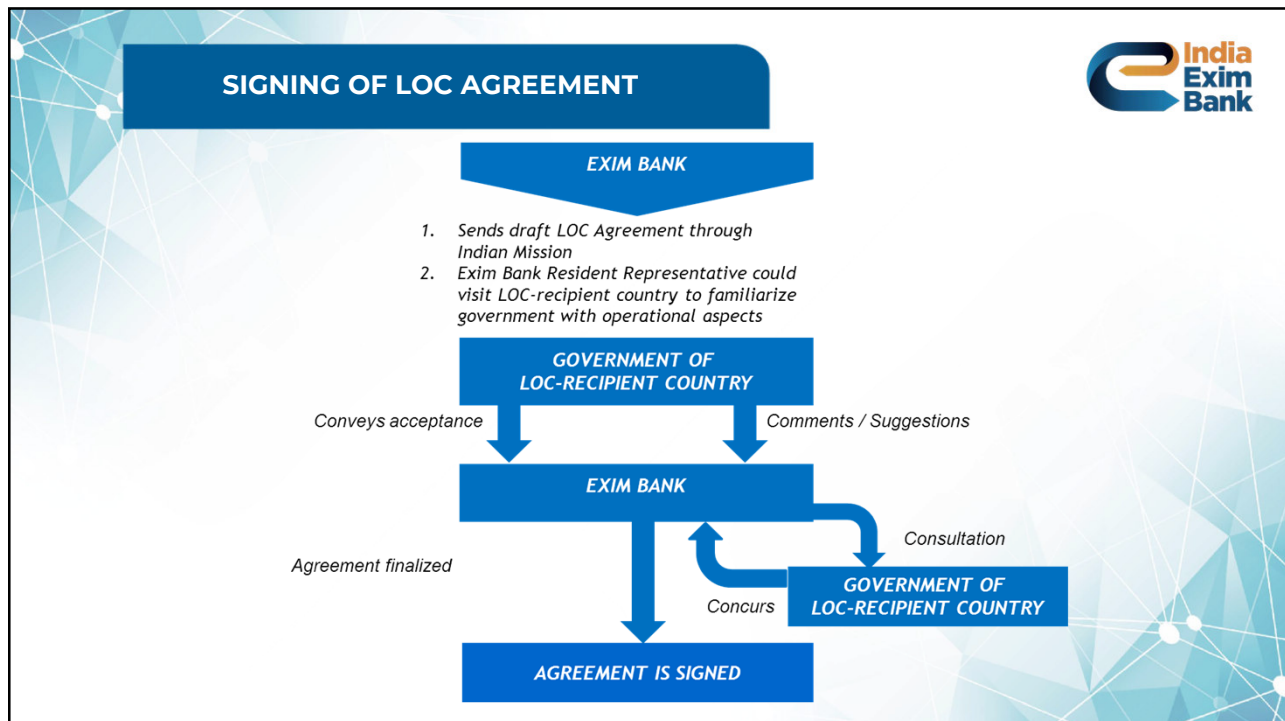


- ❖ Prequalification of Indian companies
- ❖ Selection of Indian contractor through a competitive bidding process by the LOC recipient country
- ❖ Coverage of the contract under the LOC
- ❖ Project implementation and monitoring
- ❖ Project assessment

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DETAILED PROJECT REPORT [DPR]



- ❖ In the case of projects, the Detailed Project Report (DPR) should be made available for appraisal before according approval for the LOCs.
- ❖ In case the country is unable to prepare the DPR on its own, then the LOC can be approved with a condition that an amount not exceeding 1% of the LOC will be utilised first for the preparation of the DPR.
- ❖ **Further utilisation of the LOC will be subject to the approval of the DPR by GOI.**

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PREQUALIFICATION PROCESS



- ❖ Step 1: Borrower Country sends the Detailed Project Report or the Pre-Qualification Criteria for the Project.
- ❖ Step 2: Exim Bank prepares the PQ Document based on the criteria sent by the borrower country.
- ❖ Step 3: The PQ document is vetted by an Independent Consultant hired by Exim Bank.
- ❖ Step 4: Recommendations of Independent Consultant, if acceptable, are incorporated.
- ❖ Step 5: The PQ document is sent to the Borrower Country for its concurrence.
- ❖ Step 6: Borrower Country conveys its comments / concurrence to the PQ document.

