

India : Assam Intra State Transmission System Enhancement

1. Project Information

Project ID:	P000302	Instrument ID:	L0302A
Member:	India	Region:	Southern Asia
Sector:	Energy	Sub-sector:	Electricity transmission and distribution
Instrument type:	<input checked="" type="checkbox"/> Loan:304.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	
ES category:	B	Borrowing Entity:	Ministry of Finance, India
Implementing Entity:	Assam Electricity Grid Corporation Limited		
Project Team Leader:	Pratyush Mishra		
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; Ting Wang, Project Counsel; Jurminla Jurminla, OSD - Procurement Specialist		
Completed Site Visits by AIIB:	Feb, 2021 The last project preparation mission by AIIB was in February 2020, just before the pandemic hit India. Feb, 2022 Site visit by AIIB's E&S consultant Mar, 2022 Site visit by AIIB's Technical Consultant Apr, 2022 Hybrid (Physical + Virtual) implementation support mission to review implementation progress		
Planned Site Visits by AIIB:	Site visits by AIIB will be subject to project management requirements.		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/03		

2. Project Summary and Objectives

The project objective is to improve the reliability, capacity and security of the power transmission network in the state of Assam.

The project aims to strengthen Assam's electricity transmission system by (a) constructing 10 transmission substations and laying transmission lines with the associated infrastructure; (b) upgrading 15 existing substations, transmission lines and existing ground wire to optical power ground wire; and (c) providing technical assistance to

support project implementation.

The project is expected to benefit about 3.1 million electricity consumers by reducing load shedding and enable many households and businesses to improve their economic, commercial, educational and entertainment opportunities.

3. Key Dates

Approval:	Jan. 28, 2021	Signing:	Feb. 23, 2021
Effective:	May. 19, 2021	Restructured (if any):	
Orig. Closing:	Apr. 30, 2026	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	29.79	Latest disbursement (amount/date):	5.00/Aug. 08, 2023
Undisbursed:	274.21	Disbursement Ratio (%) ¹ :	9.80

5. Project Implementation Update

There are 17 procurement packages (works – 13; services – 1; and non-consulting services – 3) with the total estimate of INR 21730 million (US\$ 304 million approximately), out of which contracts for 10 packages (works – 9; services – 1) amounting to INR 13560 million (USD189.73 million approximately) were successfully concluded, and contractors are on board. This indicates 59% (approximately) of procurement has been completed which constitutes 62% of the loan amount. The procurement process of remaining packages are in at various stages and it is expected to be completed by H1 2024.

Preparation and approval of site-specific Environmental and Social Management Plans (ESMPs) are ongoing, though adverse weather conditions have delayed activities. Weakness of field reporting of their implementation has been noted. Capacity-building activities have been developed and implemented since July 2022. In November 2022, the Bank provided specific OHS training for the Client's staff and site visits by an external consultant (Sunil Choukier) to provide technical guidance for the ESMP implementation. A gap analysis report was prepared and informed to the Client providing the actions to correct the gaps.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Constructing 10 transmission substations and laying transmission lines with the	Site preparation work has been completed at 8 sub-stations. Civil works at all locations have commenced and are proceeding marginally	All 10 ESIA's have been prepared, submitted and approved.	Contracts for 8 sub-stations have been signed. Tenders for 2 400kV sub-station have been floated and the contract is expected to be awarded by H1 2024.

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.

associated infrastructure	schedule		
Component 2: Upgrading existing substations, transmission lines and existing ground wire to optical power ground wire	15 86% of optical power ground wire stringing has been completed. Work at 14 substations has been completed and work is in progress at all balance locations, supply of only 1 transformer is pending. 100% work has been completed for the augmentation of transmission lines.	E&S audit checklist has been submitted	Contracts are signed and effective.
Component 3: Providing technical assistance to support project implementation	N/A	N/A	Project Management Consultant is on board. Enterprise Resource Planning Software tender has been awarded and implementation is in progress. There are delays in implementation of this package due to cascading delays in procuring a Data Centre.

Financial Management:

Advance amounting INR10 crores (about USD1.2 million) has been claimed twice with the Bank. The client has agreed to adjust it in the next claim by reducing the claim value by USD1.2 million. The client shall prepare a draft SOE statement and share with the Bank before final submission. Generally, release/payment of retention money to the contractors are eligible for Bank financing. However, the retention money deducted from the invoices was claimed with the Bank. The client has been requested to prepare the total retention money claimed with the Bank under contracts, provide data & evidence of actual release of retention money and the balance retention money claimed with the Bank but not yet released/paid to the contractors. This balance retention money not yet released to the contractors needs to be adjusted against the next claim or refunded to Bank. The client has submitted IUFRs for FY21-22 and for the period up to Q3 of FY22-23. Based on the above adjustments, the client needs to revise IUFRs and submit to Bank. IUFRs and Audited Project Financial Statements are being submitted with delays. The Project Team is working closely with AEGCL to ensure that this process is streamlined.

6. Status of the Grievance Redress Mechanism (GRM)

The GRM has been established, and required training for field staff will be conducted.

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

Remarks:

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values															Frequency	Responsibility	Comments		
			Baseline		2020		2021		2022		2023		2024		2025		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year				Target	Actual
Greenhouse gas emissions reduced	Portfolio	Ton of CO2 equivalent	2020	-	-	-	-	-	-	-	80	-	240	-	450	-	2025	450	-	Annual	AEGCL	
Primary energy consumption saved	Project	GWh	2020	-	-	-	-	-	-	0.1	-	0.3	-	0.56	-	2025	0.56	-	Annual	AEGCL		
Additional capacity added to the transmission system	Project	MVA	2020	-	-	-	-	-	-	1,118	-	3,118	-	5,470	-	2025	5,470	-	Annual	AEGCL		

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values															Frequency	Responsibility	Comments		
			Baseline		2020		2021		2022		2023		2024		2025		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year				Target	Actual
Length of transmission lines constructed (400 kV, 220 kV and 132 kV lines)	Project	Km	2020	-	-	-	-	-	-	187	-	261	-	333	-	2025	333	-	Annual	AEGCL		
Length of transmission lines upgraded to high tension, low sag	Project	Km	2020	-	-	-	-	-	-	62	-	138	-	186	-	2025	186	-	Annual	AEGCL		
New substations constructed	Project	No.	2020	-	-	-	-	-	-	5	-	7	-	10	-	2025	10	-	Annual	AEGCL		
Substations upgraded	Project	No.	2020	-	-	-	-	-	-	5	-	10	-	15	-	2025	15	-	Annual	AEGCL		
Length of optical power ground wire line constructed	Project	Km	2020	-	-	-	-	-	-	77	-	477	-	636	-	2025	636	-	Annual	AEGCL		