

SBF Project Implementation Monitoring Report

India: Bangalore Metro Rail Project - Line R6

1. Project Information

Project ID:	000038	Investment Number:	L0038A
Member:	India	Region:	Southern asia
Sector:	Transport	Sub-sector:	Urban transport
AIB Financing Type:	Loan: 335 USD million	Co-financier(s):	EIB-led
E&S category:	A	Borrower:	Republic of India
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Bangalore Metro Rail Corporation Limited (BMRCL)		
Project Team Leader:	Wanli Fang		
Project Team Members:	Somnath Basu, Principal Social Development Specialist Bernardita Saez, Senior Counsel - Investment Operations Kishlaya Misra, Investment Specialist Yogesh Malla, Financial Management Specialist Giacomo Ottolini, Senior Procurement Consultant Rupa Banerjee Pravin, Social Safeguards Consultant Chang Tian, Assistant		
Completed Site Visits by AIB:	Oct, 2019 Implementation support mission by AIB task team. Feb, 2021 Semi-annual monitoring visit/mission during February 22-24, 2021 by AIB-hired local consultant		
Planned Site Visits by AIB:	To be conducted when the travel restrictions is lifted		

2. Project Summary and Objectives

The objective of the project is to provide efficient and high-capacity north-south connectivity through the center of Bangalore by expanding the city's metro system. Following are the planned activities under the proposed Project: (i) construction of 7.5 km of elevated viaduct and 6 elevated stations; (ii) construction of 14.5 km of underground tunnels and 12 underground stations; (iii) construction of a depot; and (iv) creation of a tunnel ventilation system and environment control system. The primary beneficiaries are the commuters who will travel along the corridor faster and safer, and the secondary beneficiaries are residents and commercial establishments along the corridor, who are expected to benefit from reduced vehicle emissions, noise, and traffic accidents and increase business. The Project is estimated to cost USD 1,785 million, and will be jointly co-financed by AIB and the EIB. The financing plan comprises (i) a sovereign-backed loan of USD335 million from AIB, (ii) a sovereign-backed loan of €500 million from the EIB, (iii) USD255 million from the Government of India, and (iv) USD 612 million from the Government of Karnataka.

3. Key Dates

Approval:	Dec. 8, 2017	Signing:	Jun. 4, 2019
Effective:	Sep. 2, 2019	Restructured (if any):	
Orig. Closing:	Jun. 30, 2024	Rev. Closing (if any):	

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	335	b) Cancellation (if any):	0
c) Disbursed:	34.17	d) Most recent disbursement: (amount / date)	33.33, Dec. 23, 2020
e) Undisbursed:	300.83	f) Disbursement Ratio(%) ¹ :	10.2

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The loan has been effective on September 2, 2019. The implementing agency has submitted to AIIB the first disbursement request of USD 33.33 million in February 2020 and the first disbursement was made in December 2020 upon receiving confirmation of conditions precedents for the first disbursement by EIB (the lead co-financier). The second disbursement request of USD 33.33 million was submitted to AIIB in March 2021 and will be processed once EIB's written confirmation for compliance of conditions is received.

Construction for the elevated section has been suspended with contract termination due to contractor's failure to mobilize sufficient resources for construction and substantial delays in physical progress. The re-tendering for the balance work is in process and is expected to complete in August 2021. Four contracts of the underground section have been awarded and construction for station boxes is progressing at 5 underground stations. The contract for construction of depot has been awarded and is under implementation. Procurement of the contract of tunnel ventilation system & environmental control system is in process.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Construction of Elevated Viaduct & Stations (USD31.00 M)	33%	Conditional approval of the main RAP has been given in October 2020. Conditions include finalization of the main RAP, prepare a supplementary RAP for the Lakkasandra Casting Yard and report the identified the number of project affected entities (PAE), the usage of Grievance Redress Mechanism, gender disaggregated information on the vulnerable families and monitoring of Livelihood Restoration. The main RAP covers 1110 families covering 2762 project affected entities. The Lakkasandra Casting Yard supplementary RAP covers 101 families and 451 project affected entities. The supplementary RAP is prepared and cleared by BMRCL, and is expected to be approved by EIB in Q2 of 2021. BMRCL has prepared the Tree Removal Management Plan as required, which is under review by EIB. In addition, EIB requested BMRCL to prepare a Cultural Heritage Management Plan but was declined by BMRCL as there has been a disagreement between the two parties on the necessity of such a plan. The pending status on preparation of this plan will not have impacts on physical progress but will hold up the second disbursement as it is one of the conditions set by EIB for making disbursement.	Contract terminated, tenders already invited for the balance work.
Component 2: Construction of Underground Section Tunnel & Stations (USD282.00 M)	13.4% (physical progress for Component 2 is a weighted average of progress of the four contracts by investment amount.)	Same as Component 1.	Completed
Component 3: Depot (USD7.00 M)	0.5%	N/A	Completed
Component 4: Tunnel Ventilation System & Environmental Control system (USD15.00 M)	0%	N/A	Tenders to be invited

