



AIIB Loan for MUTP-3

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Why In News

The **Government of India**, the Government of Maharashtra, Mumbai Railway Vikas Corporation and the **Asian Infrastructure Investment Bank (AIIB)** have signed a loan agreement for a **USD 500 million** for **Mumbai Urban Transport Project-III**.

Key Points

- **Mumbai Urban Transport Project-III (MUTP-3):** It is a project supervised and implemented by the **Mumbai Metropolitan Region Development Authority** to enhance the network capacity, service quality and safety of Mumbai's suburban railway system. The **deadline** for completion of MUTP-3 is **2022**.
 - **Major Objectives:**
 - Improve traffic and transportation situation in Mumbai Metropolitan Region.
 - Institutional development and strengthening.
 - **Expected Benefits:**
 - The Project is expected to **increase network capacity** in the region and thus will improve mobility.
 - There will be a **reduction in journey time and fatal accidents** of commuters.

There will be direct safety benefits to passengers and the public through the introduction of **trespass control measures**.
 - It is estimated that among primary beneficiaries of the project, **22% are female passengers who will benefit from improved safety and quality of service**.
 - It will also help in **reducing carbon emissions** by shifting passengers away from higher-carbon road transport towards efficient and convenient rail-based mobility.

- **Need:**

- The **population's explosive growth** represents the core driver behind Mumbai's urban expansion. It is compelling to prioritize sound urban and infrastructure planning.

With a population of 22.8 million (2011), Mumbai Metropolitan Region (MMR) is the most populous metropolitan region in India and is expected to reach 29.3 million by 2031 and 32.1 million by 2041.

- Around **86%** of Mumbai commuters rely on public transport.
 - The Mumbai suburban railway network **carries three-quarters of all motorized travel** (8 million passengers per day).
 - User experience remains compromised by the **low amenity of carriages, substandard stations and station access**, and serious **safety concerns**.
 - Between **2002-2012**, there were more on average, **9.9 fatalities per day** on the Mumbai suburban railway network.
 - A key reason for accidents and deaths is **trespassing and overcrowding** of both stations and train cars.

Asian Infrastructure Investment Bank

- The Asian Infrastructure Investment Bank (AIIB) is a **multilateral development bank** with a mission to improve social and economic outcomes in Asia. It was established in **December 2015**.
- It is **headquartered in Beijing (China)** and began its operations in **January 2016**.
- It has **103 members including India**.

India is among the founding members of AIIB.
- **China is the largest shareholder** in AIIB with a 26.6% voting power, followed by India with a 7.62% voting power.

AIIB Support to India

India is the largest beneficiary of AIIB financing for infrastructure projects. The AIIB has approved some major projects in India. These are:

- Bangalore Metro Rail Project (USD 335 million).
- Gujarat Rural Roads (MMGSY) Project (USD 329 million).
- India Infrastructure Fund.
- Andhra Pradesh 24x7 – Power For All Project.
- USD 750 Million for Covid-19 support for India.

Source- PIB