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PREQUALIFICATION PROCESS



- ❖ Step 7: Changes suggested by Borrower Country, if any, are mutually agreed and incorporated.
- ❖ Step 8: The final PQ document is uploaded on Bank's website and published in leading newspapers in India. **A Pre-PQ meeting is conducted which is open for participation by all interested Applicants.**
- ❖ Step 9: A month's time is given to applicants. Last date of submission may be extended on justified reasons.
- ❖ Step 10: All applications are opened on the date mentioned in the PQ document and evaluation commences.
- ❖ Step 11: Final list of shortlisted applicants is communicated to Borrowing Countries for tendering.

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TENDERING PROCESS



- ❖ Step 1: Borrower Country or the PMC appointed by the borrower sends draft Tender for the Project.
- ❖ Step 2: Exim Bank check for any criteria not in conformity with GOI guidelines and ensures that the criteria are not too restrictive or deterrent for smooth project implementation.
- ❖ Step 3: The draft Tender document is also vetted by an Independent Consultant hired by Exim Bank.
- ❖ Step 4: Recommendations of Independent Consultant, if acceptable, are incorporated.
- ❖ Step 5: The Tender document with suggested modifications of Exim Bank is sent to the Borrower Country for approval.
- ❖ Step 6: Borrower Country finalizes the Tender Document with the inputs provided and seeks NOC from Exim Bank, before release of the Tender Document.

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TENDERING PROCESS



- ❖ Step 7: The final Tender document is issued by the Borrower Government to the pre-qualified companies, the names of whom have already been forwarded by Exim Bank post the prequalification process undertaken by Exim Bank.
- ❖ Step 8: Generally, 45 days' time is given to pre-qualified companies. Last date of submission may be extended on case-to-case basis.
- ❖ Step 9: The receipt of bids, evaluation of bids and final selection/award of the contract are undertaken by the borrower country. The borrower country forwards the bid evaluation report to Exim Bank for no-objection. Exim Bank may ask clarifications on the bid evaluation report, if felt necessary.
- ❖ Step 10: Exim Bank also vets the draft contract document forwarded by the Borrower Government prior to execution.
- ❖ Step 11: Pursuant to signing of the Contract, the request for contract inclusion alongwith relevant documents is forwarded by the Borrower Government under the LOC, to Exim Bank. Communication in this regard is sent to Government of India (DEA/MEA), Borrower Country / Project Authority and the contractor(s), after contract inclusion.

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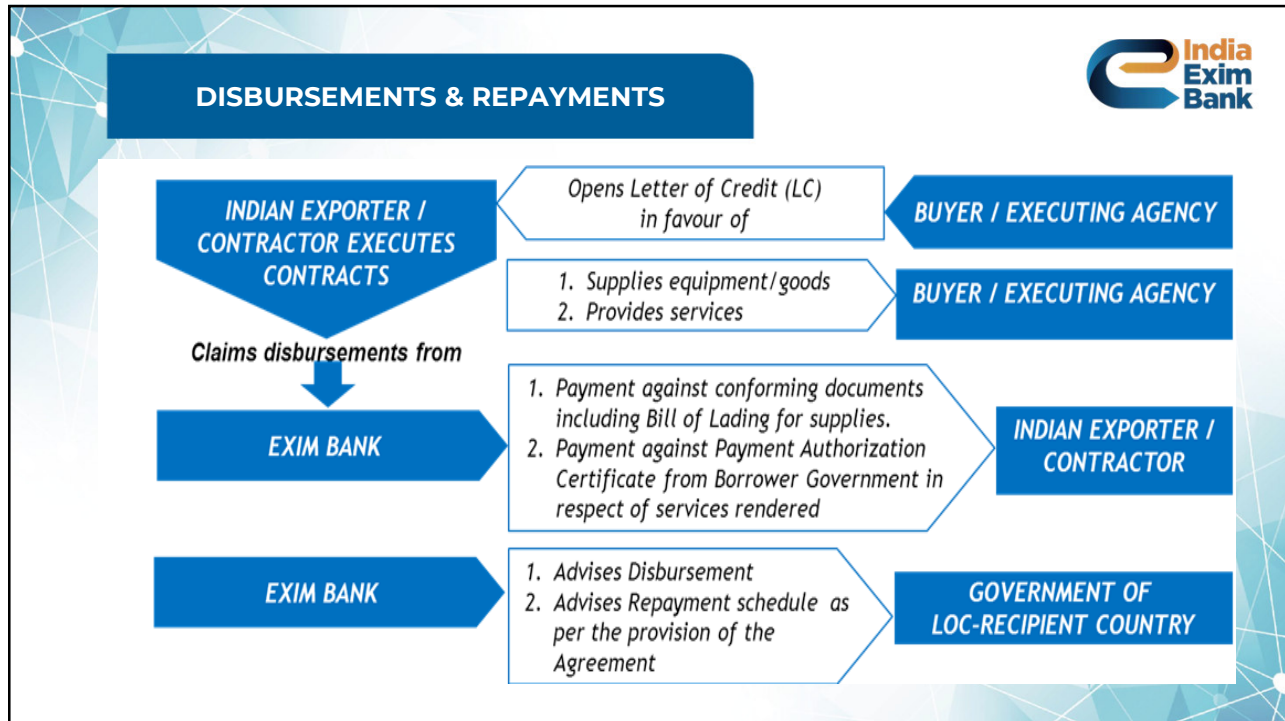
SECTION – 3

