

## Project Implementation Monitoring Report (#2)

Reporting Period From 2023/02 To 2024/02

## 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		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/01		

## 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)

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Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	45.41	Latest disbursement (amount/date):	12.42/Jan. 26, 2024
Undisbursed:	340.59	Disbursement Ratio (%) <sup>1</sup> :	11.76

#### 5. Project Implementation Update

The project implementation is progressing well and could be even better if the counterpart funds are disbursed in time.

1. One of the key risks impacting project timelines is the delay in procurement process. APDCL's project team had taken timely action and has completed awarding all contracts which is a significant achievement.
2. The construction works are ongoing. The physical progress is at around 28%.
3. E&S documents have been submitted by contractors
4. Progress reports are being submitted by APDCL to the bank

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1 - Substations and distribution lines	23%	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.	All contracts awarded
Component 2: HVDS	5%	In compliance	All contracts awarded
Component 3: Smart Meters	Design works ongoing	Works not started yet	contracts awarded

#### Financial Management:

External audit report for FY 2022-23 (period ending March 2023) has been submitted to AIIB.

Semi annual internal audit report for the period upto March 2023 was submitted. The next report until September 2023 is due and is being followed up by AIIB with APDCL.

#### 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.

<sup>1</sup> 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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**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:**

As per the RMF, achievement of most of the results will start in 2024. some smart meters were supposed to be installed in 2023 which has now been delayed to 2024 without any impact on the project's overall timelines.

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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	0			185000		Annual	APDCL	