

## SBF Project Implementation Monitoring Report

### India: Andhra Pradesh 24x7 Power for All Project

#### 1. Project Information

Project ID:	000009	Investment Number:	L0009A
Member:	India	Region:	Southern asia
Sector:	Energy	Sub-sector:	Electricity transmission and distribution
AIB Financing Type:	Loan: 150.64 USD million	Co-financier(s):	WB-led
E&S category:	B	Borrower:	Republic of India
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	AP TRANSCO, AP EPDCL and AP SPDCL		
Project Team Leader:	Hari Bhaskar		
Project Team Members:	Somnath Basu - Principal Social Development Specialist Yangzom - Procurement Specialist Zhaojing Mu - Environmental Specialist		
Completed Site Visits by AIB:	Dec, 2020 Virtual mission led by world Bank.		
Planned Site Visits by AIB:	Jun, 2021 next virtual mission		

#### 2. Project Summary and Objectives

To increase the delivery of electricity to customers and to improve the operational efficiency and system reliability in distribution of electricity in selected areas in Andhra Pradesh. This project is a part of 24x7 Power for all program being implemented across the country.

The project is co-financed with IBRD with AIB and IBRD financing the project at a ratio of 40:60 (AIB's loan size is USD 160 million and IBRD's loan size is USD 240 million).

#### 3. Key Dates

Approval:	May. 2, 2017	Signing:	Jun. 22, 2017
Effective:	Dec. 5, 2017	Restructured (if any):	
Orig. Closing:	Jun. 30, 2022	Rev. Closing (if any):	

#### 4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	160	b) Cancellation (if any):	9.36
c) Disbursed:	67.5	d) Most recent disbursement: (amount / date)	1.36, Apr. 14, 2021
e) Undisbursed:	83.14	f) Disbursement Ratio(%) <sup>1</sup> :	44.8

<sup>1</sup> Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e.,  $f = c / (a - b)$

#### 5. Project Implementation Update

The pace of implementation, especially that of procurement has picked up in the recent months. Procurement process initiated for all the remaining packages and the contract award for all these packages are expected to be completed by June 2021.

The borrower requested AIB to cancel USD 9.36 million from the total loan amount of USD 160 million due to exchange rate gains realized by them. The loan cancellation has been effected in AIB. A proportionate loan cancellation has been requested from the World Bank too.

Main concern at this stage following recent review by the World Bank is the slow rate of flow of funds from the Government of Andhra Pradesh to the implementing agencies. About 55% of the funds released by WB and AIB have not yet been disbursed by the Government of Andhra Pradesh to the implementing agencies. This issue has been highlighted in the management letter from WB to the borrower. AIB will take this up strongly with the borrower during the upcoming review meetings (TPRM) in early May 2021.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Power transmission system strengthening	Around 65% progress with construction at various sites ongoing. Though the pace picked up after the first wave of pandemic, the progress is affected again by the second wave.	World Bank monitoring the implementation of E&S covenants and no non-compliance issues raised so far.	Ongoing. One out of seven contracts yet to be awarded, tendering in progress.
Component 2: Smart grid intervention in urban areas	50% progress with construction at various sites ongoing. Though the pace picked up after the first wave of pandemic, the progress is affected again by the second wave.	World Bank monitoring the implementation of E&S covenants and no non-compliance issues raised so far.	Ongoing. Remaining contract awards expected to be completed by June 2021
Component 3: Distribution investments - Rural	50% progress with construction at various sites ongoing. Though the pace picked up after the first wave of pandemic, the progress is affected again by the second wave.	World Bank monitoring the implementation of E&S covenants and no non-compliance issues raised so far.	Ongoing. Remaining contract awards expected to be completed by June 2021
Component 4: Technical Assistance (USD2.8 million)	50%	Not applicable	Balance procurement to be initiated, as required.

#### Financial Management:

External audit reports for FY 20 are due on June 30, 2021.

As indicated earlier, lack of funds flow from the Government of Andhra Pradesh to the implementing agencies is of concern. This has been highlighted to the borrower and will be taken up again in the TPRM review meetings to be held together with the borrower and implementing agencies in early May 2021.

#### 6. Status of the Grievance Redress Mechanism (GRM)

GRM is in place at all the implementing agencies. There are no open grievances with the distribution companies. 29 out of the 52 grievances received by the transmission company (APTRANSCO) are resolved. Most of these cases relate to compensation of land acquired.

#### 7. Results Monitoring

Details as shown in the table below.

Baseline Year: Jun. 1, 2017 End Target Year: Jun. 1, 2022

##### Project Objective Indicators #1

Increase in electricity supply (GWh)

Year	Target	Actual	Others, if any
Dec. 31, 2020	63447	62722	AS of March 2020. End 2020 numbers expected to be updated in Q2/Q3 2021 - delayed due to Covid 19 impact in India

##### Project Objective Indicators #2

Reduction in AT&C losses in select districts (%)

Year	Target	Actual	Others, if any
Dec. 31, 2020	17	17.43	As of Sep 2020. End 2020 numbers expected to be updated in Q2/Q3 2021 - delayed due to Covid 19 impact in India

##### Project Objective Indicators #3

Reduction in distribution transformer failure in select project areas (%)

Year	Target	Actual	Others, if any
Dec. 31, 2020	10	9.02	As of Oct 2020. End 2020 numbers expected to be updated in Q2/Q3 2021 - delayed due to Covid 19 impact in India

## Intermediate Result Indicators #1

Transmission lines constructed under the project (Km)

Year	Target	Actual	Others, if any
Dec. 31, 2020	220	63.3	As of Dec 2020. Delays in construction throughout 2020 due to Covid 19. Picked up pace in Q4 2020 after the first wave but expected to slow down again due to the second wave of the pandemic.

## Intermediate Result Indicators #2

Distribution lines constructed under the project (Km)

Year	Target	Actual	Others, if any
Dec. 31, 2020	323	496	End 2020 numbers expected to be updated in Q2/Q3 2021 - delayed due to Covid 19 impact in India

## Intermediate Result Indicators #3

No. of transmission substations constructed

Year	Target	Actual	Others, if any
Dec. 31, 2020	5	4	

## Intermediate Result Indicators #4

No. of distribution substations constructed

Year	Target	Actual	Others, if any
Dec. 31, 2020	65	39	End 2020 numbers expected to be updated in Q2/Q3 2021 - delayed due to Covid 19 impact in India

## Intermediate Result Indicators #5

Percentage of females among the population participating in consultation meetings

Year	Target	Actual	Others, if any
Dec. 31, 2020	20	32.5	

## Intermediate Result Indicators #6

Person-days of utility staff participating in trainings

Year	Target	Actual	Others, if any
Dec. 31, 2020	300	462	

## Intermediate Result Indicators #7

Percentage of grievances addressed

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Year	Target	Actual	Others, if any
Dec. 31, 2020	70	84	

**Remarks:** There is a delay in measuring some of the end 2020 results due to the second wave of the pandemic in India.