

India: Andhra Pradesh 24x7 – Power For All

1. Project Information

Project ID:	P000009	Instrument ID:	L0009A
Member:	India	Region:	Southern Asia
Sector:	Energy	Sub-sector:	Electricity transmission and distribution
Instrument type:	<input checked="" type="checkbox"/> Loan:150.64 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance, India
Implementing Entity:			
Project Team Leader:	Hari Bhaskar		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Liu Yang, Project Counsel; Shonell Robinson, OSD - Financial Management Specialist; Sheikh Naveed Ahmed, OSD - Social Development Specialist; Calvin Quek, OSD - Environment Specialist; Yangzom Yangzom, OSD - Procurement Specialist		
Completed Site Visits by AIIB:	Dec, 2020 Virtual mission led by world Bank. May, 2022 Virtual mission together with the World Bank		
Planned Site Visits by AIIB:			
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2021/09		

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 a ratio of 2:3 (AIIB:IBRD)

3. Key Dates

Approval:	May. 02, 2017	Signing:	Jun. 22, 2017
Effective:	Dec. 05, 2017	Restructured (if any):	
Orig. Closing:	Jun. 30, 2022	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	9.36
Disbursed:	83.22	Most recent disbursement (amount/date):	3.00/Apr. 13, 2022
Undisbursed:	67.42	Disbursement Ratio (%) ¹ :	55.24

5. Project Implementation Update

The project's original loan closing date is June 30, 2022. The Government of Andhra Pradesh is still planning to request the borrower (Government of India) for an extension of this date to facilitate full utilization of the loan amount though the borrower seems not keen to extend the loan closing date. Also, the loan closing date has passed by and it may not be technically possible for the World Bank and AIIB to extend the date at this stage. The Government of Andhra Pradesh would like the banks to finance the contracts already awarded (whose implementation may stretch for another 12-18 months) and not to consider financing any contracts that are yet to be awarded.

The project has disbursed approximately 55% of the loan amount from both the World Bank and AIIB. The reasons for delays, including Covid-19 related impacts, have been recorded earlier. Both the banks are in touch with the Government of Andhra Pradesh to see how much more withdrawal applications are expected between now and October 31, 2022 (for expenses incurred until June 30, 2022) that can still be disbursed by us. At this stage, we expect to disburse another 5% of the loan amount by October 2022.

Our Project Completion Note will follow that of the lead co-financier, World Bank and is expected by end of the year.

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, tender evaluation ongoing.
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 in Q4 2021
Component 3: Distribution investments - Rural	50% progress with construction at various sites ongoing. Though the pace picked up after	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 in Q4 2021

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

		the first wave of pandemic, the progress is affected again by the second wave.		
Component 4: Technical Assistance (USD2.8 million)	50%		Not applicable	Balance procurement to be initiated, as required.

Financial Management:

Audited financial statements for FY21 (year ending March 2021) has been received by the bank on July 11, 2021. The reports are being reviewed by the project team.

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. About 10 grievances still open at the transmission company (APTRANSCO) are being resolved. Most of these cases relate to compensation for the land acquired.

7. Results Monitoring

The results shown are as of Q1 2022. The final results will be measured by WB and us as a part of our project completion note preparation and will be updated.

Project Objective Indicators #1

Increase in electricity supply (GWh)

Year	Target	Actual	Comments, if any
Jun. 30, 2022	63447	62722	To be re-confirmed during the preparation of project completion note.

Project Objective Indicators #2

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

Year	Target	Actual	Comments, if any
Jun. 30, 2022	17	17.43	To be re-confirmed during the preparation of project completion note.

Project Objective Indicators #3

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

Year	Target	Actual	Comments, if any
Jun. 30, 2022	10	9.02	To be re-confirmed during the preparation of project completion note.

Intermediate Result Indicators #1

Transmission lines constructed under the project (Km)

Year	Target	Actual	Comments, if any
Jun. 30, 2022	220	63.3	To be re-confirmed during the preparation of project completion note.

Intermediate Result Indicators #2

Distribution lines constructed under the project (Km)

Year	Target	Actual	Comments, if any
Jun. 30, 2022	323	496	To be re-confirmed during the preparation of project completion note.

Intermediate Result Indicators #3

No. of transmission substations constructed

Year	Target	Actual	Comments, if any
Jun. 30, 2022	5	4	To be re-confirmed during the preparation of project completion note.

Intermediate Result Indicators #4

No. of distribution substations constructed

Year	Target	Actual	Comments, if any
Jun. 30, 2022	65	39	To be re-confirmed during the preparation of project completion note.

Intermediate Result Indicators #5

Percentage of females among the population participating in consultation meetings

Year	Target	Actual	Comments, if any
Jun. 30, 2022	20	32.5	To be re-confirmed during the preparation of project completion note.

Intermediate Result Indicators #6

Person-days of utility staff participating in trainings

Year	Target	Actual	Comments, if any
Jun. 30, 2022	300	462	To be re-confirmed during the preparation of project completion note.

Intermediate Result Indicators #7

Percentage of grievances addressed

Year	Target	Actual	Comments, if any
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Jun. 30, 2022	70	84	To be re-confirmed during the preparation of project completion note.
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Remarks:

The final numbers pertaining to the results indicators will be re-confirmed as a part of project completion note preparation.
