Early Warning System

AIIB-000477

India: Chennai City Partnership: Sustainable Urban Services Program

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Quick Facts

Countries	India
Specific Location	New Delhi
Financial Institutions	Asian Infrastructure Investment Bank (AIIB), World Bank (WB)
Status	Approved
Bank Risk Rating	B
Voting Date	2021-11-11
Borrower	Republic of India
Sectors	Transport, Water and Sanitation
Potential Rights Impacts	Healthy Environment, Housing & Property, Right to Health, Right to Water
Investment Type(s)	Loan
Investment Amount (USD)	$ 150.00 million
Loan Amount (USD)	$ 150.00 million
Project Cost (USD)	$ 701.00 million

Project Description

The objective of the proposed project is "to strengthen institutions and financing for improving the quality and sustainability of selected urban services in the Chennai Metropolitan Area (CMA)." This project seeks to be the first phase of a longer engagement of the bank with the Government of Tamil Nadu with regards to CMA. The financing of this project will cover core urban services, including water resource management, water supply and sewerage, urban mobility, solid waste management, and public health.

This project is jointly co-financed with the World Bank 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). AIIB'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 AIIB's ESP. This will ensure a harmonized approach to addressing the ES risks and impacts of the Program.

The WB has categorized the ES risks of this Program as "Substantial", 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).

***The Program-for-Results (PforR)** financing instrument supports improving the efficiency of government programs of expenditures and achieving results by strengthening institutions and building capacity. Using a country's own institutions and processes, PforR links disbursement of funds directly to the achievement of specific program results. https://pubdocs.worldbank.org/en/583761534193720449/PforR-fact-sheet-SpringMeetings2015.pdf*

The program seeks to support the 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.

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.

People Affected By This Project

According to the bank documents, 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.

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.

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Investment Description

- Asian Infrastructure Investment Bank (AIIB)
- World Bank (WB)

Financing Plan: (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)

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). However as mentioned in the bank documents provided, AIIBs PPM which addresses issues raised under AIIB's ESP, 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.

Bank Documents

- Project Summary (May 19, 2021) [Original Source]

Other Related Projects

- WB-P175221 Chennai City Partnership: Sustainable Urban Services Program