Republic of India

Eastern Dedicated Freight Corridor (EDFC 2) Project

Chair Summary*

April 22, 2014

Executive Directors approved the Eastern Dedicated Freight Corridor 2 Project for the Republic of India (R2014-0066) in the amount of US$1.1 billion on the payment conditions set out in the President’s Memorandum. Directors also approved the policy exception to paragraph 8 of the Operational Policy 3.10 to partially waive the front end fee payable on a US$ 1 billion portion of the loan. The Minutes will record that Ms. Aviel wished to be recorded as abstaining.

Directors expressed support for the objectives of the project, which would provide additional rail transport capacity, improved service quality and higher freight throughput on the 393 km Kanpur – Mughal Sarai section of the Eastern Dedicated Freight Corridor. The development benefits of reduced greenhouse gas emissions and increased development opportunities were also acknowledged. They also welcomed the intentions to develop institutional capacity of the Dedicated Freight Corridor Corporation to build, maintain and operate the entire Dedicated Freight Corridor network.

Recognizing the ambitious and transformational scope of this project, Directors encouraged very close monitoring of the risks associated with this complex project to ensure successful implementation. In this regard, they highlighted the importance of sound and transparent project management, as well as close coordination with authorities and donors. Ensuring close attention to standards on environmental and social impacts was also emphasized. Finally, looking ahead to future extensions of the network, the potential value of public private partnerships was highlighted.

*This summary is not an approved record.