

India : Chennai Metro Rail Project for Corridor 4, Phase II, Package 2**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	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:	Jyosyula Siva Rama Krishna Sastry, OSD - Social Development Specialist; Bernardita Saez, Project Counsel; Liu Yang, Alternate Counsel; Yi Geng, OSD - Financial Management Specialist; Gerardo Pio Parco, OSD - Environment Specialist; Jurminla Jurminla, OSD - Procurement Specialist; Pilar Lopez Camacho, Back-up PTL; Chang Tian, Project admin		
Completed Site Visits by AIIB:	Sep, 2020 Virtual Appraisal Mission Jul, 2022 July 25 – 29, 2022 Project Implementation Mission May, 2022 Field visit by Social Development Specialist (May 18-21, 2022)		
Planned Site Visits by AIIB:	Mar, 2023 Project Implementation Mission		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/06		

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

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:	74.39	Most recent disbursement (amount/date):	7.40/Dec. 23, 2022
Undisbursed:	282.28	Disbursement Ratio (%) ¹ :	20.86

5. Project Implementation Update

By the end of November 2022, the overall physical progress of the two single work packages under the project (ECV-01 and ECV-02) is estimated at 27.5% and the disbursement is around 27% of contracts' value. Since the beginning of the works in June 2021, the physical implementation has been experiencing delays. The overall physical progress target by the end of November 2022 was 56.4%. The low physical progress has been due to the delay in obtaining the 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. CMRL informed that these issues are no longer preventing the work progress.. Since October 2022, the approval of traffic and utility shifting as well as the handover of land have speeded up. The contractors have deployed additional machines and additional manpower. 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, that is currently reviewing the design change to issue the Administrative Sanction. To integrate this design change and the delay incurred, CMRL is adjusting the work program and revising time targets. As of today, the overall delay is estimated at 5 months, but CMRL expects that the shortfall will be partially recovered in 2023.

Around 86% of land acquisition for C4 is completed from government land transfer and direct purchase of private land. The remaining land to be acquired is not affecting the work progress.

There are no major identified issues affecting the project implementation. Overall progress and performance of the project implementation are satisfactory.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Construction of 16.5 km of the elevated viaduct,	As of date, construction of the major structural components of viaduct	As a result of the guidance already provided during AIIB visit in May, 2022, during the mission on July 25-	There are only 2 civil works packages under this Project and procurement processes

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.

including 18 elevated stations.	and stations, including piles, pile caps, piers, pier caps and pre-casting, are ongoing. The physical progress of the work packages is about 20.13% for ECV01 and about 34.88% for ECV02. However, there is still a large shortfall in both civil work contracts, the planned physical work was about 55.83% for ECV01 and 57% for ECV02. CMRL has been taking recovery actions to speed up the implementation. CMRL is also adjusting the work program accordingly.	29, 2022, CMRL is furnishing detailed reports on the E&S monitoring and performance in compliance with requirements of the Project Agreement. This includes details on the E&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.	for both the packages are completed and contractors are onboard.
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Financial Management:

The project financial management system has been maintained by the designated financial team of CMRL. Project financial statements could be timely provided in the format agreed with Bank to reflect the overall sources and usage of project funds. Sufficient counterpart funds are provided to secure due payment (total payment to contractors are 26.7% and 39.7% as at the end of November, both ahead of physical progress mainly due to mobilization advances) and then get reimbursement from 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

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. About 27.5% of the viaduct length is completed.

Project Objective Indicators #1

Daily Project carrying passenger capacity

Year	Target	Actual	Comments, if any
Mar. 01, 2027	127,220	N/A	

Project Objective Indicators #2

Reduced journey time

Year	Target	Actual	Comments, if any
Mar. 01, 2027	49	N/A	

Intermediate Result Indicators #1

Elevated viaducts stations constructed – civil works

Year	Target	Actual	Comments, if any
Dec. 31, 2021	15	9.33	
Dec. 31, 2022	40	27.51	As mentioned above, there is a delay in the physical progress. CMRL has undertaken necessary action to speed up the works
Dec. 31, 2023	65	N/A	
Dec. 31, 2024	90	N/A	
Dec. 31, 2025	100	N/A	
Dec. 31, 2026	100	N/A	

Intermediate Result Indicators #2

Indian Green Building Council (IGBC) Platinum rating for elevated stations

Year	Target	Actual	Comments, if any
Feb. 01, 2027	18	N/A	

Intermediate Result Indicators #3

Number of Project stations designated to be fully operated by women

Year	Target	Actual	Comments, if any
Mar. 01, 2027	2	N/A	

Intermediate Result Indicators #4

Employment during operations stage of the Project, disaggregated by gender (of which at least 30 percent are for women)

Year	Target	Actual	Comments, if any
Mar. 01, 2027	30	N/A	

Intermediate Result Indicators #5

Percentage of female passengers, satisfied with station facilities and services during operations

Year	Target	Actual	Comments, if any
Mar. 01, 2027	75	N/A	

Intermediate Result Indicators #6

Universal accessibility features incorporated into Project design

Year	Target	Actual	Comments, if any
Dec. 31, 2021	Yes	Yes	

Intermediate Result Indicators #7

Climate adaptation/resilience measures incorporated into Project design

Year	Target	Actual	Comments, if any
Dec. 31, 2021	Yes	Yes	

Remarks:
