



### Project Summary Information

January 25, 2022

<b>Project Name</b>	West Bengal Electricity Distribution Grid Modernization Project
<b>Project Number</b>	P000454
<b>AIIB member</b>	Republic of India
<b>Sector/Subsector</b>	Energy / Power Transmission and Distribution
<b>Status of Financing</b>	Approved
<b>Project Description</b>	<p>The project aims to modernize West Bengal's electricity distribution system by providing financial and technical support for investments in:</p> <ul style="list-style-type: none"> <li>(i) High voltage distribution system, aerial bunched cabling, 33/11 kilovolt gas insulated substations and underground cables;</li> <li>(ii) Smart consumer meters, deployment of distribution automation technologies and improving the existing commercial and enterprise information technology solutions</li> <li>(iii) Technical assistance for institutional development and capacity building.</li> </ul>
<b>Objective</b>	The project objective is to improve the operational efficiency and reliability of electricity supply in selected areas of West Bengal.
<b>Expected Results</b>	<p>The project is expected to improve the distribution network and reduce losses. The key results will be measured and monitored using the following indicators:</p> <ul style="list-style-type: none"> <li>(i) Reduction in Aggregate Technical and Commercial (AT&amp;C) losses in select districts (percentage) – Five districts</li> <li>(ii) Reduction in System Average Interruption Duration Index (SAIDI) in select towns – Two towns</li> <li>(iii) Reduction in System Average Interruption Frequency Index (SAIFI) in select towns – Two towns</li> </ul>
<b>Environmental and Social Category</b>	The World Bank (WB) has categorized the ES risks of this project as "Moderate", which is equivalent to Category B if AIIB's ESP were applicable.
<b>Environmental and Social Information</b>	The project will be co-financed with the World Bank, as lead co-financier. To ensure a harmonized approach to addressing ES aspects of the project, as permitted by AIIB's Environmental and Social Policy (ESP), the World Bank's new Environment and Social Framework (ESF) and Grievance Redress Service, will apply to the project in lieu of AIIB's ESP. AIIB has reviewed the World Bank's ESF and is satisfied that (i) the World Bank's ESF is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP and the relevant ES Standards; and (ii) the

monitoring and reporting procedures that are in place are appropriate for the project. World Bank has rated both the environmental and social risk as “Moderate” which is equivalent to Category B as per AIIB’s ESP.

The project is being implemented in 14 districts of West Bengal. Accordingly, the World Bank has adopted a Framework approach and the West Bengal State Electricity Distribution Company Limited (WBSEDCL) has prepared a Environmental and Social Management Framework (ESMF) World Bank has triggered the ESSs in two categories: a) General Assessment and b) Specific Risks and Impacts. Under the General Assessment category, World Bank has triggered ESS 1 (Environmental and Social Assessment and Management) and ESS 10 (Stakeholder Engagement and Information Disclosure). Under Specific Risks and Impacts category, World Bank has triggered ESS 2 (Labour and Working Conditions), ESS 3 (Resource Efficiency and Pollution Prevention and Management), ESS 4 (Community Health and Safety), ESS 5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement), ESS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), ESS 7 (Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities), and ESS 8 (Cultural Heritage).

The potential ES impacts are mostly associated with construction and related activities such as site selection, construction, and operation of sub-stations as well as installation of underground cables and they are temporary in nature, localized and reversible in nature. Considering the nature of project activities and based on the Environmental and Social Impact Assessment (ESIA) studies<sup>1</sup> undertaken for the overall project, the potential ES impacts that arise out of construction-related activities, out of siting, construction, and operation of substations, as well as out of the installation of underground cables are not so widespread and are mostly restricted/confined to limited areas and in width of right-of-way. The social risk is assessed to be moderate as the project requires small quantities of land, and these are mostly being arranged through government lands with no or minimal informal settler issues, using the flexibility options in the site location.

A Stakeholder Engagement Plan (SEP) has been prepared for the project in accordance with World Bank’s policies considering the nature and scale of subprojects and potential risks and impacts. The project has a Grievance Redress Mechanism to address concerns of the affected people.

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<sup>1</sup> <https://projects.worldbank.org/en/projects-operations/document-detail/P170590?type=projects>

<b>Cost and Financing Plan</b>	Project Cost: USD385.7 million			
	<u>Financing Plan:</u>			
	AIIB: USD135.0 million			
	World Bank: USD135.0 million			
Government of West Bengal: USD115.7 million				
<b>Borrower</b>	Republic of India			
<b>Implementing Entity</b>	West Bengal State Electricity Distribution Company Limited			
<b>Estimated date of loan closing</b>	November, 2026			
<b>Contact Points:</b>	<b>AIIB</b>	<b>World Bank</b>	<b>Borrower</b>	<b>Implementing Entity</b>
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<b>Date of Concept Decision</b>	March, 2021			
<b>Date of Appraisal Decision</b>	December 2021			
<b>Date of Financing Approval</b>	January 24, 2022			
<b>Independent Accountability Mechanism</b>	<p>As noted above, the WB's ESF will apply to this project instead of AIIB's ESP. Pursuant to AIIB's agreement with WB, the WB's ESF will apply to this Project instead of AIIB's ESP. The WB's corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism, the Inspection Panel, which reviews the WB's compliance with its policies and procedures, will handle complaints relating to ES issues that may arise under the Project. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM. Information on WB's corporate GRS is available at <a href="http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service">http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service</a>. Information on WB's Inspection Panel is available at <a href="http://www.inspectionpanel.org">http://www.inspectionpanel.org</a>.</p>			

