



# India: Madhya Pradesh Energy Efficiency Improvement Investment Program - Tranche 2

Project Name	Madhya Pradesh Energy Efficiency Improvement Investment Program - Tranche 2	
Project Number	43467-016	
Country / Economy	India	
Project Status	Closed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 2830-IND: Madhya Pradesh Energy Efficiency Improvement Investment Program - Tranche 2	
	Ordinary capital resources	US\$ 200.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Gender Equity and Mainstreaming	
Sector / Subsector	Energy / Electricity transmission and distribution	
Gender	Some gender elements	
Description	<p>Adequate and better quality power supply in rural Madhya Pradesh (MP), where 70% of the population lives, would spur economic growth and development. In order to ensure good quality, 24 hour power supply to rural households, Government of Madhya Pradesh (GoMP) has been undertaking a distribution improvement program (feeder separation program) with an approximate cost of \$1100 million. The first phase of this program is already under implementation and the proposed Facility provides financial assistance to the investment program that constitutes the second phase. The investment program will install separate feeders for households and irrigation water pumps, install high voltage distribution systems (HVDS), provide new power connections, install meters, map the assets of the distribution companies and undertake network analysis to ensure better quality power supply to households and financial sustainability of the distribution companies. Of the total of 50 districts of MP, the investment program covers 32 districts served by three distribution companies: Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (DISCOM-C); Madhya Pradesh Poorva Kshetra Vidyut Vitaran Company Limited (DISCOM-E); and Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (DISCOM-W).</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>At present, power supply lines in rural areas supply power for both agricultural pumps and other customers. This mixed rural distribution network faces several problems: the overuse of subsidized electricity for agricultural water pumping leaves households with an inadequate power supply, and the unauthorized use of electricity causes the DISCOMs to suffer financial losses. Aging and overloaded distribution lines and transformers result in excessive technical losses and poor quality power. To prevent the overuse of electricity by agricultural pumps and to reduce losses, the DISCOMs switch on the distribution lines serving the rural areas for a limited number of hours per day. The existing mixed-feeder system does not allow power to be supplied on a 24-hour basis to households and business establishments, constraining economic growth and development in rural areas.</p> <p>To promote efficient use of groundwater in agriculture and improve on-farm water conservation practices, the DISCOMs supply 3-phase electricity in rural areas for 810 hours daily. However, this constraints economic activities and the constant (24-hour) supply of quality power to households. Attempted supply of one phase power, after 810-hour supply of three phase power, to reduce overuse of power by irrigation pumps by the DISCOMs was not effective. Separation of power supply lines (feeders) to agriculture and other customers is necessary to ensure the 24-hour supply of power to households. Additional measures such as installation of a HVDS and metering, together with better system management practices are necessary to reduce DISCOMs' technical and commercial losses.</p>	
Impact	Improved operational efficiency of electricity distribution in rural areas of Madhya Pradesh.	

## Project Outcome

Description of Outcome	Efficient electricity distribution expanded in 15 project districts in Madhya Pradesh.
Progress Toward Outcome	Efficient electricity distribution expanded.

## Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"><li>1. Separate feeders for agricultural pumps and households</li><li>2. Installed High Voltage Distribution Systems (HVDS)</li><li>3. Installed meters and improved supply quality</li><li>4. Strengthened 33 kV network</li></ol>
Status of Implementation Progress (Outputs, Activities, and Issues)	Project is completed. Outputs are achieved.
Geographical Location	Barwani, Bhind, Burhanpur, Chhindwara, Damoh, Datia, Dewas, Dhar, East Nimar, Gwalior, Indore, Jhabua, Khargone, Mandsaur, Morena, Narsimhapur, Neemuch, Panna, Ratlam, Seoni, Shajapur, Sheopur, Tikamgarh, Ujjain

## Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	The Environmental Monitoring reports submitted by DISCOMs have been uploaded in ADB website.
Involuntary Resettlement	Compliance is in line with policies and procedures.

Indigenous Peoples Compliance is in line with policies and procedures.

#### Stakeholder Communication, Participation, and Consultation

During Project Design During Project preparation, consultations were held.

During Project Implementation Compliance is in line with policies and procedures.

#### Business Opportunities

Consulting Services All consultancy services to be financed under the MFF will be selected and engaged in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time).

Procurement All works and goods to be financed under the MFF will be procured in accordance with ADB's Procurement Guidelines (2010, as amended from time to time).

Responsible ADB Officer Banerjee, Jyotirmoy

Responsible ADB Department South Asia Department

Responsible ADB Division India Resident Mission

Executing Agencies Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited  
Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited  
Madhya Pradesh Poorv Kshetra Vidyut Vitaran Co Ltd

#### Timetable

Concept Clearance -

Fact Finding -

MRM -

Approval 14 Dec 2011

Last Review Mission -

Last PDS Update 13 Mar 2020

## Loan 2830-IND

#### Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
14 Dec 2011	27 Feb 2012	09 May 2012	28 Feb 2015	28 Feb 2020	28 Oct 2020

#### Financing Plan

Total (Amount in US\$ million)		Loan Utilization			
		Date	ADB	Others	Net Percentage
Project Cost	200.00	Cumulative Contract Awards			
ADB	200.00	09 Sep 2022	149.01	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	09 Sep 2022	149.01	0.00	100%

#### Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

Project Page <https://www.adb.org/projects/43467-016/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=43467-016>

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