



Project Summary Information

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Project Name	Amaravati Sustainable Infrastructure and Institutional Development Project
Document Code	PD000019-PSI-IND
Country	Republic of India
Sector/Subsector	Urban Infrastructure
Status	Under Preparation
Project Objective	The project objectives are to provide select urban infrastructure in designated locations of Amaravati Capital City, and to support the initial development of its institutional and governance structure.
Project Description	The Project will finance priority infrastructure in the new capital city of Andhra Pradesh (Amaravati City) and support the development of institutions to manage the city.
Project Components	<p>Component 1: Integrated Urban Infrastructure and Services - USD465 million (AIIB: USD108.9 million, IBRD: USD163.6 million, GoAP: USD192.5 million) - This component will support the implementation of priority transport corridors as part of a broader land-use plan, and the integration of 25 villages into the Amaravati Capital City development. The component will finance: (a) construction of 92.2 km of high-priority, sub-arterial roads as part of the network of roads planned under the Amaravati Capital City Master Plan; including: (i) construction of associated utility corridors (such as ducts for water, sewerage, drainage, communications) and sidewalks, cycling paths and street lighting; and (ii) building of road safety management capacity of relevant agencies, and development and implementation of a road safety plan and awareness programs on road safety; and (b) upgrading existing infrastructure within selected villages with a focus on water supply, sewerage, village roads and drainage infrastructure, including integration of such upgraded infrastructure into the trunk infrastructure of Amaravati Capital City.</p> <p>Component 2: Climate-Resilient Infrastructure - USD175 million (AIIB: USD70.0 million, IBRD: USD105.0 million, GoAP: USD0.0 million) - This component will help increase sustainability and climate resilience in Amaravati Capital City by supporting integration of its built environment with the natural surroundings, riverfront, and greenery. The component will primarily finance flood mitigation works, including: (a) improvement of the carrying capacity of two watercourses; (b) construction of three new flood retention reservoirs within Amaravati Capital City; (c) construction of a pumping station; (d) construction of a gravity escape regulator; and (e) setting up of flood early warning and monitoring systems. The design and preparation of this component incorporates climate-change considerations to mitigate extreme flooding levels and rainfall.</p> <p>Component 3: Citizen Benefit Sharing - USD26 million (AIIB: USD7.3 million, IBRD: USD10.9 million, GoAP: USD7.8 million) - This component will support the GoAP's benefit-sharing measures for residents of Amaravati Capital City, including</p>

	<p>development and implementation of: (a) training programs for farmers, landless families and other stakeholders to prepare them for life in urban settings; (b) skill-building programs for citizens to access jobs and new economic opportunities in an emerging urban context; (c) financial literacy programs for vulnerable groups (such as women and youth); (d) pilots to address needs of vulnerable groups on safety and transportation; and (e) citizen engagement and participation tools.</p> <p>Component 4: Institutional and Fiscal Development - USD28 million (AIIB: USD7.9 million, IBRD: USD11.7 million, GoAP: USD8.4 million) - The component will finance activities aimed at institutional development to: (a) support the development of institutional arrangements for the infrastructure financed under the project in the short term; (b) develop and implement a sustainable governance framework for guiding the formation of an effective local government in Amaravati Capital City and a metropolitan governance structure, utility companies, and city planning and urban design institutions in the longer term; (c) build capacities of staff from the Project Implementing Entity, Implementing Agencies and future utility companies; and (d) provide advice on sectoral policies and strategies on housing and land management. This component also will finance activities to develop fiscal frameworks to support Amaravati Capital City's investments (capital budget), operating costs (recurrent budget) and financial management.</p> <p>Component 5: Project Management and Implementation Support - USD21 million (AIIB: USD5.9 million, IBRD: USD8.8 million, GoAP: \$6.3 million) - This component will support project management and implementation, including: (a) building of capacities to monitor and evaluate project activities, citizen engagement and citizen survey interventions and grievance redress mechanisms; (b) reviewing and supervising construction work; and (c) communication of project objectives and expected results.</p>
Expected Results	The main project beneficiaries are expected to be current and future residents of Amaravati Capital City who will have access to improved urban services including connectivity, flood management and upgraded urban infrastructure in existing villages. By 2050, the population of the City is expected to reach 3.5 million people, up from 100,000 people today.
Environmental and Social Category	A
Environmental and Social Information	AIIB has agreed with the WB that: (a) the Environmental and Social Safeguard Policies and related procedures of the WB will apply to this project; and (b) it will rely on the WB's determination as to whether compliance with those policies and procedures have been achieved under the project. AIIB is satisfied that: (i) those policies and procedures are consistent with the Bank's Articles of Agreement and materially consistent with the provisions of the Bank's Environmental and Social Policy and relevant Environmental and Social Standards; and (ii) the monitoring procedures that the WB has in place to ascertain compliance with those policies are appropriate for the project. In addition, AIIB has further agreed with the WB that it will rely on the WB's corporate Grievance Redress Service (GRS) and the independent Inspection Panel to handle

