



KE Electricity Modernization Project (P120014)

AFRICA | Kenya | Energy & Extractives Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 2 | ARCHIVED on 12-Jan-2016 | ISR21732 |

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 17, 2015 and the SREP Grant Agreement was signed on November 30, 2015. First disbursement under the project is expected in January 2016.

Under the project components A and B, Improvement in Service Delivery and Reliability and Revenue Protection Program, an important step in the implementation progress has been made in the hiring of a senior procurement specialist to support the KPLC project team in the preparation of major procurement packages for key activities under the project. Under component C, Electrification Program, REA in the process of hiring consultant for prefeasibility for mini grids.

Under component D, Technical Assistance and Capacity Building, hiring of consultants for the National Electrification Strategy (NES) is ongoing. To complement the NES, geospatial planning for grid and off-grid rollout is also being prepared.



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	618750.00
Date	01-Apr-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	05-Aug-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	13500.00
Date	01-Apr-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	6.00
Date	01-Apr-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	05-Aug-2015	08-Dec-2015	31-Dec-2019

► KPLC's Current Ratio (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1	--	1	>1



Date	01-Apr-2015	01-Sep-2015	08-Dec-2015	31-Dec-2019
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► KPLC's Return on Assets to Equity (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	11.90	11.90	11.90	10.00
Date	01-Apr-2015	05-Aug-2015	08-Dec-2015	31-Dec-2019

Overall Comments

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	05-Aug-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	05-Aug-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	05-Aug-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	3500.00
Date	01-Apr-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	05-Aug-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	N	Y
Date	01-Apr-2015	05-Aug-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	0.00	450.00
Date	01-Apr-2015	05-Aug-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%	--	>7.5%	<6%
Date	01-Apr-2015	--	08-Dec-2015	31-Dec-2019

► Debt to EBITDA (Number, Custom)

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



► EBITDA to interest (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.21	5.21	5.21	5.00
Date	01-Apr-2015	05-Aug-2015	08-Dec-2015	31-Dec-2019

► Cash from operation to debt (Percentage, Custom)

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

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	-10.00	10.00	10.00	6.00
Date	01-Apr-2015	05-Aug-2015	08-Dec-2015	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	0.00	241.69	0%
P120014	IDA-G2330	Not 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	Not Effective	31-Mar-2015	--	--	31-Dec-2019	31-Dec-2019

Cumulative Disbursements

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Restructuring History

There has been no restructuring to date.

Related Project(s)

P145104-KE Electricity Modernization Project