

## India : Chennai Metro Corridor 4 Project

### 1. Project Information

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 Virtual Appraisal Mission May, 2022 Field visit by Social Development Specialist (May 18-21, 2022) Jul, 2022 July 25 – 29, 2022 Project Implementation Mission Mar, 2023 From March 20 to March 21, 2023, the co-Project Team Leader carried out a site visit to review the implementation of the Chennai Metro Corridor 4 Project.		
Planned Site Visits by AIIB:	Aug, 2023 Project Implementation Mission		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/12		

### 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

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)

Contract Awarded:	276.38	Cancellation (if any):	0.00
Disbursed:	115.45	Most recent disbursement (amount/date):	16.50/May. 18, 2023
Undisbursed:	241.22	Disbursement Ratio (%) <sup>1</sup> :	32.37

### 5. Project Implementation Update

By the end of May 2023, the overall physical progress of the two single work packages under the project (ECV-01 and ECV-02) is estimated at 40% vs. a planned target of 78%. The disbursement is around 41% of the contracts' value. As of today, the overall delay is estimated at 6 months, but CMRL expects that the shortfall will be partially recovered in 2023 as no issue is preventing the physical progress anymore. Consequently, since January 2023, the monthly physical progress has substantially increased compared to previous months (11% progress in the last 5 months). Based on the revised time targets, CMRL expects the commissioning of the ECV-02 section by December 2025, and about 3 - 6 months later the ECV-01 section, since the physical progress of ECV-01 is lower. Initially, the entire Corridor 4 was expected to be commissioned by June 2025.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Construction of 16.5 km of the elevated viaduct, including 18 elevated stations.	The physical progress of the work packages is about 33.42% for ECV01 and about 46.81% for ECV02. Although, the physical progress has speeded up in the last 6 months, there is still a large shortfall in both civil work contracts, the planned physical work	As of the end May 2023, about 90% of the required land has been acquired. As a result of the guidance already provided during AIIB visit in May, 2022, during the mission on July 25-29, 2022, CMRL is furnishing detailed reports on the E&S monitoring and performance in compliance with requirements of the Project Agreement.	There are only 2 civil works packages under this Project and procurement processes for both the packages are completed and contractors are onboard. Given the 6 month delay on the works, both civil work packages ECV-01 and ECV-02, which contracts end in June 2024, need to be extended for 6

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

	<p>was about 78.34% for ECV01 and 77.16% for ECV02.</p> <p>The delays experienced during the first one and a half years of implementation have not been recovered. The low physical progress was due to the delay in obtaining traffic permissions from concerned authorities, in land acquisition under Highway Department (along certain sections for road expansion, not for Corridor 4 footprint) which was affecting the RoW availability for traffic diversion and to the insufficient resource mobilization. Under the package ECV-02, the progress delay is also due to a design change to integrate a highway-grade separator into the metro structure at Kattupakkam. Its cost will be borne by the Government of Tamil Nadu, which is still reviewing the design change to issue the Administrative Sanction.</p>	<p>This includes details on the E&amp;S aspects (records of the monitoring of air quality, noise levels, land acquisition, grievances, traffic management, etc.). AIIB team will continue to work with CMRL to strengthen the monitoring and reporting, and improve overall ES performance.</p>	<p>months. The process to extend the packages is ongoing.</p>
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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 (total payments to contractors are 41% and 54.6% as of the end of May 2023, both ahead of physical progress mainly due to mobilization advances) and have been later reimbursed by the Bank. The overall project financial management system is acceptable to the Bank.

**6. Status of the Grievance Redress Mechanism (GRM)**

A two-tier GRM is in operation, i.e. at the field level and the implementing agency (IA) level. Resettlement activities are ongoing, and one grievance was reported received and resolved during the reporting period. No cumulative pending grievances are reported. As requested during the mission on July, 2022, CMRL provides monthly details on the people-affected and compensation under the Resettlement Plan.

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

The overall responsibility for monitoring Project results are with CMRL, supported by the general consulting firm. Project progress and performance is monitored based on the result indicators presented below. Since the two works contracts commenced about one year and half ago (on June 9, 2021), tangible progress has been made.

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**Remarks:**

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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	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	N/A	127,220		2027	127,220		Annually	CMRL	
Reduced journey time	Project	Minutes	2020	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	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		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		

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	