Project Summary Information

	Date of Document Preparation/Updated: 07/01/26
Project Name	Upgradation of Rural Roads under MMGSY (Mukhaya Mantri Gram Sadak Yogna)
Project Number	P001120
AIIB member	India
Sector/Subsector	Transport
Alignment with AIIB's thematic priorities	Connectivity and Regional Cooperation; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	The objectives are: To improve the quality, capacity, safety, and climate resilience of strategic rural roads, and to strengthen rural road asset management in Maharashtra.
Project Description	The proposed program aims to significantly improve the connectivity between poorly connected villages in Maharashtra with population more than 1000 and their respective District Headquarters, also integrating them with Other District Roads (ODR), Major Districts Roads (MDR), State Highways (SH) and National Highways (NH) by providing all-weather Cement concrete (CC) rural roads as per site conditions. The Project will achieve this by upgrading approximately 3500 km of strategic rural roads to all-weather, intermediate-lane standards using durable, climate-resilient pavement technologies, and by institutionalizing modern asset management practices within MRRDA. Expected outcomes include improved year-round connectivity between rural communities and the higher-order road network, expanded access to markets and social services, and stronger sustainability of rural road assets. The Project will have following three components. **Component A** will finance the upgrading of about 3,500 km of strategic rural roads, or more where feasible within the available project funds. Works will generally include widening to intermediate-lane standards with a 5.5 m carriageway and 1.5 m shoulders on either side, use of durable and climate-resilient pavement technologies such as short-panel concrete and other appropriate solutions, geometric improvements, drainage and cross-drainage enhancements, road safety

	measures, wayside facilities, and rehabilitation or construction of bridges and culverts. Civil works contracts will include defect liability and maintenance provisions of five years for bituminous roads and ten years for concrete roads. **Component B** will support pilot interventions to demonstrate improved rural road planning, design, construction, maintenance, and asset management practices. This will include construction of about 200 km of model rural roads incorporating best practices in engineering design, road safety, climate resilience, and construction quality. It will also pilot the implementation of civil works and maintenance plans generated through the Road Asset Management System under Component C in a selected subdistrict, using area-based or other suitable contracting approaches to demonstrate efficient prioritization and allocation of maintenance resources. **Component C** will provide technical assistance to strengthen management of the rural road sector in Maharashtra. It will support the development and operationalization of a GIS-based Road Asset Management System (RAMS), preparation of an asset management strategy and plan, development of a rural road master plan aligned with the Viksit Maharashtra 2047 vision, and establishment of a Human Resources Professional Development Strategy for MRRDA staff. The component will also finance technical notes and guidance on engineering and related areas, capacity building, exposure to good international practices, and refurbishment of training, office, IT, and laboratory facilities needed to support project implementation and long-term sector management.
Expected Results	(i) **Quality:** Significant proportion of roads in fair or good condition under the International Roughness Index (IRI); (ii) **Capacity:** Rural population with all-weather access to the core network via project roads, disaggregated by gender; (iii) **Safety.** Significant proportion of roads with "reasonable" safety rating under the International Road Assessment Programme (iRAP); (iv) **Socio-economic.** Reduction in travel time and vehicle operating cost (VOC) on sample of project roads.
Environmental and Social Category	B
Environmental and Social Information	**Applicable Policy and Categorization.** AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and Environmental and Social Exclusion List (ESEL), applies to the Project. ESS 1 is applicable. As works are expected largely within the existing right of way (RoW) and no involuntary resettlement is anticipated, ESS 2 applicability is expected to be limited. ESS 3 applicability will be confirmed during appraisal once the final road sections and designs are determined. Based on the nature of the proposed activities, anticipated impacts, and implementing agency's prior experiences and capacities, the Project is categorized as Category B.

