

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2492
ANSWERED ON:07.08.2003
POWER SECTOR REFORM WITH WORLD BANK AID
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of POWER be pleased to state:

- (a) the names of the States which have taken steps on power sector reforms with World Bank Aid;
- (b) whether any such steps has been taken in the State of Orissa to bring reforms in the power sector with the assistance to the Union Government or World Bank; and
- (c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Andhra Pradesh, Orissa, Rajasthan, Haryana and Uttar Pradesh have taken steps on Power Sector Reforms with World Bank Aid.

(b) & (c) : In Orissa, under the reform programme, the State Electricity Board has been restructured and separate companies have been formed for generation, transmission and distribution of power. The State Electricity Regulatory Commission has been functioning since 1996. Further, power Distribution has been privatized in 1999.

The World Bank had sanctioned a loan of US\$ 350 million for the Orissa Power Sector Restructuring Project in 1996 to primarily finance investments for improvement in the Transmission and Distribution system. The loan was suspended in July, 2001 primarily due to persistent delays in release of funds by the State Government for the project. It was restored in January, 2002 on the assurance of the Government of Orissa that timely release of funds would be ensured. The loan amount now stands reduced at US\$ 255 million based on the assessment of utilization potential in Orissa. An amount of US\$ 183.876 million has been disbursed till 30th June, 2003. The project is scheduled to end in January, 2004.