

India : Chennai Metro Corridor 4 Project

1. Project Information

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| Project ID: | P000301 | Instrument ID: | L0301A |
| Member: | India | Region: | Southern Asia |
| Sector: | Transport | Sub-sector: | Urban transport |
| Instrument type: | <input checked="" type="checkbox"/> Loan:356.67 US Dollar million <input type="checkbox"/> Guarantee | Lead Co-financier (s): | |
| ES category: | A | Borrowing Entity: | Ministry of Finance, India |
| Implementing Entity: | Chennai Metro Rail Limited | | |
| Project Team Leader: | Wenyu Gu | | |
| Responsible DG: | Rajat Misra | | |
| Responsible Department: | INF1 | | |
| Project Team Members: | Bernardita Saez, Project Counsel; Liu Yang, Alternate Counsel; Yi Geng, OSD - Financial Management Specialist; Jurminla Jurminla, OSD - Procurement Specialist; Jyosyula Siva Rama Krishna Sastry, OSD - Environment & Social Development Specialist; Pilar Lopez Camacho, Back-up PTL; Chang Tian, Project admin | | |
| Completed Site Visits by AIIB: | Sep, 2020 The Project Team conducted a virtual appraisal mission. May, 2022 The Social Development Specialist of the Project conducted a field visit between May 18 and 21, 2022. Jul, 2022 The Project Team conducted a virtual/physical project implementation mission from July 25 to 29, 2022. Mar, 2023 The co-Project Team Leader carried out a site visit to review the project implementation between March 20 and March 21, 2023. Aug, 2023 The Project Team carried out an Implementation Support Mission between July 31 and August 4, 2023. Oct, 2023 DG INF1 visited the project implementing entity and conducted a field visit on October 4, 2023. | | |
| Planned Site Visits by AIIB: | Mar, 2024 Project Implementation Mission | | |
| Current Red Flags Assigned: | 0 | | |
| Current Monitoring Regime: | Regular Monitoring | | |
| Previous Red Flags Assigned: | 0 | | |
| Previous Red Flags Assigned Date: | 2023/06 | | |

2. Project Summary and Objectives

The objective of Chennai Metro Corridor 4 (CMC4) is to provide increased capacity and efficiency of east-west connectivity by expanding the Chennai metro system. CMC4, spanning from Lighthouse (in the east) to Poonamallee Bypass (in the west), has a length of 26.8 km, of which 16.5 km is elevated, and 10.3 km is underground, with 18 and 12 stations, respectively.

The primary beneficiaries are new metro passengers who will benefit from faster, more reliable, and better-quality transport services of metro-based travel rather than road-based public and private transport. The secondary beneficiaries are residential and commercial establishments along the new corridor that will benefit from the improved accessibility and connectivity as well as increased economic opportunities.

AIIB finances the construction of 16.5 km of the elevated viaduct, including 18 elevated stations. The remaining project components are co-financed in parallel by ADB, NDB, and the Government of Tamil Nadu (GoTN).

3. Key Dates

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| Approval: | Sep. 23, 2021 | Signing: | Oct. 26, 2021 |
| Effective: | Nov. 23, 2021 | Restructured (if any): | |
| Orig. Closing: | Dec. 31, 2027 | Rev. Closing (if any): | |

4. Disbursement Summary (USD million)

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|-------------------|--------|---------------------------------------|---------------------|
| Contract Awarded: | 276.38 | Cancellation (if any): | 0.00 |
| Disbursed: | 156.14 | Latest disbursement (amount/date): | 11.60/Dec. 11, 2023 |
| Undisbursed: | 200.53 | Disbursement Ratio (%) ¹ : | 43.78 |

5. Project Implementation Update

By mid-December 2023, the overall physical progress of the two single civil work packages under the project is estimated at 53.6%. The on-site construction works are progressing at full capacity, with physical progress increasing by about 10 percentage points in the last five months. The disbursement follows the physical progress steadily. According to the updated work program, the civil works will be completed by November 2024 and the new commissioning target of Corridor 4 is November 2025, about 6 months later than initially planned due to some delays experienced during the first years of the project implementation. The updated targets do not affect the loan agreement since they fall before the loan closing date. The likelihood of the AIIB-financed Component A of the project achieving its development objective is deemed satisfactory.

| Components | Physical Progress | Environmental & Social Compliance | Procurement |
|--------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Construction of 16.5 km of the elevated viaduct, | The physical progress of the civil work packages is about 46.8% for Civil | By the end of November 2023, about 98% of the required land has been acquired. The progress within | There are 2 civil works packages under the project and the procurement |