complaints relating to environmental and social issues that may arise under the project.¹ Consequently, in accordance with the Bank's Policy on the Project-affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM.

The environmental and social risks and impacts associated with the project are significant due to risks from large scale conversion of agricultural land for urban development, road construction, seasonal flooding, land acquisition and resettlement, impacts to landless laborers and vulnerable families, construction-related labor issues, and Gender Based Violence (GBV) and other risks to women. The WB has applied OP/BP 4.01 (Environmental Assessment), OP/BP 4.11 (Physical and Cultural Resources) and OP/BP 4.12 (Involuntary Resettlement) to the project. An Environmental and Social Management Framework (ESMF), including Environmental and Social Management Plans (ESMPs) and Resettlement Policy Framework (RPF) have been prepared by APCRDA and disclosed on the websites of both APCRDA (<https://crda.ap.gov.in/APCRDA/UserInterface/Admin/asccdpnew.htm#divsagrddocs>) and the WB (<http://projects.worldbank.org/P159808/?lang=en&tab=documents&subTab=projectDocuments>). Resettlement Action Plans, in compliance with the RPF, have been disclosed for both the roads and flood mitigation components.

Environmental Impact Assessments (EIAs) and Environmental Management Plans (EMPs) have been prepared to identify impacts and provide mitigation measures for the 10 priority roads under the project. The impacts due to road construction identified in the EIA include cutting of trees, loss of top soil, disposal of soil from excavation, generation of construction and demolition waste, reduction in the surface area of 39 water bodies totaling 17.65 acres and other associated construction-related impacts such as air and noise pollution, traffic impacts during carting of spoil, erosion of disposal sites, etc. An EMP was developed and disclosed to address these impacts.

Flood mitigation works will ensure improvements in the carrying capacity of Kondaveeti Vagu and Pala Vagu rivulets/streams, which causes seasonal inundation and occasional flash flooding. Impacts include land degradation due to quarrying of stone to be used for lining of the reservoirs, impacts on three physical cultural sites including a private temple and two burial grounds, and water intake from the Krishna River of 0.35 thousand million cubic feet (TMC) out of the

¹ Communities and individuals who believe that they are adversely affected by the project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WB's attention, and its Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

available 3 TMC (lean period), to maintain minimum water levels in the canals. An EMP was developed and disclosed to address these impacts.

Land for the Amaravati Capital City has been secured using three types of tools: (a) a Land Pooling Scheme (LPS); (b) Negotiated Settlement; and (c) eminent domain under the *Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act* (LARR) of 2013. LPS is used for securing primarily agricultural land whereas land within the habitations is assembled through Negotiated Settlement. In case the landowner refuses to participate in either of the land assembly mechanisms in (a) or (b), land is acquired through (c) eminent domain under LARR 2013. The Entitlement Matrix for LPS, Negotiated Settlement and LARR 2013 is included in the RPF.

