

India : Second Dam Rehabilitation and Improvement Project

1. Project Information

Project ID:	P000449	Instrument ID:	L0449A
Member:	India	Region:	Southern Asia
Sector:	Water	Sub-sector:	Water resources management
Instrument type:	<input checked="" type="checkbox"/> Loan:250.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier(s):	World Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, India
Implementing Entity:	Not Applicable		
Project Team Leader:	David Ginting		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Thomas Dollmaier, Team Member; Asma Bachikh, Team Member; Christopher Damandl, Project Counsel; Guoping Yu, OSD - Procurement Specialist; Shodi Nazarov, OSD - Financial Management Specialist; Victoriano Macasaquit, OSD - Social Development Specialist; Rahul Srivastava, OSD - Environment Specialist; Asma Bachikh, Back-up PTL; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Jun, 2023 A joint implementation support mission with the World Bank.		
Planned Site Visits by AIIB:	Dec, 2023 A joint implementation support mission with the World Bank.		
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 increase the safety of selected dams in participating States and to strengthen dam safety management in India. The Project focuses on (i) upgrading and modernizing dam operation and maintenance, with accompanying institutional strengthening for safe and financially sustainable dam operations; and (ii) physical and technical dam rehabilitation and improvement. The Project will further strengthen India's climate resilience and water security by enhancing dams' safety and improving their operational performance in providing reliable water services, namely water supply, and irrigation. The Project will primarily benefit the communities living in dam-breach flooded areas and those depending on water, irrigation, and electricity services provided by the dams that could be compromised by poor dam performance or failure. The Project is built on the DRIP-1 project with an expanded geographical scope (covering ten states) and additional emphasis on asset management, adoption of innovative technology, disaster preparedness, and financial sustainability of dam safety management. The Project is

co-financed with the World Bank as the lead co-financier.

3. Key Dates

Approval:	Mar. 24, 2022	Signing:	May. 19, 2022
Effective:	Dec. 29, 2022	Restructured (if any):	
Orig. Closing:	Dec. 31, 2027	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:	79.00	Cancellation (if any):	0.00
Disbursed:	0.63	Most recent disbursement (amount/date):	0.63/Apr. 24, 2023
Undisbursed:	249.38	Disbursement Ratio (%) ¹ :	0.25

5. Project Implementation Update

The Project implementation has started with substantial progress made on procurement aspects. The procurement process of contracts worth about USD 345 million has been commenced (nearly 50% of the total Project cost), of which about USD 225 million has been completed, awarded into contracts, and under implementation. AIIB's first project implementation support mission (concluded in June 2023) observed the need for the Central Project Management Unit (CPMU) and State Project Management Units (SPMUs) to further build on their implementation capacity. The recruitment process of an Engineering and Management Consultant (EMC), to provide comprehensive project-level implementation support on technical and project management aspects, is in an advanced stage and expected to be completed by August 2023.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Rehabilitation and Management Planning for Dams and Associated Appurtenances	40% (for all awarded civil work contracts)	Complied	The procurement of contract packages worth about USD 345 million has been started, of which 51 contracts (worth about USD 225 million) have been awarded and are under implementation.
Component 2: Dam Safety Institutional	N/A	Complied	Twelve contracts have been awarded under the

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.

Strengthening			component. These are consultancy contracts aimed at undertaking comprehensive capacity building, institutional strengthening, and analytical works on various topics related to dam safety.
Component 3: Risk-informed Asset Management and Innovative Financing for Sustainable Operation and Maintenance of Dams	N/A	N/A	The envisaged activities under the component are yet to be started.
Component 4: Project Management	N/A	Complied	Nine contracts have been awarded to undertake quality assurance/quality control of the ongoing civil works under Component 1. The procurement process of an Engineering Management Consultant is at an advanced stage and is expected to be concluded by August 2023.
Component 5: Contingent Emergency Response	N/A	N/A	The component and related procurement activities will be triggered by natural disasters and comparable events declared by the Government of India and co-financiers.