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

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| including 18 elevated stations. | Contract ECV01 and about 63.3% for Civil Contract ECV02. The physical progress has speeded up since late 2022. Delays experienced (about 6 months) during the first one-and-a-half years of implementation due to delayed land acquisitions, public utility shifting, traffic diversion, etc., have not been recovered. | the last 6 months is 8 percentage points. Chennai Metro Rail Limited (CMRL) informed that the remaining land to be acquired is not affecting the work progress. CMRL has improved the quality of the E&S monitoring reports since mid-2023. The Bank team will continue to work with CMRL to strengthen the monitoring and reporting and improve overall ES performance. The last third party E&S monitoring report for the period up to October 2022 was submitted to the Bank in June 2023. | processes of both packages are completed, and contractors are onboard. Both civil work packages ECV-01 and ECV-02, ending in June 2024, need to be extended for 6 months. The ECV-01 has already been extended and the process to extend the ECV-02 is ongoing. |
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Financial Management:

The project financial management system has been maintained by the designated financial team of CMRL. Project financial statements are timely provided in the format agreed with the Bank to reflect the overall sources and usage of project funds. Sufficient counterpart funds have been provided to secure due payment and have been later reimbursed by the Bank. The overall project financial management system is acceptable to the Bank. CMRL submitted the Interim project financial statements (for the period ended June 30, 2023, by August 15, 2023), and the project audit report and the entity audit report (for the year ended Mar 31, 2023) by September 30, 2023. The Bank team found that the audited financial statements and the auditor's opinions were acceptable.

6. Status of the Grievance Redress Mechanism (GRM)

A two-tier GRM is in operation, i.e. at the field level and the project implementing agency level. As of the end of November 2023, 176 grievances were received in total: 72 have been accepted, 102 have been rejected and 2 are pending. Most of the grievances received are related to change in alignment and request to avoid land acquisition.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

Remarks:

| Project Objective Indicators | Indicator level | Unit of Measure | Cumulative Target Values | | | | | | | | | | | | | | | | | | | Frequency | Responsibility | Comments | | |
|-------------------------------------------|-----------------|-----------------|--------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|------------|-----------|----------------|----------|--------|--------|
| | | | Baseline | | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | | 2027 | | End Target | | | | | |
| | | | Year | Value | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Year | | | | Target | Actual |
| Daily Project carrying passenger capacity | Project | Number | 2020 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 127,220 | | 2027 | 127,220 | | Annually | CMRL | |
| Reduced journey time | Project | Minutes | 2020 | 120 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 49 | | 2027 | 49 | | Annually | CMRL | |

| Project Intermediate Indicators | Indicator level | Unit of Measure | Cumulative Target Values | | | | | | | | | | | | | | | | | | | Frequency | Responsibility | Comments | | |
|-------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|--------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|-----------|----------------|----------|--------|----------------------------------------------------------------------------------------------------------------------------|
| | | | Baseline | | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | | 2027 | | End Target | | | | | |
| | | | Year | Value | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Year | | | | Target | Actual |
| Elevated viaducts constructed – civil works | Project | Percentage | 2020 | 0 | 0 | | 15 | 9.33 | 40 | 27.51 | 65 | 53.6 | 90 | | 100 | | 100 | | 100 | | 2027 | 100 | | Annually | CMRL | As mentioned above, there is a delay in the physical progress. CMRL has undertaken necessary action to speed up the works. |
| Indian Green Building Council (IGBC) Platinum rating for elevated stations | Project | Number | 2020 | 0 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | 18 | | 2027 | 18 | | Annually | CMRL | |
| Number of Project stations designated to be fully operated by women | Project | Number | 2020 | 0 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | 2 | | 2027 | 2 | | Annually | CMRL | |
| Employment during operations stage of the Project, disaggregated by gender (of which at least 30 percent are for women) | Project | Percentage | 2020 | 0 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | 30 | | 2027 | 30 | | Annually | CMRL | |

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| Percentage of female passengers, satisfied with station facilities and services during operations | Project | Percentage | 2020 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 75 | | 2027 | 75 | | Annually | CMRL | |
| Universal accessibility features incorporated into Project design | Project | Yes/No | 2020 | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | | 2027 | Yes | | Annually | CMRL | |
| Climate adaptation/resilience measures incorporated into Project design | Project | Yes/No | 2020 | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | | 2027 | Yes | | Annually | CMRL | |