

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	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:	Aditi Khosla, Project Counsel; Véronique Allarousse, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Georgi Georgiev Dzhartov, OSD - Social Development Specialist; Pedro Ferraz, OSD - Environment Specialist; 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. Apr, 2022 Hybrid (Physical + Virtual) implementation support mission to review implementation progress Feb, 2022 Site visit by AIIB's E&S consultant Mar, 2022 Site visit by AIIB's Technical Consultant		
Planned Site Visits by AIIB:	Site visits by AIIB will be subject to the prevailing pandemic situation and based on the project management requirements.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/12		

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:	9.30	Most recent disbursement (amount/date):	0.76/May. 19, 2021
Undisbursed:	294.70	Disbursement Ratio (%) ¹ :	3.06

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 (US\$189.73 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 Q4 2022/ Q1 2023. No major issues related to procurement

Preparation and approval of site-specific Environmental and Social Management Plans (ESMP) is ongoing, though adverse weather conditions have delayed activities. Weakness of field reporting of their implementation has been noted. Mitigating capacity building activities are being developed and will be implemented from July 2022 onwards.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Constructing 10 transmission substations and laying transmission lines with the associated infrastructure	Site preparation work has commenced at 4 locations.	7 ESIA's have been prepared and submitted to AIIB for review. Preparation of balance to commence after clearance of the submitted ESIA's	Contracts for 8 sub-stations have been signed. Tenders documents for the balance 2 sub-stations are under preparation.
Component 2: Upgrading 15 existing	Construction yet to commence optical power ground wire.	E&S audit checklist has been submitted	Contracts are signed and effective.

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.

substations, transmission lines and existing ground wire to optical power ground wire	Work at 7 substation locations has commenced, supply of transformers and other components is in progress. 100% of supply and 80% of erection work has been completed for the augmentation of transmission lines		
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. Contract negotiation is completed.

Financial Management:

The project has made substantial financial progress in FY 22 and FY23 (total about INR 178 Crore or USD 24 million). The share of AIIB in the total expenditures is about INR 165 Crore (USD 22 million). AIIB has reimbursed about INR 65 Crore (USD 8.5 million) in March 2022. The claims for the balance amount have been submitted to AIIB and disbursement of about INR 71 crores (USD 9.5 million) is in progress.

It appears that the funds are released on demand by the Government of Assam to the project. AEGCL needs to ensure that the release of funds is adequate and timely to avoid any payment or implementation delays.

The IUFRR for period ending March 31, 2022 is outstanding. The project internal audit needs to be carried out on semi-annual basis by the internal audit team of AEGCL and be submitted to AIIB within reasonable time (2 months). AEGCL needs to ensure that the project expenditures for FY21-22 are audited by the internal audit team and submit the report to AIIB by July 31, 2022.

AEGCL shall hire an independent auditor (CA Firm) based on its regulations/procedures. Such hired independent auditor shall carry out the external audit of the project financial statements based on agreed ToR with AIIB. The audited project financial statement for FY21-22 shall be due on December 31, 2022.

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

Result monitoring to commence in 2023

Project Objective Indicators #1

Primary energy consumption saved (GWh)

Year	Target	Actual	Comments, if any
Dec. 31, 2023	0.1	N/A	
Dec. 31, 2024	0.3	N/A	
Dec. 31, 2025	0.56	N/A	

Project Objective Indicators #2

Additional capacity added to the transmission system (MVA)

Year	Target	Actual	Comments, if any
Dec. 31, 2023	1,118	N/A	
Dec. 31, 2024	3,118	N/A	
Dec. 31, 2025	5,470	N/A	

Project Objective Indicators #3

Greenhouse gas emissions reduction (tCO2)

Year	Target	Actual	Comments, if any
Dec. 31, 2023	80	N/A	
Dec. 31, 2024	240	N/A	
Dec. 31, 2025	450	N/A	

Intermediate Result Indicators #1

Length of transmission lines constructed (km)

Year	Target	Actual	Comments, if any
Dec. 31, 2023	187	N/A	
Dec. 31, 2024	261	N/A	
Dec. 31, 2025	333	N/A	

Intermediate Result Indicators #2

Length of transmission lines upgraded to high tension, low sag (km)

Year	Target	Actual	Comments, if any
Dec. 31, 2023	62	N/A	
Dec. 31, 2024	138	N/A	
Dec. 31, 2025	186	N/A	

Intermediate Result Indicators #3

New substations constructed (No.)

Year	Target	Actual	Comments, if any
Dec. 31, 2023	5	N/A	
Dec. 31, 2024	7	N/A	
Dec. 31, 2025	10	N/A	

Intermediate Result Indicators #4

Substations upgraded (No.)

Year	Target	Actual	Comments, if any
Dec. 31, 2023	5	N/A	
Dec. 31, 2024	10	N/A	
Dec. 31, 2025	15	N/A	

Intermediate Result Indicators #5

Length of optical power ground wire line constructed (km)

Year	Target	Actual	Comments, if any
Dec. 31, 2023	77	N/A	
Dec. 31, 2024	477	N/A	
Dec. 31, 2025	636	N/A	

Remarks:
