

#### **1.4. Externally Aided Projects**

The Externally Aided Projects being implemented in Tamil Nadu during 2008-09 will be continued in 2009-10. The details of the Projects are as follows:

##### **Projects under implementation**

##### ***Tamil Nadu Road Sector Project (World Bank Assisted)***

The objective of the Project is to improve quality and sustainability of the State's core road network. The Project Activities include Upgradation, Maintenance, Road Safety Component and Institutional Strengthening and Policy Development. The project came into effect on 31.3.2003. The Project cost is Rs.2160 crore and the loan amount is Rs.1670 crore.

Under this scheme, Upgradation of Roads from Arcot to Tiruvarur and Nagapattinam to Tuticorin were taken up in 4 packages for a length of 723.04 Km at a contract price of Rs.1174.69 crore. Enhanced periodical maintenance of Government roads for a length of 2000 km will be undertaken in 4 year cycle at a total cost of Rs.531 crore. There has been appreciable improvement in the work relating to Institutional Strengthening. The expenditure upto 31.3.2008 was Rs.1084.27 crore. The anticipated expenditure for 2008-09 is Rs.500 crore and the outlay proposed for 2009-10 is Rs.690.50 crore.

##### ***Tamil Nadu Health Systems Project (World Bank Assisted)***

The objective of the Project is to significantly improve the effectiveness of the public health care system in Tamil Nadu through (i) Improved service delivery especially for the poor and tribal groups, (ii) Addressing key health challenges including Non Communicable Diseases like cervix cancer and Cardio Vascular disease (iii) Improved management and quality of care at hospitals and (iv) Enhanced efficiency in the Public Health sector. The Project activities include (i) Maternity and Child Health Services, (ii) Control of Non-communicable diseases, (iii) Tribal Health Development, (iv) Construction of Hospital Buildings, (v) Supply of Hospital Equipments, (vi) Counseling Centres at Hospitals, (vii) Mortuary Van services, (viii) Improving quality of care provided in the hospitals and (ix) Bio Medical Waste Management in Government Hospitals.

The project was commenced on 25.1.2005 with a project cost of Rs.597.15 crore. The Loan amount is Rs.502.95 crore. The expenditure upto 31.3.2008 was Rs.223.49 crore. The anticipated expenditure for 2008-09 is Rs.192.61 crore and the amount proposed for 2009-10 is Rs.191.05 crore.

***Tamil Nadu Urban Development Project (TNUDP) - III (World Bank Assisted)***

The objectives of the project are (1) to strengthen and deepen the empowerment of Urban Local Bodies (ULBs) by continuing the decentralization process through delegation of powers from state level bodies to Urban Local Bodies and through continuing and expanding the capacity building programmes started under Tamil Nadu Urban Development Project (TNUDP) - II, (2) to mobilize private financing for Urban Local Body infrastructure investments by linking Urban Local Bodies to the financial markets through the intermediation of the Tamil Nadu Urban Development Fund, (3) to provide incentives for investments in low income neighborhoods through the use of supporting capital grants and (iv) to provide a grant to the Chennai Metropolitan Development Authority to take up traffic and transportation sub-projects like Road widening, Road Over Bridges and Road Under Bridges in the Chennai Metropolitan Development Area.

The Project cost is Rs.1884.21 crore and came into effect on 17.10.2005. The expenditure upto 31.3.2008 was Rs.239.46 crore. The anticipated expenditure for 2008-09 is Rs.245.23 crore and the proposed outlay for 2009-10 is Rs.327.17 crore.

***Tamil Nadu Empowerment and Poverty Reduction - Vazhdhu Kaatuvom Project (World Bank Assisted)***

This Project aims to improve the livelihoods and empower the target rural poor in Tamil Nadu (particularly women and other disadvantaged groups) through developing and strengthening pro-poor local institutions/groups (including village panchayats) and building skills and capacities of the poor and financing productive demand-driven subproject investments. The Project will be implemented in 70 Backward Blocks in 15 Districts covering 2469 Village Panchayats. The effective

implementation of the Project commenced from July 2006. Total Project cost is Rs.717.10 crore. The expenditure upto 31.3.2008 was Rs.50.38 crore. The anticipated expenditure for 2008-09 is Rs.149.08 crore and the proposed outlay for 2009-10 is Rs.162.62 crore.

***Emergency Tsunami Reconstruction Project (ETRP) (World Bank Assisted)***

The Project came into effect from 12.05.2005. The total cost is Rs.2602.17 crore. The major components of Emergency Tsunami Reconstruction Project are (i) Housing Reconstruction, (ii) Restoration of Livelihood (relating to Fisheries, Infrastructure, Agriculture and Horticulture), (iii) Reconstruction of public buildings and public works, (iv) Technical assistance and training and (v) Implementation support. The Expenditure upto 31.3.2008 was Rs.167.01 crore. The anticipated expenditure for 2008-09 is Rs. 52.00 crore and the proposed outlay for 2009-10 is Rs.255.00 crore.

