

India : Assam Distribution System Enhancement

1. Project Information

Project ID:	P000315	Instrument ID:	L0315A
Member:	India	Region:	Southern Asia
Sector:	Energy	Sub-sector:	Electricity transmission and distribution
Instrument type:	<input checked="" type="checkbox"/> Loan:386.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	
ES category:	B	Borrowing Entity:	Ministry of Finance, India
Implementing Entity:	Government of India		
Project Team Leader:	Hari Bhaskar		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Véronique Allarousse, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Pedro Ferraz, OSD - Environment Specialist; Christopher Damandl, Project Counsel; Jurminla Jurminla, OSD - Procurement Specialist; Pratyush Mishra, Back-up PTL; Zixuan Xing, Project admin		
Completed Site Visits by AIIB:	Nov, 2022 E&S Site visits for E&S document preparation consultation and training Jan, 2023 PTL visit to Assam including sites around Guwahati		
Planned Site Visits by AIIB:	Jul, 2023 During next implementation monitoring mission by AIIB		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:			
Previous Red Flags Assigned Date:			

2. Project Summary and Objectives

The Project aims to improve the reliability, capacity and security of the electricity distribution system in Assam by de-congesting the distribution network and by reducing the losses in the distribution system.

This will be achieved by building new substations near the load centers, construction of a high voltage distribution system and by installation of smart meters, among other interventions. Under this project, around 196 nos. 33/11kV substations will be built, around 8,000 km of 33 and 11kV distribution lines will be installed, and around 185,000 pre paid smart meters will be installed.

3. Key Dates

Approval:	Feb. 24, 2022	Signing:	Apr. 25, 2022
Effective:	Jun. 29, 2022	Restructured (if any):	
Orig. Closing:	Dec. 31, 2027	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	6.13	Most recent disbursement (amount/date):	5,169,142.00/Sep. 13, 2022
Undisbursed:	379.87	Disbursement Ratio (%) ¹ :	1.59

5. Project Implementation Update

The project implementation is progressing well. The key updates are as below:

1. The Project team from the implementation agency is in place in full strength. A PMU headed by a Project Director is operating from APDCL's HQ and there are multiple PIUs spread across Assam to implement the project.
2. The Project Management Consultancy (PMC) has been on board for more than a year and has staff both in APDCL's HQ and across the sites to monitor implementation. PMC has already submitted a couple of quarterly progress reports and is about to submit the first bi-annual E&S report to AIIB.
3. Contracts worth about 60% of the project cost have already been awarded and the civil works have just started in many of these locations.
4. E&S documents for the awarded contracts were submitted by APDCL and cleared by AIIB before the start of construction works. Next batch of E&S documents is expected soon from APDCL for those locations where the construction is expected to start in Feb 2023. An E&S training was organized by AIIB for APDCL and the contractors to familiarise them with the E&S requirements of the project.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1 - Substations and distribution lines	10%	E&S documents for some locations have been cleared by AIIB before the start of construction works in those locations. APDCL will not start construction works at any location without getting the E&S documents cleared by AIIB.	Progressing well. Contracts worth almost 60% of the project cost (and 80% of component 1) already awarded.

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.

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Financial Management:

The first internal audit is likely to be completed by end Q1 2023 and the reports are expected after the audit completion.

The first external audit report for the period ending March 2023 will be due on December 31, 2023

The first audit on the project financial statements for the period ending March 2023 will be due on December 31, 2023.

6. Status of the Grievance Redress Mechanism (GRM)

GRM is operational at all site locations. No complaints have been received yet in the GRM system. AIIB, during its missions, has re-emphasised the importance of having an efficient and functional GRM.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

Achievement of most of the results (except one intermediate indicator related to smart meter installation) will start in 2024, as shown in the table below. AIIB has asked both the PMC and APDCL to keep a close eye on measuring and updating the results framework at regular intervals.

Remarks:

Project Indicators	Objective	Indicator level	Unit of Measure	Cumulative Target Values														Frequency	Responsibility	Comments	
				Baseline		2019		2020		2021		2022		2023		End Target					
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Primary energy consumption saved		Portfolio	GWh	2021	0					0		0		0			441		Annual	APDCL	
Greenhouse gas emission reduction		Portfolio	Ton of CO2 equivalent	2021	0					0		0		0			344000		Annual	APDCL	
Electricity distribution loss reduction		Project	Percentage	2021	20.13					20.13		20.13		20.13			15.35		Annual	APDCL	
Total T&D capacity added		Project	MVA	2021	0					0		0		0			1765		Annual	APDCL	
Improvement in LI:HT ratio of the distribution network		Project	ratio	2021	2.94:1					2.94:1		2.94:1		2.94:1			2.78:1		Annual	APDCL	

Project Indicators	Intermediate	Indicator level	Unit of Measure	Cumulative Target Values											Frequency	Responsibility	Comments	
				Baseline		2021		2022		2023		End Target						
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual				
Number of substations constructed		Project	Number	2021	0	0		0		0				196		Annual	APDCL	
Installation of MV distribution lines		Project	km	2021	0	0		0		0				8000		Annual	APDCL	
Smart meters installed at consumer premises		Project	Numbers	2021	0	0		0		15000				185000		Annual	APDCL	