

Draft Minutes of 10th TPRM of AIIB-assisted Projects
May 15-16, 2025, Delhi

1. Haryana Orbital Railway Project (Part A) (ONGOING)

The PIA presented an overview of the Haryana Orbital Rail Corridor (HORC), a 126 km double-track freight-dedicated railway line from Palwal to Sonipat, designed to divert non-Delhi-bound freight traffic away from Delhi's congested rail network. Strategically aligned along the Kundli–Manesar–Palwal (KMP) Expressway, the corridor aims to enhance regional connectivity and improve logistics access to key industrial hubs, including Maruti Suzuki's Manesar and Kharkhoda plants and AllCargo's ICT at Farukhnagar. The project is being implemented by HRIDC, a joint venture between the Government of Haryana and the Ministry of Railways.

The project has been bifurcated into two phases: Part A (30 km + 11 km connectivity), prioritized due to its advanced readiness, and Part B (96 km), which involves complex engineering works such as tunneling through the Aravalli Hills and is currently under preparation with an appraisal mission scheduled.

Progress and Financial Status of Part A

- Part A of the HORC project is under progress and has achieved some of the key implementation milestones.
- All major contracts have been awarded, and construction activities are currently underway across several sites.
- Land acquisition for this segment is completed, with 94% of compensation disbursed, owing to proactive support from the Government of Haryana.
- Although the loan became effective on September 1, 2023, no disbursements were made initially as HRIDC relied on equity and special assistance.
- The first withdrawal application, amounting to INR 99 crore (approximately USD 12 million), has now been uploaded to the C-AAA portal, and disbursement is expected shortly.

- HRIDC anticipates withdrawing USD 70 million within the current fiscal year and remains confident in achieving this target.

Operationalization and Connectivity Milestones

- A key infrastructure milestone under Part A is the completion of a dedicated rail yard at the Maruti Suzuki plant in Manesar, which will enable direct freight loading from the facility.
- This is projected to –
 - transport 4,50,000 vehicles/annum to 18 destinations in India via railways.
 - eliminate approximately 65,000 truck trips annually, significantly reducing road congestion and lowering vehicular emissions.
- Although the planned joint inauguration by the railway minister and the Chief Minister of Haryana was postponed, freight operations from the yard are expected to commence soon.
- Progress is also underway on the 11-kilometer greenfield rail link to Farukhnagar, with commissioning targeted for June 2026.
- These operational linkages are expected to generate revenue for the corridor and enhance its strategic utility.

Key issues raised by HRIDC:

- HRIDC requested a waiver of the prepayment penalty applicable to the AIIB loan, with the opinion that such charges should not apply to sovereign-backed financing; AIIB informed that this is under policy-level review.
- The issue of commitment charges was also raised, with HRIDC suggesting that charges be levied only on the undisbursed portion of the loan, considering their responsible use of alternative funding mechanisms in the early stages.
- HRIDC expressed continued interest in a rupee-denominated loan, which could help lower hedging costs; AIIB clarified that this would require coordination with the DEA, as AIIB currently does not hold rupee liabilities and such arrangements are complex for sovereign financing.
- Lastly, HRIDC emphasized the need for enhanced capacity building support, citing

the usefulness of past AIIB-organized programs—particularly a technical training in China—and encouraged similar initiatives in the future.

AIIB's Inputs:

- AIIB confirmed that the project is progressing as planned, with civil works in full swing. However, the following areas require strengthening:
- WA1 has been cleared by the Bank. Going forward, the quality and timeliness of subsequent withdrawal applications (WAs) should be ensured.
- It is recommended that HRIDC nominate a senior official (at Director level) to serve as the focal point for enhancing coordination with AIIB and ensuring timely submission of required documents, such as audited financial reports, quarterly progress reports, etc.

Sl. No.	Action Points	Responsibility
1	Nominate a senior (Director-level) official as nodal point to strengthen communication with AIIB and ensure timely submission of all required documents related to the project.	PIA
2	The disbursement in the project is only 0.25 %, while 63.33 % of the implementation period has been completed. PIA to accelerate its progress to meet the disbursement targets.	PIA

2. Haryana Orbital Railway Project (Part B) (*PIPELINE*)

Project Readiness and Challenges for Part B

- Part B of the HORC project is currently under appraisal and involves a larger financial requirement of USD 1.068 billion.
- The AIIB loan proposed for Part B is USD 315 million, including USD 0.75 million allocated for institutional strengthening and capacity building.
- HRIDC confirmed that the three key readiness criteria - land acquisition, contract award (30%), and ESIA publication—have been largely met as part of the DEA’s loan signing criteria. Specifically:
 - 100% of the required land has been acquired, with 88% of compensation disbursed.
 - Major contracts for tunneling (C4) and electrification (SYS-1) have been awarded, representing 27% of total contract value, just short of the 30% threshold.
 - The Environmental and Social Impact Assessment (ESIA) report has been published following AIIB’s approval, fulfilling the third readiness criterion.

Engineering and Execution Challenges

- A key engineering challenge in Part B is the construction of twin tunnels through the Aravalli Hills, including a 4.7 km long double-deck container-compatible tunnel and an adjacent 4 km viaduct reaching up to 25 meters in height.
- This tunnel will be one of the longest and first-of-its-kind on the Indian Railways network, specifically designed for double-stack container freight operations.
- The work is being implemented by Rail Vikas Nigam Limited (RVNL), a PSU under the Ministry of Railways.
- To expedite tunneling, construction has commenced from multiple access points; six out of ten tunnel faces are currently active, and approximately 3 km of tunneling has already been completed.

Funding Structure and TOD-Linked Revenue Risks

- The funding strategy for Part B includes ₹2500 crore in equity, ₹795 crore from Transit-Oriented Development (TOD) revenue, and special assistance from the Government of Haryana.
- HRIDC has already received ₹1655 crore over the past three years and expects ₹1437 crore more, with ₹500–600 crore anticipated in the current fiscal year.
- Despite these contributions, a funding gap of approximately ₹2000 crore (USD 240 million) has emerged due to revised cost estimates.
- HRIDC is actively engaging with AIIB and other financial institutions to bridge this gap through additional financing.

Key issues raised:

- Risks Associated with TOD-Based Revenue - HRIDC plans to leverage the existing TOD policy of the Government of Haryana and commercially develop land parcels, especially near key industrial hubs like Manesar.
 - While this strategy is potentially promising, the realization of TOD revenues remains uncertain and depends on future market demand and policy implementation.
 - The Department of Economic Affairs (DEA) flagged this as a significant financial risk, recommending that contingency plans be developed to mitigate the potential shortfall in revenue.
 - DEA emphasized that such innovative financing mechanisms must be backed by concrete fallback options to ensure project sustainability.

AIIB's Inputs:

- AIIB confirmed that the project is progressing, though with some delays in securing the gap funding and finalizing critical procurement packages. To expedite progress, the Bank team recommends the following:
 - Secure the gap funding of approximately USD 300 million as soon as possible. The TOD revenue assumptions require further review. The funding gap has emerged due to the revised cost estimates and uncertainties surrounding the

realization of TOD-linked revenue. A clear financing plan to bridge this gap is required prior to appraisal.

- While land acquisition and ESIA publication requirements have been met, procurement progress currently stands at 27%, slightly below the required 30% readiness threshold.
- Subject to resolution of the funding gap, procurement readiness, and communication improvements, the project part B is targeting appraisal in Q3 2025 and final approval in Q4 2025.

Sl.No.	Action Points	Responsibility
1	Secure the gap funding of approximately USD 300 million by June 30, 2025 .	PIA
2.	Expedite procurement activities, particularly for components C5 and C6 by October 30, 2025 , as they are critical to the project's overall readiness for approval.	PIA

3. Improvement of Roads within Imphal city with Rigid Pavement including Concrete Lined Drains (ONGOING)

The PMU (Public Works Department, Manipur) presented the project and provided an update on the status: the loan became effective on 14 May 2025, 98% of the land is already available, all four civil works packages are awarded and have started mobilization. Both PMU and AIIB highlighted the standout and innovative features of this project: pavement technologies, community-based routine maintenance, Road Maintenance Fund, IT-based Road Asset Management System.

The state government has demonstrated strong commitment by ensuring the availability of counterpart funding, particularly for gap funding where civil works procurement preceded loan effectiveness. All funds required for ongoing and upcoming works have been provisioned in the State Budget, and no disbursement-related delays are anticipated.

Both AIIB and the PIU agreed to maintain close coordination going forward, especially during the AIIB 1st implementation mission starting 19 May 2025. Continued focus on timely procurement, disbursement, and institutional strengthening was emphasized as key to successful implementation.

Sl. No.	Action Points	Responsibility
1	Submit final documents for procurement of Construction Supervision Consultant (CSC) to AIIB for No Objection Letter	PIA

4. Mumbai Urban Transport Project- Phase III (MUTP) (ONGOING)

Mumbai Railway Vikas Corporation (MRVC) provided an update on the project's implementation progress. Overall, the physical progress has reached 60%, and disbursements have totaled USD 222.68 million. All essential land for the project has been acquired. Over the past year (2024), approximately USD 101.11 million has been disbursed, reflecting significant progress.

Due to delays caused by COVID-19, land acquisition issues, and forest and mangrove clearances, project completion is likely to extend beyond the existing closing date of October 31, 2025. The MRVC and AIIB teams had a discussion and proposed to extend this Project to December 31, 2027.

Concerning this, MRVC has submitted a letter to the DEA seeking extension of the project. MRVC has also clarified the questions raised by DEA since the submission of the letter, as mentioned earlier.