Project Implementation Disbursements, Monitoring and Business Opportunities

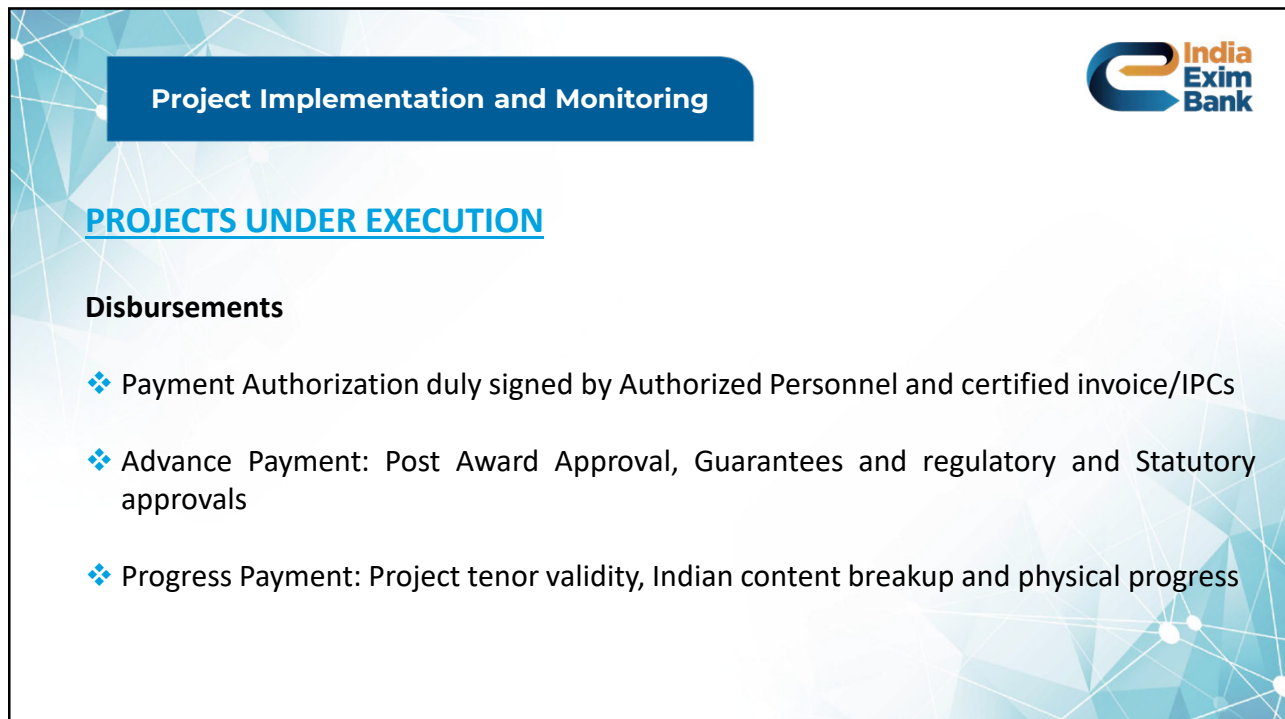
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Project Implementation and Monitoring

