



KE Electricity Modernization Project (P120014)

AFRICA | Kenya | Energy & Extractives Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 3 | ARCHIVED on 19-Jul-2016 | ISR23992 |

Implementing Agencies: Rural Electrification Authority, Kenya Power and Lighting Company (KPLC), Ministry of Energy and Petroleum

Key Dates

Key Project Dates

Bank Approval Date:31-Mar-2015

Effectiveness Date:17-Sep-2015

Planned Mid Term Review Date:01-May-2018

Actual Mid-Term Review Date:--

Original Closing Date:30-Jun-2020

Revised Closing Date:30-Jun-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed project development objectives (PDOs) are: (a) to increase access to electricity; (b) to improve reliability of electricity service; and (c) to strengthen KPLC's financial situation. The Project combines an investment program and an IDA Guarantee. The investment program has four components: Component A: Improvement in service delivery and reliability Component B: Revenue Protection Program Component C: Electrification Program Component D: Technical Assistance and Capacity Building

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

Name

Component A: Improvement in Service Delivery and Reliability.:(Cost \$50.00 M)

Component B: Revenue Protection Program (RPP):(Cost \$40.00 M)

Component C: Electrification Program:(Cost \$164.50 M)

Component D: Technical Assistance and Capacity Building.:(Cost \$7.50 M)

IDA Guarantee:(Cost \$200.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory



Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions

The project became effective on September 2015.

The Ministry of Energy and Petroleum launched the National Electrification Strategy on May 19 2016 with a workshop in Nairobi; the activity is expected to be completed by the end of the year. Also, several procurement activities are under different preparation stages for Components A (Improvement in Service Delivery and Reliability), B (Revenue Protection Program) and C (Electrification Program) and D (Technical Assistance and Capacity Building).

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate



Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial	● Substantial
Fiduciary	● Moderate	● Moderate	● Moderate
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate	● Moderate
Other	--	--	--
Overall	● Substantial	● Substantial	● Substantial

Results

Project Development Objective Indicators

► People provided with access to electricity by household connections (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	618750.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

▲ People provided with access to electricity by hhold connections-Grid (Number, Core Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	618750.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

► People provided with access to electricity under the project by household connections – Off- grid/mini-grid only (renewable sources) (Cumulative) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	13500.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

► Total number of new non-residential connections (Cumulative) (Number, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	1250.00
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2019

► Average outage duration for customers served (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	12.00	12.00	12.00	6.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

► KPLC Commercial losses (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	6.70	6.70	6.70	3.70
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

► KPLC's Current Ratio (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1	--	1.64	>1
Date	01-Apr-2015	08-Dec-2015	07-Jun-2016	31-Dec-2019

Comments

Figures taken from KPLC's most recent audited annual report for the financial year ending 30 June 2015

► KPLC's Return on Assets to Equity (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	11.90	11.90	22.30	10.00
Date	01-Apr-2015	08-Dec-2015	07-Jun-2016	31-Dec-2019

Overall Comments

Figures taken from KPLC's most recent audited annual report for the financial year ending 30 June 2015

Intermediate Results Indicators

► Automatic load break switches installed in the Nairobi distribution network in the project areas. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	1000.00
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2015

► Substations added to the SCADA/EMS (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	86.00	86.00	86.00	146.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

► Establishment of a modern meter control center with satellites. (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2019



► Installation of AMI meters (Cumulative) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4300.00	4300.00	4300.00	44300.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

► Distribution lines constructed or rehabilitated under the project (Kilometers, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3500.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

▲ Distribution lines constructed under the project (Kilometers, Core Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3500.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

► Distribution transformers installed (Cumulative) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	1000.00
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2019



► Mini grids constructed with public-private participation (Cumulative) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	01-Apr-2015	08-Dec-2015	08-Dec-2015	31-Dec-2019

► Annual electricity output from mini-grids constructed with public-private participation. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	2780.00
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2019

► National Electrification Strategy adopted. (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2019

► Implementation by ERC of a regime on service quality. (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2019



► Private Capital Mobilized (Amount(USD), Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	450.00
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2019

► Reduction in interest rate of commercial loans (percentage) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	>7.5%	--	6.41%	<6%
Date	01-Apr-2015	08-Dec-2015	07-Jun-2016	31-Dec-2019

Comments

Figures taken from KPLC's most recent audited annual report for the financial year ending 30 June 2015

► Debt to EBITDA (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.80	3.80	4.69	3.50
Date	01-Apr-2015	08-Dec-2015	07-Jun-2016	31-Dec-2019

Comments

Figures taken from KPLC's most recent audited annual report for the financial year ending 30 June 2015