	Environmental and Social Instruments. A Project-level Environmental and Social Management Framework (ESMF) will be prepared in line with AIIB's ESP. DPRs for each road section will include environmental and social (ES) screening and proportionate assessments to identify section-specific risks and mitigation measures. Site-specific instruments, including Environmental and Social Management Plans (ESMPs), Construction ESMPs, and Environmental Codes of Practice (ECoPs), will be prepared as required. Although involuntary resettlement is not envisaged, as a prudent measure, a Resettlement Policy Framework (RPF) will be prepared to address any potential involuntary resettlement aspects, in accordance with AIIB ESS 2. If ESS 3 is triggered, an Indigenous Peoples Planning Framework (IPPF) will also be prepared. **Environmental and Social Aspects.** Environmental impacts are expected to be localized and manageable through standard mitigation measures. Potential risks include vegetation clearance, dust, noise, construction waste, borrow area impacts, utility shifting, drainage modifications, and pollution from fuel or waste mismanagement. DPR-level assessments will identify sensitive receptors and biodiversity values and apply mitigation measures consistent with the mitigation hierarchy. Risks associated with quarrying, material transport, erosion, and slope instability will be addressed through appropriate engineering and environmental measures. Social risks include temporary construction-related disruptions, utility relocations, temporary land use for camps and storage, labor influx, and community health and safety concerns. The Project is designed to avoid land acquisition and involuntary resettlement. Where minor land requirements arise, voluntary land donation approach would be followed in line with the established practice under prior MDB-financed projects, with clear eligibility criteria, documentation, and avoiding adverse livelihood impacts. **Occupational Health and Safety (OHS), Labor and Woking Condition.** Key risks include construction accidents, machinery operation, dust and noise exposure, traffic hazards, electrical risks, and extreme weather conditions. These will be managed through ESMPs, CESMPs, and contractor OHS plans. These plans will also set out measures for fair treatment of workers, safe working conditions, worker grievance redress, prevention of GBVH, and compliance with national labor laws and international good practice. Contractors will be required to implement training, PPE provision, emergency preparedness, and incident reporting. Given the likely use of local and potentially migrant labor, labor influx risks and community interface measures will be incorporated into contractor management plans. **Stakeholder Engagement and Information Disclosure.** Site visits and consultations were undertaken with MRRDA engineers, local representatives, and road users, who expressed strong support for the Project. Additional consultations will be conducted during DPR preparation to inform road selection, design, and mitigation measures. The ESMF, RPF, and IPPF (if applicable) will be disclosed on MRRDA's and AIIB's websites at least 30 days prior to financing approval. **Project Grievance Redress Mechanism (GRM).** MRRDA will establish a Project-level GRM for communities and workers, including confidential procedures for GBVH-related complaints. Information on AIIB's Project-Affected People's Mechanism

	(PPM) and established GRM, alongside project ES documentation, will be disclosed and communicated through stakeholder engagement activities. **Monitoring and Reporting Arrangements.** The Project's ES management will rely on the existing institutional arrangements and implementation practices of MRRDA, which have been in operation for several years, for similar MDB-financed road projects, and will adopt, strengthen or enhance as needed to fully meet AIIB ESP requirements. A PMU/PIU structure, supported by ES focal points, will oversee implementation, monitoring, and reporting. Contractors will be required to mobilize qualified Environmental, Social, and Health and Safety (ESHS) personnel to support on-site implementation of CESMPs and regular reporting to the PIU. Semi-annual ES monitoring reports will be submitted to AIIB in an agreed format, which will conduct filed monitoring missions as required. Institutional arrangements and staffing will be finalized during project appraisal.
Cost and Financing Plan	Total project cost: USD714.00 million Proposed AIIB Financing: USD 500.00 million
Borrower/Investee Company/Counter party/Guaranteed entity	Republic of India
Implementing Entity/Sponsor	Maharashtra Rural Road Development Agency
Estimated date of loan closing (SBF)/Estimated date of last disbursement (NSBF)/ Estimated Date of first disbursement (Fund)	Q4 2032

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Date of Concept Decision	1 July 2026		
Estimated Date of Appraisal Decision	16 September 2026		
Estimated Date of Financing Approval	Q4 2026		

Independent Accountability Mechanism	AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through the project-level GRMs or the Bank's management processes. Information on AIIB's PPM is available at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html