Sl. No.	Action Points	Responsibility
1	Expedite DEAs approval for project extension from October 31, 2025 to December 31, 2027.	DEA and PIA

5. Mumbai Urban Transport Project 3A-Station Improvement (ONGOING)

The project was signed on 29th November, 2024 on the sidelines of TPRM held in Nov 2024. This project came into effect on February 14, 2025. Currently, the disbursement of the project is 19.68 % while the implementation period is 13.51 % completed. Since the project's start the overall physical progress is at 32% and the financial progress is at 41%. No land acquisition is essential for this project. Of the twenty-three (23) packages, eighteen (18) have been awarded, one (1) is currently in the bidding stage, and four (4) remain to be bid on.

As of the 10th TPRM, the project is progressing as planned without any issues.

Sl. No.	Action Points
1	The project became effective recently on February 14, 2025. The implementation is progressing smoothly, and there are no major issues at the moment.

6. Mumbai Metro Line 5 (*PIPELINE*)

The PIA (Mumbai Metropolitan Region Development Authority-MMRDA) presented the project and provided the latest updates on the status. Out the three packages, Package 2 is being awarded, Package 1 is under review by AIIB, and Package 3 is expected to be awarded by Q2 2025. Civil works are ongoing, with MMRDA aiming to complete the entire line and commission it by May 20, 2027. Land acquisition has been successfully completed for both government and private land parcels required for the project.

The loan agreement and project agreement were submitted to the Government of Maharashtra by MMRDA in March 2025. The file has moved through the Urban Development Department and Planning Department and is now expected to reach the Finance Department.

Approval by the State Cabinet is awaited. AIIB expressed concern about the delay in state-level clearances and emphasized the importance of timely processing to avoid project bottlenecks. AIIB also offered to escalate the matter to the Additional Chief Secretary (Finance) if required and requested an immediate update on whether the file is scheduled for the next cabinet meeting.

Sl. No.	Action Points	Responsibility
1	The loan agreement was negotiated with AIIB on 12 th June, 2024. Govt. of Maharashtra and the MMRDA to expedite the cabinet approval for the project without further delay by June 30, 2025.	PIA
2	Post Cabinet approval, legal agreements of the project to be signed.	Govt. of Maharashtra, AIIB and DEA

7. Solar Photovoltaic Water Pumping Systems and Agricultural Feeder (*PIPELINE*)

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) provided a brief update on the project's current status. The tendering process for 100,000 solar pumps and all substations has been completed, and contracts have been awarded. Additionally, 42 vendors have been empaneled for the installation of solar pumps.

AIIB emphasized that the finalization of the Disbursement-Linked Indicators (DLIs) and the verification protocol, followed by the procurement of an Independent Verification Agent (IVA), are on the critical path for project approval. It was noted that the size and scope of each implementation phase will be determined closer to the appraisal mission, once all technical and financial assessments are completed.

AIIB also acknowledged that comments previously provided on the bidding documents for both solar pumps and substations have been incorporated by the PIA. In addressing environmental concerns, AIIB highlighted that measures to mitigate the risk of groundwater depletion will be integrated into the project design, including through a dedicated groundwater workshop scheduled for June 12, 2025, to be convened by MITRA, the state's planning agency. The project appraisal mission is planned for June 9–13, 2025.

The DEA reiterated that groundwater sustainability is a critical issue and must be comprehensively addressed in the project's design. DEA also inquired whether off-grid solar pumps could potentially be connected to the grid in the future to enhance efficiency and impact of expenditure.

Sl. No.	Action Points	Responsibility
1	Expedite the finalization of the Disbursement-Linked Indicators (DLIs) and tendering process for the procurement of the Independent Verification Agent (IVA)	PIA
2	Appraisal Mission to be concluded	AIIB/PIA

8. Assam Intra-State Transmission System Enhancement Project (Phase-I (ONGOING) and II (PIPELINE))

Assam Electricity Grid Corporation Limited (AEGCL) provided an update on the project. Phase-I has an approved financing amount of USD 304 million, with USD 74.08 million (24%) disbursed. The proposed financing for Phase II is USD 186 million. AEGCL reported significant delays in awarding contracts for packages G and H due to pending forest clearances, which account for over 50% of the project cost. As a result, completing the project within the current loan closing date is not feasible. AEGCL has requested a one-year extension to accommodate the revised implementation schedule.

AIIB supported AEGCL's submission to DEA regarding loan extension, recognizing that initial obstacles have been largely addressed and expecting faster progress with the supply of key equipment this year and next. DEA agreed in principle, contingent on AEGCL providing formal responses to DEA's pending queries to complete its internal review and approval process.

AEGCL further informed that Phase II readiness conditions set by DEA have been met, including land acquisition, readiness to award contracts for over 30% of the project cost, and near-finalization of PMC engagement. AEGCL requested DEA's approval to proceed with contract awards. AIIB noted that increased prices might affect the originally planned scope of 14 substations under Phase II and emphasized the need to confirm the final scope of Phase II and the financing amount before the Bank's appraisal.