A restructuring proposal has been submitted to the World Bank through Government of India (Department of Economic Affairs) for the Vulnerability Reduction of Coastal communities at an approximate cost of Rs.998 crore and the response from the World Bank is awaited.

***Hydrology Project-II (World Bank Assisted)***

The Hydrology Project Phase - II is a vertical extension of Hydrology Project Phase-I and the objectives are to extend and promote the sustained and effective use of the "Hydrological Information System" by all potential users concerned with water resources planning and management, both public and private thereby contributing to productivity and cost effectiveness of water - related investments in the State.

The date of commencement was 5.4.2006 with a project cost of Rs.25.27 crore for a period of 6 years. The Expenditure upto 31.3.2008 was Rs.3.06 crore. The anticipated expenditure for 2008-09 is Rs.4.94 crore and the proposed outlay for 2009-10 is Rs.5.67 crore.

***Tamil Nadu Irrigated Agriculture Modernisation Water Bodies Restoration and Management Project (IAMWARM) (World Bank Assisted)***

Tamil Nadu Irrigated Agriculture Modernisation Water Bodies Restoration and Management Project has been formulated with the objective of improving the irrigation service delivery and productivity of irrigated agriculture with effective Water Resources Management in a river basin/sub-basin frameworks in Tamil Nadu with the assistance of the World Bank. The Project will be implemented in an integrated manner with the participation of line Departments and other institutions. The project is proposed to be implemented in 63 sub basins excluding the areas already covered under Water Resources Consolidation Project and Cauvery basin. The Project cost is Rs.2547 crore.

The components of the Project are

- Irrigation Systems modernization in a sub-basin framework
- Agricultural Intensification and Diversification
- Institutional Modernization for Irrigated Agriculture
- Water Resources Management

In the first year 2007-08, 9 sub basins have been selected for implementation and 16 sub basins are to be implemented in the second year onwards. The anticipated expenditure for 2008-09 is Rs.360.59 crore and the proposed outlay for 2009-10 is Rs.519.96 crore.

***Tsunami Emergency Assistance Project (Asian Development Bank)***

The objective of the project is to support the efforts of the Government to accelerate economic growth and poverty alleviation in the tsunami affected areas. The Project activities are (i) Restoration of livelihoods, (ii) Construction of Roads and Bridges, (iii) Providing Rural and Municipal Infrastructure and (iv) Capacity Building and Implementation Assistance. The Project cost is Rs.629.64 crore. The expenditure upto 31.3.2008 was Rs.428.82 crore. The anticipated expenditure for 2008-09 is Rs.129.42 crore. The proposed outlay for 2009-10 is Rs.71.40 crore.

***Post-Tsunami Sustainable Livelihoods Programme for the Coastal Communities of Tamil Nadu***

The purpose of the programme is to develop viable enterprises and resource management systems, owned and operated by poor men and women in the target area and supported by community and other appropriate institutions. It is proposed to implement this programme in selected villages of Kancheepuram, Villupuram, Cuddalore, Nagapattinam, Tiruvallur and Kanyakumari Districts at a total cost of Rs.298.65 crore of which the loan assistance of International Fund for Agricultural Development (IFAD) is Rs.130.25 crore.

In the year 2009-10, Participatory Micro Planning, Cluster level workshop, Fisheries Resource Management Studies, Fund for Community Infrastructure in Coastal Panchayats, Study on Innovative Insurance Products, Self Help Group Training, Establishment of Venture Capital Fund, support for Banks and Micro Financial Institutions, formation of Fish Marketing Societies and Coastal School Training materials for students in Coastal Areas are planned.

The expenditure upto 2007-08 is Rs.0.12 crore. The anticipated expenditure for 2008-09 is Rs.54.37 crore and the proposed outlay for 2009-10 is Rs.23.40 crore.

***Tamil Nadu Afforestation Project-II (Japan Bank for International Cooperation (JBIC) assisted)***

The objective of the Project is Ecological Restoration and Biological Upgradation of degraded forests. The Project cost is Rs.567.42 crore. The Expenditure upto 31.3.2008 was Rs. 261.53 crore. The anticipated expenditure for 2008-09 is Rs.91.95 crore and the proposed outlay for 2009-10 is Rs.32.60 crore.

***Hogenakkal Water Supply and Sanitation Project***

Dharmapuri & Krishnagiri Districts in Tamil Nadu comprise of 3 Municipalities, 17 Town Panchayats and 6,755 Rural habitations in 18 Panchayat Unions. Both Dharmapuri and Krishnagiri Districts are drought prone areas. The drinking water supply as well as its management poses problem during summer and drought periods. Under these circumstances, the River Cauvery

flowing at a distance of 45Km from Dharmapuri, and hitherto untapped for drinking water requirements of both the districts, is considered as a sustainable drinking water source, and accordingly the project proposal has been formulated.

The population to be benefited would be 34.70 lakhs for the intermediate stage (year 2021) and 40.40 lakhs for the ultimate stage (year 2036). The per capita water supplies proposed are 90 lpcd for Municipalities, 70 lpcd for Town Panchayats and 40 lpcd for Rural habitations. The requirement of the water is projected as 127.60 mld for the intermediate stage (2021) and 159.92 mld for the ultimate stage (2036) respectively. It is proposed to draw the required quantity of 160 mld in the River Cauvery near Hogenakkal. The cost of the Project is Rs.1334 crore.

