

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:	Rajesh Yadav		
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; Parthapriya Ghosh, OSD - Environment & Social Development Specialist; Rajesh Yadav, Team Member; 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:	Feb, 2024 Mid-term review mission with the World Bank.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/06		

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:		Cancellation (if any):	0.00
Disbursed:	0.63	Latest disbursement (amount/date):	0.33/Dec. 01, 2023
Undisbursed:	249.38	Disbursement Ratio (%) ¹ :	0.25

5. Project Implementation Update

The Project implementation progresses steadily, with the most significant advancements being made in procurement. Contracts with a total value of USD235 million have been awarded, and bids with a total value of USD355 million are in various stages of procurement. The recruitment of an Engineering and Management Consultancy, as one of the key impediments to the implementation, has been concluded by contract signing (August 2023) and mobilization of key experts. The ongoing project activities focus on improving the physical integrity and operational efficiency of selected dams (mainly through civil works) and enhancing the capacity of dam operators to manage dam safety. While limited progress has been made to date, activities on improving dam's asset management and financial sustainability (i.e., Component 3) are planned to take off in 2024. This will be a focus (aside from monitoring ongoing civil works) of the upcoming implementation review mission, scheduled from January to February 2024.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 2: Dam Safety Institutional Strengthening	N/A	Complied	Twelve contracts have been awarded under the component. These are consultancy contracts aimed at undertaking comprehensive capacity building, institutional strengthening, and analytical works on various

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.

			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	An Engineering and Management Consultancy contract has been awarded with a value of about USD29 million.
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.
Component 1: Rehabilitation and Management Planning for Dams and Associated Appurtenances	33% (for all awarded civil work contracts)	Complied	A total of 231 contracts have been signed with a value of about USD 235 million. The contracts include mainly structural rehabilitation of dams (civil works) and installation of dam safety appurtenances.

Financial Management:

Since the start of its implementation, the Project has relied on funding from the WB loan, which was made effective one year earlier than AIIB's. As of December 2023, USD68.5 million of the WB loan has been disbursed. For the coming withdrawal application, a splitting ratio of 80%-20% between AIIB and WB loans will be applied to allow the disbursement level of AIIB loan to catch up. This splitting ratio will be revisited periodically to gradually return to the regular 50%-50% splitting between AIIB and WB loans and, eventually, to allow full utilization of the entire loan proceeds. The Bank received a withdrawal application of USD4 million in December 2023; this is currently processed by WB (as a part of the implementation services provided by the lead co-financiers) and will be subsequently disbursed. The first disbursement from the AIIB loan (to pay loan fees) was made on April 24, 2023. Therefore, the audit for the fiscal year ending March 31, 2023, will be combined with the audit for the year ending March 31, 2024, and will be due December 31, 2024. The Implementing States/Agencies have allocated the required budgets for project activities in 2024 with guidance from the CWC as the CPMU. It has been observed that CWC still has a limited capacity to support States on matters related to financial management. Therefore, it has been agreed that recruitment to fill this gap will be completed by Q1 2024 (to be confirmed in the upcoming implementation mission in January-February 2024), which will be

needed to enable a timely completion of the FY2023 audit.

6. Status of the Grievance Redress Mechanism (GRM)

CPMU and all Implementing States/Agencies have operational GRM as outlined in the Stakeholder Engagement Plan. Every State has assigned Environmental and Social Safeguard focal persons to coordinate and monitor safeguard-related Project activities, including receiving and reporting to the CPMU.

The established GRMs are proven to be accessible mechanisms for recording and seeking redressal of grievances, with three out of eight complaints received to date having been resolved (as of November 2023). All of these grievances are procurement-related. The remaining five grievances are being duly processed, i.e., one by CWC, one by Chhattisgarh, and three by Maharashtra.

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

Remarks:

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 and in training dam safety operators (Intermediate Result Indicators). The monitoring and evaluation (M&E) function currently undertaken by CWC (as CPMU) and Implementing States/Agencies (as SPMU) has been further strengthened by the EMC, which was recruited in August 2023.

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	Year	Target	Actual													
Project dams with a satisfactory post-intervention inspection by a third party Quality Assurance and Quality Control Team	Project	%	2022	0	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	13	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	Year	Target	Actual													
Project dams with revised dam flood hydrology assessed	Project	%	2022	0	80	93	90	95	100		100		100		100		2027	100		Biannual	CPMU	
Project dams with requisite instrumentation in place	Project	%	2022	0	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	0	250	0	500	1,150	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	15	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	