Sl. No.	Action Points	Responsibility
1	Phase I (ONGOING): PIA to submit detailed justification (including reasons for delay, project implementation plan etc.) to DEA regarding extension of loan closing date from April 30, 2026 to April 30, 2027 within one week.	PIA
2	Phase II (PIPELINE): PIA to submit detailed justification (including reasons for cost escalation etc.) and revised project readiness checklist to DEA regarding finalization of the scope and financing amount for Phase-II of the project.	DEA, AEGCL

9. Assam Electricity Distribution System Enhancement and Loss Reduction Project (ONGOING)

The project, implemented by Assam Power Distribution Company Limited (APDCL), remains active and on-track. The project has a total estimated cost of ₹3,284 crore (approx. USD 482 million), with AIIB financing USD 386 million. As of now, approximately USD 142.69 million has been disbursed or submitted (USD 123.91 million reimbursed and USD 18.78 million pending), representing around 37% of the total loan amount. Physical progress stands at 78.13%, while financial progress is at 53.86% of the awarded contract value. In calendar year 2023 alone, disbursements amounted to USD 74.43 million.

Key physical achievements include:

- **Substations:** Out of 196 planned, 86 have been commissioned, 17 are ready for commissioning, and 60 are nearing completion (60–90% progress), totaling ~81% completion in this component.
- **Smart Metering:** Installation progress is at 74.7% against a target of 1.86 lakh meters.
- **System-Based Distribution (SBD):** 72% of this component has been completed.
- **Other Works:** Installation of 3,763 distribution transformers is ongoing. Out of 26 awarded packages, one was terminated and is being re-tendered.

Project management remains strong, with a fully staffed and stable PMU since project preparation. The Project Management Consultant (MEG) is actively supporting implementation. Land acquisition has been completed for all substations, and there have been no major issues with procurement, resettlement, or grievances.

On the financial front, the Government of Assam has provided substantial support, allocating ₹1,798 crore to date. In FY 2023–24 alone, ₹837 crore was released, including supplementary funds, while for FY 2024–25, ₹500 crore has been allocated, with ₹200 crore already received. To date, claims equivalent to USD 119.5 million have been submitted, with INR 1,033 crore disbursed and an additional ₹161.48 crore under processing.

The project has achieved notable results:

- **Distribution Loss Reduction:** From a baseline of 20.13% in FY2020–21, current losses have been reduced to 16.42%.
- **Network Capacity:** An additional 820 MVA of transformation capacity has been added.
- **Utility Performance:** APDCL has improved its national utility ranking from B– to A (currently ranked 13th).

Despite strong progress, a potential budget shortfall in FY 2024–25 may require a supplementary provision from the state government. Additionally, claim processing timelines within the Controller of Aid Accounts (CAA) system need to be improved. Moving forward, the focus will be on maintaining implementation momentum, ensuring necessary funding is available, streamlining disbursement processes, and finalizing the technical assistance (TA) component to support institutional capacity building.

Sl. No.	Action Points	Responsibility
1	Explore provision for supplementary state budget to meet funding gaps in the project	Government of Assam / PIA
2	O/o CAAA to revisit the claim processing system to smooth the processing time.	CAAA/ AIIB
3	Expedite finalization of detailed technical assistance (TA) proposal for supporting institutional capacity building	PIA / AIIB
4	Maintain consistent staffing within the Project Management Unit (PMU) to ensure the timely delivery of the remaining project packages.	PIA

10. Assam Secondary Road Network Improvement Project (ONGOING)

The Public Works Roads Department (PWRD) of Assam State briefed on the implementation progress to date: 1) Works are in progress on seven (7) out of the total eight (8) road packages. One package has been terminated due to the contractor's poor performance and is being retendered. Overall, the project has 40% physical progress to date. 2) About 213.72 Ha (61%) of land has been acquired. 3) USD 59 million (18.4%) has been disbursed. The PWRD has also submitted the pending documents, including the UIFR, and informed that the necessary approvals from the Ministry of Railways have been obtained to construct the two Rail Overbridges (ROB).

Generally, the major civil works contracts are running slowly. One of the issues with delayed land acquisition is identifying all the owners of the land, particularly when it involves multiple owners. The project would still be completed on time despite delays.

The project features strong financial elements, including a road asset management system, road safety engineering, training and capacity building, and roadside amenities. The DEA emphasizes that the finance-plus elements need to be expedited to ensure that full socio-economic benefits are achieved. The project will also conduct a workshop on Road Asset Management Systems (RAMS) on May 30, 2025. A physical mission is planned by the AIIB team from May 24 to 31, 2025.

The Bank's project team suggested an increased rate of disbursement, to which the PWRD has indicated that, in FY 2025–26, a higher disbursement rate is envisaged.

The project requires close monitoring through regular monthly monitoring meetings.

Sl. No.	Action Points	Responsibility
1	Take immediate and appropriate action to bridge the difference between physical and financial progress.	PIA
2	Institutionalise the monitoring of the project implementation	DEA, PIA and AIIB

11. Punjab Municipal Services Improvement Project (ONGOING)

PIA acknowledged that Amritsar contract execution is behind schedule due to various issues including contractor's performance and pending NOC with Ministry of Defense for pipeline laying at one stretch. PIA confirms that the Ludhiana contract is progressing well under close supervision of the PIA. AIIB highlighted that the Amritsar's contract execution remains slow despite highlighting issues at multiple occasions in the past. Further, AIIB once again highlighted that the three-year construction period of Ludhiana contract goes beyond the loan closing date.