Monitoring

- ❖ Monitoring mechanism to be set up for timely completion of project without any time/cost overrun.
- ❖ Periodic progress review Meeting and progress reports are obtained.
- ❖ Exim Bank and GOI undertakes bi-annual monitoring of all LOCs projects
- ❖ In case of project delays joint site visits by Indian Mission, Borrowings Govt. and Exim Bank to ascertain delays and address issues.
- ❖ Lender's Engineer

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Project Implementation & Monitoring

PROJECTS COMPLETED

- ❖ Project Evaluation – benefits accruing to the partner country
- ❖ Comprehensive Maintenance Contract (CMC) for 3-5 years, after commissioning of the project and completion of the warranty
- ❖ Terminal Disbursement date: 48 months from the scheduled completion date; Unutilized amount gets cancelled

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SUCCESS STORIES

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SRI LANKA

- ❖ Two LoC extended to Government of Sri Lanka aggregating USD 798.96 million in 2009-10 for reconstruction of Railway Lines in Northern Province of Sri Lanka have enhanced the accessibility, safety and speed of train travel in Sri Lanka
- ❖ The railway projects have been executed by IRCON International Ltd. in 2015.



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BANGLADESH



Construction of Bridges:

- ❖ 2nd Bhairab Bridge Project was executed by IRCON-AFCONS JV, under the LOC of USD 862 million to the Government of Bangladesh.
- ❖ The construction of Bridge was completed in November 2017.



Supply of Buses:

- ❖ Single and Double Decker Buses supplied under Exim Bank of India's Line of Credit to the Government of Bangladesh. The project for the supply of buses has benefited city dwellers and passengers of Dhaka and other districts in Bangladesh.
- ❖ It has not only helped in easing traffic problems and air pollution but also generated employment for both men and women. - Ashok Leyland Ltd. Under LOC of USD 862 mn to Bangladesh



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NEPAL



400 kV D/C Dhalkebar-Bhittamod Transmission Line [Nepal section of 400 kV D/C Dhalkebar (Nepal) – Muzaffarpur (India) Transmission Line]

- ❖ India Exim Bank at the behest of Government of India [GOI] extended Line of Credit [LOC] of USD 100 million to the Government of Nepal, for Road projects, rural electrification projects, power transmission projects and hydro power projects.

Scope of Project includes:

- ❖ Detailed Survey; Erection of towers and stringing; Testing and commissioning of transmission lines.
- ❖ Project handed over to Project Authority on March 2016.




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LAO PDR







Nabong to Thabok Transmission Line


230 kV Double Circuit Transmission Line from Nabong to Thabok and associated substations in Lao PDR executed by WAPCOS Ltd and Angelique International Ltd. under Exim Bank's Line of Credit extended to the Government of Lao PDR

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ICONIC PROJECTS




Ghana



Seat of the Government and Presidency
(LOC of USD 60 million)

Gambia



National Assembly building
(LOC of USD 16.8 million)

Executed by Shapoorji Pallonji & Co. Pvt. Ltd.

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TANZANIA - WATER TREATMENT PLANT



Upper Ruvu water treatment plant to increase supply from 80 to 200 MLD

Potable water to 7,00,000 people in Dar-es-Salaam in Phase-I

Executed by Va Tech WABAG & Megha Engineering

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MOZAMBIQUE - RURAL DRINKING WATER DEVELOPMENT PROJECT







- ❖ Rural water coverage of the respective provinces has increased from 30% to 50%.
- ❖ Project has impacted lives of 824,500 people directly benefitting from gaining improved access to clean water.
- ❖ Clean water sources have helped local community in combating water borne diseases such as cholera, chronic diarrhea and improved their standards in health, hygiene and sanitation.
- ❖ Executed by Southern Borewells Pvt. Ltd.

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MAURITIUS



- ❖ Dornier Aircraft for Mauritius Coast Guard under LoC of USD 46 mn;
- ❖ Fast Interceptor boats for Mauritius Police Force under the LoC of USD 46 mn;
- ❖ Waterjet Fast Attack Craft under the LoC of USD 18 mn;
- ❖ The Aircraft and Ships are used for patrolling, anti-smuggling, anti-poaching, search and rescue operations in maritime Zone region.

