

India : Bangalore Metro Rail Project - Line R6

1. Project Information

Project ID:	P000038	Instrument ID:	L0038A
Member:	India	Region:	Southern Asia
Sector:	Transport	Sub-sector:	Urban transport
Instrument type:	<input checked="" type="checkbox"/> Loan:335.00 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	European Investment Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, India
Implementing Entity:	Bangalore Metro Rail Corporation Limited		
Project Team Leader:	Wanli Fang (DG: Rajat Misra; Responsible Department: INF1)		
Project Team Members:	Bernardita Saez, Project Counsel; Susrutha Goonasekera, OSD - Environment & Social Development Specialist; Chitambala Sikazwe, OSD - Procurement Specialist; Yogesh Malla, OSD - Financial Management Specialist;		
Completed Site Visits by AIIB:	<p>Oct, 2019 Implementation support mission by AIIB task team.</p> <p>Aug, 2021 Virtual meeting with BMRCL to discuss the issue related to the demolished school of deaf and dumb students.</p> <p>Feb, 2021 Semi-annual monitoring visit/mission during February 22-24, 2021 by AIIB-hired local consultant</p> <p>Feb, 2022 Joint project review meeting with EIB and BMRCL.</p> <p>Mar, 2022 Special virtual meeting to discuss the resolution of TTCD student issue.</p>		
Planned Site Visits by AIIB:	To be conducted by India-based staff together with consultant.		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2021/09		

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 AIIB and the EIB. The financing plan comprises (i) a sovereign-backed loan of USD 335 million from AIIB, (ii) a sovereign-backed loan of €500 million from the EIB, (iii) USD 255 million from the Government of India, and (iv) USD 612 million from the Government of

Karnataka.

3. Key Dates

Approval:	Dec. 08, 2017	Signing:	Jun. 04, 2019
Effective:	Sep. 02, 2019	Restructured (if any):	
Orig. Closing:	Jun. 30, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:	343.00	Cancellation (if any):	0.00
Disbursed:	67.50	Most recent disbursement (amount/date):	33.33/Sep. 15, 2021
Undisbursed:	267.50	Disbursement Ratio (%) ¹ :	20.15

5. Project Implementation Update

Overall the project has made solid progress in implementation. The project has been effective for 2.5 years. Aggregated physical progress is around 40%. The procurement plan comprises of seven contracts (i.e., 6 works & 1 goods). Over 95% of the total value of contracts were awarded.

Re-tendering of the balance work of the elevated viaduct was completed and construction was resumed in Aug 2021. The construction of underground stations, tunnels and the Kothnur Depot are on track. The procurement of the tunnel ventilation system and the environment control system has been divided into two packages. Tendering of the first package started in Aug 2021 and is expected to be award to the contractor in Q2 2022. The second package is expected to call for bid later this year.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Construction of Elevated Viaduct & Stations (USD31.00 M)	64%	The main Resettlement Action Plan (RAP) and a supplementary RAP for the Lakkasandra Casting Yard have been approved and disclosed to the public. Per the request of EIB, Bangalore Metro Rail Corporation (BMRC) prepared the Tree Removal Management Plan, which has been approved and disclosed on BMRC's website.	Original contract was terminated in January 2021. Contract of the balance work was signed and resumed in August 2021.
Component 2: Construction of Underground Section Tunnel & Stations (USD282.00 M)	39% (physical progress for Component 2 is a weighted average of progress of the four contracts by actual amount.)	Same as Component 1.	Completed

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.

Component 3: Depot (USD7.00 M)	13%	Same as component 1	Completed
Component 4: Tunnel Ventilation System & Environmental Control system (USD15.00 M)	0%	N/A	Tendering of the first package started in Aug 2021 and is expected to be awarded to the contractor in Q2 2022. The second package is expected to call for bid later this year.

Financial Management:

The half yearly IUFRR ending Sep 30, 2021 was submitted with some delays. No major issues noted. The annual audited project financial statement for FY20/21, due on Sep 30, 2021, was submitted with some delays due to pandemic situation. The auditors have provided unqualified audit opinion and no major issues reported.

Disbursement of loan has been made semi-annually at equal amount. The first disbursement of USD 33 million was made in December 2020. BMRCCL submitted the request for the second disbursement of USD 33 million in March 2021. The second disbursement of AIIB loan in the amount of USD 33 million was made in September 2021. BMRCCL already submitted the 3rd loan withdraw application of USD 33 million in Q1 2022 and currently is under process by EIB and AIIB. Disbursement ratio is expected to raise to 30% by Q2 2022.

6. Status of the Grievance Redress Mechanism (GRM)

BMRCCL already has a functional grievance redress mechanism in place. As at March 2022, the GRM had received 143 complaints, out of which 90 complaints had been resolved and a further 53 complaints are being attended to. 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, are sorted according to subject matter, and are 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 are first brought to the attention of BMRCCL, 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 a judicial review/intervention by the courts.

7. Results Monitoring

Signing and effectiveness was achieved 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.

Project Objective Indicators #1

No. of passengers carried (people million)

Year	Target	Actual	Comments, 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	Comments, 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	Comments, 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	Comments, if any
Dec. 31, 2021	5	0	To be monitored in year 2021 per updated implementation plan.
Dec. 31, 2022	9	N/A	To be monitored in year 2022 per updated implementation plan.
Dec. 31, 2023	8	N/A	

Intermediate Result Indicators #2

Construction of a depot (number)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	0	To be monitored in year 2021 per updated implementation plan.
Dec. 31, 2022	0	N/A	To be monitored in year 2022 per updated implementation plan.
Dec. 31, 2023	1	N/A	

Intermediate Result Indicators #3

Installation of TVS and ECS (number)

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

			implementation plan.
Dec. 31, 2023	10	N/A	

Remarks:

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. The target indicators are estimated to be achieved by completion of the project in 2024.
