probably to involve a multilateral institution like the World Bank, the IFC or the Asian Development Bank. These agencies have all shown interest in IPPs, and are offering innovative financial support.

Several large, financially strong Indian industrial houses in non-power businesses have now become active in promoting power generation projects. An example is Rajasthan Spinning and Weaving Mills Ltd (RSWM), part of the Bhilwara Group, which is planning to undertake hydro power projects in nearby Himachal Pradesh, in cooperation with Hydro-Québec, and sell its electricity to the Northern Grid.

A second example is the petroleum refining industry, which has been explicitly encouraged by the Central Government to enter into private power generation projects. Such companies can be approached as JV partners, or as potential purchasers of Canadian supply.

IPPs are also perhaps the best bet for Canadian companies interested only in supplying equipment and services. This is because the private promoters are sure to insist on the best and most up-to-date technology available, with guaranteed on-time delivery - and this in turn will frequently mean importing it.

A complete listing of IPP prospects in India prepared for this report, with their status as of November, 1995, is provided in Annex V, and is also available on DFAIT's electronic bulletin board.

In addition to new, greenfield stations, there is growing private activity in ***power plant refurbishment.*** The NTPC and several SEBs are inviting private parties to take over, renovate and operate their older stations and sell the power back to them. New Central guidelines envision three options:

- LROT (lease, rehabilitate, operate and transfer);
- outright purchase of the plant; and
- joint public-private ventures.

Public sector (Central or State) projects supported by the World Bank and other international official lending agencies (including Japan's untied foreign assistance program). Because these agencies generally require international bidding, Canadian companies should have a fair opportunity to compete for the equipment and services.

Public-sector go-it-alone projects. Whatever happens on the private project front, a significant portion of power generation and transmission projects over the next decade will be undertaken, as in the past, by local authorities — the SEBs and the NTPC/ NHPC — on the basis of local funding and supply. Direct sales opportunities for foreign equipment and services will be limited, in light of the local industry's abilities and the high prevailing customs tariffs. But there will be increasing chances for Canadian firms to enter joint-venture and licensing partnerships, as Indian manufacturers seek to upgrade technology. Canadians may also be able to demonstrate to the local SEBs that high-technology components like SCADA systems, which are for the most part imported, can enhance the performance and profitability of their plants. The ability to offer EDC-type export financing will be crucial in such sales.