The total land required for the Capital City is 53,600 acres, spread across 25 villages, out of which approximately 39,000 acres are private land and 15,000 acres are government land. Out of 39,000 acres of private land, approximately 34,000 acres held by 27,970 farmers have been assembled under the LPS; another 1,200 farmers holding around 3,000 acres of land have not yet agreed to join the LPS. The remaining 2,000 acres of land are either private land or are under other types of land tenure or institutional holdings, etc., which may be assembled through LPS or other instruments. As part of the LPS, every participating farmer receives “returnable plots” proportionate to the contribution of land. Thus far, about 62,441 smaller commercial and residential “returnable plots” have been assigned within Amaravati via a lottery system and confirmed via provisional certificates.

One of the key steps to address the project’s social concerns was a survey of the affected communities, which was conducted in mid-2018, identifying 21,374 families of landless laborers and 857 vulnerable families. Landless laborers are being provided with inflation-adjusted pensions of INR2,500 per month and per household for ten years. In addition, landless laborers receive capacity building training on various vocations and employment opportunities under the national government schemes (MGNREGA) within or near the capital city.

Vulnerable families are provided with pensions and a range of social security benefits in health, education and income generation. A Livelihood Restoration Plan for Vulnerable People has been prepared to address the specific needs of vulnerable people. The GoAP has put in place monitoring measures for the identified vulnerable landless households that could face challenges accessing all eligible benefits. These measures allow the government to monitor the status of the vulnerable landless households, and to deploy safety net programs as needed.

The project is expected to induce construction-related labor impacts under the project contracts. The ESMF includes provisions for labor welfare and safe working conditions as well as measures to monitor the contractor for compliance with relevant labor laws and implementation of the ESMF provisions. The contractor will also be responsible for formulation and

implementation of a Code of Conduct for Workers. This includes behavioural issues of the labourers, guidelines on interactions with the host communities, and prevention of Gender Based Violence (GBV) and exploitation of women.

Under the project's Grievance Redress Mechanism (GRM), several channels have been adopted to ensure that farmers' voices are heard, and grievances are adequately addressed. The two most important channels are the Public Information Centers and the Mana Amaravati app, which is being widely used by project-affected people to reach out to APCRDA.

Following concerns raised in a Request to the World Bank Inspection Panel (case no. 119), the World Bank has conducted several high-level missions since 2017, engaged independent consultants to assess concerns related to land acquisition and compensation, and appointed a local NGO for facilitating community engagement and addressing community concerns. Measures taken to date to address the concerns raised are detailed in the RPF. It is anticipated that the Inspection Panel will make a recommendation to the Board of the WB on whether or not to authorize an investigation of the complaint by late March or early April 2019.

Cost and Financing Plan

Component	Total	IBRD	AIIB	GoAP
Component 1: Integrated Urban Infrastructure and Services	465	163.6	108.9	192.5
Component 2: Climate-Resilient Infrastructure	175	105.0	70.0	0.0
Component 3: Citizen Benefit Sharing	26	10.9	7.3	7.8
Component 4: Institutional and Fiscal Development	28	11.7	7.9	8.4
Component 5: Project Management and Implementation Support	21	8.8	5.9	6.3
Total	715	300	200	215
Overall percentage distribution	100%	42%	28%	30%

Borrower

Republic of India

Implementation Organization(s)

Day-to-day execution of the overall Amaravati Capital City development is the responsibility of APCRDA, which is headed by a Commissioner. The two main implementing agencies for the project are APCRDA and ADC. Components 1 and 2 will be implemented by the ADC. Components 3 and 4 will be implemented by APCRDA.

Operations and maintenance (O&M) of most of the newly built infrastructure will be the responsibility of the future Amaravati Capital City local government and related utility companies. Until such entities are established, the ADC will be responsible

	for the O&M and the State's Irrigation Department will operate the flood control measures. The Andhra Pradesh Capital Region Unified Transport Authority (APCRUTA) has been established as an apex body to ensure effective implementation and coordination of various traffic and transportation measures undertaken by the functional departments and public agencies in the capital region, and more specifically the city area.			
Estimated date of loan closing	December 2025			
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