

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 (Q1: 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 Aug, 2021 Virtual meeting with BMRCL to discuss the issue related to the demolished school of deaf and dump students.		
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 USD 335 million from AIB, (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. 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:	67.5	d) Most recent disbursement: (amount / date)	33.33, Sep. 15, 2021
e) Undisbursed:	267.5	f) Disbursement Ratio(%) ¹ :	20.1

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

Overall the project has made solid progress in implementation despite the second wave of the COVID-19 pandemic in India during April-May 2021. The latest procurement plan comprises of seven contracts, of which six are civil works and one is goods. All contracts are subject to open international tendering. Over 90% of the total value of contracts were already awarded. In January 2021, the contract for construction of elevated viaduct was terminated due to contractor's failure to mobilise sufficient resources for construction and substantial delays in physical progress. The re-tendering of the balance work has been completed. The contract was signed on August 3, 2021 with M/s. GR Infra Projects Ltd and construction was resumed. The four contracts for construction of underground stations and tunnels and one for construction of the Kothnur Depot were awarded and are under implementation. The contract for procurement of the tunnel ventilation system and the environment control system has been divided into two packages. The tender of the first package has been floated in Aug 2021 and is expected to be awarded to the contractor in March 2022. The tender of the second package is expected to be floated in Feb 2022. Project progress report for the first half of 2021 was submitted to EIB and AIIB in July 2021.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Construction of Elevated Viaduct & Stations (USD31.00 M)	33%	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 (BMRCL) prepared the Tree Removal Management Plan, which has been approved and disclosed on BMRCL's website.	Original contract was terminated in January 2021. Contract of the balance work was signed in August 2021.
Component 2: Construction of Underground Section Tunnel & Stations (USD282.00 M)	26.5% (physical progress for Component 2 is a weighted average of progress of the four contracts by actual amount.)	Same as Component 1.	Completed
Component 3: Depot (USD7.00 M)	5%	N/A	Completed
Component 4: Tunnel Ventilation System & Environmental Control system (USD15.00 M)	0%	N/A	The tender of the first package has been floated in Aug 2021 and is expected to be awarded to the contractor in March 2022. The tender of the second package is expected to be floated in Feb 2022.

Financial Management:

There are currently no outstanding IUFs. The half yearly IUF ending Sep 30, 2021 shall be due on November 15, 2021. The annual audited project financial statement for FY20/21 was due on Sep 30, 2021. However, AIIB team was informed that there will be some delays in the submission of the said project audit report due to pandemic situations in the country. BMRCL expected to make the submission by November 30, 2021.

Disbursement of loan has been made semi-annually at equal amount. The first disbursement of USD 33 million was made in December 2020. BMRCL submitted the request for the second disbursement of USD 33 million in March 2021. However, because of a few pending E & S issues and the signing of the Comfort Letter for the fulfilment of the MoU/ On-lending Agreements between EIB and DEA, the disbursement of loans from EIB and AIIB has been withheld for a few months. The second disbursement of AIIB loan in the amount of USD 33 million was made in September 2021. BMRCL plans to submit the third loan withdrawal application in the amount of USD 33 million in December 2021.

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, 2021	5	N/A	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	Others, if any
Dec. 31, 2021	0	N/A	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	Others, if any
Dec. 31, 2021	0	N/A	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.