PIA highlighted the fund constraints and requested for an advance payment for the timely implementation of the project. The project has already sent a request for advance payment.

Sl. No.	Action Points	Responsibility
1	Expedite the implementation of the project	PIA
2	Since this project is co-finance by World Bank (lead financier), a separate meeting to review the implementation of the project be organised between the PIA, WB, AIIB and DEA in June 2025.	DEA

12. Andhra Pradesh Rural Roads Project (ONGOING)

The Finance Department, Government of Andhra Pradesh (GoAP), highlighted the current status of the state's Externally Aided Projects (EAPs) portfolio, with particular emphasis on the Andhra Pradesh Rural Roads Project (APRRP). In early 2024, the Department, in consultation with DEA, undertook a detailed internal review of all ongoing EAPs. This review led to a strategic downsizing of the total loan commitment for most of the projects, focusing on fiscal sustainability and prioritizing sectors of critical importance such as urban infrastructure and rural connectivity. Key projects were reprioritized in consultation with the Hon'ble Chief Minister, and formal communication regarding the revised loan allocations was submitted to the DEA in February 2025.

For APRRP, to align financing with reduced project scopes, partial cancellations have been proposed (roughly USD 200 million). Rural road segments to be excluded from the APRRP will be covered under the PMGSY framework, thereby ensuring that infrastructure development goals are not compromised. The project has also been proposed to extend until February 2028, and the department reiterated the importance of the resumption of the 'advance' payment modality.

DEA responded in favor of the extension and 'advance' mode of payment and emphasized the need for expediting disbursement through timely bill approvals. DEA further requested the state and PIA to present a clear, consolidated roadmap for project execution with financial drawdowns. With institutional clarity now in place, DEA opined that ongoing rationalization, restructuring, and implementation efforts would progress smoothly.

Sl. No.	Action Points	Responsibility
1	Expedite the submission of all requisite information (committed liabilities, implementation plan, etc.) within one week to the DEA for consideration of restructuring, loan extension, and advance mode of disbursement.	PIA
2	PIA to submit the Withdrawal Application by June 15, 2025 to clear the long pending bills in CFMS.	PIA & CAAA

13. Andhra Pradesh Urban Water Supply and Septage Management Improvement Project (APUWSSMIP) (ONGOING)

The project's main object is to provide potable Water Supply to 0.96 million Urban population in 25 ULBs, to provide Grey Water Management in 2 ULBs as Pilot Project and to provide State Level Institutional Development and Municipal Capacity Enhancement in all ULBs. Overall physical and financial progress of the project is low The State Government has submitted requests to the DEA for restructuring (downsizing) the loan amount and for advance payment as well.

DEA responded in favor of an 'advance' mode of payment and emphasized the need for expediting disbursement through timely bill approvals. DEA further requested the state and PIA to present a clear, consolidated roadmap for project execution with financial drawdowns. With institutional clarity now in place, DEA opined that ongoing rationalization, restructuring, and implementation efforts would progress smoothly.

Sl. No.	Action Points	Responsibility
1	Expedite the submission of all requisite information (committed liabilities, implementation plan, etc.) within one week to the DEA for consideration of restructuring, loan extension, and advance mode of disbursement.	PIA

14. Gujarat Education Infrastructure and Technology Modernization Project (School of Excellence Program) (ONGOING)

The project, co-financed by the Asian Infrastructure Investment Bank (AIIB) and the World Bank, is currently progressing well under the leadership of the Government of Gujarat, despite minor delays in procurement. The total project cost is **USD 1,000 million**, with contributions of **USD 750 million from the World Bank** and **USD 250 million from AIIB**. AIIB has already disbursed **USD 179 million (71.83%)**, with **84% of the FY 2024–25 disbursement target already met**. In terms of physical progress:

- **11,000 classrooms are currently under construction**
- **5,000 classrooms are undergoing technical evaluation**
- **5,159 classrooms are under re-tendering** due to issues related to the revision in Schedule of Rates (SOR), which temporarily affected bidder participation.

The project includes five Results Areas and seven Disbursement Linked Indicators (DLIs), with implementation aligned well with the DLI framework. AIIB has acknowledged that the DLI-based progress remains on track. However, there are ongoing discussions regarding the **quality of softer components** (such as pedagogical and training aspects), which may require further strengthening as the program advances. Despite the procurement delays, the project is expected to be completed within the next **9–10 months**. The way forward includes:

- **Continuing implementation in accordance with the revised procurement timeline**
- **Monitoring re-tendered packages** to ensure timely completion within the overall project period
- **Maintaining oversight on both physical and soft components** to ensure full achievement of intended outcomes.

