

SBF Project Implementation Monitoring Report

India: Andhra Pradesh Rural Roads Connectivity Project

1. Project Information

Project ID:	000063	Investment Number:	L0063A
Member:	India	Region:	Southern asia
Sector:	Transport	Sub-sector:	Roads (non-urban)
AIB Financing Type:	Loan: 455 USD million	Co-financier(s):	Stand-alone
E&S category:	B	Borrower:	Republic of India
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Government of Andhra Pradesh Panchayat Raj Engineering Department		
Project Team Leader:	Wenyu Gu		
Project Team Members:	Gerardo Pio Parco, Senior Environmental Specialist Georgi Georgiev Dzhartov, Social Development Specialist Jurminla Jurminla, Procurement Specialist Yogesh Malla, Financial Management Specialist Haiyan Wang, Senior Finance Officer Liu Yang, Counsel - Investment Operations Chang Tian, Project Assistant		
Completed Site Visits by AIB:	Jun, 2019 June 23-26, 2019 Nov, 2019 November 11-16, 2019		
Planned Site Visits by AIB:	Nov, 2020 In November/December, if international traveling is allowed.		

2. Project Summary and Objectives

To improve road transport connectivity in previously unserved communities by providing all-weather rural roads in all 13 districts of the state of Andhra Pradesh.

3. Key Dates

Approval:	Sep. 28, 2018	Signing:	Feb. 25, 2019
Effective:	Apr. 22, 2019	Restructured (if any):	
Orig. Closing:	Apr. 30, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

a) Committed:	455	b) Cancellation (if any):	
c) Disbursed:	31.14	d) Most recent disbursement: (amount / date)	31.14, Sep. 4, 2019
e) Undisbursed:	425	f) Disbursement Ratio(%) ¹ :	6.8

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

All site works have been resumed in this quarter despite of the COVID pandemic. However, the progress remains slow and the Project is being delayed. The team is working with PMU closely via weekly or bi-weekly VC to expedite the progress and set up an action plan to rectify the situation.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1a:	44 contracts are under	Retroactive E&S Screening and site-specific ESMPs have	Contracts for 44 packages awarded, however,

Construction of new connectivity (USD385 million)	implementation. Around 40% of physical progress has been made so far.	been prepared for 18 packages. They will be made available locally to support stakeholder engagement. Grievances have been filled and the overall GRM will be further strengthened.	physical progress remains slow. There is also a payment delay issue. Revision of PDS along with PP is underway for the remaining packages.
Component 1b: Upgradation of existing roads (USD35 million)	0%	-	-
Component 2 Technical Assistance (USD 7.36 million)	5%	-	-
Contingencies (USD26.5 million)	0%	-	-

Financial Management:

After long delays of over one year, a Financial Management (FM) Expert has been hired. This delay is mainly due to long internal procedures taken to seek approval from the Department.

Recently, draft IUFRRs have been submitted for Bank's review. The Bank Loan financing is exclusive of taxes, therefore the project needs to allocate adequate counterpart to finance taxes from their own sources.

The advance of \$30 million was disbursed and has been passed on to the State Treasury account. The project related payments are channeled through State Treasury system. The project has made some payments but there are outstanding dues to be cleared. This has resulted in long delays in settlement of dues of service providers. The main reasons for long delays in payments are due to inadequate matching counterpart funds and delay in release of funds to the project.

6. Status of the Grievance Redress Mechanism (GRM)

It has been reported that three grievances have been filed, yet the Bank has not received the detailed log. Measures to strengthen the existing system are explored as part of the E&S monitoring consultancy.

7. Results Monitoring

N/A

Baseline Year: Jan. 1, 2018 End Target Year: Jan. 1, 2023

Project Objective Indicators	Year	Target	Actual	Others, if any
Indicator #1 Length of roads constructed / upgraded (Km)	Jan. 1, 2018	-	0	
Indicator #1 Length of roads constructed / upgraded (Km)	Jan. 1, 2019	1	0.75	
Indicator #1 Length of roads constructed / upgraded (Km)	Jan. 1, 2020	1171	51.92	
Indicator #1 Length of roads constructed / upgraded (Km)	Jan. 1, 2021	3771	N/A	
Indicator #2: Habitations with new /upgraded connectivity (number)	Jan. 1, 2018	-	0	
Indicator #2: Habitations with new /upgraded connectivity (number)	Jan. 1, 2019	1	1	

Indicator #2: Habitations with new /upgraded connectivity (number)	Jan. 1, 2020	800	35	
Indicator #2: Habitations with new /upgraded connectivity (number)	Jan. 1, 2021	2500	N/A	
Indicator #2: Habitations with new /upgraded connectivity (number)	Jan. 1, 2022	3300	N/A	
Indicator #1 Length of roads constructed / upgraded (Km)	Jan. 1, 2022	6272	N/A	
Indicator #3: No. of people with direct access to all-weather rural roads (People'000)	Jan. 1, 2018	-	0	
Indicator #3: No. of people with direct access to all-weather rural roads (People'000)	Jan. 1, 2019	1	0.77	
Indicator #3: No. of people with direct access to all-weather rural roads (People'000)	Jan. 1, 2020	500	17.50	
Indicator #3: No. of people with direct access to all-weather rural roads (People'000)	Jan. 1, 2021	1500	N/A	
Indicator #3: No. of people with direct access to all-weather rural roads (People'000)	Jan. 1, 2022	2000	N/A	

Intermediate Result Indicators	Year	Target	Actual	Others, if any
Indicator #1: Length of BT roads constructed (Km)	Jan. 1, 2018	-	0	
Indicator #1: Length of BT roads constructed (Km)	Jan. 1, 2019	0	0	
Indicator #1: Length of BT roads constructed (Km)	Jan. 1, 2020	1000	37.32	
Indicator #1: Length of BT roads constructed (Km)	Jan. 1, 2021	1800	N/A	
Indicator #1: Length of BT roads constructed (Km)	Jan. 1, 2022	2350	N/A	
Indicator #2: Length of CC roads constructed (Km)	Jan. 1, 2018	-	0	
Indicator #2: Length of CC roads constructed (Km)	Jan. 1, 2019	1	0.75	
Indicator #2: Length of CC roads constructed (Km)	Jan. 1, 2020	800	14.60	
Indicator #2: Length of CC roads constructed (Km)	Jan. 1, 2021	1800	N/A	
Indicator #2: Length of CC roads constructed (Km)	Jan. 1, 2022	2450	N/A	
Indicator #3: Length of roads upgraded to BT roads (Km)	Jan. 1, 2018	-	0	
Indicator #3: Length of roads upgraded to	Jan. 1, 2019	0	0	

BT roads (Km)				
Indicator #3: Length of roads upgraded to BT roads (Km)	Jan. 1, 2020	500	0	
Indicator #3: Length of roads upgraded to BT roads (Km)	Jan. 1, 2021	1000	N/A	
Indicator #3: Length of roads upgraded to BT roads (Km)	Jan. 1, 2022	1500	N/A	
Indicator #4 No. of bridges to be constructed (Km)	Jan. 1, 2018	-	0	
Indicator #4 No. of bridges to be constructed (Km)	Jan. 1, 2019	0	0	
Indicator #4 No. of bridges to be constructed (Km)	Jan. 1, 2020	0	N/A	
Indicator #4 No. of bridges to be constructed (Km)	Jan. 1, 2021	6	N/A	
Indicator #4 No. of bridges to be constructed (Km)	Jan. 1, 2022	18	N/A	

Remarks: The actual achievements are far behind the targets because of the delays that no site work can be done under the COVID-19 pandemic.