► EBITDA to interest (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.21	5.21	9.58	5.00
Date	01-Apr-2015	08-Dec-2015	07-Jun-2016	31-Dec-2019



► Cash from operation to debt (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	26.00	26.00	24.74	20.00
Date	01-Apr-2015	08-Dec-2015	07-Jun-2016	31-Dec-2019

► Free operational cash flow to debt (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	-10.00	10.00	-10.89	6.00
Date	01-Apr-2015	08-Dec-2015	07-Jun-2016	31-Dec-2019

Overall Comments

Data on Financial Performance

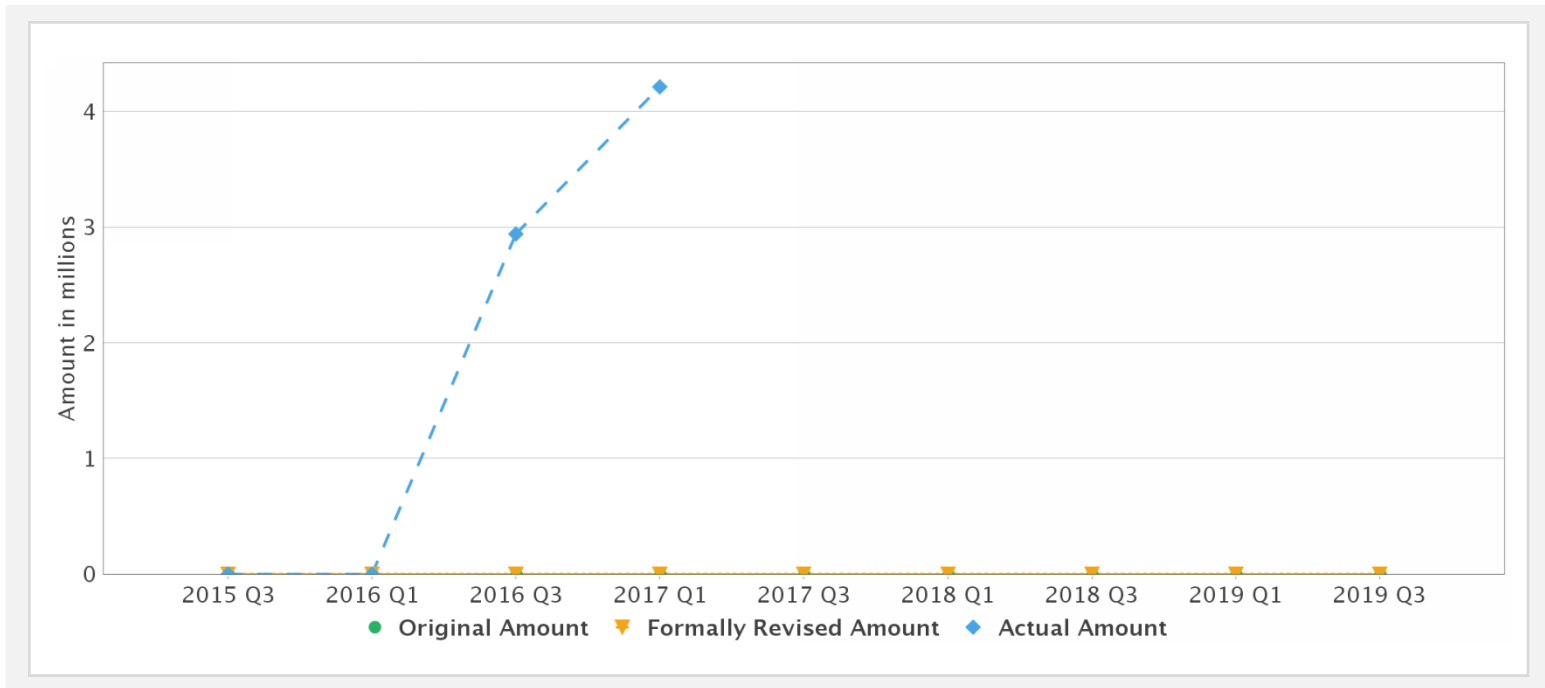
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P120014	IDA-55870	Effective	USD	250.00	250.00	0.00	4.21	236.69	2%
P120014	IDA-G2330	Effective	USD	200.00	200.00	0.00	0.00	200.00	0%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P120014	IDA-55870	Effective	31-Mar-2015	29-Jun-2015	17-Sep-2015	30-Jun-2020	30-Jun-2020
P120014	IDA-G2330	Effective	31-Mar-2015	02-Jun-2016	15-Jun-2016	31-Dec-2019	31-Dec-2019

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

P145104-KE Electricity Modernization Project