No major constraints are anticipated going forward, and the project continues to reflect strong ownership and progress.

Sl. No.	Action Points	Responsibility
1	Ensure regular monitoring of the implementation of the project to maintain the progress.	PIA / AIIB

17. West Bengal Electricity Distribution Grid Modernization Project (*ONGOING*)

West Bengal Electricity Distribution Grid Modernization Project, co-financed with the World Bank and implemented by the West Bengal State Electricity Distribution Company Limited (WBSEDCL), is progressing in line with the project timeline and implementation targets. The project was formally launched with the loan agreement signed on 20 January 2022, with a total tenure of 57 months and a closing date set for 30 November 2026. The sanctioned project cost is INR 2,800.54 crore, covering key components such as Distribution System Strengthening, Smart Grid Development in Urban Areas, and Technical Assistance and Capacity Building.

Progress under each component is summarized as follows:

- Distribution System Strengthening is being implemented through High Voltage Distribution System (HVDS) and Low-Tension (LT) interventions across 14 districts. The work is completed in 13 districts, and implementation in the remaining hill district is underway and on track.
- Underground Cabling (UG Cabling) involves 8 packages, of which 2 have been completed and the remaining 6 packages are nearing completion, with full delivery expected before project closure.
- Under Smart Grid Development, 16 GIS substations (33/11 kV) are planned. 9 are completed, while 5 are close to completion. Additionally, Advanced Metering Infrastructure (AMI), Meter Data Management System (MDMS), and Supervisory Control and Data Acquisition (SCADA) systems are under active implementation. The SCADA system survey has begun, and all related components are expected to be completed as scheduled.

There are **no significant issues currently affecting the project**. Earlier minor implementation challenges have been addressed effectively, and overall progress—physical, financial, and institutional—remains aligned with the planned implementation period.

The way forward includes:

- Completing the remaining underground cabling and GIS substation packages,
- Accelerating the deployment and integration of AMI, MDMS, and SCADA systems, and
- Maintaining close monitoring to ensure adherence to the implementation schedule.

Sl. No.	Action Points	Responsibility
1	Ensure completion of works in remaining hill district for High Voltage Distribution System (HVDS) and Low-Tension (LT) systems	PIA
2	Ensure timely completion of ongoing Gas Insulated Switchgear (GIS) substations and Underground Cabling (UG) cabling	PIA
3	Ensure implementation of Fast-track Advanced Metering Infrastructure (AMI), Meter Data Management System (MDMS), and Supervisory Control and Data Acquisition (SCADA).	PIA

18. The Resilient Kerala Program (ONGOING)

The project is co-financed by AIIB (USD125 million), World Bank (USD125 million) and AFD (USD120 million). The Project Development Objective (PDO) is to enhance Kerala's resilience against the impacts of climate change, natural disasters, and disease outbreaks.

Cost – Loan amount – USD125 million, 29% disbursed, overall progress - physical progress: 55.88%; financial progress: 42.53%

Issues – No significant issues except delay expected on DLI9 year 5 targets.

Way Forward – Close monitoring on completing DLIs before project closing of June 2026.

Sl. No.	Action Points	Responsibility
1	Expedite the completion of all DLI targets and respective disbursement till Project Year 4 by December 2025.	PIA
2	Timely submission of extension request, if any, to DEA to complete DLI9 year 5 targets.	PIA, WB & AIIB

19. Kerala Solid Waste Management Project (ONGOING)

The State Project Management Unit, KSWMP acknowledged that the project is struggling to progress due to non-availability of suitable land parcels. PIA assured that the Government of Kerala is trying its best to secure the required land parcels.

AIIB highlighted that despite significant efforts of the PIA, the Government has not been able to secure land. Consequently, no significant infrastructure investment has progressed.

Sl. No.	Action Points	Responsibility
1	State Government to secure land parcels by July, 2025	PIA/Govt. of Kerala
2	Post July, DEA to examine the project subject to the availability of the Land.	DEA
3	Expedite the implementation of the project	PIA

20. Kochi Metro Rail Project – Phase II (ONGOING)

Kochi Metro Rail Limited (KMRL), the Project Implementing Agency (PIA), provided an update on the project's implementation status. Most of the land required has been already acquired and the balance is expected to be completed by June 2025. Civil works under the main viaduct contract (design and construction of the viaduct and station boxes) commenced in June 2024, with piling works underway and the casting yard prepared.

The USD122.32 million loan was approved by the AIIB's President in August 2024. The signing of the legal agreements (Loan Agreement and Project Agreement) is pending with the Department of Economic Affairs (DEA) and KMRL. While the Board of KMRL approved the loan in December 2024, the Cabinet of the Government of Kerala (GOK) needs to also approve it. During the TRPM, the Additional Chief Secretary – Finance from GOK confirmed that the borrowing limit of GOK has been recently expanded, and the Cabinet will shortly approve the loan.