Financial Management:

The Project implementation has been relying on funding from the WB loan, made effective one year earlier than AIIB's (effective on December 29, 2022). The WB loan has covered all Project expenses made until March 2023, and the expenses thereafter will be split between AIIB and WB loans. The first disbursement from the AIIB loan (for the payment of loan fees) was made on April 24, 2023. Therefore, the audit for the fiscal year ended March 31, 2023, is expected to be combined with the audit for the year ended March 31, 2024, and will be due December 31, 2024. If required, an audit waiver will be prepared and shared with the CPMU before December 31, 2023.

The CPMU currently has a limited financial management capacity, with a shortage of dedicated staff affecting the provision of guidance to SPMU and the implementation of FM-related actions. It has been agreed that FM experts will be hired on an individual basis for the coming

three months until the mobilization of an EMC (expected to be on board by August 2023).

6. Status of the Grievance Redress Mechanism (GRM)

Every SPMU has assigned Environmental and Social (ES) Safeguard focal persons to coordinate and monitor safeguard-related Project activities, including receiving and reporting grievances and, subsequently, reporting to the CPMU. Delays in preparing and submitting related reports have been observed in several SPMUs. An Engineering Management Consultant will be hired (expected to be on board by August 2023) with tasks that include providing capacity building to SPMUs towards complying with ES Safeguard requirements, including on GRM.

As of June 30, 2023, six complaints have been received by the Project. These complaints are procurement-related, with three complaints resolved, and the remaining three are being processed by the SPMUs and concerned authorities.

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

The Project is in its early implementation phase, with initial progress in achieving its Project Objective and Intermediate Result targets. Substantial progress has been made in reviewing and adjusting the dam flood hydrology studies. The monitoring and evaluation (M&E) function currently undertaken by CPMU and SPMU will be further strengthened by the recruitment of the EMC (expected to be mobilized by August 2023).

Remarks:

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																	Frequency	Responsibility	Comments
			Baseline		2022		2023		2024		2025		2026		2027		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual			
Project dams with a satisfactory post-intervention inspection by a third party Quality Assurance and Quality Control Team	Project	%	2022	10	10	0	20	0	30		50		70		90		2027	100		Biannual	CPMU	
Project dams with an Emergency Action Plan prepared in consultation with communities and disseminated	Project	%	2022	20	20	13	30	13	40		50		70		90		2027	100		Biannual	CPMU	
Project States with full score in Institutional Modernization Index	Project	%	2022	0	0	0	0	0	20		30		40		50		2027	60		Biannual	CPMU	

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																	Frequency	Responsibility	Comments
			Baseline		2022		2023		2024		2025		2026		2027		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual			
Project dams with revised dam flood hydrology assessed	Project	%	2022	80	80	93	90	93	100		100		100		100		2027	100		Biannual	CPMU	
Project dams with requisite instrumentation in place	Project	%	2022	20	20	0	30	0	40		50		70		90		2027	100		Biannual	SPMU	
Project dams with updated O&M manuals	Project	%	2022	13	13	13	30	13	40		50		70		90		2027	100		Biannual	SPMU	
Project dams with operational rule curves operationalized	Project	%	2022	0	0	0	10	0	20		30		40		50		2027	50		Annual	SPMU	

Improved ability (structural or non-structural) to safely cater for the design flood	Project	%	2022	0	0	0	20	0	30		50		70		90		2027	100		Annual	SPMU	
People trained on dam safety	Project	Number	2022	250	250	0	500	0	750		1,000		1,500		2,000		2027	2,500		Biannual	CPMU	
Center of Excellence functional	Project	Yes/No	2022	No	No	No	No	Yes	Yes		Yes		Yes		Yes		2027	Yes		Biannual	CPMU	
Project Dams with full data entry in DHARMA	Project	%	2022	5	5	5	70	5	80		90		100		100		2027	100		Biannual	CPMU	
National Dam Asset Management System established	Project	Yes/No	2022	No	No	No	No	No	Yes		Yes		Yes		Yes		2027	Yes		Biannual	CPMU	
Project Dams with Asset Management Plans prepared	Project	%	2022	0	0	0	15	0	25		30		40		50		2027	50		Biannual	CPMU	
Large dams in participating States that have been categorized using the Tier RACF	Project	%	2022	0	0	0	70	0	80		90		100		200		2027	100		Biannual	SPMU	
Project dams with annual maintenance budget developed based on asset management system and plan	Project	%	2022	0	0	0	5	0	10		20		30		40		2027	50		Biannual	CPMU	