

East Coast Road Project

Innovation Report

I. The Context

- (1) The East Coast Road (ECR) is an important State Highway in Tamil Nadu traversing along its eastern coast and connecting Chennai with Cuddalore through the Union Territory of Pondicherry
- (2) ECR was originally commissioned in the year 1998, by joining up and improving small village roads that connected fishing hamlets along the sea coast of Tamil Nadu at a cost of 1200mn partly funded by the Asian Development Bank
- (3) However, within two years of commissioning, acute pavement distress started appearing on the ECR, thereby adversely affecting the driving comfort and safety of road users. The situation was also compounded by lack of proper road signages, furniture and markings, ambulance and road-side patrolling
- (4) Another major deficiency was the prevalence of a number of stretches with poor road geometry, due to restrictions placed on land acquisition and cutting of trees by the Ministry of Environment and Forests (MoEF), Government of India, in view of the fragile ecology through which a major portion of the road was passing through
- (5) Due to budgetary constraints, the State Government was also unable to earmark adequate financial resources to address the deficiencies mentioned above and maintenance related issues, leading to further deterioration of the Road
- (6) To mitigate the situation and to find a lasting solution, the State Government initiated dialogue with Infrastructure Leasing and Financial Services Ltd (IL&FS) for formulating an appropriate commercialization strategy for improvement and maintenance of ECR on a long term basis
- (7) In the meanwhile, IL&FS had set up, in May 1998, a Joint Initiative in Tamil Nadu by name and style of Tamil Nadu Road Development company Ltd (TNRDC) for catalyzing private sector investment and resources in infrastructure development, particularly the transportation sector
- (8) IL&FS implemented this initiative through TNRDC as the special project company. The project conceptualized for improving the East Coast Road to world-class standards under the Rehabilitate, Improve, Maintain, Operate and Transfer (RIMOT) format. The Concession Agreement with the State Government was signed in December 2000. The civil works commenced in February 2001 and were completed by December 2001, within time and costs

- (9) The Project involved widening of ECR to two lane paved/hard shoulder configuration, besides improving the road geometry, wherever it was deficient. The improvement plan also envisaged provision of extensive world-class road signages, furniture and markings and crash barriers in high embankments and curves
- (10) Another highlight of the ECR Project was provision of value added services like 24-hour ambulance services, round-the-clock patrolling, tow-away/vehicle break-down services and help-line kiosks at every 3 km interval. These facilities addressed major concerns of road users in terms of safety and security
- (11) The landed project cost was Rs. 610 mn and was funded by a mix of equity and debt
- (12) Toll collection on ECR commenced in March 2002 and is progressing smoothly. Towards this, a customized indigenously developed Toll Collection Software has been adopted. Smart Card System, bar code readers, CCTV system and other modern technology tools have been adopted making the toll plazas highly efficient

II. Implementation of Innovation

- (1) The project has been successfully implemented because of the pro-active and committed support of the State Government, the major stakeholder of the Project
- (2) The State Government through TIDCO provided the required statutory support, whereas IL&FS chipped in with its technical, managerial and financial resources
- (3) A team of committed professionals drawn from public and private sectors have contributed their heart and soul for realizing the Company's objective of developing a truly world-class road
- (4) The civil works contractors and other service providers have all contributed effectively for successful implementation of the Project
- (5) Even though the project initially faced certain toll compliance related problems from people residing along the ECR, the same was resolved when the State Government exempted cars meant for personal use by bonafide local residents and three-wheelers of bonafide local residents from tolling
- (6) However, the State Government subsequently made up this loss, albeit partially, by making a one time payment in the form of a grant

III. Impact Assessment

- (1) Achievements within the Organisation: ECR Project being the first project of the Company, has effectively set the pace and direction of the company's growth trajectory. Having developed a world-class highway, which is widely acclaimed as the model for two lane roads, the Company has set itself on a course, wherein it is committed to make every initiative of it emerge as a benchmark and the very best in the sector
- (2) This over-arching goal has enabled TNRDC's personnel to bring out the very best in them and in their colleagues. All the key staff presently with the Company have proved their mettle in the ECR Project, which effectively became the crystal ball for their eventual success
- (3) The ECR Project has effectively opened up newer vistas for the Company
- (4) **In recognition of the Company's project development and implementation prowess, the National Highways Authority of India (NHAI) has appointed TNRDC as the Managing Associate for its prestigious Chennai-Ennore Port Connectivity Project** connecting Chennai and Ennore Ports as part of port connectivity component of NHDP. The project costing about Rs.1500 mn envisages shore protection works, rehabilitation and resettlement of 1600 nos of project affected families besides road widening works
- (5) A host of O&M mandates have come from National Highways Authority of India (NHAI), right from Chennai Bypass (Phase-I), Tambaram-Tindivanam Road, Walajahpet-Kanchipuram Road, Hathipali-Hosur Road, Hosur-Krishnagiri Roads
- (6) **The State Government has entrusted the development of IT Corridor in Chennai to the Company**, which is implementing the Project through its wholly owned subsidiary. The project costing about Rs.2500 mn is poised to position Chennai as the most favoured IT destination in the world
- (7) The Company has also been appointed as Managing Associate, by Tamil Nadu Small Industries Promotion Corporation Ltd (TANSIDCO) for integrated infrastructure development of the Guindy Industrial Estate in Chennai
- (8) The Ministry of Shipping, Road Transport and Highways, Government of India, has recently entrusted the development of railway over bridge (RoB) at Lalapet to the Company at a cost of about Rs.350 mn on commercial framework

- (9) Other projects in which the Company is involved include the Outer Ring Road (ORR) Project costing about Rs.12000 mn besides advising Governments of Karnataka, Tamil Nadu, Rajasthan, Madhya Pradesh and Nagaland on taking up comprehensive road development programs and setting up of state-level Road Funds
- (10) Achievements outside the Organisation: The ECR Project and other initiatives have now positioned the Company as the fore-runner in development of transportation infrastructure in the country. A host of business associations including CII, ASSOCHAM, educational institutions like IIT Chennai, World Bank, Asian Development Bank and other banks/financial institutions continuously interact with the Company for drawing upon its experience in road sector
- (11) Specific Socio-Economic Impacts: **The ECR Project has effectively opened up the hinterlands along the eastern coast of Tamil Nadu. Tourism and leisure industry has now evolved into a thriving business along ECR**
- (12) The living conditions and life style of the local communities, particularly the fishermen community have improved substantially on account of higher disposable incomes, as they are able to supplement their traditional incomes with earnings from tourism related activities
- (13) **Better connectivity to Chennai and Pondicherry implies easier access for the local communities to educational and health care facilities and markets**
- (14) **The travel time between Chennai and Pondicherry have reduced by about 30 to 45 minutes as compared to the circuitous route of NH-45 and by about 1 to 1-1/2 hours as compared to the original state of the road.** The savings in terms of vehicle operating costs and lower wear and tear have also been estimated to be substantial
- (15) Thus, the ECR Project has undoubtedly brought in a windfall of benefits to the local community, road users and tourists