AIIB mentioned that during a mission conducted to Kochi in March 2025, the Bank observed that implementation delays occurred due to the lack of adequate funding. AIIB flagged the importance of a prompt signature of the Loan Agreement, as the available budget with KMRL (INR245 cr.) is expected to be exhausted in a few months. The Bank suggested conducting the signature of the legal documents during the 10th Annual Meeting (scheduled in Beijing on June 24-26, 2025).

Sl. No.	Action Points	Responsibility
1	Expedite the Cabinet approval for the loan by end May 2025.	PIA/ Govt of Kerala
2	To complete the land acquisition by June 2025	PIA
3	To sign the Legal Agreements by June 2025	DEA / PIA

21. Chennai Metro Rail Phase 2 – Balance Corridor 5 (ONGOING)

The Chennai Metro Rail Ltd, the Project implementing agency (PIA), provided a project overview and status to date. The meeting raised no major issues regarding the Project. As of March 2025, 95% of the land was acquired. In addition, 53.61% of physical progress and 52.52% of financial progress were achieved. As of March 2025, loan amount disbursed is USD 165.22 million, and no amount claimed is pending with AIIB.

AIIB's Input: The BC5 project is progressing at full capacity. AIIB confirmed that due to technical complexity on the balanced cantilever method (BCM) section, as well as additional alignment between Alandur station and St. Thomas Mount station, the overall progress is behind the planned schedule. AIIB emphasized that close monitoring and management by CMRL on these matters are required. Nevertheless, AIIB assesses the BC project is on track for completion by September 2026, within the loan closing date of December 2026. The BC5 project is expected to be commissioned in March 2027.

Sl. No.	Action Points	Responsibility
1.	To conduct a half-day workshop for knowledge sharing with PIAs from other states engaged in metro projects.	AIIB / PIA
2.	Ensure timely implementation of the project	PIA

22. Chennai Metro Rail Phase 2 – Corridor 4 (ONGOING)

The Chennai Metro Rail Ltd, the Project implementing agency (PIA), provided a project overview and status to date. The meeting raised no major issues regarding the Project. As of March 2025, 97% of the land was acquired. 83.52% of physical progress and 81.55% of financial progress were achieved. As of March 2025, disbursed loan amount is recorded as USD 225.96 million, and there is no amount currently pending with AIIB.

AIIB confirmed that the project is smoothly progressing at full capacity. During the last mission in March 2025, AIIB confirmed that Corridor 4 is envisaged to be commissioned in a phased approach. The Elevated Corridor Viaduct 1 (ECV-02) from Porur Bypass to Poonamallee Bypass will be first commissioned in December 2025, and a trial operation has already been conducted successfully. The remaining section, ECV-01, from Powerhouse to Porur Junction is targeted for commissioning in June 2026. AIIB noted that there are no material issues with the project.

Sl. No.	Action Points	Responsibility
1	The implementation is progressing smoothly, and there are no major issues at the moment.	

23. Chennai City Partnership – Sustainable Urban Services Project (CCP-SUSP) (ONGOING)

The CEO of Tamil Nadu Infrastructure Development Board (TNIDB) and Program Director briefed the implementation progress of the Project that is co-financed by World Bank and AIIB. TNIDB updated that the current disbursement rate is 42.5% or USD 63.2 million of the AIIB loan. It is targeted that the disbursement rate will rise to 76.8% by the end of the 2025 to 2026 fiscal year. The remaining 23.2% of the loan amount will be disbursed by loan closing date on Dec 31, 2026. Significant progress highlighted include the operationalization of CUMTA, the procurement of Gross Cost Contract E-bus Operation for 625 buses and increase of own-source-revenue of Greater Chennai Corporation by 149% against the target of 60%.

However, water-related Disbursement Linked Indicators (DLIs) implemented by the Water Resources Department (WRD) and Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) remain as critical path. A Project restructuring mostly on the water-related DLIs is currently under works. Actions related to said DLIs are closely monitored.

Sl. No.	Action Points	Responsibility
1	Ensure close monitoring for implementation of water-related Disbursement Linked Indicators (DLIs).	PIA & AIIB

24. Chennai Peripheral Ring Road Project (ONGOING)

The strategic importance of the CPRR project in enhancing regional connectivity and alleviating traffic congestion in Chennai is highlighted. The Project Management Unit (PIA) updated that out of 5 work packages, EPC-02 is progressing well and with targeted completion by 30 July 2025, ahead of schedule. EPC-01 is also now gradually gaining momentum, having achieved 50% financial progress. In respect of the remaining three packages (EPC-03, 04, and 05), mobilization by contractors is in progress. The land acquisition is nearly complete, and PIA is resolving outstanding issues.

The project's innovative activities, especially in EPC-02, were also highlighted. This includes application of digital dashboards, AI-based project monitoring, and solar-powered construction tools for efficiency and environmental sustainability. Social inclusion practices such as gender-sensitive infrastructure and women worker safety measures have been integrated. These efforts have earned the EPC-02 and the project several prestigious recognitions, including the British Safety Council International Safety Award and National Environmental Award. AIIB encouraged the continuation of these standards and requested that the initiatives be circulated to the other contractors. The DEA also highlighted the need to replicate the success of EPC-2 across all packages through proactive coordination among agencies. AIIB commended the efforts of PIA for timely attending to and resolving grievances through GRC.

