

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC15025

Date ISDS Prepared/Updated: 28-Jan-2016

Date ISDS Approved/Disclosed: 18-Mar-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	India	Project ID:	P155038
Project Name:	24x7 - Power for all in Andhra Pradesh (P155038)		
Task Team Leader(s):	Mani Khurana, Simon J. Stolp		
Estimated Appraisal Date:	08-Sep-2016	Estimated Board Date:	30-Nov-2016
Managing Unit:	GEE06	Lending Instrument:	Investment Project Financing
Sector(s):	Transmission and Distribution of Electricity (100%)		
Theme(s):	Other public sector governance (30%), City-wide Infrastructure and Service Delivery (40%), Rural services and infrastructure (30%)		
Financing (In USD Million)			
Total Project Cost:	575.00	Total Bank Financing:	400.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			175.00
International Bank for Reconstruction and Development			400.00
Total			575.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The development objective of the project is to increase the system capacity to deliver electricity to customers, and to improve the operational efficiency and system reliability in distribution of electricity in the state of Andhra Pradesh

C. Project Description

The project will cover the following components:-

Component A: Power Transmission system strengthening (US\$ 100million of which IBRD \$70 million)

- This component would support APTRANSCO in augmenting the transmission system to increase the system's capacity to transmit additional power generation (~7000-8000 MW) for servicing higher loads (annual load growth estimated to be around 8-9%).
- As mentioned earlier, while the state plans to meet the bulk of its investment needs through other sources, the proposed project would undertake augmentation at lower voltage levels of 220kV and 132kV, to demonstrate the implementation of an integrated transmission and distribution planning approach, which would also help in reducing technical losses in transmission system.

Component B: Distribution Investments- Urban (US\$ 200 million of which IBRD \$140 million)

- This component would support investments in distribution network strengthening & augmentation (33kV and below), smart grids (including smart metering), underground cabling, LT ABC, and other ICT enabled interventions in select urban towns.
- The objective of these investments would be to augment the network to meet the growing power requirement, reduce technical & commercial losses, improve operational efficiency and increase the system reliability especially in coastal towns prone to natural calamities.
- A set of towns would be identified for these investments, based on pre-defined selection criteria.

Component C: Distribution Investments – Rural (US\$ 215 million of which IBRD \$150 million)

- This component would support strengthening and augmentation of distribution network (33kV and below), high voltage distribution system (HVDS) and feeder segregation in identified rural areas.
- While Andhra Pradesh has already implemented rural HVDS in a number of districts, it plans to cover the remaining districts under this component. Similarly, AP has virtual feeder segregation for agriculture and domestic households and dedicated feeders for rural industrial centers (small to large scale). This component would support the state in constructing dedicated feeders to remaining rural industrial pockets.
- The key objective of this component is to provide better quality power to rural areas and to reduce technical and commercial losses

Component D: Solar Pump sets (US\$50million of which IBRD \$30 million)

- This component would support the distribution utilities in deploying solar agri-pumpsets in rural areas.

Component E: Technical assistance for capacity building (IBRD \$10 million)

- This component would support the distribution companies to improve their institutional structure and business processes, and integrate ICT in day to day operations. Diagnostic studies will be in the project preparation phase to clearly identify capacity building needs. Focus areas would include redefining identified business processes and large scale deployment of IT enabled systems (including upgrading ERP systems) for managing both customer facing operations as well as internal functions. This component will also be used to support areas like Third Party Quality Assurance Consultants to supervise implementation, developing a stakeholder communication strategy, designing the training calendar of utilities etc. based on areas identified during project preparation.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will be undertaken in urban and rural areas of Andhra Pradesh. Andhra Pradesh, located on the east coast of India has been recently reorganized following the creation of Telangana state. The State is richly endowed with natural and human resources with competitive socio economic advantages. Its geographical area of 1, 60,205 sq. km makes it the 8 largest State in the country. Situated in a tropical region, has the 2nd longest coastline in the country with a length of 974 km. Barring four, all other 9 districts have a border with the Bay of Bengal. The State has a forest area of 34,572 sq.kms as per the forest records, which accounts for 21.58% the total geographical area. . Majority of its forests are dry deciduous type and located in it border areas with Telangana in the west and Chhattisgarh in the north. The State has a variety of physiographic features ranging from high hills, undulating plains to coastal and deltaic environment. The State has three physiographic zones, the hilly region having Nallamalai, Erramalai hills and the Eastern Ghats having an altitude of 500 to 1400 m; the plateau having an altitude of 100 m to 1000 m and the deltas of rivers between the Eastern Ghats and the Sea Coast. The total notified forest area of the State is 36914.69 Km², which is 22.73 % of the geographical area. The forest cover in the State is 23399.95 Km², which is 15.24% of the Geographical area. Krishna and Godavari are the major rivers of the state.

