

Project Summary Information

Date of Document Preparation: May 19, 2021	
Project Name	Chennai City Partnership: Sustainable Urban Services Program
Project Number	P000477
AIB member	Republic of India
Sector/Subsector	Urban / water resource management; water supply and sanitation; urban transport; solid waste management; and public health
Status of Financing	Under Preparation
Project Description	The Program is envisioned as a first-phase engagement and a building block for the Bank's long-term partnership in CMA by supporting the government's program of expenditures. As a subset of the overall government program, the Program supported by this Financing will cover the core urban services, including water resource management, water supply and sewerage, urban mobility, solid waste management, and public health.
Objective	To strengthen institutions and improve quality and financial sustainability of selected urban services in the Chennai Metropolitan Area (CMA).
Expected Results	The Program objectives will be evaluated against the following key result indicators: (i) improvement in service delivery performance for Chennai Metropolitan Water Supply and Sewerage Board, Metropolitan Transportation Company, and Greater Chennai Corporation (GCC), disaggregated by gender and vulnerable groups; (ii) operationalization of Chennai Metropolitan Urban Transportation Authority with enhanced capacity to oversee urban mobility in the metropolitan areas; (iii) percentage increase in GCC annual own source revenues; (iv) improved financial performance for water supply and sanitation service; and (v) reduction in vacancy rates of professional staff category of GCC to enhance professional capability.
Environmental and Social Category	WB Category " <i>Substantial</i> " (similar to Category B if AIB's ESP were applicable).
Environmental and Social Information	This Program will be jointly co-financed with the WB as lead co-financier, and its environmental and social (ES) risks and impacts have been assessed in accordance with the WB's Policy on Program-for-Results Financing (PforR Policy). AIB's Environmental and Social Policy (ESP) was designed to apply to investment projects and has no provisions for its application to PforR operations. Therefore, the WB's PforR Policy will apply to this operation in lieu of AIB's ESP. This will ensure a harmonized approach to addressing the ES risks and impacts of the Program.

	<p>The WB has categorized the ES risks of this Program as “<i>Substantial</i>”, which is similar to Category B if AIIB’s ESP were applicable. As required under the WB’s PforR Policy, the Program excludes activities that are likely to have significant adverse ES impacts, that could be sensitive, irreversible, or unprecedented (similar to Category A if AIIB’s ESP were applicable).</p> <p>An Environmental and Social Systems Assessment (ESSA), which involves assessing the country’s systems for managing ES risks and impacts of the PforR, has been conducted by the WB in accordance with its PforR Policy. The ESSA is complemented by a Program Action Plan (PAP) at the operational level, and has been disclosed on the WB’s website in English (https://projects.worldbank.org/en/projects-operations/document-detail/P175221).</p> <p>The key environmental risks relate to issues connected with water supply and sanitation, water resource resilience and urban mobility sectors, and include construction-related adverse impacts such as air pollution, dust and noise pollution, worker and public safety, and generation of scrap and debris. These impacts are expected to be localized, temporary and reversible, which can be mitigated effectively through mitigation management measures.</p> <p>The key social risks are construction induced impacts, inequitable distribution of benefits, inadequate stakeholder engagement, ineffective grievance redress mechanism, occupational health and safety issues, and gender-based violence issues related to increased influx of labor. The PAP has provided recommendations to address these risks focused on strengthening capacities for reporting on social risk management, improving social inclusion and stakeholder engagement, closing gender gaps, managing land acquisition and resettlement. To address gender gaps, the Program will support capacity development with an emphasis on building an integrated approach across agencies for implementing the safe-city program in Chennai.</p> <p>This Program will support strengthening of systems for all key participating agencies for citizen outreach and consultation, preparation and public disclosure of annual performance reports by implementing agencies, use of consumer feedback and satisfaction surveys to enhance service delivery and grievance redressal for all key participating agencies. During the Program preparation, mapping of stakeholders was undertaken and consultations were held with interest groups across all sectors. Following the sector-specific consultations, the draft ESSA was disclosed, and virtual city-wide stakeholder consultations were held.</p>
Cost and Financing Plan	<p>Program cost: USD701 million</p> <p>Financing Plan:</p>

	(i) Asian Infrastructure Investment Bank (AIIB) Loan: USD150 million (21.4 percent); (ii) International Bank for Reconstruction and Development (IBRD) Loan: USD150 million (21.4 percent); and (iii) Govt of Tamil Nadu: USD401 million (57.2 percent)			
Borrower	Republic of India			
Implementing Entity	The State of Tamil Nadu			
Estimated date of loan closing	December 31, 2026			
Contact Points:	AIIB	World Bank	Borrower	Implementation Organization/Sponsor
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Date of Concept Decision	March 3, 2021			
Date of Appraisal Decision	May 19, 2021			
Date of Financing Approval/Estimated Date of Financing Approval	Q3 2021			
Independent Accountability Mechanism	AIIB's Policy on the Project-affected People's Mechanism (PPM) addresses issues raised under AIIB's ESP, which does not apply to this operation. Submissions to the PPM under the Program would, therefore, not be eligible for consideration by the PPM. The WB's independent accountability mechanism addresses issues raised by persons adversely affected by a WB-financed operation and allows them to report alleged non-compliance with the WB's operational policies and procedures, including its PforR Policy.			