

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GOVERNMENT OF INDIA AND WORLD BANK SIGN AGREEMENT FOR \$ 43
MILLION FOR PARTIAL RISK SHARING FACILITY FOR ENERGY
EFFICIENCY PROJECT TO MOBILIZE EASE OF ACCESS TO FINANCE FOR
ENERGY EFFICIENT INITIATIVES FOR INDUSTRIES**

New Delhi, March 31, 2015
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The World Bank and the Government of India signed here today a \$43 million grant and guarantee agreement towards the Partial Risk Sharing Facility for Energy Efficiency (PRSF) project, that will help enterprises and Energy Service Companies (ESCOs) mobilize commercial finance for investments in energy efficiency initiatives.

India has substantial untapped energy efficiency (EE) potential across various sectors. This pilot operation will help address various market barriers that impede energy efficient practices and financing, by providing coverage to reduce the risks perceived by commercial institutions in financing EE projects. It will also help build the capacity of ESCOs to structure and seek financing; and that of financial institutions to finance EE projects on a commercially-sustainable basis.

The Agreement for the Partial Risk Sharing Facility for Energy Efficiency (PRSF) Project was signed by Shri Tarun Bajaj, Joint Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India; Shri Kshatrapati Shivaji, Chairman & Managing Director(CMD), Small Industries Development Bank of India (SIDBI), on behalf of SIDBI; Shri Mohit Khatri, Deputy General Manager(DGM), Energy Efficiency Services Limited (EESL), on behalf of EESL; and Mr Onno Ruhi, World Bank Country Director in India, on behalf of the World Bank.

The \$43 million project consists of a partial risk sharing facility of \$37 million — funded from a Global Environment Facility (GEF) contribution of \$12 million backstopped by a Clean Technology Fund (CTF) contingent guarantee of \$25 million — and a technical assistance and capacity building component of \$6 million funded from the Global Environment Facility (GEF). The PRSF project is a landmark project as it is the first guarantee operation of the World Bank in India without a financial counter-guarantee provided by the Government.

The PRSF project would close by 2022. However the CTF Facility could continue with Funds available for up to 20 years. It is estimated that the program for risk-sharing coverage through partial credit guarantees will last for 15 years.