The Government of Tamil Nadu (GoTN) is currently in the process of restructuring the project from TNRIDC to TNRDC. This will require an amendment to the AIIB loan agreement, and will be done once the official communication from the DEA is received. AIIB and DEA recommended leveraging PMC support to maintain continuity during this transition.

Sl. No.	Action Points	Responsibility
1	To complete the acquisition of remaining land parcels and make the site encumbrance-free by Q3 of 2025	PIA

25. Bangalore Metro Rail Project – Line R6 (ONGOING)

The Bangalore Metro Rail Project – Line R6 is at an advanced stage, with overall physical progress at 94%. The elevated metro segment is expected to be commissioned in December 2025, while the remaining underground segment is scheduled for completion in June/December 2026.

The remaining balance under the AIIB loan (USD 44.82 m) cannot be disbursed because the associated Pass-Through Assistance (PTA) has been fully utilized. Unless the PTA ceiling is revised before December 2025 (the current loan's closing date, which was already extended twice), a further extension of the loan's closing date will be required to draw down the remaining funds.

The revision of the PTA is subject to approval from the Government of Karnataka (GoK), and, thereafter, by MoHUA and GoI, of the Revised Completion Cost (RCC). The RCC proposal, which incorporates the additional PTA to cover the undrawn balance loan, was submitted to the GoK last year. The overall approval process may still take 6 to 9 months.

DEA urged the GoK to complete the RCC review within the next 45 days to accelerate the approval. DEA also recommended that BMRCL include an appropriate buffer time in the next closing-date extension (if any) to avoid further extensions.

Additionally, BMRCL noted that additional financing of USD 41 m from AIIB may be required. DEA will consider this additional financing request alongside the RCC.

The AIIB team requested that BMRCL prepare proactively for a possible loan-closing extension and any additional financing application.

Sl. No.	Action Points	Responsibility
1	State Government to speed up the approval of Cabinet for the Revised Completion Cost (RCC) in by end June 2025.	PIA/Govt of Karnataka
2	To explore a possible loan-closing extension and any additional financing needs, subject to approval of the RCC by end June 2025.	PIA/AIIB

26. Second Dam Rehabilitation and Improvement Project (DRIP-2) (ONGOING)

The project is co-financed by the World Bank and AIIB, each contributing USD 250 million. The World Bank loan became effective in October 2021, covering 19 states, while the AIIB loan became effective on December 29, 2022, supporting 13 implementing agencies across 10 states and one central agency.

Following the resolution of priority issues identified during the previous TPRM, the project has demonstrated improved disbursement performance. This progress is appreciated; however, a few areas require continued attention to ensure timely implementation and full utilization of funds by the loan closing date of December 31, 2027.

Key Implementation Areas for Continued Monitoring

- Timely contract awards: Converting approved Project Screening Templates (PSTs) into contracts and reviewing additional PSTs where necessary.
- Enhanced reporting: Strengthening the quality and timeliness of quality assurance/quality control (QA/QC) and environmental and social (E&S) safeguards reporting.
- Component III: Accelerating progress under the innovative financing sub-component, which remains a minor portion of the overall investment.

The Project Director, DRIP-2, provided an update on overall progress, including actions underway to address the above areas. In light of the rupee depreciation, a possible decision on partial loan cancellation may be considered in the second half of 2025.

For FY 2025–26, the disbursement ratio for the 13 AIIB-financed implementing agencies will continue as 100:0. As of the end of FY 2024–25, cumulative AIIB disbursement stands at USD 42 million. For FY 2025–26, the contract award target is USD 104.57 million, with a projected disbursement of USD 44.76 million.

The CPMU (Central Water Commission) reaffirmed its commitment to these targets. AIIB will continue to provide coordinated support to facilitate timely implementation and ensure effective fund utilization under DRIP-2.

Sl. No.	Action Points	Responsibility
1	PIA to examine the proposed loan saving by March 31, 2026	SIAs, CPMU, GOI
2	Enhance reporting to strengthen the quality and timeliness of quality assurance/quality control (QA/QC) and environmental and social (E&S) safeguards.	SIAs, CPMU, GOI
3	Expedite to achieve targeted disbursements first by December 31, 2025, and then by March 31, 2026.	SIAs, CPMU, GOI

27. Delhi-Meerut Regional Rapid Transit System Project (ONGOING)

The Delhi-Meerut Regional Rapid Transit System Project is at an advanced stage, with overall physical progress at 85%. A section of 55 km is already operational, and the remaining rail segment is scheduled for completion in June 2025. The AIIB loan, currently 95.6% disbursed, is expected to be fully disbursed by Q2/Q3 2025.

The meeting raised no issues.

Sl. No.	Action Points	Responsibility
1	The implementation is progressing smoothly, and there are no major issues at the moment.	