AP has a population of about 50 million which accounts for the 4.10% of the country's population making it the 10 most populous State in the country. While 71% of the total population live in rural areas, the remaining (29) % live in urban areas. Of the total population, 50.08% are males and 49.92% females. There are 1272 million households in the State and the average size of the household is 4. Of the total population of the State, Schedule Castes constitute 17.1% and Schedule Tribes 5.5 percent. The state has certain areas under the Fifth Schedule of the Indian Constitution, meant to safeguard the interests of the tribals, and are spread across six districts- Visakhapatnam, East Godavari, West Godavari Srikakulam, Vizianagaram, and Prakasam

E. Borrowers Institutional Capacity for Safeguard Policies

Government of Andhra Pradesh enacted the Electricity Reforms Act in 1998. As a consequence, the State Electricity Board was unbundled into Andhra Pradesh Power Generation Corporation Limited (APGENCO) & Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) in 1999. APTRANSCO was further unbundled in 2000 into "Transmission Corporation" and four "Distribution Companies" (DISCOMS). As the state got bifurcated (into Andhra Pradesh and Telengana) in 2014, the power transmission and distribution in AP now rests with three entities: (i) Transmission Corporation with a state wide mandate; (ii) Southern Distribution Company, covering eight districts; and (iii) Eastern Distribution Company for five districts in the remaining part of the state. The Implementing Agencies, which are expected to handle most of the investments, have considerable knowledge and experience of addressing these issues as they have implemented, or are currently implementing, several projects financed by bi-lateral and multi-lateral agencies. One such project is the ongoing World Bank financed Andhra Pradesh Disaster Recovery Project involving underground cabling in Vishakhapatnam. Towards mainstreaming social and environment aspects, the project will invest in building dedicated social and environmental capacity in each of the implementing agencies and enable development of a robust environmental and social management framework. Thus, adequate implementation capacity does exists in the state for managing the current project as well.

F. Environmental and Social Safeguards Specialists on the Team

Gaurav D. Joshi (GEN06)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	There will be some impact of the proposed intervention on the biophysical and socio-economic environment that would need to be assessed and appropriately managed.
Natural Habitats OP/BP 4.04	TBD	While the exact locations of sub-project interventions are not currently known, they could potentially affect havens for wildlife and/or other natural habitats. This will be studied and confirmed during project preparation.
Forests OP/BP 4.36	TBD	The alignments for proposed lines are currently not fixed. Some of those may pass through forests. The nature and extent of impacts, if any, will be determined as part of project preparation.
Pest Management OP 4.09	TBD	The extent of use of pesticides, if any, will be confirmed during preparation.
Physical Cultural Resources OP/BP 4.11	Yes	Since the exact locations and alignments are not finalized, there can be some impact on such resources. There could be chance finds during construction. Project preparation will consider this aspect.
Indigenous Peoples OP/BP 4.10	Yes	AP state has tribal population in some districts. A few of them are also covered under the Fifth Schedule of the Indian Constitution. However, the tribal habitations are confined to a few pockets in the state. Given the current thinking, the project is unlikely to cover the tribal areas. Investment plans drawn as of now are exclusively in the non-tribal pockets only. Despite this, the project would like to be certain that 'tribals' are not impacted in any way by the project activities. This will become known only after the investment plans are decided and that location as well as the main and associated activities are firmed up. Subsequent to this, a decision will be taken on preparing or otherwise a Tribal Peoples Framework/Plan.
Involuntary Resettlement OP/ BP 4.12	Yes	Lands are required for the project's two main activities: (i) construction of sub stations; and (ii) drawing up of transmission/ distribution lines. Approaches to secure lands will have to be formulated.
Safety of Dams OP/BP 4.37	No	

Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-Mar-2016

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The utilities will undertake social and environmental assessment so as to prepare their own environmental and social management frameworks (ESMF), in conformity with applicable Bank policies as well as the national and regional legal stipulations. . The social management framework will comprise, among others and as appropriate, Resettlement Policy Framework (RPF) and Tribal People Plan Framework (TPPF) as well as a Gender Action Plan. Individual sub-projects will undertake detailed specific assessments and prepare management action plans to be incorporated into the implementation cycle.

IV. APPROVALS

Task Team Leader(s):	Name: Mani Khurana,Simon J. Stolp	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Maged Mahmoud Hamed (SA)	Date: 28-Jan-2016
Practice Manager/ Manager:	Name: Julia Bucknall (PMGR)	Date: 18-Mar-2016

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.