Financial Management:

As per Loan Agreement, the project is supposed to submit on half yearly basis IUFRRs within 45 days of the period end. The first half yearly IUFRR ending Sep 30, 2020 of FY20/21 was received. The next half yearly IUFRR ending March 31, 2021 is due on May 15, 2021.

The annual project audited financial statement for FY19/20 was received with some delays. The annual project audited financial statement for FY20/21 is due on Sep 30, 2021.

The first disbursement of US\$33 million has been made as per the claim. BMRCL has submitted the 2nd withdrawal application amounting US\$ 33 million, which is

under processing.

6. Status of the Grievance Redress Mechanism (GRM)

BMRCL already has in place a grievance redress mechanism. All grievances received are resolved at the level of General Manager (land acquisition) and Director (Projects and Planning). Property ownership issues are addressed by Karnataka Industrial Area Development Board, Competent Authority. Grievances received at the Corporate Office, is sorted according to subject matter, and is directed from the Managing Directors office to the Land office. Grievance redress is carried out at two levels: namely first level and the appellate level. Grievances of affected persons will be first brought to the attention of BMRCL, land acquisition office. The aggrieved person can approach the Grievance Redress Committee (GRC). In case of non-resolution of the issues raised, the affected person also has the option of for judicial review/intervention by the courts.

7. Results Monitoring

Signing and effectiveness only happened in 2019 while the project was approved in 2017. As a result, project implementation plan, disbursement projection and project delivery strategy with procurement plan have been revised accordingly to reflect the delay of two years.

Baseline Year: Jan. 1, 2019 End Target Year: Jun. 30, 2024

Project Objective Indicators #1

No. of passengers carried (people million)

Year	Target	Actual	Others, if any
Dec. 31, 2022	0.3	N/A	
Dec. 31, 2023	0.315	N/A	
Jun. 30, 2024	0.331	N/A	

Project Objective Indicators #2

Average trip length (Km)

Year	Target	Actual	Others, if any
Dec. 31, 2022	10	N/A	
Dec. 31, 2023	10	N/A	
Jun. 30, 2024	10	N/A	

Project Objective Indicators #3

Employment generation during operation (people)

Year	Target	Actual	Others, if any
Dec. 31, 2022	450 - 620	N/A	
Dec. 31, 2023	450 - 620	N/A	
Jun. 30, 2024	450 - 620	N/A	

Intermediate Result Indicators #1

Construction of metro line (Km)

Year	Target	Actual	Others, if any
Dec. 31, 2019	5	0	To be monitored in year 2021 per updated implementation plan.
Dec. 31, 2020	9	0	To be monitored in year 2022 per updated implementation plan.

Jan. 31, 2021	8	N/A	
---------------	---	-----	--

Intermediate Result Indicators #2

Construction of a depot (number)

Year	Target	Actual	Others, if any
Dec. 31, 2019	0	0	To be monitored in year 2021 per updated implementation plan.
Dec. 31, 2020	0	0	To be monitored in year 2022 per updated implementation plan.
Dec. 31, 2021	1	N/A	

Intermediate Result Indicators #3

Installation of TVS and ECS (number)

Year	Target	Actual	Others, if any
Dec. 31, 2019	0	0	To be monitored in year 2021 per updated implementation plan.
Dec. 31, 2020	2	0	To be monitored in year 2022 per updated implementation plan.
Dec. 31, 2021	10	N/A	

Remarks: Updated to 0. This project was approved by the board in 2017 but only became effective in 2019. The outbreak of COVID-19 in 2020 further delayed the construction. Overall delays may add up to 2.5 years as compared to the original construction schedule.