



# Evidence on Demand Summary

## Infrastructure Partnerships Programme: Due Diligence of Partners and Projects

*The text below is a summary of a consultancy assignment that was completed for DFID India by a team commissioned through the Evidence on Demand Framework Agreement.*

The overall aim of the proposed Infrastructure Partnership Programme is to reduce poverty through economic growth in India's eight low income states (Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal). This will be achieved by DFID directly investing in infrastructure projects that would otherwise not attract private capital. By demonstrating the market potential of specific kinds of infrastructure projects and markets in the poorest states, the programme is expected to catalyse private investment in infrastructure further. This is will lead to an increase access by businesses and households to infrastructure services in the transport; agricultural; clean energy and urban sectors in India's eight poorest states.

The team was required to:

- conduct a pre-investment due diligence assessment of up to 3 of DFID's proposed partners such as IDFC, IIFCL and SBI, to help DFID evaluate the appropriateness of the agency to effectively support DFID India's infrastructure objectives.
- undertake a review of the systems and processes adopted by DFID's selected partners when undertaking their own due diligence for their infrastructure project deals, especially with regard to Environmental, Social and Governance (ESG) norms. To identify, plan and begin to address the key capacity constraints (for e.g. systems, staff) in DFID's selected partners in the areas of ESG appraisal.
- ensure that the infrastructure project deals that are proposed by DFID partners to receive DFID investment capital in this financial year (2012-13) undergo rigorous and independent ESG appraisals to reassure DFID that potential risks have been fully identified and that plans to mitigate risks are underway.

DOI: [http://dx.doi.org/10.12774/eod\\_cs.july2013.anon](http://dx.doi.org/10.12774/eod_cs.july2013.anon)