

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
AiIB Financing Type:	Loan: 150.64 USD million	Co-financier(s):	WB-led
E&S category:	B	Borrower:	Republic of India
Red Flags Assigned:	1 (Q1:1)	Monitoring Regime:	Regular Monitoring
Implementing Agency:	AP TRANSCO, AP EPDCL and AP SPDCL		
Project Team Leader:	Hari Bhaskar		
Project Team Members:	Sheikh Naveed Ahmed - Social Development Specialist Yangzom - Procurement Specialist Calvin Quek - Senior Environmental Specialist		
Completed Site Visits by AIIB:	Dec, 2020 Virtual mission led by world Bank.		
Planned Site Visits by AIIB:	Dec, 2021 Next virtual mission planned in Dec 2021. Project review was conducted with the implementing agencies together with the borrower in May 2021 as a part of TPRM.		

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. 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:	80.67	d) Most recent disbursement: (amount / date)	1.36, Apr. 14, 2021
e) Undisbursed:	69.97	f) Disbursement Ratio(%) ¹ :	53.6

¹ 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

Though the pace of implementation and procurement has picked up since the last review with the borrower and the implementing agencies in May 2021, contract award for all the remaining packages have not been completed. Both WB and AIIB are following up the progress.

The disbursements have picked up in the last two quarters - we have disbursed USD 14.5 million from April 2021 until now. Again, close follow up is being done (mainly by WB's local office in India) to ensure withdrawals are expedited.

Funds flow from the Government of Andhra Pradesh to the implementing agencies is still an issue. Though the Government of Andhra Pradesh has started disbursing funds to the implementing agencies recently, almost 50% of the funds disbursed by WB and AIIB were not disbursed to the implementing agencies by the Government of Andhra Pradesh as of end June 2021. This issue has been discussed extensively in the TPRM meetings with the borrower and the implementing agencies and separate management letters have been sent by both the banks to the borrower. The borrower is taking up this matter strongly with the Government of Andhra Pradesh and we hope to see some progress in this quarter (Q4 2021). Such delays in funds flow are affecting the payment to contractors and

consequently, the timelines of the project.

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 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 4: Technical Assistance (USD2.8 million)	50%	Not applicable	Balance procurement to be initiated, as required.

Financial Management:

Audited financial statements for FY20 (year ending March 2020) have been submitted. Both WB and AIIB have extended the submission deadline for FY21 audit reports to Dec 31, 2021.

As indicated earlier, lack of funds flow from the Government of Andhra Pradesh to the implementing agencies is of concern.

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 15 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

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 not updated yet - 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 not updated yet - 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 not updated yet - 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 since the onset of the pandemic though the activities have picked up in Q3 2021.

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 not updated yet - 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 not updated yet - 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

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 that hit India in Q2 2021. The activities have gathered pace since late Q3 2021.