The proposal has been sent to the Government of India by the Government of Tamil Nadu for getting JICA assistance (Japan International Cooperation Agency). The total cost for phase I is Rs. 959.20 crore of which JICA assistance is Rs. 785 crore. The detailed Fact Finding Mission for JICA had visited the project area of Hogenakkal Water Supply and Fluorosis Mitigation Project for Dharmapuri and Krishnagiri Districts on 20-25th November 2008 and had a detailed discussion for Phase -II with officials of TWAD Board and the State Government.

***JICA Line of Credits to Tamil Nadu Urban Infrastructure Project (IDP-196)***

The objective of the Japan International Cooperation Agency (JICA) assisted Tamil Nadu Urban Infrastructure Project is to provide safe and reliable water supply and sewerage services by providing long term financial assistance to urban local bodies through Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) in order to construct and improve water supply and sewerage facilities, thereby contributing to improve living conditions of local residents in the concerned areas. The project has commenced by 10.3.2008 and it expected to close by 30.06.2013 at a total project cost of Rs. 344.70 crore with a loan amount of Rs. 300.04 crore.

The first Empowered Committee Meeting has approved 3 under ground sewerage schemes in Chidambaram, Pattukottai and Rameshwaram Municipalities and 1 water supply project for Trichy Corporation. In Trichy water supply scheme, out of the total 8 packages, bids have been called for 6 packages and bids have been received for 4 packages. The bids are evaluated by WAPCOS (Project Management Consultant) appointed by TNUIFSL. Administrative approval has been issued for the under ground sewerage schemes.

***KfW (German Development Bank) Assisted Sustainable Municipal Infrastructure Project***

The objective of the KfW assisted Sustainable Municipal Infrastructure Project is to improve the living conditions of the residents in urban areas by constructing and improving water supply, sewerage and other urban facilities. The project has commenced by 9.7.2008 and it is expected to close by 30.06.2013 at a total project cost of Rs. 500 crore, entirely on loan basis.

In the first Empowered Committee Meeting held on 11.11.2008, the following projects have been approved:

- Erode Underground sewerage system
- Villupuram Underground sewerage system
- Tiruchy Roads Storm Water Drain system
- Panruti Roads Storm Water Drain and Water Supply system
- Tirupur Storm Water Drainage system
- Chennai Bridges.

Of the above, works have been awarded for Villupuram Underground Sewerage system and Chennai Bridges. The administrative approval for the remaining projects is under process.

**Pipeline Projects**

***Chennai Metro Rail Project***

Chennai metropolis has been growing rapidly and the traffic volumes on the roads have also been increasing. Based on the need, the Government has decided to implement the Chennai Metro Rail Project to be owned and operated through a Special Purpose Vehicle as a Public Sector Undertaking. The total

equity ownership of the Central and State Government together shall be not less than 51% of the equity of the SPV, though it may go upto 100%. The precise level of equity holding may be decided later depending on financial needs and structures. The funding is sought from Japan Bank for International Co-operation (JBIC), which financed the Delhi Metro. The Department of Expenditure, Government of India has issued clearance on the debt sustainability angle. The JBIC has included this Project in their Rolling Plan for 2007-09.

The DMRC has submitted the DPR. The salient features of the Project as per the DPR are as follows:

Corridor	Length (Kms)
Washermanpet - Broadway - Chennai Central Station - Rippon Building - Tarapore Towers - Spencers - Gemini - Anna Salai - Saidapet - Guindy - Chennai Airport	23.085
Chennai Central - Vepery - Kilpauk Medical College - Aminjikarai - Shenoy Nagar - Anna Nagar East - Anna Nagar Thirumangalam - Koyambedu - CMBT along Inner Ring Road - Vadapalani - Ashok Nagar - SIDCO - Alandur - St. Thomas Mount	21.961
<b>TOTAL</b>	<b>45.046</b>

Part of this Project will be underground and the remaining on elevated portions.

The total Project cost is estimated at Rs.14,600 crore. The Project Investment Board (PIB) of Government of India has cleared the Project and it will be placed before the Cabinet Committee on Economic Affairs for its approval. As per PIB clearance, Japan International Cooperation Agency (JICA) will contribute 59.22% of the Project cost as loan assistance. The remaining cost will be borne equally by Government of India and Government of Tamil Nadu, both in the form of Equity and Loan.

Action is being taken for drawing Land Acquisition and Rehabilitation and Resettlement policy and procurement of General Consultancy. The DMRC has submitted Station layout drawing for all stations to facilitate preparation for Land Plan Schedule. DMRC is preparing tender documents for the viaducts in the

elevated sections. The first tender package valued at Rs.122 crore has already been invited and the tenders are to be received.

The anticipated expenditure for 2008-09 is Rs.25.00 crore and the proposed outlay for 2009-10 is Rs.600.00 crore.