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RWANDA




- ❖ Two LOCs aggregating USD 80 million were extended to the Government of Rwanda for financing the 28 MW Nyaborongo Hydro-power project in Rwanda.
- ❖ The project is one of Rwanda's biggest hydroelectric power plant and caters to 25% of total electricity demand of Rwanda.
- ❖ Project executed by Bharat Heavy Electricals Ltd. (BHEL) & Angelique International Ltd.

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NIGER



- ❖ A project valued USD 15.67 million for setting up 7 MW solar PV farm was financed under an LoC to the Government of Niger.
- ❖ The project has helped Niger to meet the needs in electricity of its rural population thereby empowering the socio-economic growth of rural areas.

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COTE D'IVOIRE



- ❖ LoC of USD 25.50 million to Government of Cote d'Ivoire for financing the Mahatma Gandhi IT and Biotechnology Park in Cote d'Ivoire.
- ❖ The project is a dedicated Free Trade Zone (FTZ) for IT & Biotechnology.
- ❖ The project has given first computer assembling line in the country. Computer assembling line is of paramount importance under Government of Cote d'Ivoire's One Citizen, One Computer, One Internet Connection' program launched in 2015.
- ❖ The IT park is the first step in GO-CIV's plan to build a Green Smart City for employment for 40,000 citizens and attract USD 2 billion of investments in the ICT & Biotechnology sector.

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GUYANA



- ❖ Under Exim Bank's GOILOC of USD 19 million, an International Cricket Stadium was constructed for the 2007 World Cup.
- ❖ The Stadium was constructed in just 18 months.

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Business Opportunities under LOC Projects




Sr. No.	Project Name/ Contract	Country	Amount (in USD mn)
1	Agro-Industrial Pole Project in the North (2 PAI-Nord) in Cote d'Ivoire	EBID (Cote D'Ivoire)	50.00
2	Construction of Disaster Recovery Site	Eswatini (Swaziland)	10.40
3	Construction of a new Parliament Building	Eswatini (Swaziland)	108.28
4	Solar Projects: (i) Solar Project for Supply of Electricity and Drinking Water for 7 Public Universities in Guinea; (ii) Solar Project for Electrification and Refrigeration in 200 Health Infrastructures	Guinea	20.22
5	Construction of water supply schemes in Zanzibar Urban region	Tanzania	35.00
6	Stung Sva Hab/Slab Water Resources Development Project	Cambodia	36.92
7	Development of Sports Infrastructure	Maldives	36.48
8	Upgradation of Bartica regional hospital	Guyana	17.50

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Business Opportunities under LOC Projects			
Sr. No.	Project Name/ Contract	Country	Amount (in USD mn)
9	Installation of Solar Photo Voltaic Power Plant at Cheddi Jagan International Airport	Guyana	2.50
10	Replacement and Equipment of the High Technology Centre of the Hospital Antonio Lenin Fonseca in Managua	Nicaragua	7.35
11	Reconstruction of Aldo Chavarria Hospital	Nicaragua	20.10
12	Bayer-Madang road project and Hoskins-Kimbe road project	Papua New Guinea	100.00
13	Electrification of resettlement sites under the Resettlement Action Plan- Second Phase (PAR-2) of the Kandadji Dam and upgrading of the Power Distribution Network Project in the dam area	EBID (Niger)	10.50
14	Rural Electrification of 50 villages through Solar Photovoltaic (SPV) system	EBID (Niger)	10.00


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For Other Information

The following documents are uploaded on the website: <https://www.eximbankindia.in/>

- ❖ Policies/ Procedures are available on the website;
- ❖ Model Procurement documents;
- ❖ List of contracts included under LOCs;
- ❖ IDEAS Guidelines;
- ❖ PQ document;
- ❖ Details of LOCs;
- ❖ Details of awarded contracts



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Mission

Facilitate Indian trade and investment,
and support partner countries' development priorities as a financially, socially and
environmentally responsible institution.

Vision

Globalisation of Indian businesses and empowering
growth of partner countries.

THANK YOU

 www.eximbankindia.in